

**OPENING STATEMENT MADE BY HON DR EKWOW SPIO-
GARBRAH, MINISTER OF TRADE AND INDUSTRY AT THE
ECOWAS/UNCTAD STAKEHOLDER CONSULTATION ON THE
DEVELOPMENT OF A REGIONAL STRATEGY FOR THE CFTA
NEGOTIATIONS WHICH WAS HELD IN ACCRA FROM 9TH -11TH
MARCH, 2016**

**MR. CHAIRMAN
OFFICIALS FROM ECOWAS COMMISSION
RESOURCE PERSONS FROM UNCTAD SECRETARIAT
DISTINGUISHED INVITED GUESTS
LADIES AND GENTLEMEN**

It is an honour for me to address this ECOWAS/UNCTAD Stakeholder Consultation on the Development of a Regional Strategy for the Africa Continental Free Trade Area (CFTA) Negotiations.

Let me at the outset thank ECOWAS, UNCTAD and GIZ for organizing this Stakeholders Consultation to enable ECOWAS Member States Strategize for the CFTA negotiations in order to derive maximum benefits and minimize the losses from the Agreement.

Ghana was happy to see that the vision of the Pan African Movement for regional integration is now gradually becoming a reality with the launching of the CFTA in Johannesburg, South Africa in June 2015 by African leaders to establish a Continental Free Trade Area by 2017 to accelerate and deepen the continent's market integration.

The importance of trade to the growth and development of any nation has become unquestionable. Trade, certainly, has the potential of ensuring economic growth and lifting millions of people out of poverty.

By virtue of the peculiarities of most African countries including the small sizes of our markets and the attendant weak purchasing power of consumers, the potential of trade and private sector development has not been fully realised.

As you may be aware, Free Trade Areas (FTAs) have become extremely important strategy for development across the regions of the world as a result of

the increasingly deepening of globalization and integration. Major continents of the world are finding it prudent to pool resources and markets together in order to become more competitive and reap the benefits of integration. The experience of regions such as the EU, ASEAN, NAFTA and MERCOSUR, which used FTAs as building blocks in their process of regional integration, indicates that FTAs can make important contributions to successful market integration and contribute significantly to economic growth and development of the participating nations.

For instance, the creation of the EU internal market led to an increase in the level of Intra-EU trade which now stands at about 63% and has contributed enormously to growth of GDP and employment.

In Africa, the East African Community (EAC) trade data indicated that international trade in the region more than doubled from \$1.6 billion in 2004 to \$3.5 billion in 2010 as a result of choosing the path of integration.

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African regional integration through a continental Free Trade Area has become more eminent and critical now than ever, because of the proposition and the conceptualization of Action Plans to implement a number of Mega Trade deals/Agreements like Trans-Pacific Partnership (TTP), Transatlantic Trade and Investment Partnership (TTIP), and Regional Comprehensive Economic Partnership (RCEP). Since these have serious and major implications for Africa's development, it is incumbent on African countries to fast-track and boost intra-African trade in order to be relevant in the global economy.

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It is gratifying to acknowledge progress that was made in June 2015 by the COMESA, SADC and EAC for adopting the Tripartite Free Trade Area (TFTA) which is made up of 26 countries with a population of nearly 625 million people and a total GDP of approximately US \$1 trillion. It is further envisaged that the 26-country Tripartite FTA, together with other regional FTA processes, would set the stage for a broader and a grand Continental Free Trade Area.

As have been projected by the United Nations Economic Commission for Africa (UNECA), a successful implementation of a Continental Free Trade Area could increase intra-African Trade by as much as \$35 billion per year, or 52% above the baseline by 2022. Consequently, imports from outside the

continent could decrease by \$ 10 billion per year, whereas Agricultural and Industrial exports would increase by \$ 4 billion (7%) and \$ 21 billion (5%) above the baseline respectively. Additionally, it has been projected that coupled with complementary Trade Facilitation measures to boost the speed and reduce the cost of customs procedures and port handling, the share of Intra-African Trade would more than double over the baseline to 22% of total trade by 2022.

The creation of a single continental market for goods and services, with free movement of business people and investments, would help bring closer the Continental Customs Union and the African Common Market and turn the 54 single African economies into a more coherent, larger market. Furthermore, the CFTA would facilitate the exploitation of economies of scale; help move factors of production across borders; increase rate of diversification and transformation of our economics; reduce vulnerability of external shocks and boost employment opportunities.

MR CHAIRMAN

The engagement of the private sector in the initiation of government policies at the national, sub-regional levels and continental remains pertinent. With privatization and deregulation in the last few decades, most governments have largely retreated from business and entrusted the private sector to take the lead in stimulating growth and creating jobs. The most resilient economies are those which have managed to establish a true partnership between government and the private sector.

To a large extent, the successful implementation of the CFTA would depend on how well it meets the needs of the private sector. It is generally expected that the rules that African countries enact for the conduct of trade such as the CFTA are meant to be exploited by the private sector. Private sector engagement and sensitization on the CFTA is therefore critical at all levels. In this regard there should be a concerted drive to engage in high level consultations and sensitization with the private sector in the entire negotiation process of the CFTA and the public at large across the continent to ensure this will not be just another Addis-driven “top-down” political exercise to ensure the successful establishment of the CFTA within the time frames.

The role of financial institutions in ensuring the successful implementation of the CFTA is also crucial since business transactions and advisory services will

be provided by them. Consequently, the AU and Member States should get some friendly international and Pan African financial institutions involved in the process from now to provide financial support and technical advice.

MR CHAIRMAN

Admittedly, deriving benefits from international trade remains a challenge for most of our countries as measures such as Rules of Origin, infrastructure deficits, lack of diversification, overly high standards and technical barriers disguised as trade policy tools continue to restrict us from taking advantage of market access opportunities, thereby hampering our effective integration into the multilateral trading system.

It is in this light that we all have to put our shoulders to the wheel, as Politicians, Public Officers, Businessmen, Farmers, among others, on the continent to enable us drive and fast track the various integration processes in order for us to reap and enjoy the many benefits inherent in integration.

MR CHAIRMAN, DISTINGUISHED LADIES AND GENTLEMEN

I would like to conclude by reiterating that the CFTA remains a viable vehicle for improving the economic development of our countries. African leaders are urged to give this noble dream of the CFTA a push to see to its success in our time with strong political will. I wish you a successfully stakeholder consultation.

Thank you