



UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA

**8th Session of the Committee on Trade, Regional
Cooperation and Integration**

Statement

By

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6th February 2013

Addis Ababa, Ethiopia

H.E Mr. Ahmed Shide, State Minister for External Resource Mobilization and Management, Ministry of Finance, Ethiopia;
Distinguished Representatives of Member States;
Distinguished Guests;
Ladies and Gentlemen.

On behalf of Mr. Carlos Lopes, Executive Secretary of ECA and on my own behalf, I am pleased to welcome you all to Addis Ababa and also to ECA Headquarters. Let me begin my brief opening statement by recognizing and commending the appreciable turnout of eminent functionaries and experts from our member States. We are indeed thankful for your presence at this meeting.

Our gratitude to His Excellency Mr. Ahmed Shide, the State Minister in the Ministry of Finance, for accepting our invitation to come and deliver an opening statement on behalf of our host, the Government of the Federal Democratic Republic of Ethiopia. Anytime we have asked him to do so, State Minister Shide, notwithstanding his very busy schedule, has consistently graced these Committee meetings with his presence and given very insightful keynote addresses to launch the proceedings. Thank you Minister, and indeed allow me also to convey our profound gratitude to the Government and People of the Federal Democratic Republic of Ethiopia, for all the support they have constantly given to our Commission, and for their warm hospitality to delegates.

Let me also recognize the presence of distinguished experts from the Regional Economic Communities and other subregional institutions as well as our development partners. We do immensely appreciate your support and partnership and we are indeed thankful for your presence at this meeting.

Mr. Chairman

As we are all aware, this member-States driven Committee is one of the Economic Commission for Africa's statutory organs which meets every two years to deliberate on developments and review progress in the field of regional integration, with the focus on trade, infrastructure and natural resources management, and also make recommendations to guide the implementation of regional integration activities and programs. The meeting also provides a platform whereby countries share their experiences and best practices in fulfilling their commitments and obligations in the areas I have mentioned. The Regional Integration, Infrastructure and Trade Division, which is the ECA's main custodian of these issues, also relies on this Committee's profound wisdom and guidance to serve member States better in its area of competence now and in the future.

During your 7th Session in June 2011, you provided us with recommendations on issues to be addressed in this current sitting. In

addition to the statutory progress reports, which feature on your agenda to allow you to take stock of the progress made in the core areas of our work, you also wanted us to look at the issue of assessing informal cross border trade, which we all agree is one of the grey areas in the intra-African trade.

Current trade statistics indicate that though intra-African trade is low (about 12 %), the composition of this trade tends to be more sophisticated in terms of trade in manufactures than is usually perceived. The statistics show that Africa trades with itself more in manufactured goods, which is about 46% relative to its trade with the outside world. But intra-African trade in agriculture and food remains relatively low, around 15%. This low statistics in agricultural trade is somewhat paradoxical relative to the potential of the sector in Africa as a key driver of growth, trade, employment and poverty reduction.

Informal sector trade tends to be invisible in these mainstream formal trade statistics. If systematically captured, the intra-African trade picture I have just highlighted can look much crisper. We have done some preliminary work in this area, a presentation of which is included in your agenda. We also recognize that informal cross border trade is a promising field for innovative research in ECA's future work, which will be led by the African Center for Statistics. This Centre is going to be upscaled to serve the entire ECA and our member States better, as far as up-to-date statistics on Africa are concerned.

Nonetheless, we need to be comforted by the fact that there is a relatively high level of intra-African trade in manufactures, and hence there is ample room to exploit opportunities for high value added trading activities within the continent, if the challenges of industrialization, supply-side constraints and other trade related bottlenecks can be resolutely addressed.

At the 7th Session, you also recommended that we highlight best practices in regional integration. Oftentimes, when we gather to deliberate on Africa's regional integration agenda, we tend to dwell on problems and challenges rather than emphasizing our success stories. Our Continent's integration process is not all about problems and challenges. There are best practices and opportunities that need to be brought to the fore. You requested us, and rightly so, to table some of these best experiences to provide replicable lessons for others. All of these elements have been duly reflected in your agenda over the next three days.

But crucially, this session will also be focusing on mainstreaming regional integration, the dialogue on which commenced at the Regional Workshop yesterday with the presentation and discussions on the findings emerging from the comprehensive national survey we conducted on this important issue. As stakeholders in the success of Africa's continental integration, we tend to take the issue of mainstreaming regional integration for granted and

give it less attention than it deserves. For this reason, the theme of this 8th Session on mainstreaming regional integration is not only timely but imperative. I wish once again, to acknowledge those of you who attended the Regional Workshop yesterday and provided very substantive and insightful views on this matter, and we will continue the reflection on this important subject during this Session.

In this regard, Mr. Chairman, allow me to relate this issue to our quest for accelerating Africa's integration agenda. It will be recalled that the 7th Session in June 2011 discussed the creation of inter-REC Free Trade Areas, drawing inspiration from the COMESA-SADC-EAC Tripartite Free Trade Area initiative. Since the 7th Session, there have been important developments that go beyond inter-REC FTAs. Inspired by benefits from our empirical ECA/AUC/AfDB Joint Publication on Assessing Regional Integration in Africa (ARIA IV and V) and ancillary policy and issues papers, the African Heads of State and Government, during their 18th Summit here in Addis Ababa in January 2012, decided to fast-track the establishment of a Continental Free Trade Area by the indicative date of 2017, and implement a comprehensive Action Plan for Boosting intra-African trade.

The implications for forward looking affirmative action to fulfill this landmark political decision cannot be overemphasized. In five years from now, Africa wants to transform into a Continental Free market of about

one billion people. Skeptics and afro pessimists would point to some countries' track record in implementing treaties and protocols on regional integration in the absence of strong enforcement mechanisms and affirm that achieving a Continental Free Trade Area in a short span of five years will be impossible to achieve. But as the truism goes, "where there is a will, there is a way". With strong political will, the landmark decision to establish the Continental FTA by 2017 can be achieved. That "political will" should be demonstrated by countries ensuring that the Continental FTA agenda, the Action Plan for Boosting Intra-African Trade and indeed many other regional integration initiatives suffering from lack of implementation are effectively mainstreamed in national development policies, plans and budgets, and rigorously followed through.

Mr. Chairman, ladies and gentlemen

As part of our on-going regional integration activities to support the implementation of the landmark decision on boosting intra African trade and the Continental FTA, we are currently addressing harmonization of rules of origin and trade facilitation instruments across the Regional Economic Communities in the context of the 6th edition of the joint ECA/AUC/AfDB publication on Assessing Regional Integration in Africa (ARIA VI). This is simply because a Continental Free Trade Area cannot have different rules of origin and a discordant trading environment. Taking into consideration the current status of the implementation of the Rules of

Origin by the different Regional Economic Communities, ARIA VI, which is currently a work in progress, is identifying areas of convergence and divergence, analyzing the difficulties and challenges in applying them, and proposing practical options to harmonize Rules of Origin across the Regional Economic Communities. We are also comparing and contrasting various trade facilitation measures and instruments across the Regional Economic Communities, identifying commonalities and divergences, best practices and gaps, with particular reference to customs clearance procedures, documentation, nomenclature, tracking systems, single window operations, cross-border insurance schemes and ancillary trade facilitation instruments. We will propose measures to harmonize and rationalize these trade facilitation instruments across Africa in order to promote a seamless trading environment to anchor the Continental Free Trade zone. We will also draw lessons from successful ICT applications for enhancing regional trade both within and outside Africa in order to develop a framework for ICT-enabled trade facilitation systems that will include areas such as one stop border posts, single windows, integrated border management, and trade and business information. ARIA VI, when published in the course of this year, will thus assist member States in the Continental FTA negotiations on rules of origin and related trade liberalization measures.

Mr. Chairman

Ladies and Gentlemen

I want also to highlight some developments in the areas of infrastructure and national resources in Africa, for which the Division is continuing to play a vital role. The Programme for Infrastructure Development in Africa (the PIDA) has now moved to a phase of implementation, following its adoption by the 18th Ordinary Session of the Assembly of Heads of State and Government, held in Addis Ababa in January 2012.

The ECA, acting through the Regional Integration, Infrastructure and Trade Division, is playing a role as co-chair of the PIDA Working Group. This Group is currently providing technical guidance in the preparation of a “Procurement Policy framework on cross-border infrastructure development”, in the context of the implementation of the PIDA Priority Action Plan by Regional Economic Communities and national implementing agencies. Such a policy framework is necessary to harmonize and facilitate cross-border infrastructure project implementation.

We are also closely involved in promoting the effective implementation of the African Mining Vision adopted by our Heads of State and Government. In this regard, I am pleased to inform this august assembly that plans are far advanced to establish the African Minerals Development

Centre (AMDC) during the third quarter of 2013 to be based in ECA. We are now in the process of finalizing the Center's Business Plan and concurrently pursuing efforts to mobilize resources to operationalize the Center as soon as possible. When on stream, Member States can count on the Center for support in furtherance of the noble objectives of the African Mining Vision, which in a nutshell, aim at placing Africa's rich mineral resource endowments at the center of its economic transformation and poverty eradication. Also embedded in PIDA is the need to make greater strides in Africa's transport networks towards advancing intra-Africa trade as well as regional integration. The progress in this, as well as on other critical infrastructure will be reported in this meeting.

Mr. Chairman

Let me conclude my statement on an additional positive note. Now is the "African Moment", and to quote our Executive Secretary, our rallying point is that of "Africa First". It is an African Moment imbued with hope and remarkable growth and opportunities for transformative development. Our member States, with the support of inter-governmental organizations, regional institutions and development partners, should seize this 'African Moment' now more than ever.

Your 8th Session is taking place at a time when your Commission is going through structural and programmatic changes initiated by the new

Executive Secretary, Mr. Carlos Lopes. These changes aim to reinforce your Commission's role and contribution to a transformative trajectory that our Continent is currently experiencing. In the course of this meeting, I will elaborate more on these changes and how they relate to our Division's revamped focus areas.

I thank you for your attention and wish you very fruitful deliberations.