

First ever Africa Trade Week Opens in Addis Ababa

ADDIS ABABA, Ethiopia - The first ever Africa Trade Week opened in Addis Ababa this week with the Economic Commission for Africa's David Luke, urging participants to come up with solutions to unanswered questions about the Continental Free Trade Area (CFTA).



Speaking on behalf of Abdalla Hamdok, ECA acting executive secretary, Luke, said the CFTA is a bold initiative aiming to bring together 54 African countries with a combined population of more than one billion people and a combined gross domestic product of more than U.S. \$3.4 trillion.

African leaders, with the CFTA, aim to, create a single continental market for goods and services, free movement of business persons and investments and expand intra-African trade, among other things. The CFTA is also expected to enhance competitiveness at the industry and enterprise levels on the continent.

He said, the questions include; how the continent can involve civil society and the African citizenry so that the CFTA has legitimacy among the people of Africa; what level of liberalisation should the continent aim for at the beginning given adjustment costs; what safeguards are needed to protect the most vulnerable and those that may be driven out of business by the CFTA. For individual countries: which sectors should they liberalise; how does Africa get the details as rules of origin, technical barriers to trade sanitary and dispute settlement, among others.

Luke also urged participants to discuss how Africa can ensure the CFTA gets effectively implemented, adding the full range of key African trade policy issues should be looked at this week.

“These include Africa’s trade relations with Asia, Europe, the United States and emerging markets; how trade can support gender equality and empowerment; perspectives from the regional economic communities and the CFTA negotiations and related flanking measures,” he stressed.

He noted that relations with Asia, Europe and the United States account for massive shares of Africa's trade currently and it is important to get these right.

Luke said that the discussions would allow all players "to examine our trading relationships with these partners and how to recalibrate them to ensure coherence with the CFTA initiative and its objectives as well as trade and gender issues and the importance of trade policy being gender sensitive".

Critical opportunity

He said the CFTA presents Africa with a critical opportunity for development, adding research by the ECA has shown that the CFTA could add up to 2.5% to Africa's annual economic output which is around \$65 billion based on data for 2014. "Unlike much of the commodity-driven growth that we have recently experienced, the CFTA is likely to make growth in the African economy more sustainable and inclusive."

"As such, the CFTA presents us with an opportunity that we simply have to seize. But how do we do so? There are many questions that remain to be answered on how exactly to pursue this most important initiative."

Also speaking during the opening ceremony, African Union Commissioner Fatima Haram Acyl of Trade and Industry, said Africa needs to bring the cost of doing business down, adding this would significantly boost trade performance with trade facilitation, which looks at procedures and controls governing the movement of goods across borders, enabling Africa to do that.

"The Africa Trade Week is a historic event and the whole purpose of this week is to encourage fruitful and stimulating dialogue among all stakeholders," said Acyl, adding the African Trade Facilitation Forum, that began Thursday, will explore ways to overcome the obstacles to trade and imports across Africa such as non-tariff barriers including quotas, embargoes, sanctions and levies.

Mukhisa Kituyi, secretary-general of the United Nations Conference on Trade and Development (UNCTAD) gave the keynote address. He said Africa should forget about the Abuja Declaration and focus on getting investors.

Trade investment

"To me the Abuja Declaration was important. It was a starting point towards where we are but even if there had not been an Abuja and a Lagos Plan of Action, the reasons for creating a Pan African free trade are important even from today's challenges so we have enough reasons from today apart from our inherited responsibility from Abuja," said Kituyi.

"These include Africa's ability to expand trade - inclusive trade has the best possibilities, the most flexible opportunities are within Africa itself," he said. "Second, as the world goes towards much more refined global value chains our ability to create regional value chains, trade linkages is the first building block towards being competent in order to find a scaled-up possibility on the global value chains.

"Third, Africa's unemployed youth needs trade related opportunities and these opportunities have to be dealt with through best practices in Africa and cross boarder engagements – infrastructure that goes beyond countries , possibilities of e-trade, for example, that go beyond country boundaries and this is the ecosystem that can only be created under a Pan African free trade area."

One of the issues that participants will discuss is the relationship between Africa and the United States following the recent election of business magnate Donald Trump as President-elect of the US, the changing architecture of global trade, AGOA implementation, trade partnerships, the CFTA, trade facilitation and related issues.

The ATW is bringing together a broad range of participants, including senior governmental officials, representatives from

RECs, civil society, CEOs and executives from the private sector, development banks, academia, international development agencies and the media, among others.

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