**SPEAKING NOTES**

**FOR**

**HIS EXCELLENCY WAMKELE MENE**

**SECRETARY- GENERAL, AfCFTA SECRETARIAT**

**OPENING REMARKS**

# AT THE 1st AFRICA-CARIBBEAN TRADE AND INVESTMENT FORUM

***THEME:*** *“****ONE PEOPLE, ONE DESTINY: UNITING AND REIMAGINING OUR FUTURE”***

## Day 2:

## **OPENING STATEMENT**

## Session 9: Creating the Conditions to Accelerate Private Sector Trade and Investment

12:00 PM- 1:00 PM

Lloyd Erskine Sandiford Centre,

BRIDGETOWN, BARBADOS

1. Thank you, Moderator, for your kind words of introduction and a very good afternoon to all.
2. Excellencies, Esteemed Panelists, Colleagues, Distinguished Guests, Ladies and Gentlemen:
3. It is, indeed, my pleasure to be with you this afternoon and present the Opening Statement of this 1st Africa-Caribbean Trade and Investment Forum Day 2 Session on: *“Creating the Conditions to Accelerate Private Sector Trade and Investment”*.

Excellencies

1. The socioeconomic impacts of the Covid-19 pandemic, compounded by the Russia-Ukraine conflict, have generally slowed or in some cases reversed hard-won development gains in Africa and other developing countries.
2. In the next phase of our economic evolution, in the post-pandemic era and beyond, it is critical that we enhance the role of trade and investment in achieving sustained high rates of economic growth and poverty reduction, leaving no one behind.
3. And since ultimately it is the private sector that will drive trade and investments in our countries, governments can, and should, ensure an appropriate enabling environment for the private sector to grow and thrive.

Distinguished ladies and gentlemen

1. As defined by the World Bank, business environment is the set of conditions outside a firm’s control that have a significant influence on how businesses behave throughout their life cycle. This is, however, contextual and highly dependent on the target group of the private sector.
2. As you know, the private sector, includes a wide range of diverse actors. The majority, however, are the small and marginalized businesses such as petty traders, artisans, street vendors, light manufacturers in agro processing, and auto mechanics, home enterprises and restaurant owners.
3. Small businesses face different challenges compared to big businesses in the same private sector framework. And where these challenges are similar, their impact is more serious for small businesses.
4. The enabling environment should constitute policies, institutions, regulations, support services and other conditions including infrastructure that collectively create a platform for a small business to start, grow and thrive.

Distinguished ladies and gentlemen

1. An important contribution of the AfCFTA to creating the enabling environment would be to level the playing field for intra-African investors, while increasing Africa’s attractiveness as a global investment destination and ensuring that African countries can safeguard their policy space for development.
2. The AfCFTA is set to constitute a vehicle for investment and capital through common rules and regulations that target the development of enterprises.
3. In this regard, the conclusion of the ongoing Phase II negotiations, covering Intellectual Property, Investment, Competition Policy, Digital Trade (e-commerce), and Women and Youth in Trade, will further strengthen the investment and business environment in Africa and enhance the attractiveness of Africa to investors.
4. The AfCFTA Protocol on Investment**,** for instance, is expected to address barriers to investment in Africa, reduce time and costs of investment approvals, enhance transparency, improve efficiency and address fragmented investment regulatory frameworks on the continent. Investors and investments will be protected and also have access to remedies when rights are violated.
5. Furthermore, under the Protocol on Intellectual Property Rights, patents and licenses, among other intellectual property rights, for investors’ goods and services will be protected not just in the host country but on the whole continent. IPRs will provide incentives to inventors to develop new knowledge and the right to obtain a patent for an invention, for example, encourage the investment of money and effort in research and development.
6. The absence of universal protection for private property and contractual rights therefore constitutes a substantive constraint on economic freedom of businesses by disincentivizing investment and trade.
7. With the Protocol on Competition Policy, we want to create an environment where businesses will conduct themselves in a competitive manner in order to effectively compete in Africa and globally. The idea is to allow competitors to enter the market while at the same time promote consumer welfare. Besides, some studies have shown that cross-border cartels do exist in Africa. This makes cross-border regulation of market competition in Africa critical. Therefore, the AfCFTA Competition Protocol when it comes into force, will create an opportunity to deal with cross-border cartels, which seem rampant in the region.
8. The importance of dispute settlement in trade and investment cannot be over emphasized. It is at the heart of a rules-based trading system, to ensure market certainty and predictability, which is crucial for investment.
9. For the first time on the African continent, we have a dispute settlement body that will have oversight responsibility for all the disputes that arise under the AfCFTA agreement, whether they are investments related, trade in goods, trade in services, or market access-related disputes. 
10. In the past, most investors were hesitant to invest in Africa because the markets were too small and they were not easily able to export their goods owing to the poor transportation and communication links as well as tariff and non-tariff barriers.
11. The AfCFTA addresses all these and is complemented by other continental initiatives; including the Programme for Infrastructure Development in Africa (PIDA), Accelerated Industrial Development for Africa (AIDA), the Single African Air Transport Market (SAATM), Comprehensive Africa Agriculture Development Programme (CAADP), and the Protocol on the Free Movement of persons, among others.
12. The AfCFTA is being implemented alongside these initiatives to address Africa’s developmental challenges and realise better economic benefits for the continent.
13. Today, the case for investing in Africa is, therefore, stronger than ever. Africa will remain a competitive investment destination for decades, with the operationalisation of the AfCFTA, as well as the continent’s improving relative risk profiles and demography.

Excellencies, Distinguished ladies and gentlemen

1. As I end my remarks, it bears emphasizing that as we build back better, we must do so by focusing on the private sector, especially the micro, small and medium sized enterprises which are the lifelines of the economy and largest employers of labour.
2. The private sector is required to play a much more prominent role in the development process. Although this is already taking place, we still need to scale up for a decisive impact.
3. A thriving private sector is crucial for sustained economic growth and poverty reduction, however, certain business-friendly conditions are required to achieve this: sound macroeconomic conditions; banking, insurance, communications connectivity; further trade openness; enhanced trade-related infrastructure; and gender equality, among others.
4. With these enablers or drivers of investment in place, our countries could realize structural transformation of their economies and inclusive growth by channelling FDI inflows to strategic and inclusive sectors.
5. Indeed, governments can, and should, ensure an appropriate enabling environment for the private sector to grow and thrive. It is, however, the private sector that provides the most efficient allocation of resources and a durable source of economic growth.
6. Both the public and private sectors need to work together to channel greater investment towards economic and social infrastructure and catalyse economic growth and transformation in our countries.
7. I am confident, that the ensuing discussions with our eminent panelists will provide us with the much-needed valuable proposals for promoting investment opportunities and identifying modalities for forging partnerships for our common goal of shared prosperity with equity.

Thank you.