

**STATEMENT DELIVERED ON BEHALF OF THE AU CHAIRPERSON ,
PRESIDENT CYRIL RAMAPHOSA ON THE OCCASION OF THE
HANDOVER CEREMONY OF THE AfCFTA SECRETARIAT.**

His Excellency, the President of the Republic of Ghana, Mr Nana Addo Dankwa Akufo-Addo,

Excellencies:

Mr Mahamadou Issoufou, President of Niger and AU Champion for AfCFTA,

Mr Moussa Faki, Chairperson of the African Union Commission,

Mr Wamkele Mene, Secretary-General of the AfCFTA,

Honourable Ministers,

Ambassadors and members of the diplomatic corps,

Distinguished guests,

Mr President, I respectfully stand to deliver a statement on behalf of the African Union Chair, His Excellency, Mr Matamela Cyril Ramaphosa, the President Of South Africa.

The statement reads as follows:

“Excellences, allow me to first congratulate the President of Ghana, H.E. Nana Akufo-Addo, for hosting the AfCFTA Headquarters as well as Mr Wamkele Mene on his inauguration, which took place in Addis Ababa, on 19 March 2020.

On behalf of the African Union and the entire Continent, I express our profound gratitude to the Government and people of Ghana for generously offering the building and residences, which house the AfCFTA. This day is indeed a milestone and a strong affirmation of the vision of an integrated Africa, which was envisioned by the founding fathers of the OAU, including Kwame Nkrumah, 57 years ago. It is a fitting tribute that the AfCFTA Headquarters are being housed in Ghana.

I want to reassure you, Mr Mene of the Chair’s unwavering support, as you execute your responsibilities of promoting the successful implementation of the AfCFTA, as entrusted to you by the Continent. Mr Mene, you are facing enormous challenges ahead, but they are not insurmountable. When successfully implemented, the AfCFTA will be a huge milestone towards the realization of Agenda 2063, the Africa We Want.

As AU Chair, I also wish to assure you of the AU's commitment to the successful implementation of the AfCFTA, as a practical contribution to economic development of Africa.

We welcome the progress achieved thus far in the implementation of the Niamey Decision of July 2019, but we also acknowledge the challenges that still exist in the negotiations at the moment, in particular around the issue of Rules of Origin and Trade offers, as well as trade in services. We are confident that, through your leadership and the determination of the AU Member States, all bracketed issues should be resolved.

We remain concerned about the impact of the global pandemic caused by the COVID-19 virus on the Continent, which resulted in thousands of fatalities. The COVID-19 pandemic arrived at a moment when prospects for many African countries were promising. At the beginning of 2020, Africa was on track to continue its economic expansion, with growth projected to rise from 2.9 per cent in 2019 to 3.2 per cent in 2020, and 3.5 per cent in 2021.

It is also equally important to state that important gains are being registered in poverty reduction and health indicators. We are witnessing unprecedented embracing of technology and innovation across the Continent, with young Africans acting as early adopters of new platforms, such as mobile money.

Distinguished guests, progress had also been made with respect to political unity and economic integration. The entry into force of the African Continental Free Trade Area in May 2019 promised to boost intra-African trade by as much as 25 per cent by 2040.

Excellencies, we have all agreed that peace and security on the African continent is a prerequisite to sustainable economic development. Accordingly we must continue our efforts to silence the guns so as to achieve the African we want. We have decided to also prioritize infrastructure development to ensure seamless transportation of goods and services as we increase trade amongst ourselves.

Furthermore, it is important to note that, Africa enjoyed some of the highest global returns on foreign direct investment. Several inclusive elections, increasingly the norm for a majority of African countries, are due to be held in 2020. At the same time, as with other regions of the world, Africa faced important challenges. It was not on track to achieve the goals of the 2030 Agenda and Agenda 2063. Our progress is undermined by weak governance, environmental

degradation, lack of economic diversity, and humanitarian and conflict situations, among others.

The pandemic necessitated the postponement of the July 2020 start date of trade under the AfCFTA, which delayed the promise of opportunities for new exports, jobs, investments in infrastructure and financing for Africa's development. The huge economic effect of the crisis has led to exchange rate depreciations and a projected decline in Africa's GDP. The UN Economic Commission for Africa (ECA) envisages a -2.6% contraction in terms of economic growth in Africa, depriving 19 Million people of their livelihoods and pushing 29 million people into poverty.

I wish to also state that Government revenues in Africa are estimated to drop in 2020 by US\$45 billion, from the pre-COVID forecast. This depreciation will further compound African countries' high levels of debt, which have increased to roughly US\$40 billion annually, driven higher by the depreciation of many African currencies in 2020. In 2020, African debt is expected to increase by about 4.4 percentage points of GDP and is thus likely to trigger a debt crisis and potentially a default by some countries.

This pandemic has further exposed the entrenched inequalities between men and women and the plight of women and girls with regard to gender-based violence, particularly domestic violence. Education, economic empowerment and financial inclusion of women and girls in Africa must be a priority. Therefore, there is no time to delay the right and access of women to contribute and meaningfully participate in decision making and policy development to ensure a gender responsive approach that is appropriately budgeted for in programmes targeting the development of women and girls so that no one is left behind.

Decades of progress to raise living standards and reduce poverty have now been replaced by increasing insecurity and inequality during this pandemic. The pandemic is a health, economic, and environmental problem. Its impact on the health of the population, economic activity and social development are all interlinked, requiring us to have a comprehensive approach of inclusive and sustainable development.

It is regrettable that the COVID-19 has had huge implications on the upcoming Extra-ordinary Summit of the AfCFTA, which was originally scheduled to be held in South Africa in May 2020, and had to be postponed to 5 December 2020 and the start of trading under the AfCFTA has also been moved from July 2020 to January 2021”.

However Africa is a resolute continent. Today bears testament to our tenacity to rise in the face of adversity. Together we will emerge stronger in a post-cvovid-19 era to usher in prosperity and development in the African continent. The road

to economic recovery may be long and pose many challenges. But we are ready to tackle and overcome any adversity when we act together.

Excellencies, allow me to once again take this opportunity to wish you Mr Mene all the best in your new role and to assure you of the continent's confidence in your stewardship.

In conclusion, as Chair of the African Union, I thank you Mr. President, for your exemplary leadership and generosity in hosting the AfCFTA Secretariat in Accra, Ghana.

Medase. Siyabonga. I thank you.