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**STATEMENT BY HER EXCELLENCY,
MRS FATIMA HARAM ACYL,
COMMISSIONER FOR THE
DEPARTMENT OF TRADE AND
INDUSTRY**

AT THE

**EXTRAORDINARY SESSION OF THE
CONFERENCE
OF THE AFRICAN UNION MINISTERS
OF TRADE
27TH APRIL 2014
ADDIS ABABA, ETHIOPIA**

**STATEMENT BY COMMISSIONER FOR THE DEPARTMENT OF
TRADE AND INDUSTRY AT THE EXTRAORDINARY SESSION OF
THE CONFERENCE OF THE AFRICAN UNION MINISTERS OF
TRADE 27th APRIL 2014, ADDIS ABABA, ETHIOPIA**

Your Excellencies Honourable Ministers of Trade

Representatives of the Regional Economic Communities

Representatives of ECA and AfDB,

Distinguished Guests

Ladies and Gentlemen

It is my pleasure to welcome you to Addis Ababa for this critical meeting and to congratulate us on our response and participation in spite of the short notice provided for the organization of this meeting.

This Extraordinary Session was organised in response to the directive from the AU Summit, held in January 2014 in reaction to the recommendations from the High Level African Trade Committee considered and adopted by the Summit.

The High Level African Trade Committee (HATC) was set up to champion and provide momentum to the Boosting of Intra Africa Trade including the establishment of the Continental Free Trade Area. At its meeting on the sidelines of the January 2014

Summit, the HATC considered the progress made with regard to the Boosting Intra Africa Trade program as well as the establishment of the CFTA. In particular, it considered the implication of bilateral and multilateral agreements on Africa's integration and industrialisation. The HATC and Summit, during their meeting reiterated the need to prioritise the Boosting of Intra Africa Trade and the establishment of the CFTA as the most viable means for Africa to achieve structural transformation and sustainable development. They further urged Member States and Regional Economic Communities to ensure that the negotiations of bilateral and multilateral trade agreements by RECs and individual countries do not compromise Africa's integration or undermine the scope and vision of the Abuja Treaty.

In addition to this, the HATC and the Summit urged Member States to ensure that the negotiations of multilateral and bilateral agreements do not further constrain the policy space and flexibilities that they need for effective intra African trade, industrialization, regional integration, value addition and employment creation.

More specifically, adopting the HATC recommendations, the Summit in January 2014 mandated the Ministers of Trade to hold an Extra ordinary session to consider and adopt a work

plan, negotiating modalities and principles towards the effective launch of the CFTA negotiations in 2015 as well as to consider reports on Africa's response and implications of the Bali Agreement and Africa's assessment studies on AGOA, to be presented to the next Summit meeting in June 2014.

Excellencies, Ladies and Gentlemen

The organisation of this Extra- Ordinary Trade Ministerial is in direct response to this key directive, and the decisions and recommendations adopted by yourselves will be tabled before the HATC and the Summit, this June for consideration and adoption. In addition to this very specific directive from the Summit, this meeting is also considering an update on the status of Economic Partnership Agreement negotiations being undertaken in our region.

Excellencies, at various fora, the Commission has raised a number of concerns about the EPA negotiations relating to the policy space and flexibility for African countries to enact policies for the industrialisation, food security, growth and development of our countries as well as the dangers that EPAs pose to Africa's regional integration efforts. In addition, there is the urgent need for action in order to avoid potential trade disruption due to the proposal to withdraw the current market

access preferences for non-LDC countries that have not signed and ratified the EPAs by October 2014

In view of all the challenges with the EPA, the Summit called for the inclusion of Economic Partnership Agreements on the Agenda of the Joint Africa-EU Summit in April 2014 to enable a High-Level Dialogue to break the impasse on EPAs. We were able to place the EPAs on the agenda, which led to some substantive language in the Joint Summit Declaration and Roadmap following very challenging discussions. In spite of this however, there is still no clarity on the way forward regarding the EPAs and the serious challenges that they pose to Africa's structural transformation. In as far as Europe continues to insist on the present model of the EPA – with far-reaching market access liberalization commitments; disciplines on export taxes; the Most Favoured Nation Treatment Clause; and commitments to conclude negotiations on trade related issues which go beyond the WTO requirements, Africa should not agree to the EPAs. We would incur major tariff revenue losses into the future, jeopardize our industrialisation prospects and threaten our growing regional trade and integration.

If the status quo continues in the negotiations, the time has come for us to take the bold but necessary step to explore and put forward alternatives to EPAs that work for Africa. These include our intra-African market which is fast expanding; other

developing country markets; and alternative trade regimes with the EU. Such alternative regimes include the EU's GSP+ for some non-LDCs; the continuation of the Everything But Arms (EBA) for LDCs; request that the EU reforms its GSP to give LDC treatment to 'LDC customs unions' (customs unions where half or more countries are LDCs); or that EU seeks a waiver at the WTO just as in the case of AGOA. In the absence of the EPA, and in the face of duties on some of our current exports to the EU, our countries can also consider using our own internal resources, for example, from the tariff revenue that we would be able to retain to support the sectors that may face some adjustment challenges post 1 October 2014.

There are thus many alternatives and at this critical juncture, we look to you, Excellencies, to provide strong political direction on the way forward, with the assurance that our recommendations and urgings will be given the utmost political backup through its adoption by the Heads of States at the forthcoming Summit.

Excellencies, Ladies and Gentlemen

Excellencies, we will also be asked to consider recommendations from our Senior Officials concerning Africa's

strategic response to the WTO Bali. As we are all aware, the WTO Ministerial meeting in Bali reached an agreement on a number of issues, including trade facilitation. Excellencies, we are also aware that a number of our countries feel that the decisions reached in Bali, while noteworthy and commendable, were not the most optimal decisions in terms of Africa's interests. Unlike the Trade Facilitation Agreement, which when it enters into force will require our countries to take on binding commitments, the issues that were of particular interest to Africa were given only non-binding best endeavour treatment. We have to reflect and learn from the lessons of Bali on how we can ensure that our interests and priorities are adequately addressed in the Post Bali Negotiations. It is important that at this Ministerial, we instruct the negotiators of the Africa Group in Geneva to formally submit language on the Protocol of Amendment – the legal instrument that will enter the TF Agreement into force at the WTO – to the effect that the Trade Facilitation agreement will be provisionally implemented and in completion of the entire Doha Round of Negotiation. This is a systemic issue that has implications far beyond the issue of Trade Facilitation. It is about ensuring that our development issues will not be marginalized in the future negotiations on the Doha Work Programme whilst the issues of others are brought to conclusion and it creates strong negotiating leverage to achieve satisfactory outcomes in the negotiations on our issues

of Interest Excellencies, let us take the time to engage on this effectively and come up with recommendations for the Summit which ensure that Africa's interest are at the forefront in the WTO negotiations. On these issues, it is critical that as Africa, we speak with one voice, to increase our negotiating leverage and in order to address the existing imbalances in the multilateral trading system.

Excellencies, we would also be considering a report on the extension of AGOA. It is important for us to strategize effectively on ensuring that AGOA is extended for the next 15 years in a manner in which African countries can fully maximize its benefits. It is also important for us to consider the implications of our bilateral arrangements such as EPAs – and some of the challenges that have been raised about a possible extension of AGOA.

Excellencies, Ladies and Gentlemen

Last but not the least, and certainly most important of all, we are going to engage on the strategic issues relating to the launch of the Continental Free Trade Area in 2015 as mandated by the Summit. Excellencies, given the uncertainties with our multilateral and bilateral trade negotiations, it has become even more critical that we must create and maintain momentum towards the establishment of a CFTA that is as ambitious as possible in as short a time as possible. The CFTA is the

foundation for the Agenda 2063 – and it is the critical first step towards the realization of the Abuja Vision of an African Economic Community. Excellences, we must prioritize our own economic integration agenda over other bilateral and multilaterals because it is this agenda that is key to our economic transformation and development.

Excellencies, thank you for your attention and I will stop at these few words. I look forward to engaging further on these issues in the course of our discussions.