African Trade Ministers Convene to discuss boosting intra African trade

Addis Ababa, 24th October 2013 – Ministers of Trade Industry from African Union member states and met today at the headquarters of the African Union Commission (AUC) to adopt the report of the meeting of the Senior Officials as well as carry on the discussion on how to effectively boost Intra-African Trade and establish a Continental Free Trade Area (CTFA) by 2017. The meeting is expected to conclude tomorrow, the 25th of October 2013. The meeting was attended by ministers of African member states, trade delegates from the AUC, United Nations Economic Commission for Africa (UNECA), United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), World Trade Organization (WTO), Regional Economic Communities (RECs) and various trade partners.

The feeling of optimism towards the potential of Africa’s economic and industrial growth was one shared by all speakers at the opening ceremony of the meeting. The AUC Commissioner for Trade and Industry, H.E. Mrs Fatima Haram Acyl stated that if increased trade flows between and among African countries can be achieved, it would be the key to promoting and deepening continental integration and has enormous potential to create employment, enhance investment and foster economic growth on the continent. She also suggested that with the right steps, Africa has the capability to successfully implement the Boosting Intra Africa Trade Plan.

Commissioner Fatima stressed that on the other hand, this optimism comes with the need to address the challenges facing the development of intra-African trade; “In spite of its great potential, Africa has been unable to exploit this fully, resulting in low levels of intra-regional trade among African countries”. She highlighted several reasons for this weak performance including; significant constraints in infrastructure development, a higher focus on eliminating trade barriers rather than the continent’s productive
capacities as well as the limited role of the private sector in the regional integration initiatives on the continent.

Before concluding her speech, the commissioner explained the Commission’s commitment towards combating these issues, especially in its efforts being made to incorporate the private sector into regional and continental development plans through the establishment of Business Councils. She also called on all present to put Africa’s trade needs first at this crucial time saying, “Africa needs to prioritize its regional integration agenda and be cautious in entering any international trade agreement that will undermine its economic integration and development process.” (See Commissioner’s Full Speech on www.au.int)

The Deputy Executive Secretary of the UNECA, Dr. Abdalla Hamdok also expressed concern that “while Africa’s impressive economic growth performance over the last decade is heartening…the economic growth achieved in recent years has not produced enough jobs that are commensurate to our region’s demographic growth.” He said that although Africa has done more than it is credited for, the absolute number of those living in poverty still remains a major policy and development concern. He sighted the fact that Africa has continually been a major source of agricultural and mineral resources which have been powering economic growth and development in other regions. However, with little or no value addition, the exports of these raw materials have limited contributions to job creation and improved living conditions of the people. Conveying full support towards, boosting intra African trade, Dr. Hamdok said that evidence suggests that the realisation of regional integration aspirations in Africa can address the challenges that our continent has in the area of trade.

In her opening remarks, the Executive Director of the ITC, Ms Arancha Gonzalez laid particular emphasis on the benefits that the African growth agenda could gain from the development of Small and Medium Enterprises (SMEs) in the continent. She underlined the untapped innovative and entrepreneurial spirit that was present in Africa’s vast network of SMEs, a number of which are women-led. Expressing her organization’s solidarity, she said that “Africa is a priority for the ITC” and went on to discuss the ITC’s flagship Programme for Building African Capacity for Trade (PACT II). Following positive results from that programme, she articulated the ITC’s readiness to support the AU’s action plan on Boosting intra African trade by implementing a new programme whose objectives focused on supporting the AUC in capacity building of the African Business Council and setting up an African Trade Observatory among others. She
concluded by highlighting three key areas where she believed both organisations had a scope of working together and assuring all present that Africa will always be a priority under her tenure.

Dr. Yonov Agah, Deputy Director General of the WTO began his speech with a message by the Director General who called on the conference to give adequate attention to the annual Ministerial Conference of the WTO in Bali.

In his opening remarks, the Secretary General of UNCTAD, Dr. Kituyi Mukhisa said that although it is highly vital, agriculture is not the only area where boosting intra African trade can benefit the continent. He mentioned that expanding intra African trade would boost of industrialization as one of the areas which could also help boost intra African trade. Describing some major policy recommendations by UNCTAD, he mentioned Developmental regionalisation and strengthening the capacity of the private sector. He assured the delegation that over the next three years UNCTAD will be launching a special programme towards aiding the AUC. Dr. Mukhisa finally encouraged African countries and trade representatives to ensure that their voices are heard at this council.

The opening ceremony began with a foreword by the Minister of Trade for the Federal Democratic Republic of Ethiopia, H.E. Mr. Yaekob Yalla who pointed out that regional trade can play a positive role in the efforts towards growth and sustainable development in Africa. "These efforts are expected to converge to an African Common Market and an African Economic Community, whereby economic, fiscal, social and sectorial policies will be continentally harmonized" he said.

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