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AU STARTS PREPARING FOR JANUARY 2013 SUMMIT BY FOCUSING ON INTRA AFRICAN TRADE



Addis Ababa, 3 October 2011- The African Union intends that that sustainable economic development on the continent be achieved through promoting the growth of intra Africa trade and investments and through integrating Africa into the global market, among other strategies.

It is with the intention to boost intra African trade that a meeting was held at the AU Commission on 3rd October, between the Commission's Deputy Chairperson Mr. Erastus Mwencha and Mr Donal Brown- Director for East and Central Africa of the UK Department for International Development (DFID), and Mr Jim Drummond, DFID Director for Western and Southern Africa. Intra African trade will be the theme of the January 2013 summit of the AU. Promotion of intra African trade is also one of the strategies adopted by the AU in its 2009- 2011 Strategic Plan in order to promote sustainable economic development.

In this respect, the AU and DFID will work together to prepare for the January 2013 summit. According to Mr. Mwencha, the summit will aim to develop an institutional architecture on intra African trade that will define responsibilities, activities and the timeframes within which the activities will be carried out. The action plan is expected to lead to the development of an African free trade area (FTA), built on existing frameworks within the regional economic communities. In this regard, the Regional Economic Communities (RECs) have been brought on board to work with the AU so that the resulting FTA will be an African programme. The architecture will also have an inbuilt monitoring and evaluation mechanism which can be used by Heads of State and Government to assess progress on its implementation.

In the collaboration with the RECs, the AU sees its role as complementary to the work being done by the RECs. "RECs are at the center as the building blocks and we play a supporting role," said Mr. Mwencha. The Commission is also looking at the summit as only an event in the larger process of development of FTAs.

The convergence of regional economic blocks into free trade areas has already taken root in Africa, with the recent tripartite agreement between COMESA, SADC and EAC to form

a common FTA. The decision by the three RECs to form the FTA has been described as a big political commitment and a landmark decision in Africa's regional integration efforts. The FTA will comprise 26 countries with a combined population of 527 million people, a GDP of US\$ 624 billion, and an average GDP per capita of US\$1,184. The overall objective of the three RECS is to expand trade, alleviate poverty and improve the quality of life for the people of the Eastern and Southern African regions. Mr Mwencha said the tripartite needs to continue to receive support so as to overcome the challenges they face going forward. He however expressed satisfaction that many of the hurdles are being overcome.

The Deputy Chairperson said the tripartite has the potential to be seen as an example of best practices by other regions in Africa, which may have the intention of similarly converging. He said it is through the convergence within and among the RECs that African integration can be achieved. He went further to say convergence is good for Africa because an inward looking approach is more circuitous and that it takes longer to achieve the desired development objectives, adding that the fast pace of global developments may mean that countries that do not join FTAs may be left behind.

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