

DRAFT

**SPEAKING NOTES
FOR
HIS EXCELLENCY WAMKELE MENE
SECRETARY- GENERAL, AfCFTA SECRETARIAT**

OPENING REMARKS

AT THE TICAD8 SIDE EVENT

DEEPENING REGIONAL ECONOMIC INTEGRATION
AfCFTA AND TRADE FACILITATION IN THE POST-COVID ERA

Online Webinar

ACCRA, GHANA

22 AUGUST, 2022

- Excellencies
- Colleagues from other regional and international organisations, academia, and think-tanks
- Ladies and gentlemen

All protocols observed.

1. I am pleased to join you for the opening session of this Japan International Cooperation Agency (JICA) Side Event - Webinar - on "Deepening Regional Economic Integration: The AfCFTA and Trade Facilitation in the Post-Covid Era", being held as part of the 8th Tokyo International Conference on African Development (TICAD8).
2. I would like to express my appreciation to JICA for organizing this seminar on such a relevant and timely topic, that reflects the acknowledgment of the immense potential of trade and trade facilitation in Africa's post Covid-19 economic recovery and transformation.
3. I also commend the Government of Japan for its commitment to Africa epitomized by TICAD, which has since its launch, almost three decades ago, advanced into an important forum, held in partnership with the African Union Commission, the United Nations, the UNDP and the World Bank, for mobilising and sustaining international support for Africa's sustainable development.
4. TICAD has provided a forum for engagement of the business communities of our two continents and the promotion of trade and investment between them. TICAD is, indeed, one of the mutually beneficial international community's partnerships with Africa.
5. And for close to half a century, JICA has also contributed immensely to Africa's economic development, peace and stability.

6. JICA, for example, has actively supported quality infrastructure development in Africa, under the continent's flagship Programme for Infrastructure Development in Africa (PIDA), and strengthened start-ups as well as micro, small and medium-sized businesses (MSMEs).
7. JICA has also aided trade facilitation initiatives on the continent, including the establishments of One Stop Border Posts (OSBPs), which has contributed to the reduction in the time and cost of moving people and goods across borders by placing customs procedures at one location.
8. JICA's support, and that facilitated through TICAD, will be even more critical in the years ahead as we further progress the implementation of the Africa Continental Free Trade Area (AfCFTA).
9. As you may well know, the formation of the AfCFTA is a monumental step in the economic integration of Africa, potentially uniting all the 55 African Union Member States, covering 1.3 billion people with a combined GDP valued at US\$3.4 trillion.

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10. TICAD8 is taking place at a crucial moment when countries across the globe, especially African countries, are faced with multiple crises, including the Covid-19 pandemic and the latest, the fallout from the Russia-Ukraine conflict.
11. Remarkably, the Conference also comes at a time when preparations are far advanced for the lifting of the first shipment of AfCFTA traded goods on 26th September, this year, to mark the start of commercially meaningful trading under the AfCFTA, which was operationalised on 1st January 2021.

12. The commitment and determination of our State Parties to ensure that trading under the AfCFTA becomes a reality, during this time of crisis, reaffirms the importance of regional and continental integration to Africa's economic prosperity.
13. As it is well known, the challenge of small markets across Africa calls for exploiting economies of scale in production through increased market integration and the provision of public goods on a regional basis.
14. To date, the continent's Regional Economic Communities (RECs) have made steady progress on Africa's integration agenda: while some RECs have made good progress in infrastructure, others have advanced either trade liberalisation and facilitation, or the free movement of people, and peace and security, respectively.
15. The ambition of the AfCFTA is, therefore, to build on the accomplishments of Africa's RECs and further deepen economic integration in the continent as the foundation for a resilient and prosperous future.
16. Ultimately, the African Union strives to integrate all eight recognised RECs into a self-reliant African Continental Free Trade Area.

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17. Without doubt, the AfCFTA gives new impetus to Africa's integration efforts and offers a veritable pathway for its accelerated transformation.
18. The AfCFTA creates new opportunities to accelerate productive transformation, by developing regional production

networks, deepen economic integration and strengthen the continent's resilience to shocks.

19. As observed by the latest edition of *Africa's Development Dynamics*, regional value chains accounted for just 2.7% of Africa's total value chain participation in 2019, compared to 26.4% in Latin America and the Caribbean and 42.9% in developing Asia.
20. Therefore, to facilitate the development of African regional value chains, the AfCFTA Secretariat, in collaboration with partners, has launched an AfCFTA Private Sector Engagement plan, which focuses on four initial priority sectors or value chains, namely agro-processing, automotive, pharmaceuticals, and transportation and logistics, based on the potential for import substitution and existing production capabilities on the continent.
21. These four initial priority value chains are the quick wins that we are prioritising for the implementation of the AfCFTA to be successful and reduce Africa's over-dependence on imports and stimulate intra-Africa trade and investments.
22. Sectors identified for future value chains include horticulture, textiles, financial services, telecommunications, and Information technology (IT).
23. Since these initiatives map out concrete regional value chains available under the AfCFTA, they are expected to lead to a plethora of opportunities and guide investors' thinking and actions in the future.
24. Indeed, tapping into African value chains holds significant potential for investors. At the same time, strengthening regional value chains will foster sustainable growth in the continent.

Excellencies

25. As we advance the implementation of the AfCFTA, to rebuild our economies in the post-pandemic era, we are doing so by taking advantage of the benefits of e-commerce and digital technology.
26. More digital trade means more jobs for the teeming, youthful African population, providing them with higher quality of life, which is the Africa we want.
27. And there are enormous opportunities in Africa's e-commerce marketplace, where women and youth cross-border owned businesses can essentially tap into a consumer market that is expected to reach \$2.5 trillion by 2030.
28. I am, therefore, pleased that we are negotiating a Protocol on E-Commerce, now Digital Trade, to facilitate cross-border e-commerce transactions. The Protocol will establish the requisite regulatory environment, legal architecture or platform for trade across the continent to be further harnessed. We are committed to promote and harness the digital economy as an engine for Africa's growth and development.

Excellencies, Distinguished ladies and gentlemen

29. For effective and successful implementation of the AfCFTA agreement, Africa needs genuine investments and inclusive businesses that help to galvanize economic diversification and industrialisation, and facilitate the achievement of Agenda 2063 and the SDGs.
30. And the investment opportunities in Africa - in agriculture, manufacturing, infrastructure, energy, ICT, and smart cities - are truly immense.

31. Leveraging the opportunities offered by the AfCFTA is key to facilitating business partnerships between Africa and business counterparts in partner countries.
32. The Japanese private sector, for example, has significant potential in Africa. However, investors need to change from seeing the continent as a market for sales but instead as a location for value addition and manufacturing.
33. Today, Africa is charting a new course for its economic recovery and transformation, using the momentum of the AfCFTA. And we are determined to make it work.
34. Continental economic integration will not only help our countries access the expanded market within but will also offer our private sector and firms a stepping-stone to grow and become global giants.
35. Of course, there are challenges to be overcome to fully obtain the potential of the AfCFTA project and these include: inadequate infrastructure, different customs procedures and trade facilitation issues, as well as trade finance.
36. The AfCFTA Secretariat and its partners, the African Union Commission, as well as Member States are making determined efforts to address these constraints at the continental, regional and national levels to facilitate the free flow of cross-border trade and the successful implementation of the AfCFTA.
37. It is our ambition to ensure commercially meaningful trading in quality “Made in Africa” products, taking place across the continent, to create jobs and economic opportunities for Africans, especially women and the youth.
38. I must emphasize, however, that increasing intra-African trade, does not mean doing less business with the rest of the world.

Rather, as we trade more among ourselves, African firms will become bigger, more specialized, and more competitive internationally.

39. As we transition from the Covid-19 pandemic to a new normal marked by renewed efforts at continental integration, our ambition is to strengthen our regional cooperation and integration including through regional value chains and digitalization. This will enhance intra-African trade; build resilience to future external shocks; and ensure the continent emerges more connected, and more prosperous.
40. To sustain the progress made so far, Africa needs to deepen its relationship with development partners, such as Japan, for greater trade, investment and technological exchange.
41. With the AfCFTA, we have a platform that can be one place to promote and further enhance the cooperation between Africa and its development partners.
42. The upcoming TICAD, the first since the AfCFTA was operationalised in January 2021, is a critical and valuable opportunity to further such ties.

Thank you