

AFRICAN UNION

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**REPORT OF THE FOURTH MEETING OF AFRICAN UNION
MINISTERS OF TRADE**

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Fourth Meeting of AU Ministers of Trade
1st – 2nd December, 2017
Niamey, Niger

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**REPORT OF THE FOURTH MEETING OF AFRICAN UNION
MINISTERS OF TRADE**

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INTRODUCTION

1. The Fourth Meeting of the AU Ministers of Trade (AMOT) was held from 1st to 2nd December at Palais des Congrès in Niamey, Niger. The purpose of the meeting was to consider recommendations of the Fourth Meeting of the AU Committee of Senior Trade Officials which was held from 29th to 30th November, 2017.

ATTENDANCE

2. The meeting was attended by Honorable Ministers responsible for Trade and delegates from Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of the Congo, Côte d'Ivoire, Djibouti, Egypt, Ethiopia, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sahrawi Arab Democratic Republic, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, The Sudan, Swaziland, United Republic of Tanzania, Togo, Uganda, Zambia and Zimbabwe.

3. The meeting was also attended by officials from the African Union Commission (AUC), Arab Maghreb Union (UMA), the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC); and observers from the African Development Bank (AfDB), and United Nations Economic Commission for Africa (UNECA). The list of participants is appended as **Annex I**.

WELCOME AND OPENING REMARKS (*Agenda Item 1*)

Remarks by Mrs. Aisha Abubakar, Minister of State for Industry, Trade and Investment of the Federal Republic of Nigeria and Chairperson of African Union Ministers of Trade meeting.

4. Hon. Mrs. Aisha Abubakar, Minister of State for Industry, Trade and Investment of the Federal Republic of Nigeria and Chairperson of African Union Ministers of Trade welcomed the Ministers and thanked the Government and People of Niger for the hospitality and facilities extended to the delegates. On behalf of the President of the Federal Republic of Nigeria, H.E. Muhammad Buhari, she acknowledged the progress made in the Continental Free Trade Area (CFTA) negotiations under the leadership of the President of Niger and Champion of the CFTA, H.E. President Issoufou Mahamadou. Minister Aisha underscored the importance of the 4th AMOT meeting in Niamey, Niger where the modalities on tariff liberalization were adopted in June 2017. She stressed that the CFTA was about modernizing Africa and would contribute to the continent's prosperity as well as

enhance its participation in the global trade. The Minister's speech is attached as **Annex II**.

Remarks by Dr Vera Songwe, the Under-Secretary General of the United Nations and Executive Secretary of the United Nations Economic Commission for Africa (UNECA)

5. The Under-Secretary General and Executive Secretary of the United Nations Economic Commission for Africa, Dr. Vera Songwe congratulated President Issoufou Mahamadou for the economic reforms undertaken by the Government of Niger, which have led to sustained economic growth and helped improve the country's performance in the doing business rankings as well as attract foreign direct investment.

6. In addition, Dr. Songwe called for a timely and meaningful CFTA and invited AU Member States to adopt appropriate approaches in resolving outstanding issues so as to secure an early harvest in trade for the CFTA, whilst ensuring that outstanding work is carried forward through a built-in agenda. She invited the Ministers to also take into consideration the challenges posed by a dynamic international trading system. The speech is attached as **Annex III**.

Remarks by H.E. Mr. Moussa Faki Mahamat, Chairperson of the African Union Commission

7. In his remarks, H.E. Mr Moussa Faki Mahamat, Chairperson of the AUC noted that the opening of the 4th AMOT Meeting coincided with the birthday of Prophet Mohamed, who before the revelation was a merchant and a trader. He congratulated President Issoufou Mahamadou for his wisdom and commitment to advancing regional integration in Africa, in particular through the championing of the CFTA process.

8. The Chairperson of the AU Commission noted with concern that despite a plethora of Regional Trade Agreements and Institutions, intra-African trade remained low. In this context, he stressed that regional integration in Africa was an imperative. He therefore invited AU Ministers of Trade to deliver on the mandate of AU Heads of State and Government on the CFTA without unnecessary delay. Furthermore, he underscored that the CFTA is one of the flagship projects under *Agenda 2063: The Africa We Want* and that delivering the CFTA will give the confidence that Africa is capable of chartering the course of development on its own. Mr. Moussa Faki Mahamat stressed the need to take into consideration the dynamics in the international system, in particular the expiry of the Cotonou Agreement in 2020. The speech by the AUC Chairperson is attached as **Annex IV**.

Keynote Address by H. E. Issoufou Mahamadou, The President of the Republic of Niger

9. In his opening statement, H.E.Mr. Issoufou Mahamadou, President of the Republic of Niger indicated that Niger was honored to welcome the Chairperson the African Union Commission, UNECA Executive Secretary and all African Union Ministers of Trade to Niamey on the occasion of the 4th AMOT Meeting.

10. As the Champion of the CFTA process, he noted with appreciation, the progress made in the CFTA Negotiations and thanked all the technical partners who contributed to the development of the legal texts at hand, in particular UNECA, UNCTAD, and AfDB and invited them to continue supporting AU Member States during the second phase of the negotiations and, more importantly, during the implementation phase. He therefore urged the 4th AMOT to put effort towards the completion of CFTA negotiations as per their mandate.

11. The CFTA Champion informed the Meeting that in response to reservations made by a number of African countries regarding the modalities for tariff liberalization in trade in goods, he had engaged the Heads of State and Government of the respective countries and congratulated them for agreeing to put Africa's interest first.

12. In conclusion, H.E. Mr. Issoufou Mahamadou emphasized that the CFTA was about enhancing the status of Africa, and together with other continental frameworks it would enable Africa to achieve its structural transformation. Some of the programmes designed for sustainable development include the Accelerated Industrial Development of Africa (AIDA), the Agriculture Development Programme, the Boosting Intra-African Trade (BIAT) Action Plan and the African Mining Vision. The CFTA Champion's speech is attached as **Annex V**.

Vote of Thanks by Hon Amelia Kyambadde, Minister of Trade, Industry and Cooperatives of the Republic of Uganda

13. Hon Amelia Kyambadde, Minister of Trade, Industry and Cooperatives of the Republic of Uganda thanked the Government and People of Niger for the hospitality and facilities made available for the meeting. She thanked H.E. President Issoufou Mahamadou for his wise counsel, guidance, leadership and vision in championing the CFTA process. She reminded the meeting of the need to design a CFTA which would meet the expectations of all those involved in business in Africa, in particular small scale enterprises, women in business and young entrepreneurs. The Minister's full speech is attached as **Annex VI**.

CONSTITUTION OF THE BUREAU (*Agenda Item 2*)

14. In line with the Rules of Procedure, the Bureau was constituted as follows:

Chairperson	:	Nigeria (West Africa)
1 st Vice-Chairperson	:	Swaziland (Southern Africa)
2 nd Vice-Chairperson	:	Ethiopia (East Africa)
3 rd Vice-Chairperson	:	Chad (Central Africa)

Rapporteur : Algeria (North Africa)

15. The meeting was chaired by Hon. Aisha Abubakar, Minister of State for Trade, Industry and Investment of Nigeria and the Rapporteur was Dr. Tarik Ibnouziéd Haouache of Algeria.

16. The Chairperson of the meeting welcomed the Ministers and all delegations to the 4th meeting of AMOT. She thanked the Senior Officials for the good work they had done. She invited Ministers to advance work on the legal texts advanced by STOs.

ADOPTION OF THE AGENDA (*Agenda Item 3*)

17. The Ministers considered and adopted their agenda as follows:

- Agenda Item 1: Opening of the Meeting
- Agenda Item 2: Constitution of Bureau
- Agenda Item 3: Adoption of the Agenda and Organization of Work
- Agenda Item 4: Consideration of the Report of the 4th Meeting of the Committee of Senior Trade Officials
- Agenda Item 5: Any Other Business
- Agenda Item 6: Date of the Next Meeting
- Agenda Item 7: Adoption of the Report of the Meeting
- Agenda Item 8: Closing of the Meeting

CONSIDERATION OF THE REPORT OF THE 4th MEETING OF THE COMMITTEE OF SENIOR TRADE OFFICIALS (*Agenda Item 4*)

18. The Report of the 4th Meeting of Committee of Senior Trade Officials was presented by Ambassador Chiedu Osakwe of Nigeria, who chaired the meeting of the STOs and it was based on the outcomes of the 7th and 8th meetings of the CFTA NF. The meeting welcomed the oral report although it was noted that the STOs did not have the opportunity to adopt its own written report.

19. The Chairperson of AMOT requested Ambassador Chiedu Osakwe, Chairperson of the STO to give a summary of the issues that Senior Trade Officials had referred to the AU Ministers of Trade. Ambassador Osakwe summarized the report of the Senior Trade Officials and reported on the outcomes and conclusions of the informal Ministerial consultations that discussed the issues referred to them by Senior Trade Officials for decision in the formal meeting. He indicated that the Ministers considered the deliberations and recommendations of the 4th Meeting of STOs and achieved a broad consensus on the outstanding issues.

20. On bracketed articles, the formal Ministerial Meeting of Ministers of Trade including accredited representatives agreed as follows:

Agreement Establishing the African Continental Free Trade Area:

21. Article 8 on “Status of the Protocols, Annexes and Appendices” was amended in paragraph (1) to read as follows: “The Protocols on Trade in Goods and associated annexes, Trade in Services, Investment, Intellectual Property Rights, and Competition Policy and Dispute Settlement Rules and Procedures shall, upon adoption, form an integral part of this Agreement ».

22. Article 9 on “Institutional Framework for the Implementation of the CFTA” was adopted and Ministers agreed to delete paragraph (d) on “The Committee of Trade Representatives”. The footnote of the deleted paragraph was converted into a new paragraph and transferred to the Article on “Committee of Senior Trade Officials” to read as follow: “Regional Economic Communities shall be represented in the Committee of Senior Trade Officials in an advisory capacity”. It was also agreed that other working groups may be established as required.

23. Article 13 on “The Committee of Trade Representatives” was deleted. The Article XX on “The Committee of Senior Trade Officials” as amended replaced it. It was agreed that, in the process of legal scrubbing it would be necessary to ensure that all the functions and roles previously assigned to the Committee of Trade Representatives would be included, mutatis mutandis, in the functions of the Committee of Senior Trade Officials.

24. Article 14 on the Secretariat was amended to reflect the name of the CFTA secretariat as “The Secretariat” and the head of the Secretariat as the “Director General” or “Secretary General”. The Secretariat will have operational autonomy and independence and remain part of the African Union System. The AUC was tasked to prepare a technical note on the proposed institutional arrangement, which will highlight, among others, the relationship with the AUC structure and the financial implications. Ministers also requested that this article be aligned with other provisions on Institutional Framework during the legal scrubbing.

25. On Article 15 on “Budget and Financing for the Institutional Framework,” the AUC was tasked to prepare a technical note on the proposed institutional arrangement, which will highlight, among others, the relationship with the AUC structure and the financial implications. Ministers also requested that this article be aligned with other provisions on Institutional Framework during the legal scrubbing.

26. A possible amendment to Article 16 paragraph 6 on “Decision Making” was considered as follows: *“The Council of Ministers shall have the exclusive authority to adopt interpretations of this Agreement. In the case of interpretation of this CFTA Agreement and/or its Protocols and associated annexes, the Council of Ministers shall exercise its authority on the basis of a recommendation from the Committee of Senior Trade Officials. The decision to adopt an interpretation shall be taken by a three-fourths majority of the States Parties”*. It was decided that this provision should be examined by the Technical Working Group on Legal and Institutional Affairs in the context of the Protocol on Dispute Settlement Mechanism to be finalised. Ministers also requested that this article be aligned with other provisions during the legal scrubbing.

27. Article 20 on “Continental Preferences” was adopted and a new paragraph from paragraph (27) of the report of the 4th meeting of the Committee of Senior

Trade Officials (AU/TI/CFTA/STO/4/DRAFT/REPORT) was added as paragraph (3) reading as follows: *“This Agreement shall not nullify, modify or revoke rights and obligations under pre-existing trade agreements that State Parties have with third parties”*. In the case where a State Party is interested in the preferences in paragraph 2, the State Party shall afford reasonable opportunity to other State Parties to negotiate on a reciprocal basis, taking into account the level of development.

28. The AU Ministers of Trade also noted that a proposal had been made for a provision on accession to the CFTA. It was also noted that this proposal was not discussed by Ministers.

Protocol on Trade in Goods

29. Article 6 on “Import Duties” was adopted and the brackets were removed. The Ministers requested AUC and AfDB to prepare a technical note on the fiscal implications of removing charges having equivalent effects on the financial situation of RECs, in light of the development dimensions of the CFTA.

30. Article 22 on “Special Economic Arrangements/Zones” was adopted and Ministers agreed to delete paragraph (4) of the same article. Similarly, the comment on the title of the provision was deleted.

31. During the discussion, the Meeting noted the following:

- i) The Technical Notes on the “Institutional Arrangements” and “Charges Having Equivalent Effect” should be developed as soon as possible in order to enable AU Member States to make an informed decision on the issues.
- ii) The proposed textual language on Accession should be discussed by the CFTA negotiating structures to enable AU Member States to provide their inputs.
- iii) On Article 20, which deals with continental preferences, it was proposed that there should be a standalone paragraph on the possibility for countries to negotiate extension of preferences under existing trade agreements.
- iv) On the overall progress in CFTA negotiations, the 4th AMOT noted that the Agreement establishing the African CFTA and the Protocol on Trade in Services were almost completed and that the legal scrubbing process for the two texts should commence immediately. The Meeting however, noted that further work is needed to complete the Protocol on Trade in Goods and its Annexes.

32. With respect to the roadmap for finalization of Phase 1 negotiations, the Chairperson of AMOT informed the Meeting that the Champion of the CFTA, H.E. Mr. Mahamadou Issoufou, shall present a substantive report to Heads of State and Government during the next Summit in January 2018. The Champion shall inform Heads of State that the Agreement Establishing the African Continental Free Trade Area together with the Protocol on Trade in Services had been concluded and would request his peers to convene in an Extra-Ordinary Summit in March 2018 to adopt and sign these Agreements. Consequently, the roadmap shall be modified to take this into account. The revised roadmap and timeline would be shared with RECs for alignment.

ANY OTHER BUSINESS (*Agenda Item 5*)

33. The following 2 items were discussed under this agenda item:

Status of the Meeting

34. Some countries, whose Ministers were represented by delegated officials, sought clarification on the status of the meeting and its decisions in view of the fact that there were 13 substantive Ministers in attendance from the 55 countries. It was noted that heads of delegation, of the countries represented by their senior officials, did not have the opportunity to participate in the informal consultative meeting of Ministers which had been held earlier during the day of 1st and 2nd of December 2017. The AUC Commissioner for Trade and Industry clarified that a country was at liberty to designate whoever it wishes to represent it at meetings. He also explained that Ministers were at liberty to caucus and conduct consultations at their level, without necessarily involving non-Ministers. The Commissioner advised that the 4th meeting of AMOT was therefore considered to be duly constituted with the required quorum. Reservations were made by seven Member States¹ on the AMOT 4 Outcomes.

35. In response, at the request of the Chairperson of AMOT, the Chairman of the Senior Trade Officials meeting, underlined that the process had been rule-based, and in accordance with the practice. Consultations at all levels, had taken place in different formats and configurations with decision making to be made exclusively, transparently and inclusively, in the formal Ministerial meeting that included accredited representatives.

36. During discussions the 4th meeting of AMOT acknowledged that few Ministers were in attendance and underscored the need for AU Member States to prioritize African trade and regional integration agenda by ensuring that they were represented at the appropriate level. They requested the Chairperson to write officially to all AU Ministers of Trade urging them to give due priority to the CFTA process.

State of Play in WTO Negotiations

¹ The reservations to the outcome of AMOT 4 were made by the following countries: Botswana, Egypt, Kenya, Malawi, Mauritius, Seychelles and South Sudan.

37. H.E. Mr. Jean Marie Ehouzou, Permanent Representative of the African Union to the WTO provided a summary of the state of play in the WTO negotiations in Geneva, ahead of the 11th WTO Ministerial Conference (WTO-MC11). He informed the meeting that the Geneva process had been paralyzed after the US delegation withdrew from the drafting team of the draft declaration on 22 November 2017. Ambassador Ehouzou indicated that without a draft declaration for Ministers' consideration in Buenos Aires, the expected outcomes of the WTO-MC11 could be a Chair's Statement or summary, even though the delegation of Argentina had announced its determination to advancing a declaration as the potential WTO-MC11 outcome. In this regard, he informed the 4th AMOT that the African Group had stressed the importance of full transparency and inclusiveness prior to and during the Ministerial Conference in accordance with the rules of the WTO. He advised the meeting that the African Group in Geneva remained united and should ensure that Africa speaks with one voice at the WTO-MC11. .

38. The 4th AMOT noted the state of play in WTO negotiations and requested that the AUC distributes to Member States the Briefing Paper of the African Group in Geneva. Ministers also underscored the need for AU Member States to participate in the WTO-MC11 so as to avoid decisions being made in their absence.

DATE AND VENUE OF THE NEXT MEETING OF THE AU MINISTERS OF TRADE (AMOT) (*Agenda Item 6*)

39. The next meeting of AU Ministers of Trade will be held by March 2018 at venue to be advised by the AUC.

ADOPTION OF THE REPORT OF THE MEETING (*Agenda Item 7*)

40. The meeting considered its report and adopted it.

CLOSING OF THE MEETING (*Agenda Item 8*)

41. The Chairperson thanked the Ministers for their fruitful contributions during the meeting and wished them a safe journey back home.

Signed on this 2nd December 2017 by the Chairperson and Rapporteur as follows:

Hon Aisha Abubakar
Minister of State for Trade,
Industry and Investment
Nigeria
CHAIRPERSON

Dr Tarik Ibnouzied Haouache
Algeria
RAPPORTEUR

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