



AfCFTA One Year Later: The Road Travelled and the Road towards Launch of the Operational Phase



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In this commemorative article, the African Union Commissioner for Trade and Industry outlines what has been achieved since the AfCFTA Agreement was opened for signature on 21st March, 2018 in Kigali, Rwanda and what is expected as the African Union moves to launch of the operational phase of the continental market in July this year.

On 21st March this year, the Agreement Establishing the African Continental Free Trade Area marked one year of existence. It was opened for signature on 21st March, 2018 at an Extra-Ordinary Summit of the Assembly of African Union Heads of State and Government in Kigali, Rwanda. At that Summit, forty-four African Union Member States signed the historic Agreement. The number rose to forty-nine at the July, 2018 Nouakchott, Mauritania Summit. Three more signatures were added during the February, 2019 Addis Ababa Summit, bringing the figure to fifty-two as we commemorate the first Anniversary of this major milestone in Africa's resolute use of the lever of continental

economic integration to deliver prosperity to her people in line with **Agenda 2063: The Africa We Want**.

Making the Agreement operational is as important as having signatories. While awaiting the remaining three Member-States to sign on, Africa is progressing very well in the direction of securing deposits of instruments of ratification on the Agreement Establishing the African Continental Free Trade Area. So far, twenty-two National Parliaments of the African Union Member-States have approved ratification of the Agreement, with twenty Member-States depositing their instruments of ratification. At this point in time, Africa is just short of two deposits of instruments of ratification to have the Agreement enter into force, thirty days after receiving the twenty second instrument of ratification. At the time of going to press, the remaining two Member States assured the Chairperson of the African Union Commission that they would shortly be depositing.

It has been a momentous year of hard and smart work to create an African Continental Free Trade Area with commercial substance. As we commemorate the first year of this large market space, we do so with concrete achievements. The African Continental Free Trade Area is already delivering results well before it enters into force. In December, 2018, we held the First Intra-African Trade Fair, in Cairo, Egypt, which attracted above target exhibitions and business transactions. At the Cairo Fair, we had 1,086 exhibitors, 86 above target. We also had business deals over US\$32 billion, well above the target of US\$25 billion. This sterling achievement signals the potent force of the Intra-African Trade Fair as a viable platform and brand for trade information as well as actual growth of intra-African trade.

Africa is on target to launch the operational phase of the African Continental Free Trade Area in July this year in Niamey, Niger where we shall hold another Extra-Ordinary Summit for that purpose as well as formally commemorate its First Anniversary. During the launch, the African Continental Free Trade Area shall be fully supported with well-defined rules of origin; schedules of tariff concessions in trade in goods; an online continental non-tariff barriers monitoring and elimination mechanism; a Pan-African digital payments and settlement platform as well as an African Trade Observatory portal. After July this year, traders across Africa will be able to make use of preferential trading arrangements offered by the Agreement Establishing the African Continental Free Trade Area as long as the trade relations involve the twenty-two or more countries that would have deposited instruments of ratification as well as conform to agreed provisions on rules of origin governing trade in the African Continental Free Trade Area.

The Assembly of African Union Heads of State and Government shall, at the Niamey Extra-ordinary Summit also make a decision on the location of the secretariat of the African Continental Free Trade Area which will have the principal function of implementing the Agreement through a focused work programme. Seven Member-States: Egypt, Eswatini, Ethiopia, Kenya, Ghana, Madagascar and Senegal submitted bids by the deadline of 20th March this year. An assessment mission will be visiting these countries during May on the basis of which a report will be prepared for consideration by the African Union Ministers of Trade and the Extra-Ordinary Summit. It is the results of the assessment mission which will guide the Extra-Ordinary Summit on deciding the host of the permanent AfCFTA Secretariat. We wish all the bidders, good luck.

The work for the interim and permanent secretariats of the AfCFTA is already being cut

out for them. A post launch AfCFTA implementation plan is under preparation and will be submitted to the African Union Ministers of Trade in the first week of June this year, who, if satisfied with it, will convey it to the Extra-Ordinary Summit for its consideration and adoption in July this year.

The vision is to create one African market. In this respect, the historic obligation for each and every Member State of the African Union is to sign and ratify the Agreement Establishing the African Continental Free Trade Area. As we move towards celebrating the joyous occasion of the First Anniversary, we call, in the full spirit of Pan-Africanism and oneness; on all African Union Member-States to sign and ratify the Agreement before the July, 2019 Extra-Ordinary Summit.

In launching the African Continental Free Trade Area and making it work, Africa is overcoming the historic fragmentation and isolation of her economies by opening up huge commercial opportunities as well as improving transport and communication linkages among our countries. This aggregation and connectivity are forces for accelerated growth and sustainable development of African countries will enable us and realize the vision of the African Union and Agenda 2063: ***'An integrated, prosperous, and peaceful Africa, driven by its citizens, representing a dynamic force in the global arena.'***

We are creating more than a free trade area. In January, 2018, the Assembly of African Union Heads of State and Government launched the Single African Air Transport Market as well as opened for signature, the Protocol to the Treaty Establishing the African Economic Community Relating to the Free Movement of Persons, Right of Residence and Right of Establishment. Moving forward, Africa shall, during this year, conclude work on schedules of specific commitments on trade in services as well as commence negotiations on Protocols on Investment, Competition Policy and Intellectual Property Rights. All these developments show that Africa is laying the ground work for the establishment of an African Common Market or Internal Market, in line with the Treaty Establishing the African Economic Community, signed in Abuja, Nigeria in 1991 and ratified in 1994. To this end, the February 2019 Assembly of Heads of State and Government directed the African Union Commission to undertake a readiness assessment for this stage of deeper economic integration and policy harmonization among African countries. Work is already underway to implement this strategic Summit decision.

With a strong foundation that has been created, Africa is now better positioned to speak and act as a united entity in global trade negotiations and in the process, leverage her strength to secure trade and investment deals that offer accelerated and inclusive sustainable development for her people. There is hence political, economic, commercial and diplomatic value in establishing the African Continental Free Trade Area. Indeed Africa is, by creating the African Continental Free Trade Area also signalling to the wider world that she is committed to multilateralism and global interdependence. In this respect Africa calls on the rest of the world to re-commit in using and strengthening the multilateral trading system to promote shared prosperity among all the people of the world.



The African Continental Free Trade Area is an inclusive undertaking for Africans from all walks of life: Government, Civil Society, Academia, Women, Youth, Diaspora, Labour, Entrepreneurs and several other stakeholders at the national level. With a view to broadening stakeholder involvement, the United Nations Commission for Africa is collaborating with the African Union Commission to assist African Union Member States to formulate and implement National African Continental Free Trade Area Implementation Strategies, with appropriate national institutional arrangements. This will achieve two strategic objectives. In the first instance, Africa shall be bringing her continental integration project closer to the people. Secondly, African Union Member-States shall be able to align national development policies and programmes to the African Continental Free Trade Area legal provisions and work programme. With such alignment and policy harmonisation, Africa's prospects for rapid socio-economic development will be enhanced.

When Africa looks back to the Kigali Extra-Ordinary Summit, she does so with pride and satisfaction that a lot has been achieved in this one year. True, a lot remains to be done in the years ahead. But Africa is committed to build on this momentum and achieve much more to deepen her economic integration. It is in this spirit that we invite all Africans on the Continent, in the Diaspora and the friends of Africa to commemorate this historic day in July this year. In so doing, Africa shall be communicating to herself and the rest of the world, her resolve to create one African market and use this continental market to deliver accelerated and inclusive sustainable development as well as contribute to strengthening the multilateral trading system.

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