



**STATEMENT BY H.E. MRS FATIMA HARAM ACYL - AU
COMMISSIONER FOR TRADE AND INDUSTRY AT THE 9TH
ORDINARY SESSION OF THE AU CONFERENCE OF MINISTERS OF
TRADE ADDIS ABABA,
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Protocol

It is a great privilege and honour for me to welcome you, on behalf of the Chairperson of the AU Commission, H.E. Dr. Dlamini Zuma, to this 9th Ordinary Session of AU Conference of Ministers of Trade. I wish at the outset to express the gratitude of the Commission to our special guest(s), Mr. Azevedo, the Director-General of the World Trade Organization, Mrs Arancha Gonzales, the Executive Director of ITC, Mr. Achille, the Assistant Secretary General of the ACP Group and Dr. Adbul Hamdok, representing the UNECA Executive Secretary and XXX, representing the Secretary General of UNCTAD--- for taking time from their busy schedules to be with us at this important meeting.

Honourable Ministers, Distinguished Ladies and Gentlemen

This session of the Conference has been convened for Ministers to deliberate upon, give guidance, and take decisions on a number of trade issues that are crucial for the socio-economic development of our continent. As Africans, we should be proud of our recent economic growth performance but there should be no room for complacency. Our continent's current growth has lacked depth, being driven largely by commodity production and trade. As a result, it has been non inclusive, non poverty-reducing, and non employment -generating and hence is not sustainable in the long-run. Africa's recent economic growth notwithstanding, our continent remains the epicenter of global poverty. If the vision set in Agenda 2063 of "an integrated, prosperous, and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena" is to be realized, we must intensify our efforts to achieve rapid, inclusive, poverty-reducing and sustainable economic growth.

Honourable Ministers, Distinguished Ladies and Gentlemen

In the current era of globalization the major challenge confronting you as African Trade Ministers is to ensure that our continent is well integrated into the global trading system and that trade plays its role as engine of growth.

and development, and that it contributes to the realization of the vision of a prosperous, strong and united Africa as articulated in the Constitutive Act of the African Union and Agenda 2063.

There are two interrelated pillars of Africa's trade agenda which require the attention and enhanced focus of our Ministers: (i) the boosting of intra-African trade and the deepening of our market integration and (ii) improving the performance of Africa in global trade and enhancing its meaningful integration into the multilateral trading system. To enable our Ministers to reflect upon and give political guidance on the way forward on these pillars, the Draft programme for this Session of your Conference includes two important panel discussions on the Continental Free Trade Area (CFTA) and the Trends in Global Trade and Investment. This is in addition to the consideration of the Report of the Meeting of Senior Officials which contains a number of recommendations on these issues.

Honorable Ministers, Distinguished Ladies and Gentlemen

In spite of the high priority attached to regional integration in our development strategy, progress in this area has been limited. Several

milestones in the six stages agreed, in the Abuja Treaty, for the establishment of the African Economic Community has been missed. Of the major regions of the world, Africa has the lowest level of intra-regional trade, which currently stands at about 10-12 per cent.

It is almost three years since the Heads of State and Government adopted the CFTA. The time for rhetoric should now be over and that of concrete action should begin in earnest. As the key policy organ of the AU that has been entrusted with the task of moving the process of Africa's market integration forward, your Conference has a great responsibility. This includes ensuring that the negotiations of the CFTA begin in 2015 as envisaged in the road map approved by AU Summit and also ensuring the speedy establishment of the organs in the CFTA architecture. Recent developments on the global scene such as the emergence of mega FTAs by key players in world trade have underscored the importance of accelerating Africa's market integration.

Since the last Ordinary Session of this Conference, the AUC has undertaken a number of activities to move the CFTA process forward. In collaboration with UNECA, UNDP and the RECs, regional consultative

meetings have been held to sensitize stakeholders on the CFTA/BIAT initiative and to get their inputs into the process of the implementation as well as key documents including the Draft CFTA Negotiating Principles, the Institutional Framework for the CFTA Negotiations and the Draft Terms of Reference for the CFTA Negotiating Forum. The Meeting of Senior Officials has discussed these documents and made recommendations on them for the consideration and decisions of Ministers. The expectation of the AUC is that your decisions will ensure the early start of the CFTA negotiations as well as its successful completion. **We commit to redouble our efforts to undertake the work outlined in the Work plan before the launch of the Negotiations.**

Honourable Ministers, Distinguished Ladies and Gentlemen

The implementation of the BIAT Action Plan is a critical component of the overall trade and development agenda and it is in this regard that we continue to work on the operationalization of the action plan at the national, regional and continental level. Trade in Services is not only one of the most dynamic sectors of global trade; it is also critical for the modernization and transformation of Africa's economy. Consequently, the AUC is currently

developing a programme of capacity building in trade in services for our continent.

Permit me Honourable Ministers to say a few words about trade facilitation, one of the seven clusters of the BIAT Action Plan endorsed by the AU Summit. Africa cannot boost intra-African trade and participate meaningfully in global trade without addressing the challenges of trade facilitation. Trade facilitation can be said to be low “hanging fruit” among the BIAT Action Plan clusters. Studies have shown that if these challenges are properly addressed, the current 10-12 per cent level of intra-African trade can increase two-fold within a decade.

The AUC is committed to the development and implementation of trade facilitation programmes activities by Member States and the RECs. It is in this regard that we have been organizing regularly the meetings of the Directors –General of Customs Administrations in Africa, who constitute a Sub-Committee of this Conference. The Directors –General have developed and submitted several proposals on trade facilitation issues such as simplified customs regulations and procedures, integrity in customs operations, and interconnectivity of customs information systems: all of

which are aimed at the facilitation of trade, reduction of cost of doing business and consequently increasing the competitiveness of African products. Given the crucial importance of trade facilitation for the enhancement of Africa's intra-African trade as well as the effective integration of the continent into the global trading system, we expect the international community to provide adequate technical and financial support for implementation of trade facilitation programmes and activities in Africa, including those necessitated by the Bali WTO Trade Facilitation Agreement.

As directed by you Excellences, the Commission is in the process of mobilizing resources from development partners for the implementation of a Special Project on Trade Facilitation in 2015. On the issue of resource mobilization for trade facilitation, I wish to commend the DG of the WTO for putting in place a fund to accompany the implementation of the Trade Facilitation Agreement. We hope the scheme will be adequately funded and operate effectively to assist, as envisaged, Members to evaluate needs, develop projects, identify possible development partners, and obtain resources for the implementation of the Trade Facilitation Agreement.

Honourable Ministers, Distinguished Ladies and Gentlemen

The position of the AUC is the position of our HoSG in Malabo that Africa should remain committed to a rules-based multilateral trading system and the WTO process in the hope that rules of the resultant agreements will be development-friendly and address the concerns and interests of our countries. It is for this reason that African countries should participate actively in the Post Bali WTO Agenda. However, it cannot be over-emphasized that the strength of Africa in trade negotiations that involve powerful parties lies in unity and solidarity. African countries must continue to speak with a strong and coherent common voice in the defense of our interests in engagement with the rest of the world. At the same time, the continent must be strategic in its positioning and in articulating what it truly desires from the Post Bali negotiations. The continent must not only articulate its desires, but must plan through the different scenarios that can lead to its most favorable outcomes. A Draft Declaration on WTO issues has been reviewed by the meeting of Senior Officials for the consideration of Ministers. I wish at this juncture to express my appreciation to the Group

of African Ambassadors in Geneva, some of whose members are attending this conference, for its valuable contribution to the articulation and defense of Africa's common positions on WTO issues.

As you are aware, the other major set of international trade negotiations that our countries and regions have been involved in for over a decade relates to the Economic Partnership Agreements (EPAs) with the European Union. There are indications that substantial progress has been made in the EPA negotiations across the different RECs. The main preoccupation in this regard is to ensure that EPAs do not weaken our regional and continental integration process and retard the growth of intra-African trade. The AUC will continue to monitor the process of the conclusion, ratification, and implementation of the agreements.

Honourable Ministers, Distinguished Ladies and Gentlemen

As you are aware, the first Africa-US Leaders Summit was held in Washington, DC in August 2014 immediately after the AGOA Forum. I am pleased to report that Africa's request for the renewal of AGOA is receiving favourable response. The US Administration is doing everything possible to

renew and update AGOA in order to increase market access for African products; improve Rules of Origin to provide flexibility, encourage regional integration and the development value chains and achieve more US-Africa trade; and build capacity to meet SPS measures by launching a new SPS policy and regulatory programme to support RECs and the AU's Year of Agriculture. Much of the credit for this achievement goes to you, Honourable Ministers, for the strong message in your successive Declarations on AGOA and to the Group of African Ambassadors in Washington for its lobbying of US Congress and Administration. We must however continue to intensify our lobbying and advocacy efforts in order to materialize the reauthorization of AGOA as soon as possible and avoid loss of contracts and jobs. The window of opportunity to obtain a seamless reauthorization of AGOA is closing – we need to act now, during the month of December to deploy all our efforts to place this critical issue on the US Congress set of priority legislations.

Honourable Ministers, Distinguished Ladies and Gentlemen

Our efforts to improve the participation of Africa in global trade have not been limited to AGOA, WTO and EPA negotiations. In the meetings of

Africa's strategic partnerships with other regions and countries of the world, including the emerging powers of the South, the issue of advancing Africa's trade agenda has been receiving much attention. Part of Africa's message in such meetings has been the need for a new type of mutually beneficial trade and economic relations that is not anchored primarily on exploitation and export of primary commodities but one that supports Africa's agenda for **industrialization**, economic transformation and integration and **job creation**.

Honourable Ministers, Distinguished Ladies and Gentlemen

Before I end my statement, permit me to express the profound gratitude of the Commission to the Senior Officials who over the last three days have worked tirelessly to ensure the success of this Session of your Conference. Their commitment to the cause of Africa's development is deeply appreciate.

The enormity of the tasks of using trade as a key instrument for lifting our people out of poverty; achieving rapid, inclusive and sustainable economic growth; and realizing the vision of Africa encapsulated Agenda 2063 is not

in doubt. I am optimistic that as AU Ministers of Trade and stakeholders gathered here will champion the cause of Africa and be positive agents to deliver on the priorities set by our leaders. We need to engage the private sector to take their role, as well as civil society, academia, think tanks and partners. We are sitting on the verge of a significant moment when we take one step closer to fulfilling the vision of our founding fathers. Let us give one significant push and make our children and grandchildren proud!

As the great Nelson Mandela once said: “ IT IS IMPOSSIBLE, UNTIL IT IS DONE.”

I thank you for kind attention and wish you fruitful deliberations.