

**STATEMENT BY HIS EXCELLENCY WAMKELE MENE,
SECRETARY GENERAL AfCFTA SECRETARIAT AT THE
MEETING OF MINISTERS RESPONSIBLE FOR TRADE OF
BENIN, COTE D’IVOIRE, GHANA, NIGERIA AND TOGO ON
ISSUES OF TRADE FACILITATION, CUSTOMS
COOPERATION, AND TRANSIT, ALONG THE
ABIDJAN-LAGOS CORRIDOR**

Your Excellency, Madam Victorie Tomegah Dogbe, the Prime Minister of Togolaise Republic;

Honourable Kodzo Adedze – Minister of Trade, Industry, Private Sector and Consumption of the Togolaise Republic;

Honourable Minister Sadia Assouma – Minister of Industry and Commerce of the Republic of Benin;

Mr Herbert Krapa, Deputy Minister – Ministry of Trade and Industry of Ghana;

Ambassador Yonov Agah: Representative of the Honourable Minister of Industry, Trade, and Investment for Nigeria;

Madame Fatoumata Foufana: Representative of Honourable Minister of Commerce, Industry and SME Promotion for Cote d’Ivoire;

Distinguished Directors-General/Heads of Customs Authorities;

UNDP Deputy Resident Representative;

President of the Union of Africa Shippers Council;

Heads of the Shippers Council from the 5 countries;

Senior Officials of the Republic of Benin, Republic of Cote d'Ivoire, Republic of Ghana, and the Federal Republic of Nigeria;

The CEO of Trade Mark East Africa;

Representatives of AfreximBank; African Development Bank (AfDB); African Finance Corporation; ECOWAS Investment Bank; United Nations Development Programme (UNDP); Alliance Borderless; the Union of African Shippers' Councils (UCCA); the Shippers' Council from Côte d'Ivoire, Benin, Ghana, Nigeria, and Togo; FEWACCI; and representatives of the Private Sector present; and

Distinguished Ladies and Gentlemen,

I am delighted to welcome you all to this meeting organised by the AfCFTA Secretariat in collaboration with the Government of the Republic of Togo on issues of Trade Facilitation, Customs Cooperation, and transit along the Abidjan Lagos Corridor. We convene here with the support of UNDP, our very strong partner on issues related to development.

Your Excellences may wish to recall the start of trading on the 1st of January, 2021 as directed by the Extra-Ordinary Summit of African Heads of State and Government on 5th December 2020. Trading is based

on a legally implementable and reciprocal schedule of tariff concessions, agreed rules of origin, and **approved customs documentation**. Presently, 54 Member States of the African Union are signatories to the AfCFTA Agreement, 39 countries are State Parties having ratified and deposited their instruments of ratification with the AUC. Also, 42 have submitted schedules of tariff concessions for Trade in Goods to the AfCFTA Secretariat. This includes submission by 4 Customs Unions namely ECOWAS, EAC, CEMAC, and SACU. It is commendable that the technically verified offers which include all 15 ECOWAS Member States have met the minimum requirement of 90% of the tariff lines, I therefore congratulate ECOWAS in this regard. The status of negotiations for Rules of Origin stands at more than 86%. Equally, under Trade in Services, 35 initial offers have been submitted and are in the process of being verified. Already, negotiations for phase II issues have commenced in line with the Summit decision.

Overall I would say that we are ready for commercially meaningful trade and this is where our meeting is critical. At this stage of implementation, we must undertake projects and activities that will ensure that goods traded under the AfCFTA are subject to efficient transit procedures in our continent, as we have envisaged in the Agreement. This requires trade facilitation measures that would reduce the time and cost it takes for goods to move from point of departure to destination. As a Secretariat with the mandate to implement the AfCFTA we have decided on a Trade-Corridor by Trade-Corridor approach to achieve the objectives of the Annexes on Transit, Trade Facilitation and Customs Procedures. I have heard directly from the private sector about the difficulty and challenges faced by traders in moving goods within the Abidjan–Lagos Corridor, with some highlighting that it takes an average

of ten days. I am sure that you share my frustration at this state of affairs, these challenges of transit of goods in our corridor are unacceptable, they increase the cost of the goods, they make the region uncompetitive and defeat what we would have achieved by ensuring that trade is liberalized within the Continent.

Beyond the removal of tariffs, Trade Facilitation, which ensures efficient and cost-effective movement of goods and services, is at the heart of any trade agreement. Trade Facilitation simplifies cumbersome trade documentation and procedures which ordinarily constitute barriers to trade in goods and services. Indeed, the solution to the free movement of goods lies in the commitment by trade facilitating MDAs to address these barriers. Studies have shown that a minimum reduction of trade barriers can have a significantly positive impact on intra-African trade as well as assist State Parties including low-income and landlocked countries to improve their effectiveness of tariff liberalization. It is therefore pertinent that this meeting considers solutions to the delays along the Abidjan Lagos Corridor.

We need a holistic approach to pave the way for a successful implementation of the AfCFTA Agreement. Such an approach should also take into consideration the impact of the Covid-19 pandemic on intra-African trade, especially within the RECs. An example is the border closures which has contributed to a longer period and additional costs it takes to transport goods across borders and through corridors. For example, before the pandemic, elsewhere it took 3 days to transport cargo from Mombasa to Kampala, 7 days from Mombasa to Kigali, 10 days from Mombasa to DR Congo, and 14 days from Mombasa to South Sudan. However, after the impact of the pandemic, it now takes between

7-10 days to move cargo from Mombasa to Kampala, 21 days to Kigali, and more than 21 days to DR Congo and South Sudan from the same Mombasa. Such are examples of the unprecedented impact of Covid-19. With the appropriate technology and infrastructure that would reduce human interface, we can cope better with such issues.

We require more investment in infrastructure, to remain competitive and to successfully implement the AfCFTA. An example is the collaboration of Afreximbank and other financial institutions that raised \$240 million to finance the expansion and upgrade of the Beitbridge border post in Zimbabwe. The upgrade, according to Afreximbank, includes the procurement of technical equipment and software, thus modernizing the border post to ensure smooth service. In addition, investments were also made in Beitbridge town, including developing a fire station, residential building units, housing sewer lines, housing electrical supply lines, a reservoir, water pipelines, a wastewater treatment plant, a water pump station, and other infrastructure. Before this intervention, it took days to clear a truck at the border post, creating additional “dead-weight” transport costs for importers. The upgrade at the border post has greatly reduced waiting times and improved operational efficiency and effectiveness. We know from empirical evidence that waiting for almost five days at a border to deliver goods and services inhibits trade and causes indirect and direct costs of trade associated with border post effectiveness and efficiency. Hence, such interventions are also needed for the Abidjan Lagos Corridor and its border posts to improve its infrastructure, boost its competitiveness and ensure an unencumbered transit of goods and services. If this is combined with the harmonisation of procedures, requirements, and standards among others the AfCFTA,

this important Corridor will be able to deliver on the promise of a prosperous Africa.

Furthermore, an example can be taken from the East African Community (EAC) which has been ranked among the most integrated REC in Africa 2020 according to the Africa Integration Index (ARII 2019). This ranking was due to, amongst other factors, the simplified trade regime, regional One-stop Border Posts, integration of Customs related ICT systems, and capacity building which boosted competitiveness. These require both government efforts and private sector collaboration for their realisation. Hence, the presence of private sector and finance institutions at this meeting is absolutely critical.

THE ABIDJAN LAGOS CORRIDOR

One of the indispensable achievement of cross-border trade at a regional level as is foreseen by the agreement is a simple, reliable route through which goods and services can travel. The Abidjan-Lagos Corridor is an important socio-economic link in the ECOWAS region, covering about 1080 km of multinational highway from Abidjan to Lagos. Currently, the corridor supports about 75% of sub-regional trade activities through five countries - Côte d'Ivoire, Ghana, Togo, Benin, and Nigeria - passing through the economic capitals of these five coastal countries while also straddling eight border crossings. As a flagship Project under the Programme for Infrastructure Développement in Africa (PIDA), it forms a major part of the Trans African Highway Network within the ECOWAS Region. It was endorsed by the 18th Summit of the Heads of States of the African Union in February 2012 held in Addis Ababa as critical

infrastructure for socio-economic development and integration in the ECOWAS region.

The corridor carries about 44 million people and 130 million tons of goods every year. It connects the most densely populated and economically vibrant parts of the region while interconnecting with a rail network and major ports and airports. The corridor is strategically located as it also connects with other corridors on a north-south axis and links landlocked countries of Burkina Faso, Mali, Niger, and Chad. Notably, considering the volume of trade the corridor supports, it has the potential to contribute decisively to meeting the socio-economic needs of the region as well as increasing intra-African trade.

The benefits of the Abidjan-Lagos Corridor depends on the reduction of the current barriers encountered at the border posts. This meeting is a start towards addressing our collective challenges.

Therefore, the objectives of this meeting are to:

- Identify contemporary issues and challenges facing traders and other stakeholders along the Abidjan-Lagos corridor;
- Develop and agree on measures to reduce trade barriers along the Abidjan-Lagos Corridor (Côte d'Ivoire, Ghana, Togo, Benin, and Nigeria) and thereby enhance regional trade and promote continental integration;
- Introduce interventions that would promote trade facilitation along the corridor and reinforce existing interventions;
- Propose a dedicated AfCFTA trade corridor with focal points from each of the corridor Member States;

- Attract infrastructure investments along the corridor through public-private sector collaboration;
- Create an AfCFTA Trade facilitation fund
- Develop a comprehensive work programme for interventions on the corridor;

Enhancing the Competitiveness of the Abidjan-Lagos Corridor will decisively contribute to achieving the goals and objectives of the AfCFTA. And the time to do it is now, the population of the region is projected to increase from 280 million in 2021 to 442 million in 2040. We do not have the luxury of time anymore.

On this note, once again, I welcome all distinguished delegates and wish delegates a fruitful deliberation. Thank you.