



RECOMMENDATIONS

THE REGIONAL PRIVATE SECTOR CONSULTATIVE WORKSHOP ON AfCFTA TARIFFS OFFERS & ENGAGEMENT ON TRADE IN SERVICES NEGOTIATIONS.

Hilton Hotel, Nairobi Kenya, 24th to 25th June, 2019

For EAC businesses to optimize on AfCFTA opportunities and overcome challenges presented by the Agreement the EAC Private Sector have proposed the following recommendations:

1. General Observations:

1.1 Trade in Goods:

- The AfCFTA has the potential to boost intra-Africa trade by 52% by eliminating or reducing tariffs, and to further double that figure through the elimination of non-tariff barriers.
- Need to increase competitiveness, enhance intra-regional trade, removal of multiple charges and levies as well as reducing the cost of logistics.
- Need for joint efforts at the national, regional and continental level to ensure the remaining Member States ratify the AfCFTA agreement;
- Need for improved infrastructure such as transport and logistic, connectivity, high roaming charges to promote the flow of goods and services;
- Need for a common position on consideration of LDCs versus Non-LDCs during negotiations;
- Consideration of the application of the principle of asymmetry on infant industries during negotiations
- Need to have harmonized policy on EAC-SEZ threshold and treatment,

- Consideration of the implication of other Economic Partnership Agreements (EPAs) and other bilateral/multilateral agreements.
- There is need to tackle issues regarding cultural differences, corruption and security
- The EAC Partner States in collaboration with Private Sector should embark on compressive awareness creation on opportunities and challenges presented by AfCFTA
- Development of rules of origin regime at AfCFTA level that reflect the already existing at EAC level
- Finalization of the draft EAC schedule of tariff concessions for the AfCFTA- identification of the remaining exclusion and sensitive lists,
- There is a need for the establishment of Trade Remedies (Safeguards) committees at National level,
- There is a need for Mechanisms for addressing revenue losses,
- Continued sensitization of stakeholders on the AfCFTA to promote ownership and awareness,
- Need to present private sector positions on the AfCFTA and how the private sector should be organized to benefit from the AfCFTA during the Niger African Business Forum due in July 2019.
- Need for EABC to mobilize Private sector players to participate in EAC national consultative workshops on tariff offers which will commence in July 2019.

1.2 Trade Facilitation

- Need to develop capacity to differentiate, classify and categorize Non-Tariff Measures from Non-Tariff Barriers to be able to report and negotiate accordingly;
- Need to reduce transport and other border-related procedural costs that impede trade of goods and services;
- Need for the Members States to ensure trade facilitation reforms in terms of standardization, harmonization, certification, etc.
- Need for harmonization of nomenclatures and valuation, automation of customs operation and advance exchange and ensure that offenses are mutually prevented, investigated and suppressed.

- Need for trade information portals to share information regarding the acquisition of trade information on procedures, regulations, and processes.
- Need to jointly design and adopt a regional trade facilitation roadmap and implementation plan to ensure international trade best practices.

1.3 Trade in Services

- Need for simplification of free movement of services and persons under the four modes of supply as provided for under the WTO GATS
- Need for intensification of research and development to produce and substitute services imported
- Need for political will on regulatory reforms to facilitate trade in services
- Need to identify service value chains and their localization
- All road transport services and services auxiliary to road freight must be liberalized
- Need to consider local content and its implication to trade in services
- The EAC Common Market Protocol should be a guiding principle for trade in services negotiations
- EABC with support from ITC to bring together players in each of the sectors to identify barriers to the movement of trade in services.
- EAC Partner States to actively promote trade in services across the board
- Regulation on trade in services should balance and not stifle competition
- EABC to establish a trade in services desk through which all regional service sector related matters in trade in services will be channeled and coordinated
- Need for developing EAC single schedule of commitments that will be fronted for negotiations
- EAC-EABC to participate in the Signaling conference in South Africa in September 2019
- EABC to engage National Focal Points and Sectoral Associations to develop harmonized private sector positions to be taken to continental level for negotiations;
- Need for coordinated support from partners to avoid duplication of activities towards facilitating the AfCFTA negotiations,

- EABC needs to ensure consensus building among members in order to advance common positions for advocacy negotiations,
- Need to keep members informed on the status of negotiations, as well as implications to their businesses,

2.0 Key recommendations:

- i. The EAC Partner States should adequately involve the private sector in the negotiating process of AfCFTA instruments to ensure regional private sector interests are taken on board. The private sector should accompany government delegations during negotiating rounds;
- ii. EABC to seek for ITC's support in the forthcoming AfCFTA negotiation preparations, roundtables and consultative meetings;
- iii. Implementation of AFCFTA programme for the elimination of NTBs to include a sanctions regime within the AfCFTA NTB framework that addresses failure by member States to resolve NTBs in a timely manner;
- iv. EABC to advocate for harmonized regulatory frameworks as regards trade in services (Sectoral directives and regulations, protocols, trade-related regulatory principles and reference papers);
- v. Need for EABC to undertake evidence-based and to develop position papers that have the capacity to influence policy;
- vi. EABC to present private sector positions on the AfCFTA and how the private sector should be organized to benefit from the AfCFTA during the Niger African Business Forum due in July 2019.
- vii. EABC to mobilize resources for capacity building to address legal, institutional and regulatory capacity gaps at the national and regional level in order to facilitate the implementation of AfCFTA.