

AFRICAN UNION



UNION AFRICAINE

الاتحاد الأفريقي

UNIÃO AFRICANA

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone: 011-551 7700

Fax: 011-551 7844

website: www.africa-union.org



Creating One African Market

Statement by

Ambassador Albert M. Muchanga,

African Union Commissioner for Trade and Industry

Delivered at the

**Third Regional Dialogue on WTO Accessions for Africa: Deepening
Economic Integration in Africa through WTO Membership and AfCFTA
Implementation Held at UNECA Headquarters on 12th February, 2020**

H.E. Mr Melaku Alebel, Minister of Trade and Industry of Ethiopia

H.E Dr. Vera Songwe, Executive Secretary of the United NECA

Ambassador Alan Wolff, Deputy Director-General of the World Trade Organization

I am very happy to be with you today and discuss on issues of accession to the WTO and implementation of the AfCFTA.

A couple of days ago, we concluded the 33rd Ordinary Session of the Assembly of the African Union Heads of State and Government with the theme: “**Silencing the Guns, Creating Conducive Conditions for Africa’s Development**”. I am advised you did the same couple of years ago with

a theme “Trade for Peace through WTO Accession”.

Trade is a powerful instrument to create jobs and eradicate poverty and thereby abating conflicts and violence. The AfCFTA will have its fair share of contributing to this year’s theme. This is because we are creating a large market space that will significantly spur development and trade.

Africa is contributing positively to the multilateral system in two ways: our African countries are acceding to the WTO in earnest. Also, AfCFTA is being formed at a time when protectionism and retaliatory trade measures are on the rise.

All of the nine acceding African countries are signatories of the AfCFTA. In fact, three of them (

Equatorial Guinea, Ethiopia, and Sao Tome & Principe) have ratified the AfCFTA Agreement. The AfCFTA offers opportunities for these countries to trade across Africa as well as I help them to prepare for WTO accession. It is hence our expectation that the accession processes for these countries will be expedited as per the Ministerial Decision in December 2002 which states:

“WTO Members shall exercise restraint in seeking concessions and commitments on trade in goods and services from acceding LDCs, taking into account the levels of concessions and commitments undertaken by existing WTO LDCs’ Members;”.

At the level of the African Union, we appreciate the technical assistance that we are getting from the

WTO to prepare for the start of trading of the AfCFTA on 1st July, 2020.

**Your Excellencies,
Ladies and Gentlemen,**

That brings me to share to you where we are in terms of preparation to implement the AfCFTA as well as to start trade by July 1, 2020.

At this stage, we have secured 54 signatories out of 55 Member States. The status of ratifications stands at 28. Three of the countries that have ratified the AfCFTA Agreement are the process of accession to the WTO. These are: Equatorial Guinea, Ethiopia and Sao Tome & Principe.

Key elements of the outstanding work are on rules of origin, tariff concession, specific commitments on trade in services, establishment of the AfCFTA

Secretariat, Non-Tariff Barriers Monitoring, Reporting and Elimination Mechanism, Pan African Payments and Digital System, national level preparations and African Trade Observatory. I will highlight a few.

Eleven countries have made tariff offers of 90%. In addition, all the countries that have signed the AfCFTA Agreement are now ready to make tariff offers of 90%. The previous reservations have been removed in a spirit of solidarity and commitment to continental integration. A number of countries and Regional Economic Communities are still working on their tariff offers and are at an advanced stage. The expectation is that finalization of all tasks on this issue will be done before May, 2020.

On Trade in Services Member States undertook to submit their initial offers at the latest by 31st January 2020. Some Member States are yet to submit.

Work on Rules of Origin is advanced and we will be able to submit complete package to the Assembly during its extra-ordinary session to take place in May this year in South Africa.

As we move towards the start of trading, we are advocating that all African Union Member States sign and ratify the Agreement Establishing the African Continental Free Trade before then. When this is achieved, the AfCFTA will be the largest trade bloc after the WTO in terms of membership.

We are preparing a template to be finalized before the end of this month to enable Member States report in a structured manner on progress being made on national level preparations for the start of

trading. Key elements of national level preparations: are aligning national laws to the AfCFTA Agreement and ensuring that the required documents to facilitate trade under the AfCFTA are produced, distributed and brought to the attention of all stakeholders.

In addition, all of Member States are required to formulate national AfCFTA Strategies as well as set up National AfCFTA Committees where no similar structures exist. These structures are targeted to draw the participation of stakeholders from among others: the executive and legislative wings of government; private sector; labour; youth; women; civil society; academia and small-scale cross border traders.

**Your Excellencies,
Ladies and Gentlemen,**

The AfCFTA Agreement as a development program includes Phase II Negotiations and beyond. We have a Single African Air Transport Market, a Protocol on Free Movement of People as well as preparing to negotiate protocols on Investment, Intellectual Property Rights and Competition Policy. We are in the process of establishing Technical Working Groups which will give key inputs in the negotiations. It is anticipated that Phase II negotiations on Investment, Competition Policy, and Intellectual Property Rights will conclude by December this year. We also secured a mandate from the just ended Summit to embark of Phase III negotiations focused on e-commerce immediately after conclusion of the second phase negotiations.

To operationalize all these developments, the permanent AfCFTA Secretariat will be operational by 31st March, 2020. The AfCFTA Secretary

General has been appointed by the just ended Assembly.

I will conclude by first of all encouraging the African countries acceding to the WTO to prevail and secondly stating that we made a fresh application for observer status of the African Union at the WTO.

I will end here and thank you for your kind attention.