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Creating One African Market

Statement by Ambassador Albert M. Muchanga,

African Union Commissioner for Trade and Industry

Delivered at the

**Eleventh Meeting of the African Union Sub-Committee of
Directors- General of Customs**

Held in Kampala, Uganda.

From 19-20 September 2019

Right Honourable Dr. Ruhakana Rugunda - Prime Minister of the Republic of Uganda;

Your Excellency, Mr. Kunio Mikuriya, Secretary General of the World Customs Organization;

Mrs. Doris Akol, Commissioner General of Uganda Revenue Authority and In-Coming Chairperson of the Eleventh Meeting of the African Union Sub-Committee of Directors-General of Customs;

Mr. Souef KAMALIDINI, Director General of Comoros Customs, and outgoing Chair of the AUSCDGCs;

Mr. Dicksons Kateshumbwa, Chairperson of the Council of the world Customs Organisation is highly commendable;

Distinguished Directors-General, Commissioners, and Heads of Customs Administrations of African Union Member States;

Representatives of the Customs Departments of the Regional Economic Communities;

Distinguished Delegates;

Ladies and Gentlemen:

Good morning to you all.

I am very happy to be with you today here in Kampala.

I thank our gracious host for looking after us very well.

I am also very happy to see a good friend and colleague, Dr. Kunio Mikuriya, the Secretary General of the World Customs Organization. Your dedication to the work of African Customs administrations as reflected by your presence here.

I would also like to thank you Commissioners General/ Commissioners of Customs for travelling to Kampala to attend this important meeting, which will also look at how African Customs Administrations will prepare for the start of trading under the African Continental Free Trade Area on 1st July, 2020.

I would like to pay tribute to the out-going bureau. Under the able leadership of Director-General **Souef KAMALIDINI**, the out-going Bureau did a commendable job of spearheading the African Union agenda on Customs since taking office in September 2018.

In equal measure, I warmly congratulate the in-coming bureau, under the leadership of Mrs. Doris Akol, Commissioner General of the Uganda Revenue Authority. Please rest assured of my full support in the discharge of your important duties.

We all remember that the Uganda Revenue Authority made Africa proud by hosting a very successful 4th Authorized Economic Operators (AEO) Conference together with the World Customs Organization, in this very city, (Kampala) in March 2018. That was the 1st AEO Global Conference to be held on the African soil, and hopefully, not the last. Though invited, I could not attend this historic conference as I was equally engaged on the preparations for the signing of the Agreement Establishing the African Continental Free Trade Area on 21st March, 2018 in Kigali, Rwanda.

Right Honourable Prime Minister;
Honourable Minister;
Distinguished Delegates:

The theme of this meeting: ***“The entry into force of the Agreement establishing the African Continental Free Trade Area (AfCFTA)- Implications to African Customs Administrations”*** is timely, relevant and critical.

Between today and tomorrow, you will deliberate on your roles and responsibilities for the successful implementation of the AfCFTA Agreement. Let me, however, make three key points related to this.

The first one is that State Parties to the AfCFTA Agreement are now producing trade documents which will later be distributed to all customs points around national territories. You need to be abreast with this key preparatory activity.

The second point is that in order to promote effective trade facilitation in the AfCFTA, you should use this meeting to ensure that African Customs Administrations are electronically inter-connected as part of your preparations to be ready for the start of trading on 1st July, 2020. I am told it is difficult to achieve this, but it is not insurmountable. Before coming into this conference room, the right Honourable Prime Minister was shown by the Uganda Revenue Authority the efforts they are making to monitor the movement of cargo electronically at national level. There is need to aim to go at continental level.

The third point is that before the start of trading on 1st July, 2020, the African Union Commission as Interim Secretariat of the African Continental Free Trade Area will call for an extraordinary meeting of the African Union Sub-Committee of Directors-General of Customs to enable you familiarize yourselves with the AfCFTA trade documents as well as assess your state of readiness for the start of trading on that day. I suggest you adopt a date in the middle of March next year. Specific dates for the meeting should be in your report that you will adopt at the conclusion of your deliberations during this meeting.

Right Honourable Prime Minister;
Honourable Minister;
Distinguished Delegates:

When we met in Moroni, Comoros, during the 10th Ordinary Session last year, 49 Heads of State and Government of the AU had by that time signed the Agreement Establishing the AfCFTA, of these, seven countries had deposited their instruments of ratification with the Chairperson of the Commission. Today, 27 State Parties have ratified the AfCFTA Agreement, and in all 54 AU Member States have signed the AfCFTA Agreement. We are only left with one country to sign and 28 to ratify. I am sure we shall have the remaining signature and ratifications by 1st July next year so that all the 55 African Union Member States become State Parties to the Agreement Establishing the African Continental Free Trade Area. Once this is achieved, we shall have laid a strong foundation to create one African Market, which is our vision. This is what Africa needs to industrialize, establish competitiveness, promote structural transformation and innovation as well as drastically reduce poverty. A large and growing market will usher in equally large economies of scale and scope. These will in turn attract large-scale and long-term investments which we badly need to grow our economies and promote decent livelihoods for our people.

Right Honourable Prime Minister;
Honourable Minister;
Distinguished Delegates:

It is worth noting that today, Phase 1 of the AfCFTA Negotiations which covered the Protocol of Trade in Goods, the Protocol on Trade in Services and the Protocol on the Rules and Procedures for the Settlement of Disputes have largely been completed. We are now finalizing work on the following key areas:

- Work on the regime on Rules of Origin;
- Work on the Schedule of Tariff Concessions on Trade in Goods;

- Work on Specific Commitments on Trade in Services;
- Work on establishing an online Mechanism on Monitoring, Reporting and Elimination of Non-Tariff Barriers;
- Work on the establishment of a Pan African Payments and Settlement System; and,
- Work on the establishing the African Trade Observatory.

All these activities must be completed by 1st July, 2020. It is a Summit Decision and no negotiable.

The next step in consolidating the African Continental Free Trade Area is to move into Phase 2 of the Negotiations, which encompass the Protocol on Intellectual Property Rights; Protocol on Investment and Protocol on Competition Policy. These, together with the Single African Air Transport Market launched in 2018 and the Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment provide a strong policy basis for moving Africa towards a Common Market. Such a development would consolidate policy and regulatory harmonization and in the process, further reduce the cost of doing business on the continent.

Right Honourable Prime Minister

Honourable Minister;

Distinguished Delegates:

Your role in the implementation of the Agreement Establishing the African Continental Free Trade Area is very clear. This sub-Committee is part of the oversight institutions created under the Agreement. All I can do is to urge you to be fully prepared to play your role in facilitating trade across Africa.

Let me also point out that in the Protocol on Trade in Goods, there are three important Annexes that African Customs Administrations need to be familiar with, and these are:

- Annex on Transit and Transit Management;
- Annex on Trade Facilitation; and,
- Annex on Customs Cooperation.

Let me also state that in October this year, the inaugural meeting of the Council of Ministers of Trade established under the AfCFTA Agreement will convene. Two of the items on the business of that meeting will be to adopt rules of procedure and agree on the work program, including activities of oversight institutions. As earlier mentioned, your sub-committee will be part of those oversight institutions.

Right Honourable Prime Minister

Honourable Minister;

Distinguished Delegates:

Before I conclude, I would like to emphasize the importance of ensuring that the Draft Trade Facilitation Strategy goes to the 2020 African Union Assembly of Heads of State and Government. Once approved by the Assembly, it will play a critical role in the implementation of the AfCFTA Agreement and the WTO Trade Facilitation Agreement as well as contribute further liberalization of intra-African Trade; and, in the process, contribute to accelerated economic growth and poverty reduction on the African continent.

I will conclude by wishing you fruitful deliberations. I look forward to receiving your outcome documents.

I thank you all for your kind attention.