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**Statement by Albert Muchanga**

**Commissioner for Economic Development, Trade, Tourism, Industry  
and Minerals**

**Delivered at the**

**Launch of the 2021 African Integration Report**

**At the**

**African CEOs Forum**

**Your Excellencies;**

**Captains of Industry;**

**Distinguished Members of the Audience.**

Every year in July, the African Union Mid-Year Coordination Summit approves the African Economic Integration report, whose formal title is: African Multidimensional Regional Integration Index (AMRII).

It is after this that we launch it.

I am happy to deliver a short statement on the 2021 Report on the Status of Integration in Africa.

The Treaty Establishing the African Economic Community (Abuja Treaty) designates Regional Economic as building blocks of this continental programme. The eight regional economic communities recognized by the African Union are: Arab Maghreb Union; East African Community; Economic Community of West African States; Economic Community of Central African States; Common Market for Eastern and Southern Africa; Community of Sahel-Saharan States; Intergovernmental Authority on Development; and, Southern African Development Community.

The report just about to be launched presents progress we are making in implementing that Abuja Treaty.

Going by the timelines of the Abuja Treaty, we are supposed to have an African Customs Union by 2023 and the African Economic Community by 2028.

So, where do we currently stand on regional integration in Africa?

I will begin by stating that our annual reporting is mainly to assess the status of implementation of the regional and continental economic integration agenda; assess progress made so far; bring out challenges encountered; as well as provide guidance on how to move the African integration process forward.

The 2021 African Integration Report is divided into two parts.

Part 1 assesses the Status of Regional Integration in Africa based on the African Multidimensional Regional Integration Index (AMRII). I will outline these shortly.

Part 2 addresses a set of themes on regional integration in the continent. The selected themes for the 2021 Report are: Free Movement of Persons to facilitate economic integration in Africa; the Role of Regional Integration in Africa's post-COVID-19 Recovery; and, the Operationalization of the African Integration Fund.

COVID-19 has slowed down regional integration, as a result of health, economic and commercial disruptions. At the same time, accelerating Africa's integration is key to Africa rapidly recovering from the COVID-19 Pandemic and now, the war in Ukraine.

There are several messages from the report. The key message is that there is still a lot of room for deepening economic integration Africa as revealed by the indices.

Achieving this requires two key steps. The first one is on scaling up investments in infrastructure to effectively support intra-African trade.

The second key step is fort African economies to raise their rates of economic growth to create optimal conditions to generate decent jobs and reduce poverty.

I am sure the captains of industry in this audience can contribute in stimulating investments across Africa in order to enable us take the two steps I have just highlighted.

You have a large and growing market when you come to invest in Africa. This is the African Continental Free Trade Area (AfCFTA) open to all 55 African Union Member States. 54 have signed the Agreement Establishing the AfCFTA while 42 have ratified it.

As Africa implements the AfCFTA Agreement, there are already foundations for deeper integration at both the levels of a customs union and common market. The protocol on free movement of people, right of residence and right of establishment adopted for signature in 2018 together with the Single African Air Transport Market are good examples in this direction.

Furthermore, the AfCFTA protocols under negotiation on competition policy, investment, intellectual property rights and digital trade are also support instruments towards deeper integration towards a customs union or even common market.

With respect to the theme on Post COVID-19 recovery, all I can say is that the Assembly of the Heads of State and Government appointed His Excellency Mr. Matamela Cyril Ramaphosa as Champion in the fight against the COVID-19 Pandemic. Under his leadership, Africa is implementing the continental strategy to fight the COVID-19.

With regard to the theme on financial institutions: namely the African Central Banks (to be hosted by Nigeria); the African Investment Bank (to be hosted by Libya); the African Monetary Fund (to be hosted by Cameroon); and, the Pan-African Stock Exchange (to be a virtual platform), our Heads of State and Government appointed His Excellency Nana Akufo-Addo, President of the Republic of Ghana as Champion on the establishment of the African Financial Institutions. In the role, the Champion will lead the advocacy, in collaboration with Heads of State and Government of the host countries of the institutions to accelerate signatures and ratifications of the legal instruments of the African financial institutions.

The February 2022 Assembly of the African Union Heads of State and Government adopted a roadmap on the establishment of these institutions, including adoption of the macroeconomic convergence criteria which are critical to recalibration of the macroeconomic policies of Member States through coordination and harmonization.

Going back to the main focus of the African Integration report, progress towards regional economic integration made by each Regional Economic Communities is highlighted in addition to the challenges and providing recommendations.

I will not subject Your Excellencies and Captains of Industry with outline of emerging evidence in the matrices and graphs in the report showing how each Regional Economic Community performed in 2020. All I can do is outline the indices as: free movement of

people; social integration; trade integration; financial integration; infrastructure integration; environmental integration; and, political and institutional integration.

I highly commend the report for your perusal.

When discussing this report with African policy makers and policy advisors, one pertinent question that has often come up is why there is marginal progress in regional economic integration across Africa as revealed by the indices.

After deep reflection, my view is that the answer is best generated by undertaking a cost-benefit analysis of the state of regional integration in each Regional Economic Community. For example, what are the costs and benefits of COMESA remaining as a free trade area up to now and not moving towards a customs union? The same question applies to the other regional economic communities as well.

We shall address this question in the 2022 report. We hope we can have the answers for the 2022 Mid-Year Coordination Summit which will be held in Lusaka, Zambia this coming July. This will build on the readiness assessment of the journey towards an African Customs Union which is being undertaken by the African Union Commission.

With these introductory remarks, I now formally launch the 2021 African Integration Report which is showing the current status of regional integration in Africa.

Read and use it.

I thank you all for your kind attention.