

AFRICAN UNION

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**REPORT OF THE SIXTH MEETING OF THE AFRICAN UNION
MINISTERS OF TRADE (AMOT)**

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**Sixth Meeting of the African Union
Ministers of Trade (AMOT)
3 – 4 June 2018
Dakar, Senegal**

AU/TI/AfCFTA/AMOT/6/FINAL/REPORT
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INTRODUCTION

1. The sixth meeting of the AU Ministers of Trade (AMOT) took place from 3rd to 4th June 2018 in Dakar, Senegal. The purpose of the meeting was to consider the report of the 6th meeting of the Committee of Senior Trade Officials (STO).
2. The meeting was attended by delegates from Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Republic of the Congo, Democratic Republic of Congo, Côte d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Ethiopia, , Gabon, The Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Rwanda, Saharawi Republic, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, United Republic of Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.
3. The meeting was also attended by officials from the African Union Commission (AUC), the Inter-Governmental Authority on Development (IGAD), the East African Community (EAC), Economic Community of West African States (ECOWAS), Economic Community of Central African States (ECCAS), the Union Maghreb Arab (UMA); and representatives of the United Nations Economic Commission for Africa (UNECA) and United Nations Conference on Trade and Development (UNCTAD). The list of delegates is appended as **Annex I**.

OPENING OF THE MEETING (*Agenda Item 1*)

Opening Remarks by Commissioner for Trade and Industry H.E Ambassador Albert M. Muchanga

4. In his remarks, the Commissioner for Trade and Industry Ambassador Albert Muchanga welcomed the Ministers and thanked the Government and people of Senegal for the warm hospitality and for the excellent facilities made available for the meeting. He noted the commitment shown by Senegal in advancing the Pan-African agenda which included the AfCFTA. He congratulated the incoming Bureau and underscored the importance of finalizing the remaining issues under Phase 1 of the negotiations while embarking on the new issues which will be negotiated under Phase 2. The Commissioner thanked the outgoing Bureau for the achievements it made during its tenure of office, the height of which was the signing of the Agreement Establishing the AfCFTA during the Extraordinary Summit held in Kigali, Rwanda on 21st March 2018.
5. The Commissioner updated the meeting that Ghana, Kenya and Rwanda had already ratified the AfCFTA Agreement while Niger was close to doing so as well.
6. Ambassador Muchanga reminded the meeting about the importance of engaging the private sector both at national and continental levels. In this regard, he informed the meeting of the participation and inputs of the African Business Forum and the

private sector at the last Extraordinary Summit held in Kigali, Rwanda. He also informed the meeting about the upcoming Intra-African Trade Fair scheduled for December 2018 in Cairo, Egypt which would take place back to back with AMOT to enable the Ministers responsible for Trade to participate during the event.

7. The Commissioner also proposed that AMOT recommends to the upcoming Summit that all State Parties establish national AfCFTA committees on the basis of a template to be developed by the Commission and submitted to the January 2019 Summit for consideration and further guidance. The structures can go by any preferable name but the key point is to have them and use them to advance the African Continental Free Trade Area at the national level, in addition to assisting in domesticating the Action Plan on Boosting Intra-African Trade.

Keynote Address by H.E. Mr Mahammed Boun Abdallah Dionne the Prime Minister of the Republic of Senegal

8. In welcoming delegates to the Senegal, the Prime Minister noted the ambition of the OAU founding fathers for a prosperous Africa. He highlighted that following the signing of the AfCFTA Agreement by 44 African States in Kigali in March the momentum for the movement of Africa towards a Common Market as anticipated in the Abuja treaty had been set. The Prime Minister noted that it was important for Africa to improve on its 1% of global trade, 5% of global GDP and 2% of investment flows. It was up to Africa to develop Africa. The Prime Minister implored Ministers to be cognizant of the Summit directives from Kigali. He concluded his remarks by pledging the support of the Senegal government for successful conduct of the Ministers meeting.

ELECTION OF THE BUREAU (*Agenda Item 2*)

9. A new Bureau for AU Ministers of Trade was elected as follows:

| | | |
|----------------------------------|---|--|
| Chairperson | : | Uganda (Eastern Africa) |
| 1 st Vice-Chairperson | : | Democratic Republic of Congo (Central Africa) |
| 2 nd Vice-Chairperson | : | Mauritania (Northern Africa) |
| 3 rd Vice-Chairperson | : | South Africa (Southern Africa) |
| Rapporteur | : | Cote d'Ivoire (Western Africa) |

10. The meeting was chaired by H.E. Mr Souleymane DIARRASSOUBA, Minister of Trade, Industry and SMEs Promotion of Cote d'Ivoire while Mr. Waoti Seydou TOURE was the Rapporteur.

ADOPTION OF THE AGENDA AND ORGANISATION OF WORK (*Agenda Item 3*)

11. The Ministers considered and adopted their meeting agenda with amendments as follows:

- Agenda Item 1: Opening of the Meeting
Agenda Item 2: Election of the Bureau
Agenda Item 3: Adoption of the Agenda and Organisation of Work
Agenda Item 4: Consideration of the Report of the 6th Meeting of the Committee of Senior Trade Officials
Agenda Item 5: Clarification of the position of the 'Group of Seven' on Modalities
Agenda Item 6: Consideration of Annexes to the Protocols on Trade in Goods and on Rules and Procedures on the Settlement of Disputes
Agenda Item 7: Any other business
Agenda Item 8: Date and Venue of the Next Meeting
Agenda Item 9: Adoption of the Report of the Meeting
Agenda Item 10: Closing of the Meeting

CONSIDERATION OF THE REPORT OF THE 6TH MEETING OF THE COMMITTEE OF SENIOR TRADE OFFICIALS (*Agenda Item 4*)

Update on the Summit Directives

12. Ministers recalled paragraphs 12, 13 and 14 of the Decisions Ext/Assembly/AU/Dec.1(X) of the 10th Extraordinary Summit and noted that some Member States needed the Annexes to be adopted before initiating the domestic processes leading to ratification of the AfCFTA agreement.

13. Ministers of Trade took note of the Summit directives and agreed to:

- a) submit the Annexes to the Protocol on Trade in Goods, Annexes to the Protocol on the Rules and Procedures on the Settlement of Disputes, and the List of Priority Sectors on Trade in Services to the July 2018 Session of the Assembly for adoption;
- b) submit the Schedules of Tariff Concessions, and Schedules of Specific Commitments on Trade in Services in line with agreed modalities to the January 2019 Session of the Assembly for adoption; and
- c) conclude the negotiations on Competition Policy, Investment and Intellectual Property Rights, and submit the draft legal texts to the January 2020 Session of the Assembly for adoption through the Specialized Technical Committee on Justice and Legal Affairs.

Outstanding Issues on Tariff Liberalisation

14. Regarding the exclusion and sensitive list of products, Ministers took note of the three proposals that have been presented. They also noted that studies have been presented to the Negotiating Forum, that indicate that an exclusion of even 1% of trade, can have a devastating effect on overall intra-Africa trade. Ministers further took note of the fact that the Committee of Senior Trade officials has agreed that this matter be the subject of national consultations, based on the three proposals that

have been made. Ministers supported the idea of national consultations and guided that the following elements should be considered during national consultations on the percentage of exclusion list:

- a) the objectives of the Boosting Intra-Africa Trade Action Plan, The Abuja Treaty, and various decisions of the Assembly of Heads of States and Government to reduce barriers to trade in Africa and the need to move expeditiously to a more integrated market;
- b) support for the creation of commercially meaningful value-chains in Africa, to attract investment in job creating productive sectors;
- c) the vision of AU Heads of States and Government of enhancing intra-Africa trade significantly above the current insignificant levels;
- d) potential market fragmentation in Africa;
- e) the need for industrial development in Africa; and
- f) the principle of building on the *acqui* of the Regional Economic Communities (RECs), and impact on the progress that has been achieved by RECs that do not have an exclusion list in place.

15. The Ministers observed that the exclusion and sensitive list of products is a policy issue that requires political guidance from the Assembly of Heads of State and Government. In this regard, the Assembly is invited to consider whether an exclusion and a sensitive list advances the continental objectives of boosting intra-Africa trade, industrialisation and market integration. Further, the Ministers noted that most RECs in Africa have no exclusion list, therefore an exclusion list at a continental level would be a roll-back on the *acqui* and the progress achieved by the RECs, which are agreed to be building blocs of the AfCFTA.

16. Ministers decided as follows:

- a) that the AUC and technical partners carries out studies on exclusion and sensitive list, as well as categorization and other areas of the modalities for tariff liberalization and submits to the Member States by the end of June 2018. The study should analyse all related issues that promote intra-Africa trade, industrialisation and equitable benefits.
- b) on the basis of the studies, there should be two levels of consultation:
 - i) National consultations should be concluded by end of July 2018; and
 - ii) REC consultations in order to preserve achievement of RECs and build on their *acquis* for the AfCFTA which should be concluded by August 2018.

- c) that the result of consultations be discussed at the level of NF at their next meeting.

17. The Ministers also decided that the AUC, in collaboration with UNCTAD and UNECA:

- a) develop a technical paper on the Criteria for Designating Sensitive Products and Exclusion List by 30 June 2018;
- b) undertake a situational analysis on how different RECs deal with sensitive products and exclusions;
- c) provide information on 55 African Member States imports for each of the tariff lines and all intra-Africa imports to carry out detailed analysis and simulations by end of July 2018; and
- d) develop a template to be used by Member States in developing schedules of tariff concessions by end of July 2018.

Annex 1 to the Protocol on Trade in Goods on Schedules of Tariff Concessions

18. Ministers agreed to have the proposed two paragraphs as a placeholder for Annex 1 on Schedules of Tariff Concessions:

“Annex 1: Schedules of Tariff Concessions

1. *State Parties shall develop Schedules of Tariff Concessions in accordance with the approved modalities for tariff liberalisation.*
2. *The Schedules of Tariff Concessions shall, once adopted by the Assembly, be appended to this Annex and shall apply to trade among State Parties upon the entry into force of the Agreement in line with Article 23 of the Agreement.”*

Choosing Priority Sectors for Services Liberalisation and Development of Regulatory Frameworks

19. On the issue of services liberalization, Ministers decided as follows:

- a) in the scheduling of specific commitments on services, the following sectors should be prioritised for negotiations: transport, communication, financial, tourism and business services;
- b) based on the principles of variable geometry and reciprocity (set out in the agreed modalities), those Member States that wish to liberalise more sectors than the five chosen priorities are free to do so;¹

¹ Ethiopia will submit a reservation on this issue.

- c) the NF should develop a Road Map for negotiation of all other services sectors not chosen as priorities in the first phase to bring the total services sectors ultimately under negotiation to all tradeable services sectors;
- d) the AUC be requested, in collaboration with UNCTAD and UNECA, to provide technical assistance to Member States especially to those who are not WTO members or members of any RECs covering services;
- e) the AUC develops a template to be used by Member States in developing schedules of specific commitments in trade in services by the end of July 2018;
- f) the AUC to mobilise funding to support the participation of Member States experts for each of the priority sectors during negotiations; and
- g) AUC embarks on developing regulatory cooperation in all sectors in collaboration with national and regional regulators and building on continental and global experiences from UNCTAD and UNECA.

List of issues to be addressed in the built-in agenda on AfCFTA Rules of Origin

20. The Ministers agreed to include in the built-in agenda the issues listed in **Annex II** to this report and approved the amended Transitional Implementation Work Programme (TIWP) in **Annex III** of this report.

CLARIFICATION OF THE POSITION OF THE 'GROUP OF SEVEN (G-7)' ON MODALITIES FOR TARIFF LIBERALISATION (*Agenda Item 6*)

21. Ministers took note of the outstanding issue of the G-7 and clarification provided by the AUC on the matter. Ministers recalled that the matter is being handled by the AfCFTA Leader, H.E. Mahamadou Issoufou, President of the Republic of Niger and advised that consultations of the G-7 at Heads of State level take place on the margins of the next Summit in July 2018.

CONSIDERATION OF ANNEXES TO THE AFCFTA PROTOCOLS (*Agenda Item 7*)

22. Ministers considered the Annexes 2, 3, 4, 5, 6, 7, 8 and 9 of the Protocol on Trade in Goods together with Annexes 1, 2, and 3 of the Protocol on the Rules and Procedures on the Settlement of Disputes and agreed to recommend to Summit for adoption.

ANY OTHER BUSINESS (*Agenda Item 8*)

23. The Ministers discussed the proposal from the AUC and agreed to establish National Committees on AfCFTA to ensure meaningful participation of all

stakeholders and urged Member States to do so. Ministers also noted that some Member States already have existing structures and are free to use those structures.

24. The representative of Egypt, informed the meeting that the Arab Republic of Egypt that they will be hosting the inaugural Intra-Africa Trade Fair (IATF) in Cairo from 11 – 17 December 2018. She told the meeting that IATF is expected to bring together more than 1,000 exhibitors from across Africa and beyond and to attract more than 70,000 visitors; buyers and sellers, and invited all AU Members States to register and participate in this continental event. In this regard, she requested all AU Ministers of Trade and Industry to encourage the mobilization of their national private sector and businesses and support their participation in this event. In addition, she confirmed that Egypt will work closely with the African Union Commission to have the next AMOT meeting in Cairo, alongside the IATF, in December 2018.

DATE AND VENUE OF THE NEXT MEETING (*Agenda Item 9*)

25. Ministers noted that the next Meeting of AMOT is scheduled for December 2018 in Cairo, Egypt back to back with the Intra-Africa Trade Fair.

ADOPTION OF THE REPORT OF THE MEETING (*Agenda Item 10*)

26. Ministers considered and adopted their report.

CLOSING OF THE MEETING (*Agenda Item 11*)

27. The Chairperson then thanked the delegates for their fruitful contribution during the meeting and wished them a safe journey back home.

Signed on this 4th day of June 2018 by the Chairperson and Rapporteur as follows:

.....
H.E. Souleymane DIARRASSOUBA
Côte d'Ivoire
CHAIRPERSON

.....
Mr Waoti Seydou TOURE
Côte d'Ivoire
RAPPORTEUR

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