THIRTEEN EXTRA ORDINATY SESSION ON THE AfCFTA : THE ASSEMBLY OF THE UNION ADOPTS DECISION ON THE START OF TRADING

African Union Heads of State and Government have underscored the urgent need for member states to kick-start trading activities, under the African Continental Free Trade Area (AfCFTA). The decision was adopted during a virtual meeting of the 13th Extra Ordinary Session of the Assembly of the Union on the AfCFTA, held on Saturday 5 December 2020, under the Chairmanship of H.E. Mr Cyril Ramaphosa, President of the Republic of South Africa and Chairperson of the African Union (AU). The summit is taking place just four weeks before the AfCFTA commences trading on the 1st of January 2021, to consider the adoption of the legal instruments that will facilitate its operation.

Welcoming all the participants to the 13th Extraordinary Session of the Assembly of the Heads of State and Government of the African Union, Chairperson Ramaphosa said “today we stand on the cusp of a new era in the progress of our continent. The moment that we have all been working painstakingly towards has finally arrived...We are all filled with a great sense of pride at how far we have come to reach this moment”.

The AU Chairperson further recalled the collective journey embarked upon over four decades ago, with the adoption of the Monrovia Strategy in 1979, followed by the Lagos Plan of Action in 1980, the Abuja Treaty in 1991 and the subsequent Decisions and Declarations adopted during previous Summits relating to the economic development and integration of the African continent. “And now, we are about to witness the realisation of one of the flagship projects of Agenda 2063.” Stated the Chairperson of the Union, with great relieve.
“Throughout this process, we have stood united, with 55 sovereign AU Member States rallying together, despite different levels of economic development and diverse strategic priorities. The commencement of trading under the AfCFTA on the 1st of January 2021 is one of the most significant milestones in the continental integration project”. Noted the AU Chairperson. He underlined that, this is going to be the clearest affirmation that Africa is determined to take charge of its own destiny, and that its success and development is fundamentally tied to harnessing the potential and energies of her citizens.

According to President Cyril Ramaphosa, the AfCFTA will boost intra-African trade, it will promote industrialisation and competitiveness and contribute to job creation, and it will unleash regional value chains that will facilitate Africa’s meaningful integration into the global economy. The AfCFTA will also improve the prospects of Africa as an attractive investment destination. It will help advance the empowerment of Africa’s women, by improving women’s access to trade opportunities which will in turn facilitate economic freedom for women, and expand the productive capacity of countries. “To support this, we must strengthen women’s participation in the continental economy by ensuring there is greater public procurement earmarked for women-owned businesses. We must ensure that there is sufficient support given to women-owned SMMEs and cooperatives in both local and regional economies” Emphasised Chairperson Ramaphosa.

H.E. Mr Moussa Faki Mahamat, Chairperson of the AU Commission on his part expressed satisfaction on the millstone achieved in the implementation of the AfCFTA. He said it is the fulfilment of the dream long aspired by the founding fathers of the Organisation of African Unity (OAU), who have always wanted to create an African common market.

Moussa Faki noted that, for this dream to finally become a reality, this continental project had to go through several stages. First was the signing in 1991 of the Treaty establishing the African Economic Community, followed by the signing in March 2018 in Kigali, Rwanda, of the Agreement establishing the AfCFTA, during which 44 countries signed the Agreement, and it is with great satisfaction that in record time 34 countries have ratified the legal instrument on the AfCFTA. This, the AUC Chairperson said, shows the determination by member state to quickly achieve the economic integration of the continent. (See complete speech of the AUC Chairperson on the AU website: www.au.int)

Speaking from the headquarters of the AfCFTA Secretariat in Accra, Ghana, the Secretary General of AfCFTA, Wamkele Mene stressed that integrating 55 markets
will not be easy but giving up is not an option. He recalled that in August 2020, the Government of Ghana officially handed over the AfCFTA Secretariat building to the AUC Chairperson, H.E. Moussa Faki Mahamat. Reiterating that, H.E. President Akufo-Addo has given his full support and is committed to see the AfCFTA truly commercially start off trading by the announced date of 1st of January 2021. “Today, 54 countries have signed the agreement while 34 countries have deposited their instruments of ratification, and 41 countries/customs unions have submitted their tariff offers, including the EAC and ECOWAS” underlined the AfCFTA SG. He however noted that, none of this remarkable progress would have been achieved without the unwavering leadership and commitment of H.E. President Mahamadou Issoufou, the Champion and Leader of the AfCFTA”.

SG Wemkele called on AU Member States to aggressively implement the AfCFTA as one of the tools for effecting a fundamental structural transformation of Africa’s economy and placing Africa on a path of long term industrial development. He said “women in trade, young Africans and SMEs, confront significant challenges when attempting to benefit from trade agreements”. Adding that, for the AfCFTA to be inclusive and to ensure shared growth across the continent; women, young Africans and SMEs have to be at the heart of its implementation. (See complete speech of SG Wamkele Mene on the AU website: www.au.int )

Worth recalling that it is the AU Assembly Decision adopted at its 33rd Ordinary Session held in Addis Ababa, Ethiopia, on 9th – 10th February, 2020, that recommended the holding of this 13th Extraordinary Summit to approve all instruments required for the start of trading under the AfCFTA. During the meeting, the Heads of State expressed their appreciation to the report presented by H.E. Mr. Issoufou Mahamadou, President of the Republic of Niger, the leader and Champion of the AfCFTA, and adopted the recommendations thereof on the progress achieved on the establishment of the African Continental Free Trade Area (AfCFTA). They requested the AfCFTA leader and Champion to continue his efforts to ensure that all fifty-five (55) African Union Member States become state parties to the AfCFTA Agreement.

The Assembly also commended H.E Nana Addo Dankwa Akufo-Addo and the people of Ghana for offering to host the secretariat of AfCFTA in Accra thus, fulfilling the African dream. The Heads of State further commended the role played by all Member States, the African Union Ministers of Trade (AMOT) and other AfCFTA Negotiating Institutions, the African Union Commission (AUC), the Regional Economic Communities (RECs) and the AU cooperating partners, for the significant progress made in advancing AfCFTA negotiations. They congratulated all the
countries that have deposited their instruments of ratification of the AfCFTA Agreement, and called on those member states that have not yet ratified the Agreement to do so as soon as possible in order to increase the size of the market and the volume of trade under the AfCFTA.

The Assembly finally deliberated that the exchange of tariff concessions between State Parties will be conditioned by the principle of reciprocity in terms of product line coverage, and tariff reduction schedules that are aligned with the agreed modalities. They endorsed the declaration on the Risk of Investor-State Dispute Settlement (ISDS) with respect to COVID-19 pandemic related measures, as adopted by the African Union Ministers of Trade (AMOT), and the establishment of the African Business Council (AfBC) which is part of the Architecture of the AfCFTA.

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