Making the AfCFTA work for Africa's development: Focus on Infrastructure and Trade in Services

Opening Remarks

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AfCFTA Update

13th Extra Ordinary Session of the Assembly of the Union on the AfCFTA (5 December) **adopted a decision for trade to start on 1 January 2021** – an 'interim arrangement'

Negotiations will continue until mid-2021

- trade in goods (rules of origin and tariff concessions) will continue

- **trade in services** (specific commitments for 5 priority services sectors – **transport, communication**, financial services, tourism and professional services)

And **Phase 2 negotiations** (Investment, Competition Policy, IPR - and e-commerce)

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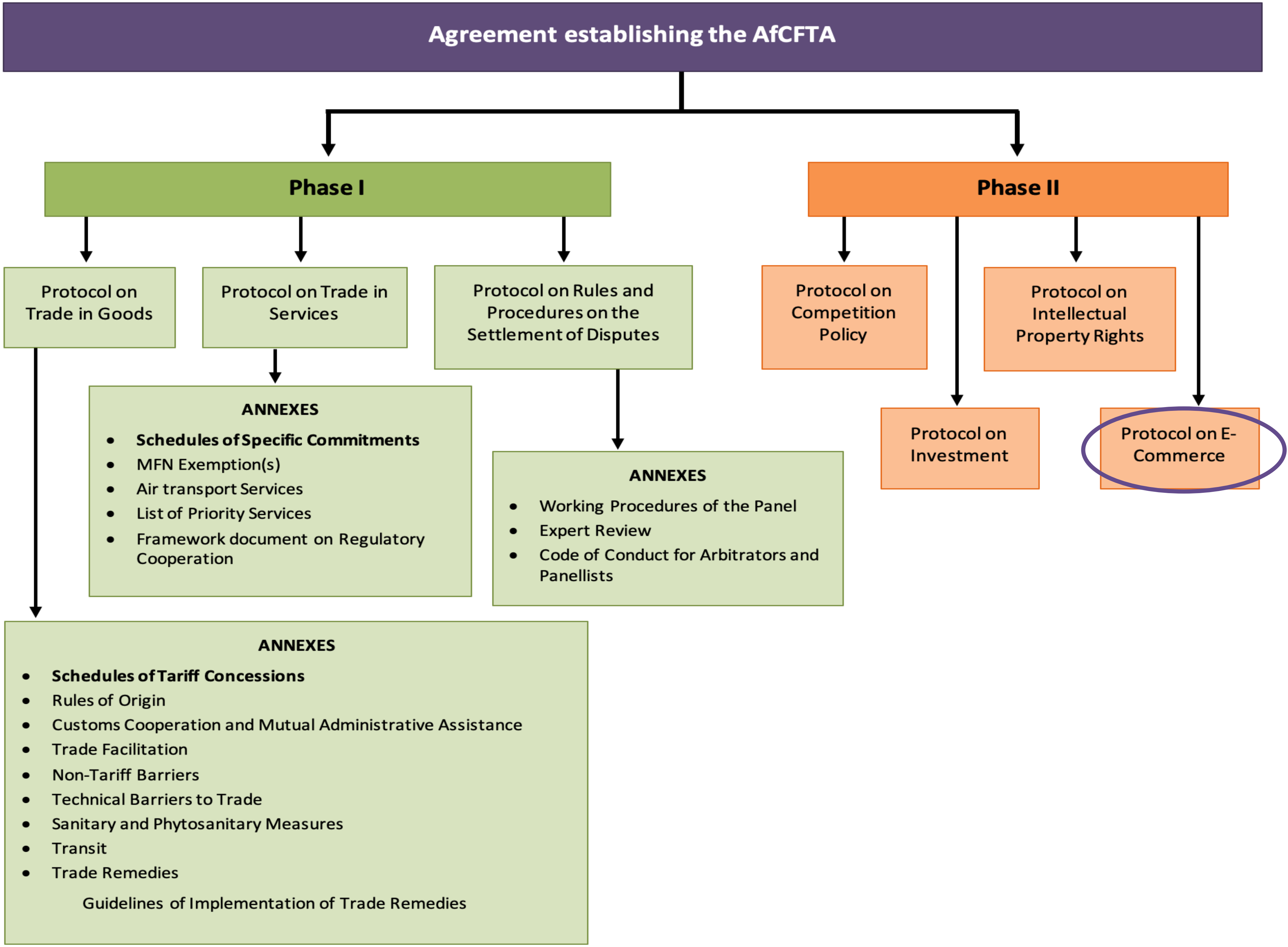
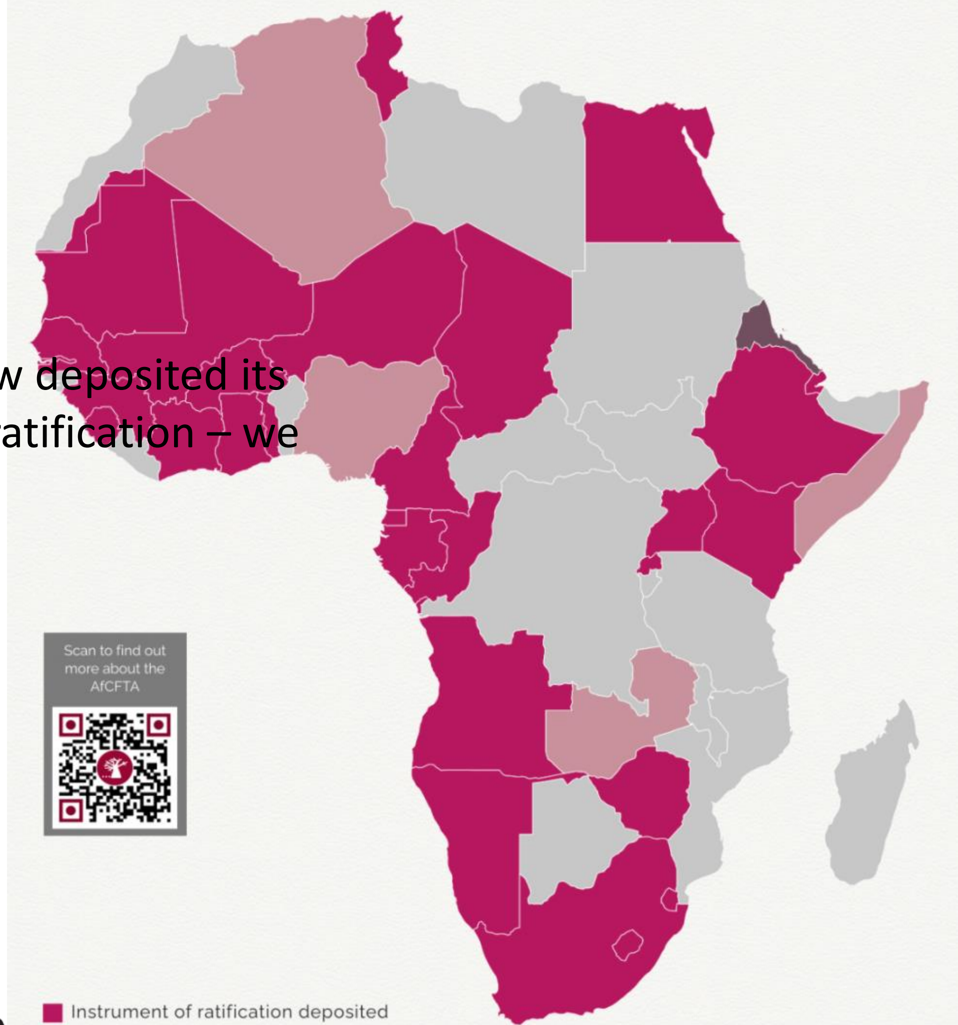

Agreement establishing the AfCFTA
Phase I
Phase II
Protocol on Trade in Goods
Protocol on Trade in Services
Protocol on Rules and Procedures on the Settlement of Disputes
Protocol on Competition Policy
Protocol on Intellectual Property Rights
Protocol on Investment
Protocol on E-Commerce
ANNEXES
Schedules of Specific Commitments
MFN Exemption(s)
Air transport Services
List of Priority Services
Framework document on Regulatory Cooperation
ANNEXES
Working Procedures of the Panel
Expert Review
Code of Conduct for Arbitrators and Panellists
ANNEXES
Schedules of Tariff Concessions
Rules of Origin
Customs Cooperation and Mutual Administrative Assistance
Trade Facilitation
Non-Tariff Barriers
Technical Barriers to Trade
Sanitary and Phytosanitary Measures
Transit
Trade Remedies
Guidelines of Implementation of Trade Remedies

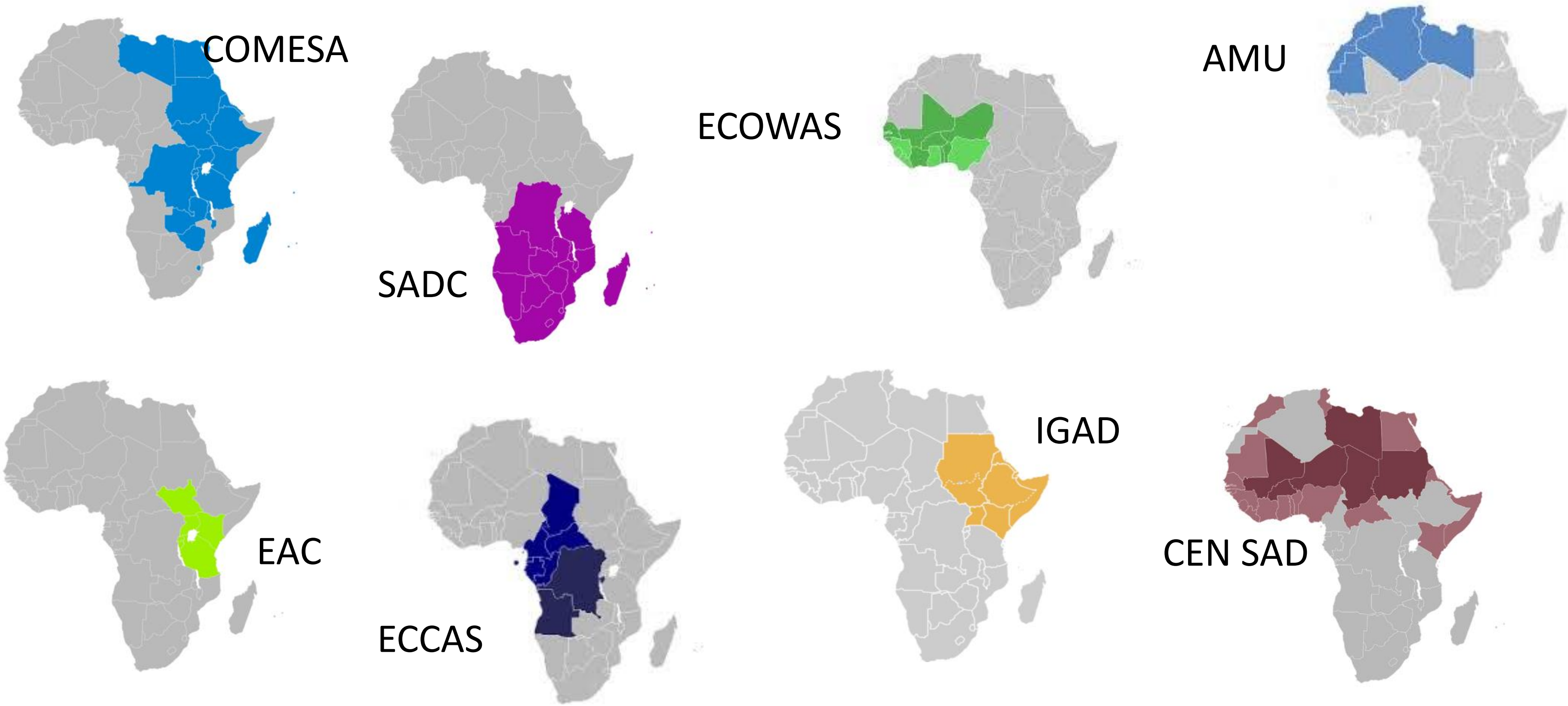
Who is negotiating the AfCFTA? Who has ratified the AfCFTA?

Malawi has now deposited its instrument of ratification – we stand at 35



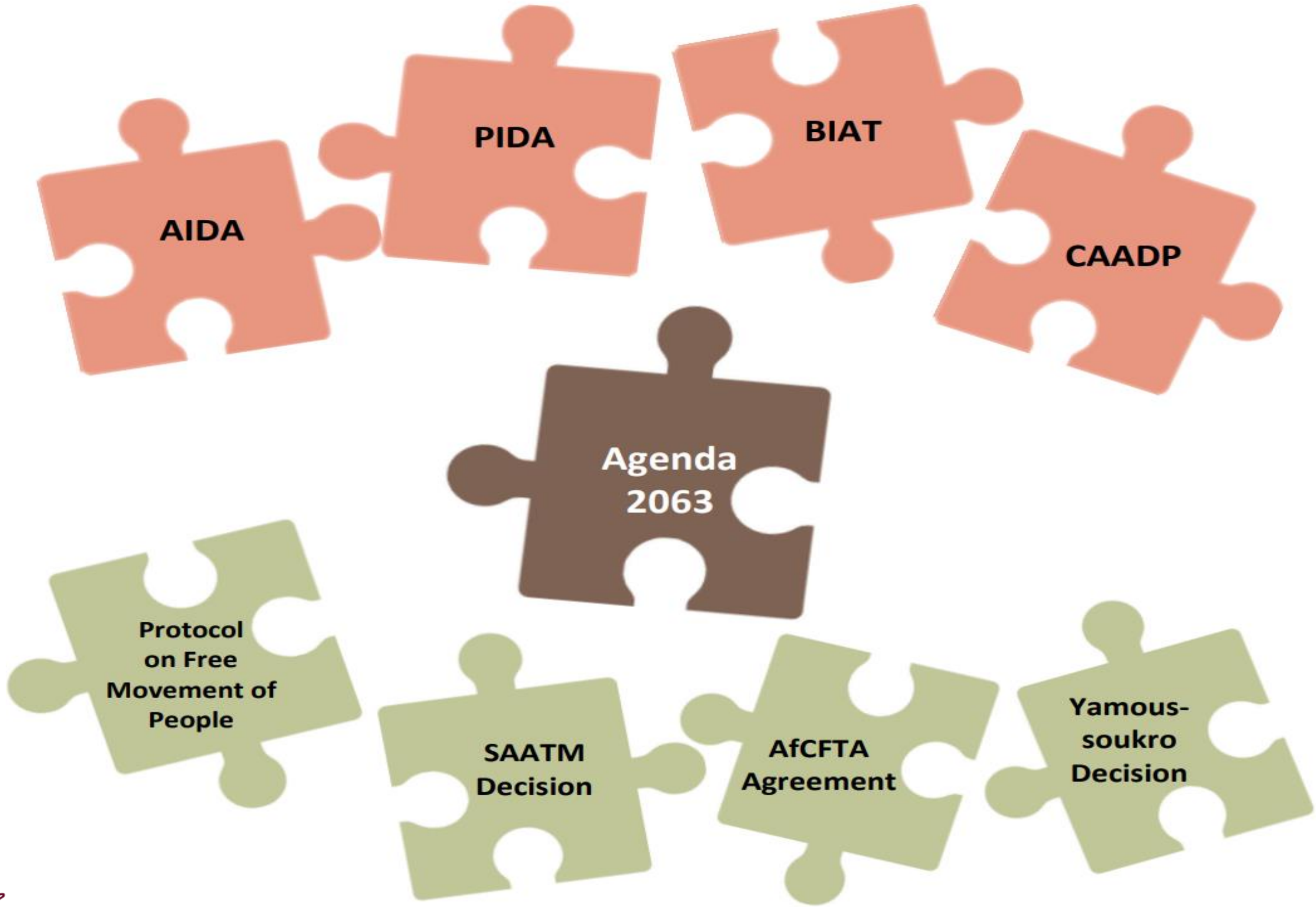
Country	Date*
Kenya	10 May '18
Ghana	10 May '18
Rwanda	26 May '18
Niger	08 Jun '18
Chad	01 July '18
Eswatini	01 July '18
Guinea	01 July '18
Uganda	28 Nov '18
Côte d'Ivoire	16 Dec '18
South Africa	10 Feb '19
Sierra Leone	29 Apr '19
Mali	Feb '19
Senegal	Apr '19
Namibia	Feb '19
Congo, Republic	10 Feb '19
Togo	Apr '19
Mauritania	11 Feb '19
Djibouti	Feb '19
Egypt	8 Apr '19
Ethiopia	10 Apr '19
The Gambia	16 Apr '19
Saharawi Republic	29 Apr '19
Zimbabwe	24 May '19
Burkina Faso	29 May '19
São Tomé & Príncipe	27 June '19
Gabon	7 July '19
Equatorial Guinea	7 July '19
Mauritius	8 Oct '19
Algeria	15 Dec '19**
Somalia	13 Aug '20**
Zambia	26 Oct '20**
Angola	4 Nov '20
Nigeria	11 Nov '20**
Lesotho	27 Nov '20
Tunisia	27 Nov '20
Cameroon	1 Dec '20

Regional Economic Communities (RECs) will continue to exist



These 8 regional economic communities are recognised by the African Union as building blocks for the African economic Community – they are defined as the RECs in the AfCFTA Agreement

AfCFTA is also a flagship project of the AU



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Reality check

- African continent remains fragmented: poor connectivity – physical and digital

- **Integrating unequal partners is complex and difficult**

- 33 of the world's 47 LDCs are in Africa
- 16 landlocked countries: Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Eswatini, Ethiopia, Lesotho, Malawi, Mali, the Niger, Rwanda, South Sudan, Uganda, Zambia, Zimbabwe (most are LDCs)

- Non-tariff barriers (including regulatory issues – unharmonized regulation in key infrastructure services and other services sectors) are more significant barriers than tariffs
- Transport costs contribute as much as 40% to the final price of goods (most intra-Africa trade is transported by road)

- **Trade in services is essential for trade in goods (logistics, distribution services, communication, transport…..movement of persons – truck drivers, freight forwarders)**

- What are we learning from COVID-19? Digital divide - impact on education, healthcare; prospects for adopting digital trade solutions.. REMINDER the 21st century economy is digital

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Linking the AfCFTA to other Flagship Projects: essential to make the AfCFTA work for Africa's development

- Trade facilitation (improved trade governance, border management, *digitisation opportunity – protocol on e-commerce*) – LINK to BIAT and PIDA

- Regulatory reform, cooperation and harmonisation (matters of transport and communication regulation) – important in trade facilitation; enhancing efficiency – more reliable supply, competitively priced services– LINK to PIDA

- **Industrialisation, agricultural transformation (productive capacity development and diversifciation) - AfCFTA offers larger market/economies of scale, less NTBs, tariff reduction…. LINKs to AIDA, CAADP…**

- Investment, **competition** and IP governance (essential to assure efficient and equitable distribution of gains) LINK to AIDA and PIDA

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Trade in services – unlocking AfCFTA benefits?

- Role of services in GDP (for many African countries, services contribute at least 50% of GDP), employment, trade.. innovation

- Services – essential for **Africa's structural transformation** (productive capacity development and diversification; value chain development – regional industrialisation); services such as transport, communication, financial services are inputs into every economic activity and are also key to enhancing development outcomes (at household level)
- Services – **facilitate trade** (transport, logistics, distributions services, communication, financial services, professional services....); digital trade and e-commerce

- Regulatory intensity of services: regulatory reform, cooperation, harmonisation – REMINDER: we are still negotiating sector commitments for the 5 priority services sectors, and it is possible to add more sectors frameworks for regulatory cooperation are also on the agenda (in some sectors, on some regulatory matters – harmonisation is essential) – AfCFTA is Member driven (determine the agenda)

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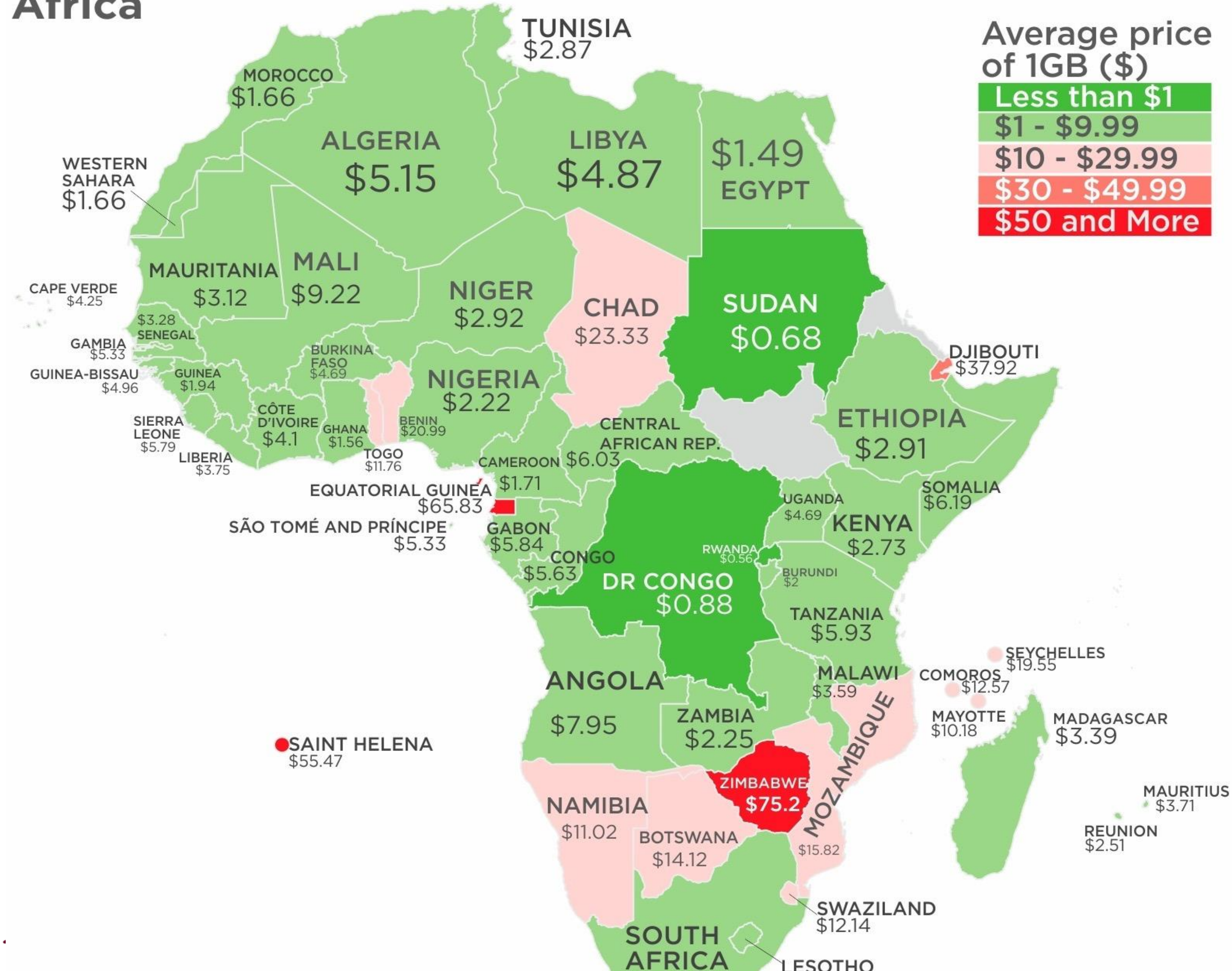
The Price of Mobile Internet 2019
Africa



Article & Sources:
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