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UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, ETHIOPIA

P. O. Box 3243

Telephone: 517 700

Fax: 5130 36

website: [www. www.au.int](http://www.wwww.aau.int)

T112321

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**REPORT OF THE EXTRAORDINARY SESSION OF
THE MINISTERS OF TRADE,
ADDIS ABABA, ETHIOPIA, 27 – 28 APRIL 2014**

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Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone 517 700 Fax: +251-1-517844

**EXTRAORDINARY SESSION
OF THE CONFERENCE OF
AU MINISTERS OF TRADE
23 – 28 APRIL 2014
ADDIS ABABA, ETHIOPIA**

**AU/TD/MIN/RPT
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**REPORT OF MEETING OF MINISTERS OF TRADE
27 – 28 APRIL, 2014**

REPORT OF MEETING OF MINISTERS OF TRADE

INTRODUCTION

1. The Extraordinary Session of the AU Conference of Ministers of Trade convened at Ministerial level at the African Union Headquarters in Addis Ababa, Ethiopia from 27 to 28 April, 2014. The meeting was formally open by H.E. Mr. Aziz Mahamat Saleh, Minister of Economy, Trade and Tourism Development of the Republic of Chad, who chaired the Conference.

ATTENDANCE

2. The meeting was attended by the following Member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Mali, Malawi, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sahrawi Republic, Senegal, Sao Tome and Principe, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities (RECs) and African Business Councils participated in the meeting: COMESA, EAC, ECCAS, IGAD, SADC, COMESA Business Council (CBC), East Africa Business Council (EABC) and Federation of West African Chambers of Commerce and Industry (FEWACCI).

4. Also in attendance were representatives of UNECA and UNDP. The full list of participants is attached as Annex 1.

PROCEEDINGS

Agenda Item 1: Opening Ceremony

Statement by the Commissioner for Trade and Industry

5. After welcoming the Ministers to Addis Ababa, H.E the Commissioner for Trade and Industry indicated that the Extraordinary Session was organised in response to the directive from the AU Summit, held in January 2014 as recommended by the High Level African Trade Committee (HATC). She highlighted the decisions of the HATC urging Member States and Regional Economic Communities to ensure that the negotiations of bilateral and multilateral trade agreements by RECs and individual countries do not compromise Africa's integration or undermine the scope and vision of the Abuja Treaty.

6. The Commissioner raised a number of key issues related to the reauthorisation of AGOA, the on-going EPA negotiations, Africa's strategic response to the WTO negotiations, Boosting Intra Africa Trade Action Plan and the establishment of the

CFTA. She commented on the outcomes of the 4th Joint EU-Africa Summit in Brussels and stressed the need for Ministers to provide a strong political direction on the way forward on EPAs. Ministers were encouraged to engage on the outcome of Bali and to come up with recommendations for Summit on how Africa's interest can be effectively safeguarded in the WTO negotiations, particularly in the Post Bali agenda. The Commissioner also underscored the critical need for Africa to speak with one voice in order to increase its negotiating leverage and address some of the imbalances in the multilateral trading system.

7. In conclusion, the Commissioner reaffirmed the importance for Africa to strategize effectively in ensuring that AGOA is extended for the next 15 years to enable African countries derive maximum benefits from AGOA. She indicated that given the uncertainties with the multilateral and bilateral trade negotiations, it has become even more critical for Africa to create and maintain momentum towards the establishment of a CFTA that is as ambitious as possible in as short a time as possible. She stressed the importance of prioritizing Africa's economic integration agenda over other bilateral and multilateral agreements because it is this agenda that is key to Africa's economic transformation and development.

Opening Statement by the Chair

8. H.E. Mr. Aziz Mahamat Saleh, Minister of Economy, Trade and Tourism Development of the Republic of Chad delivered his opening address in his capacity as Chairperson of the Conference. He expressed his pleasure to chair this Extraordinary Session of AU Ministers of Trade and thanked the African Union Commission for hosting this event. He then recalled the historic 2012 Summit Decision on Boosting Intra- African Trade (BIAT) and establishment of the Continental Free Trade Area (CFTA) and the Plan of Action which aims at deepening Africa's integration into the global economy and ensuring that trade serves as an effective instrument for the speedy and sustainable development of the continent.

9. Referring to the 2014 Summit Decision, the Chair reminded the participants of the genesis and objectives of this Session, particularly the need to prepare effectively for the launch of the CFTA negotiations in 2015 and consider reports on the implications of the Bali WTO MC 9 and the results of the Evaluation Studies carried out on AGOA. He stated that this Session gives an opportunity to Ministers to consider the report of the Senior Officials and to appraise the reality Africa is facing for the implementation of decisions. He stressed the need to strengthen Africa's regional and continental markets through the use of trade as a tool for economic growth and development, the pursuit of the integration process and the commitment to launch CFTA negotiations by 2015 towards the establishment of the CFTA by the indicative date of 2017.

10. In conclusion, the Chair reminded the meeting that the success of this process depends on Africa's determination and common will. He finally recalled that the report of the present meeting would be considered by the HATC and declared the meeting open.

Agenda Item 2: Adoption of the Agenda and Organization of Work

11. The Conference considered its agenda and organization of work. The Commission was urged to exert rigorous time management in order to enable the examination of all the critical items on the agenda. The work programme in this regard was amended. The Agenda and work programme were adopted after amendments.

Agenda Item 3: Presentation of the Report of Senior Trade Officials Meeting

12. The Report of Senior Trade Officials was presented by the Chair of the Meeting of Senior Officials, Mr. Mbaikombe Guetimbaye Abel, Deputy Secretary General of the Ministry of Trade and Industry of Chad.

13. The Conference further received updates on WTO issues by the Coordinator of the WTO African Group and by the AU Permanent Representative in Geneva; on EPAs by the Ambassador of Kenya representing the African Group in Brussels and on AGOA by the AU Permanent Representative in Washington DC. The Conference took note of the updates.

14. The Conference took note of the Report and made the following recommendations under each item:

Matters arising from the 2nd Meeting of the High Level African Trade Committee (HATC)**I. Recommendations on Africa's response and implications of the WTO Bali Outcomes****1. Member States should:**

- a) Implement the TF Agreement on a provisional basis in line with paragraph 47 of the Doha Ministerial Declaration;
- b) Endeavour to allocate adequate resources to enable preparedness of their national institutions involved in the implementation of the Agreement such as Customs Administrations in their reform and modernization programs;
- c) Advise the Permanent Representatives in Geneva to call upon all WTO members to support the African Union's efforts to secure observer status in the WTO;
- d) Mandate the AUC to renew its application to the Director General of the WTO and all the relevant bodies of the WTO to request the granting of permanent observer status to the African Union in all WTO bodies;
- e) While recognizing that Member States individually notify their TF commitments to the WTO, coordinate and harmonise their TF commitments, where possible, under their respective regional configurations;

- f) Require that provisions of Section II of the TF Agreement related to Special and Differential Treatment (S&D) should apply to African countries in accession;
- g) Strongly support acceding African countries to benefit from the provision of technical and financial assistance as well as transition provisions during the accession process.

2. The AUC should:

- a) Engage with RECS and Member States on the implementation of the Trade Facilitation Agreement in accordance with African priorities as well as both short and long term interests;
- b) To engage with developed countries and development partners on the mobilization of resources for implementing the Trade Facilitation Agreement;
- c) Monitor the provision of technical and financial assistance as well as the implementation of the provisions of the Trade Facilitation Agreement and report to the African Ministers of Trade;
- d) Create a platform/forum for exchange of information to enable peer to peer learning among African Union Member States in the implementation of the Agreement and explore the establishment of a Pan African Trade Facilitation Committee;
- e) Ensure that this trade facilitation agenda is aligned with the priority programmes of the trade facilitation cluster of the BIAT;
- f) Strengthen the technical capacity of the Department of Trade and Industry and the AU Mission to Geneva to continue providing technical support to African countries for the WTO negotiations.

3. The AUC and UNECA working with the African negotiators in Geneva should:

- a) Develop a position paper for Africa on African priorities and positions for the Post Bali work program, to be submitted for consideration and adoption by the African Ministers of Trade;
- b) Organise quarterly coordination meetings or retreats to harmonise African positions on WTO issues – in particular the Post-Bali negotiations.

4. AUC and RECs supported by UNECA and other development partners should :

- a) Conduct sensitization of all stakeholders about the Agreement including the expected roles and obligations of various implementing institutions/agencies at the National level;
- b) Engage with the private sector to ensure that prioritised Trade Facilitation Measures benefit African firms;
- c) Design and implement tailor made Capacity Building Programmes for all stakeholders in order to ensure the effective implementation of the Agreement; and
- d) Develop a roadmap with specific timelines for the implementation of the above recommendations.

II. Recommendations on Africa's assessment of the Africa Growth and Opportunity Act (AGOA).

- a) Africa's regional integration process should be consolidated while it continues to engage the US for a reauthorization of AGOA for another fifteen years;
- b) The issues of better market access, flexibility in Rules of Origin and SPS measures and especially capacity building should be priority issues when advocating with the US;
- c) African countries are encouraged to develop AGOA national response strategies in order to maximize benefits from AGOA;
- d) The AUC, the African Group of Ambassadors in Washington and Member States should intensify their engagements with the US Government to advance Africa's common position on the future of AGOA;
- e) AGOA eligible countries should lobby for the extension of AGOA preferences to all African countries and also for the expansion of product coverage of AGOA exports to the US'.

III. Recommendations on Economic Partnership Agreements (EPA) Negotiations

- a) Before signing and ratifying EPAs, Member States should take into consideration the strategic interests of Africa and ensure that the agreements do not:

- Undermine Africa's regional and continental economic integration;
 - Lead to loss of jobs, investments and Government Revenues;
 - Threaten Africa's industrial development programmes.
- b) The AU should take a unified position on the EU Market Access Regulation, recalling the ACP Ministers of Trade's Sipopo Declaration on delaying entry into force of the Regulation; however, to avoid trade disruption there is an urgent need for African countries to intensify advocacy efforts with EU Member States at political level;
- c) The AUC and Member States need to engage the European Union to clarify the entry into force of the deadline and explore all avenues to prevent trade disruption, including requesting an extension and identifying alternative markets in Africa;
- d) The AUC, Member States and the private sector to expeditiously undertake resource mobilisation within and beyond the continent in order to support those countries that are negatively impacted by the withdrawal of Market Access Regulation 1528/2007 as amended, by 1st October 2014;
- e) EPA negotiating region focal points to share the latest version of the draft negotiating texts to the AUC by 09 May 2014 taking into account that Member States are at different stages in the negotiations;
- f) AUC and UNECA to urgently undertake more technical analysis, including a summary of the recommendations of studies done, and propose solutions on the impact of EPAs on African economies in the context of the pending withdrawal of market access by 1st of October 2014. The Analysis should focus on non-LDCs and the implications at national, regional and continental levels;
- g) AUC to organise an EPA Coordination meeting at experts level to:
- i) Share information on current EPA texts – including a joint review of provisions in the different regional texts in order to identify divergences, share experiences and identify best practices on how to address common contentious issues;
 - ii) Develop legal provisions to ensure that EPAs can be reviewed in line with paragraph 42 of the EU –Africa Summit Declaration if those agreements impede or threaten Africa's integration.

IV. Recommendations on the Implementation Strategy for Boosting Intra-African Trade

- a) AUC, REC Secretariats and ECA should continue their consultations with all Member States in order to ensure ownership;

- b) There is need for more coordination between AUC and RECs including the exchange of information on integration so that the regional processes will feed into continental processes;
- c) Member States and REC Secretariats should designate national and regional focal points and establish the technical working groups for the BIAT/CFTA in line with the July 2012 Summit Decision.

V. Strategic Discussions on the establishment of the CFTA

15. On the strategic discussions on the establishment of the CFTA, the Conference expressed the following views ;

- i) Industrial and infrastructure development are important for a CFTA that is beneficial to all African countries;
- ii) the importance of including trade in services and the movement of business persons in the CFTA;
- iii) the inclusion of the maritime dimension of boosting intra africa trade and special needs of Island Countries;
- iv) Exploring the modalities of compensation for revenue loss for countries participating in the CFTA;
- v) Consolidating regional free trade arrangements as a basis for building a strong CFTA;
- vi) The CFTA should be designed in a way that promotes the development and strengthening of regional value chains;

VI. Recommendation on the Draft Objectives and guiding principles for the negotiations of the CFTA and Draft Institutional Arrangements for CFTA Negotiations;

16. Further discussions and refining of the Draft Objectives and Principles and the Draft Institutional Arrangements for the CFTA, should be undertaken and presented to the 9th Session of CAMOT.

VII. Recommendations on the Terms of Reference of the CFTA Negotiating Forum (CFTA-NF)

17. The Commission should prepare Draft Terms of Reference of the CFTA-Negotiating Forum based on best practices in the RECs and/or the Tripartite and submit a draft for discussion at the next meeting of Senior Trade Officials.

VIII. Draft Work Plan for the AUC/Continental Task Force

18. The Conference endorsed the Work Plan for the AUC/Continental Task Force for implementation by all the relevant actors.

Agenda Item 5: Any Other Business

19. The AU Commission informed the meeting that, due to elections, it will not be possible to hold the 9th Session of CAMOT in Namibia. Zambia and Nigeria then offered to host the next Conference, subject to confirmation after consultations.

20. A vote of appreciation was delivered by H.E. Mr. Armando Inroga, Minister of Trade and Industry of Mozambique on behalf of the Conference, to the African Union Commission for a successful meeting.

Agenda Item 6: Closure of the Meeting

21. In her closing remarks the Commissioner thanked the Ministers for their active participation and invaluable contributions. The Chair appreciated the rich deliberations, commended the Ministers for their commitment to advance continental integration, solidarity and cooperation and brought the meeting to a close.

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