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**EXECUTIVE COUNCIL**

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**REPORT OF SUB-COMMITTEE ON ECONOMIC  
AND TRADE MATTERS**

## REPORT OF SUB-COMMITTEE ON ECONOMIC AND TRADE MATTERS

### Introduction

1. The meeting of the AU Permanent Representatives Committee (PRC) Sub-Committee in charge of Economic and Trade Matters was held on Thursday 10 January 2013, from 14.30 to 17.00, at the African Union Commission Headquarters. It was chaired by Amb. Mokhtar Chaouachi, Permanent Representative of Tunisia, Chairperson of the Sub-Committee.

### Attendance

2. The following members of the Sub-Committee attended the meeting:

- 1) Algeria
- 2) Burundi
- 3) Chad (2<sup>nd</sup> Vice-Chair)
- 4) Rwanda
- 5) Senegal (3<sup>rd</sup> Vice-Chair)
- 6) Sierra Leone
- 7) Swaziland (First- Vice-Chair)
- 8) Tunisia (Chair)
- 9) Uganda

3. The Commission was represented by the Commissioner for Trade and Industry, Director for Trade and Industry, Director for Economic Affairs and staff members of the Trade and Industry and Economic Affairs Departments. The ECA was also represented by the Director of Regional Integration, Infrastructure and Trade.

### ADOPTION OF THE AGENDA

4. The Sub-Committee adopted the following agenda:

- i) Opening and Adoption of Draft Agenda
- ii) Brief on outcomes of Joint Conference of Ministers of Agriculture and Ministers of Trade (Report of Joint Conference; Report of Ministers of Trade);
- iii) Progress Report on Boosting Intra-African Trade (Document to be presented to HATC);
- iv) Brief on the establishment of the African Minerals Development Center.
- v) Brief on Private Sector Forum held in Abidjan;
- vi) Brief on Post-MDGs 2015;
- vii) Any Other Business.

### **Agenda Item I: Opening Of the Meeting**

5. In her opening remarks, the Commissioner for Trade and Industry thanked the Members of the PRC for attending the meeting. She expressed her appreciation for the support from Member States on the work related to the Summit Decisions on Boosting Intra-African trade.

### **Agenda Item II: Brief on outcomes of Joint Conference of Ministers of Agriculture and Trade (Report of Joint Conference; Report of Ministers of Trade).**

6. The Director for Trade and Industry made a brief presentation on the outcomes of the Joint Conference of Ministers of Agriculture and Ministers of Trade. She also presented the Report of the Meeting of Ministers of Trade. In her presentation, she noted that it was the first time the Commission had organised a Joint meeting of Ministers of Trade and of Agriculture. She highlighted some of the recommendations made by the Joint Conference which include;

- a) The need to strengthen domestic markets before consolidating regional and continental markets;
- b) The importance of ensuring that decisions on boosting intra African trade and on CAADP are effectively implemented at the national level;
- c) The importance of organising trade fairs with a view to promote trade and investment flows and opportunities among African countries.

7. In the discussions that ensued, the following issues were raised by Member States:

- i) It was recalled that the Ministers prescribed that work on Rules of Origin should be limited to the collection of data but the report states that the Commission is planning to hold a workshop on Rules of Origin. So clarification was sought whether that workshop was maintained.
- ii) Since this was the first time a Joint Conference was organised in the context of the 2012 Summit theme on boosting Intra African trade, the Commission should improve the organisation of similar future events drawing experience from lessons learnt during the Joint Conference.

8. In response, the Commission highlighted that the work that is being done on Rules of Origin will be limited to data collection and will not prejudice the outcomes of the negotiations on Rules of Origin during the CFTA negotiations. The Commission also noted that an internal review of the Joint Conference of Ministers of Agriculture and Ministers of Trade has already been carried out and lessons learnt will be used to improve the technical, organisational and logistical aspects of future conferences.

9. The Director of Regional Integration, Infrastructure and Trade of UNECA informed the meeting that the 6<sup>th</sup> Edition of Assessing Regional Integration in Africa,

a joint publication of the AUC, UNECA and ADB will focus on some of the issues that are critical to the establishment of the CFTA and will include a chapter on Rules of Origin.

**Agenda Item III: Progress Report on Boosting Intra-African Trade (Document to be presented to HATC)**

10. The Director for Trade and Industry presented the Progress Report on Boosting Intra-African Trade and informed the meeting that the same report will be presented to the High Level African Trade Committee (HATC) during the forthcoming Summit. She indicated that in implementing the Summit Decision, the Commission organised the meeting of the Customs Technical Committee in September 2012 which was followed by the 2<sup>nd</sup> Africa Trade Forum in the same month. To take the work forward, the Commission will elaborate an implementation strategy for the Action Plan on Boosting Intra African Trade as well as develop modalities for the CFTA negotiations taking into account the Draft Strategic Framework.

11. In the discussions that followed, the following issues were raised:

- i) The need for the Commission to comply with the Assembly Decision stipulating that most meetings of the Specialised Technical Committees including the one on Trade, Industry and Minerals should be organised after every two years;
- ii) The need for RECS and Member states to put in place frameworks , where these do not exist , at national and regional level for the implementation of the Summit decision; the Sub-committee on administrative and budgetary matters will deploy efforts to ensure the necessary support;.

12. The Sub-Committee then took note of the Report.

**Agenda Item IV: Brief on the establishment of the African Minerals Development Centre**

13. In presenting this item, the Director for Trade and Industry underscored the cooperation between the UNECA and the AUC on this file. She highlighted the recommendation of the Ministers to continue to work on the legal framework for the operationalisation of the AMDC. She added that in recognition of the sensitivity of this file, the senior authorities of ECA and AUC met in order to consider modalities for the operationalisation of the Centre during the course of 2013.

14. The Sub-Committee took note of the information.

**Agenda Item V: Brief on Private Sector Forum held in Abidjan**

15. The Director of the Department of Economic Affairs presented the outcome of the Fifth African Private Sector Forum jointly organised with the United Nations Economic Commission for Africa (UNECA) in Abidjan, Côte d'Ivoire from 05 to 08 November 2012 under the theme "The Role of Private Sector in the Promotion of Agro-Industry in Africa". He informed the Sub-Committee that the forum was aimed at

promoting investment and Agro Industry through partnerships and joint ventures in such key sectors as agriculture and agro-allied ventures, engineering goods, small and medium enterprises, and institutional capacity building. He briefed the Sub-Committee on a number of issues that were discussed at the Forum and on which specific decisions were taken as well as concrete recommendations to be implemented by various stakeholders.

**16.** Among relevant recommendations, he pointed out the following:

- a) The African Union should take the initiative of advocating for the establishment of additional Commodity Exchanges across the African Continent;
- b) The AUC should support regional value chain projects in the agricultural sectors through domestic resource mobilization;
- c) The private sector needs greater visibility and involvement in policy dialogue and public-private partnerships including south-south cooperation;
- d) The AUC should coordinate the development of database of African private sector actors in different sectors and regions;
- e) AUC should use CAADP to coordinate and find synergies, harmonize different plans as well as replicating success stories to increase collaboration and reduce fragmentation.

**17.** Finally he reported that the Private Sector Report and its Declaration will be submitted to the next Conference of African Ministers of Finance scheduled to take place in March 2013 in Abidjan Côte d'Ivoire.

**18.** In the discussions that followed, the following issues were raised:

- i) The list of participants should be attached to the report. The Commission needs to strengthen the involvement of SMEs and encourage Member States to support SMEs;
- ii) Vocational training should be strengthened in order for youth employment to be enhanced in the agro-industry and national companies should be empowered;
- iii) The Role of technology and innovation should be increased in the agro-industry;
- iv) The issue of weak financing capacity by the private sector should be addressed;
- v) Citizens should be encouraged to invest in Agro-food industry;

- vi) The report should be considered by the Conference of Ministers of Finance and Planning in March, 2013 and resubmitted to PRC.

19. In his response, the Director for Economic Affairs welcomed the remarks as well the pertinence of the issues raised by the Sub-Committee. He emphasized that these concerns were captured in the Report and the Abidjan Declaration, through the various sessions.

#### **Agenda Item VI: Brief on Post-MDGs 2015**

20. The Director for Economic Affairs made a brief presentation on the consultation process on the post 2015 development agenda. He noted that Africa had not been much involved in the formulation of the current MDGs and this has contributed to the lack of ownership by African countries which should not be the case for the formulation of the post 2015 development agenda. He reminded the meeting that the July 2012 Summit requested the Commission in collaboration with Member States, RECs and partners to conduct wider consultations with all stakeholders. So far three consultation meetings have been organised and the Commission is also using the opportunity of different meetings (Private sector forum and the Committee of Directors General of National Statistics Offices) to consult the different stake holders. He informed the meeting that the continental consultation will be held in Tunis in March, 2013 and the African Common position will be presented at the Conference of Ministers of finance and planning and subsequently to the May 2013 Summit for consideration and adoption by the Heads of State and Government before it is submitted to the UN General Assembly in September 2013.

21. The Sub-Committee took note of the Report.

#### **Agenda Item VII: Any Other Business**

22. Under this agenda item, the Commission informed the meeting that a Draft Decision emanating from the Joint Conference of Ministers of Agriculture and Ministers of Trade had been circulated for the Members noting.

#### **Closure of the Meeting**

23. There being no other business to conduct, the Chairperson thanked all participants for attending the meeting and officially closed the meeting.

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