

**STATEMENT OF H.E. MR. WAMKELE MENE**

**ON THE OCCASION OF SWEARING-IN AS THE**

**SECRETARY-GENERAL**

**OF THE AfCFTA SECRETARIAT**

**19 MARCH 2020**

**ADDIS ABABA**

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

*Your Excellencies, Commissioners of the African Union,*

*Your Excellencies Ambassadors and Permanent Representatives Missions in Addis Ababa,*

*Ladies and Gentlemen;*

On this occasion, let me express deep humility for having been elected by the 33<sup>rd</sup> Ordinary Session of the Assembly, as the first Secretary-General of the AfCFTA Secretariat. I shall undertake this historic mission of serving Africa, with resolute determination.

Since the negotiations were launched in Johannesburg in 2015, remarkable progress has been achieved largely because of the political will and commitment of the Assembly of Heads of States, to provide leadership and to ensure that Africa takes concrete steps towards the creation of an integrated market.

Inspired by the Abuja Treaty in respect of Africa's integration objectives expressed therein, and conscious of the continuing economic development challenges that were set out in the Lagos Plan of Action, the Assembly of Heads of States has demonstrated determination to take rapid action to achieve the Africa that we want in our lifetime.

*Excellencies,*

*Ladies and Gentlemen,*

Allow me to pay tribute to the President of the Republic of Niger, H.E. President Mahamadou Issoufou, the Champion and Leader of the AfCFTA, for his unwavering and dedicated leadership during the negotiation process of the AfCFTA since March 2017. Under his guidance and leadership, Africa confounded critiques: 54 countries have signed the agreement and 30 have ratified it, making this fastest ratification in the history of the African Union.

Without the vision of H.E. Mr. Moussa Faki Mahamat, Chairperson of the African Union Commission, it is doubtful that we would have been able to achieve significant progress in the AfCFTA negotiations. Under his leadership, the negotiations were provided with all the necessary resource and political support that was required, for this, I wish to express appreciation.

My dear senior brother, H.E. Commissioner Muchanga has been a pillar of these negotiations, providing wisdom and a steady hand, at very critical times in the negotiations. We also owe a debt of gratitude to former Commissioner Fatima Acyl, she provided the strong foundation that was required in the early stages of the AfCFTA negotiations.

The Republic of Ghana has been at the forefront of integration in Africa. It is therefore natural that as we take this significant step towards the integration of the market in Africa, Ghana should be at vanguard of our efforts. I therefore thank the government and the people of Ghana, for the warm welcome that we are about to receive in our new home.

*Excellencies,*

*Ladies and Gentlemen,*

In any long journey to the promised land, some comrades will not make it. The comrades who met their demise whilst in the service of Africa, shall not be forgotten. My late dear sister Miriam Omoro of Kenya, made a sterling contribution to our work. The brilliant mind of my late dear brother Ambassador Chiedu Osakwe of Nigeria, who was arguably one of the best trade diplomats that Africa has ever produced, will sorely be missed as we confront challenges of implementation. May their departed souls Rest in Peace.

The AfCFTA offers Africa an opportunity to confront the significant trade and economic development challenges of our time:

- market fragmentation;
- smallness of national economies;
- over reliance on the export of primary commodities;
- narrow export base, caused by shallow manufacturing capacity;
- lack of export specialisation;
- under-developed industrial regional value chains; and
- high regulatory and tariff barriers to intra-Africa trade amongst others.

The result of all of this, is a very low percentage of intra-Africa trade of 18%, and as noted, a significant reliance on export of primary commodities to traditional markets of the North.

The AfCFTA is therefore, a critical response to Africa's developmental challenges. It has the potential to enable Africa to significantly boost intra-Africa trade, improve economies of scale and to establish an integrated market. It has the potential to be a catalyst for industrial development, placing Africa on a path to exporting value-added products, improving Africa's competitiveness both in its own markets and globally. It also sends a strong signal to the international

investor community that Africa is open for business, based on a single rule-book for trade and investment.

*Excellencies,*

*Ladies and Gentlemen,*

Africa is open for business and mutually beneficial investment thereby creating decent jobs and improving livelihoods:

- we have a market of 1.2 billion people;
- we have a combined GDP of US\$2.5 trillion,
- Africa boasts over 400 African companies that earn annual revenues of US\$1 billion or more;
- according Prof Landry Signé and Acha Leke, writing in 2019 in Foresight Africa, a Brookings Institute publication, African industries have the opportunity to double production to nearly \$1 trillion within a decade, with three-quarters of that growth coming from manufacturing to substitute imports and meet increasing local demand; and
- through at least the first half of the decade, seven of the world's 10 fastest-growing economies were in Africa. According to the International Monetary Fund's World Economic Outlook Database, October 2019,

*Excellencies,*

*Ladies and Gentlemen,*

This is a period of unprecedented challenge to the global economy and the multilateral trading system, on which the global economy is anchored. The multilateral trading system is under severe strain, largely due to what appears to be an abandonment of the rules that underpin it. This strain on the multilateral trading system has the risk of reversing the modest gains that we have made in placing development at the centre of the multilateral trading system, since we launched the Doha Development Agenda in 2001. Africa's response against this strain on the multilateral trading system must be to consolidate and

advance our continental market integration objectives, through the AfCFTA. Under the leadership of President Issoufou, our collective priority should be to rapidly conclude Phase I and II of the negotiations of the AfCFTA, in order to unlock Africa's full productive capacity.

The second challenge to the global economy is the ongoing Corona Virus scourge, which has ravaged global economic activity, has a materially adverse impact on global capital markets, severely disrupted trade and global supply chains, and of course, has had a negative effect on global public health. Africa should not despair and fall into despondency – from a trade perspective, we should see this crisis as an opportunity – through the AfCFTA we have an opportunity to reconfigure our supply chains, to reduce reliance on others and to expedite the establishment of regional value chains that will boost intra-Africa trade. In the next few weeks, I will initiate discussions on this issue with the Commissioner for Trade & Industry and our technical partners UN ECA and UNCTAD.

*Excellencies,*

*Ladies and Gentlemen,*

As the Secretary-General, I am committed to ensuring that the AfCFTA is effectively implemented such that there is shared and inclusive economic growth.

The backlash against free trade and trade liberalisation that we have witnessed in recent years is not because trade liberalisation is intrinsically beneficial exclusively to a certain elite or to certain countries. Rather, the backlash is, in part, attributable to the unequal distribution of the benefits of international trade and a lack of shared and inclusive growth. The lesson for the AfCFTA from this backlash against trade liberalisation and the pursuit for freer international trade through the multilateral trading system (i.e. the World Trade Organisation) and through FTAs is that, beyond boosting trade flows, the question of equitable distribution of the gains of the AfCFTA must be at the centre of its implementation. If the AfCFTA is perceived to be benefiting only a handful of

relatively industrialised countries in Africa such as my country South Africa, and a handful of African Multinational Corporations, it shall be rejected by Africans, and deservedly so.

In this regard, we should recall that the empowerment of women, young Africans and other disadvantaged segments of our society, is a central objective of *Agenda 2063: The Africa We Want*. We know from empirical evidence that women, young Africans and SMEs, confront significant challenges when attempting to benefit from trade agreements. I therefore intend to take concrete steps to ensure that women and young Africans are at the heart of implementation of the AfCFTA. In due course, I will announce specific measures that can be put in place to enable women, young Africans and SMEs, to benefit from the AfCFTA to achieve the objective of inclusive benefits of the AfCFTA and shared growth across the continent.

*Excellencies,*

*Ladies and Gentlemen,*

The global economy is on the brink of a new industrial revolution, driven by new-generation information technologies such as the Internet of Things, cloud computing, big data and data analytics, robotics and additive manufacturing. All of this presents challenges and opportunities for the AfCFTA.

The 4<sup>th</sup> Industrial Revolution is likely to impact on the AfCFTA in a manner that we have not fully contemplated. How is Africa preparing herself for the 4<sup>th</sup> Industrial Revolution, in the context of the AfCFTA? With the advent of additive manufacturing, what is the impact on industrialisation and job creation in Africa, jobs which may have been created on the back of the AfCFTA? How will the e-commerce and digital trade chapter of the AfCFTA position Africa to be a global player in cloud computing services, data processing and data storage?

All of these are questions that require forward looking intellectual rigour, including analysing how the future of trade and investment flows might change as a result of technological factors and the 4<sup>th</sup> Industrial Revolution. Such

forward looking intellectual rigour is critical in shedding light on the complex policy issues and strategic choices that will shape Africa's trade and investment prospects over the next 10-30 years.

*Excellencies,*

*Ladies and Gentlemen,*

The implementation phase of the AfCFTA coincides with the year of Silencing the Guns, providing an opportunity to focus on fast-tracking Africa's economic development objectives. Successful implementation of the AfCFTA shall further consolidate the gains that are foreseen in *Agenda 2063: The Africa We Want* and indeed shall take us a step closer to the Africa we want.

Africa has confounded critiques, standing on the shoulders of the great liberation struggle heroes of our continent, we dare not fail in this historic mission to integrate Africa.

I thank you.