Welcome Address by H.E. Wamkele MENE at the Welcome and Briefing Ceremony in honour of H.E. Filipe Jacinto Nyusi, President of the Republic of Mozambique, at the AfCFTA Secretariat

Africa Trade House, AfCFTA Secretariat

23 May, 2022

Your Excellency President Nana Addo Dankwa AKUFO-ADDO – President of the Republic of Ghana and Chairperson of the Authority of ECOWAS Heads of State and Government;

Your Excellency President Filipe Jacinto NYUSI – President of the Republic of Mozambique;

Honourable Shirley Ayorkor BOTCHWAY – Minister of Foreign Affairs and Regional Integration of the Republic of Ghana and Chairperson of the ECOWAS Council of Ministers;

Honourable Alan KYEREMATEN – Minister of Trade and Industry of the Republic of Ghana;

Honourable Albert KAN-DAPAAH – Minister for National Security of the Republic of Ghana;

The Honourable Minister of Foreign Affairs of the Republic of Mozambique;

The Honourable Minister of Trade of the Republic of Mozambique;

The Honourable Deputy Minister of Trade and Industry of the Republic of Ghana;
Excellencies of the African Diplomatic Corps;

Chief Executive Officers/Managing Directors here present;

Chief of Staff and Colleagues at the AfCFTA Secretariat;

Members of the Media;

Distinguished Ladies and Gentlemen

1. It is with great honour that I welcome to the Africa Trade House, the Headquarters of the AfCFTA Secretariat, H.E. Filipe Jacinto NYUSI – President of the Republic of Mozambique, along with very distinguished members of the Mozambique delegation, on the occasion of his first official visit to the AfCFTA Secretariat.

2. I would like to extend my special welcome to H.E. Nana Addo Dankwa AKUFO-ADDO – President of the Republic of Ghana and Chairperson of the Authority of ECOWAS Heads of State and Government, whose long-term vision of making Accra – and for that matter Ghana – the trade and commercial capital of Africa, has brought us thus far. Your Excellency, posterity will judge you kindly. I am particularly grateful for the strong leadership and continued support.

3. Let me also welcome our guests, Excellencies of the African Diplomatic Corps, CEOs of key institutions here in Ghana, whose presence is essential for this gathering.

4. Excellencies, we are deeply humbled by your visit, which follows similar high-level visits (in no particular order) by:

a. His Excellency President Nana Addo Dankwa AKUFO-ADDO – President of the Republic of Ghana and Chairperson of the Authority of ECOWAS Heads of State and Government;

b. His Excellency João Manuel Gonçalves Lourenço – President of the Republic of Angola;
c. His Excellency Felix Tshisekedi Tshilombo – President of Democratic Republic of Congo and the immediate Chairperson of the Assembly of Heads of State and Government of the African Union;

d. His Excellency President Faure GNASSINGBE – President of the Togolaise Republic;

e. His Excellency President Mohamed BAZOUM – President of the Republic of Niger;

f. His Excellency President Christian KABORE – then President of Burkina Faso; and

g. Your Excellency President Issoufou MAHAMADOU – Former President of the Republic of Niger and Champion and Leader of the AfCFTA;

5. Excellencies, your visit today is, therefore, yet another strong manifestation of the importance attached to the AfCFTA at the highest levels of leadership on the continent.

6. Excellencies, as a continent, we continue to make incremental progress in our continental integration agenda. Since 1\textsuperscript{st} January, 2021, when the AfCFTA was operationalised, the number of State Parties has increased appreciably by 9 to 43 State Parties. It is our strong expectation that there will be additional ratifications in the course of the year. We wish to have all the AU Member States become State Parties for the AfCFTA to operate at full capacity to yield maximum benefits.

7. Much of the work on the Phase I of the implementation of the agreement have been concluded, save for a few outstanding issues pertaining to schedules of tariff concessions and rules of origin. This has delayed the start of commercially meaningful trading under the AfCFTA preferential regime.

8. However, with the recent Agreement reached around the key sticking points, we are now in a position to start commercially meaningful trading in goods and services across the continent.
9. The Secretariat is in the process of publishing the AfCFTA Tariff Book which will include rules of origin and the customs procedures that apply to products. Traders will be able to identify in that tariff book their specific products, know what rules of origin apply to each product and associated tariffs.

10. State Parties will also be in a position to gazette these legal instruments at the national level for full-scale implementation of the AfCFTA (Phase I) from a customs point of view.

11. The AfCFTA Phase II negotiations covering protocols on Women and Youth in Trade, Investment, Competition Policy, Digital Trade, and Intellectual Property Rights (IPRs) are at different stages finalisation.

12. It is our expectation that the negotiations for these outstanding protocols would be completed for full implementation of the Agreement this year.

13. The finalisation of all these protocols, especially the phase II protocols, will greatly contribute to deepening economic integration in Africa. With these additional protocols, we are further transforming the continent by removing physical and commercial barriers that have hitherto hindered trade among our countries.

14. As Secretariat, we are taking steps to involve all stakeholders in the processes – from initiation stages to ensure effective implementation of the Protocol.

15. For example, in partnership with the UNDP, and UN Women, the Secretariat facilitated national level roundtable consultations for the AfCFTA Protocol on Women in Trade to interrogate the critical issues that women cross border traders consider important to be included in the Protocol.

16. This process of collecting views from the traders is critical to ensure that the women define the Protocol on Women in Trade. The Secretariat intends to collaborate further with the UN to facilitate capacity building and advocacy to ensure that the AfCFTA works for Africa’s women and youth.
17. Excellencies, in parallel with the implementation and negotiations of the agreements, the Secretariat developed initiatives to leverage the commercial effects of the continent's integration, as well as to enable inclusivity.

18. In collaboration with our partners, the Secretariat has developed an AfCFTA Private Sector Strategy which focuses on four initial priority sectors or value chains, namely agro-processing, automotive, pharmaceuticals, and transportation and logistics for quick wins, based on the potential for import substitution and existing production capabilities on the continent. The initiative was officially launched in November 2021, at the 2nd Intra-African Trade Fair held in Durban, South Africa.

19. Collectively, we have also launched the Pan-African Payments and Settlement System (PAPSS) and signed the AfCFTA Adjustment Fund Management Agreement.

20. I am also pleased to inform you that we recently inaugurated a 13-member AfCFTA Trade and Industrial Development Advisory Council to advise the Secretariat on trade integration and transformative industrialization as part of the implementation of the AfCFTA. The role of the Advisory Council falls under these four main pillars:

   i. AfCFTA implementation processes, negotiations and implementation;
   ii. Trade facilitation and connectivity;
   iii. Industrial development and regional value chains; and
   iv. Inclusivity issues.

21. Excellencies, on the Institutional front, we have also made significant strides. We are on course in our efforts to establish a first-class, lean, focused and fit for purpose secretariat at the Accra Headquarters. We are recruiting the best and the brightest young Africans, who can form the backbone of this institution for years to come. We are also focusing on gender balance, to ensure that we reach our mandate.

22. Excellencies, before I end my remarks, I would like to touch on the opportunities offered by the AfCFTA to the State Parties. There are
opportunities to scale up, access cheaper raw materials and intermediate inputs, build regional value chains and enhance the potential to tap into global value chains and speed up the diversification and transformation of African economies.

23. I, therefore, call upon the 12 Member States who are yet to ratify the Agreement, including Mozambique, to do so as soon as possible and qualify as State Parties, in order to increase the size of the market and the volume of trade under the AfCFTA.

24. Mozambique signed the AfCFTA Agreement on 21st March, 2018 and is in the process of legal review and harmonization of its domestic legislation to ratify and deposit the Agreement.

25. I am delighted that procedures are far advanced for Mozambique to ratify the Agreement by the end of this year.

26. As a State Party, the AfCFTA will allow greater visibility, with the circulation of Mozambican products in other countries, besides Southern Africa, almost free of customs duties.

27. The AfCFTA, as you well know, aims to facilitate imports and exports among member countries with lower or no tariffs, free access to the market and market information, and the elimination of trade barriers, which will undoubtedly provide numerous benefits to SMEs in Mozambique.

28. SMEs will thus benefit from this as they will be able to increase their sale and boost their business because of their capacity to reach consumers from all over the continent.

29. Also, given that more than 50% of the 30 million Mozambicans depend on agriculture as the main source of income, a strong focus on agribusiness, will be beneficial to the country.

30. Indeed, a study by the United Nations Economic Commission for Africa (UNECA) points to the sectors of textiles, clothing, furs and wood and
paper sectors, in addition to vehicles and transport equipment, electronic products and metals, as those most benefited under the AfCFTA.

31. It is my expectation that Mozambique can take advantage of the AfCFTA Private Sector Engagement Plan, mentioned earlier, which is also in line with the country’s National Development Strategy - to improve the living conditions of its citizens through structural reforms and economic diversification.

32. Excellencies, it is worthy of note that accessibility of finance by SMEs has hindered their growth as only an estimated 5% of the SMEs are financed through banking institutions, forcing them to fall on other financing lines for both investment and working capital.

33. Practically many of the SMEs finance their projects through their own funds, family funds, and friends’ funds which is unsustainable. Given that access to finance remains a key constraint to SME operations, availability of sustainable trade finance, will remain the key lubricant to propel the AfCFTA.

34. As Secretariat, we are also working closely with partners including the AfDB, AUDA-NEPAD, and Afreximbank to put together an AfCFTA SME Financing Facility to catalyse access to finance for SME business activities. This is to ensure that the market access that the agreement creates is not taken advantage of only by the big corporations on the African continent, but that the SMEs, women and young Africans in trade, can also have the opportunity to grow their businesses in support of trading under the AfCFTA.

35. There is also the AfCFTA Adjustment Facility for State Parties to access financial and technical resources to implement the Agreement and mitigate the near-term disruptions and associated costs.

36. To expedite the operationalisation of the Fund, to enable countries access the funds subject to certain criteria, the AfCFTA Secretariat and the Afreximbank, last February signed a $10 billion AfCFTA Adjustment Fund Management Agreement in Cairo, Egypt.
37. Excellencies, in conclusion, African countries have the potential to improve on their economic growth, but it will be difficult to see sustained economic growth without our African countries moving away from primary commodities and investing in new manufacturing goods.

38. As Secretariat, we are working to ensure that the AfCFTA is underpinned by robust rules of origin to protect the continent against becoming transshipment centre, with only limited industrial value addition.

39. Let me also assure you, Your Excellencies, of the Secretariat’s commitment to deliver on its responsibilities.

40. We are appreciative of your visit, Your Excellencies, as it provides an opportunity for us to listen to you and to benefit from your wisdom and guidance in the delivery of our mandate.

41. Finally, I wish to acknowledge with thanks, the strong support and cooperation that the Secretariat continues to receive from the Government of the Republic of Ghana as the host country.

42. Permit me, Your Excellencies, to end with a verse from the national anthem of the Republic of Mozambique, the Beloved Homeland:

   “Rock by rock constructing the new day
   Millions of arms in one only force
   O Loved fatherland we will be successful”

43. Indeed, rock by rock we are constructing the Africa we want. Mother Africa will surely be successful.

44. On this note, Your Excellencies, once again thank you, for honouring us with your presence today at the AfCFTA Secretariat headquarters.

45. “God bless our homeland Africa and make her great and strong”; to borrow from the national anthem of the Republic of Ghana.

Thank you.