

Continental Free Trade Area on Track for 2017 Completion

By Fred Oladeinde

The African Union Commissioner for Trade and Industry assured participants attending the 2nd AGOA Spring Conference panel discussion on Trade and Private Sector Expansion: A Vehicle for Economic Growth and Improved Standard of Living in Africa at the World Bank that the African Union Continental Free Trade Area, (CFTA) is on track and will be completed by 2017. Commissioner Fatima Acyl stated that “the African Union is committed to the success of its Agenda 2063 that was launched in 2013 under the leadership of the Chairperson, H.E., Dr. Nkosazana Dlamini Zuma, and the Commission is working closely with member States, regional economic groupings, Civil Society, business and other important stakeholders to boost intra Africa trade and economic cooperation.” She also reiterated African Union Commission’s commitment to use trade and private sector expansion as vehicles for economic growth and improved standard of living in Africa.

Responding to questions presented during the session, Commissioner Acyl pointed out that the African Union Agenda 2063 addresses every element of the United Nations Sustainable Development Goals (SDG), therefore, increasing the chances of African Union member States performing well in meeting the SDGs by 2030. Regarding AGOA, Commissioner Acyl restated the African Union’s commitment to increased US-Sub-Saharan trade and economic cooperation under the AGOA Extension and Enhancement Act (AEEA) which is due to end in 2025, underscoring AGOA’s eligibility criteria, she reaffirmed AU’s commitment to work with eligible Sub-Saharan countries in preparation of their AGOA strategy plans, and to include the benefits to intra Africa trade in increasing competitiveness of African products in the United States under AGOA.

The 2nd AGOA Spring Conference, including the panel discussion on was organized by the AGOA Civil Society Organization Network Secretariat, and the theme of the conference was *The Role of Civil Society in AGOA Trade Expansion and Inclusive Development in Africa*.

Also speaking on the panel, Florizelle “Florie” Liser, Assistant United States Trade Representative (USTR) for Africa, Office of the USTR, Executive Office of the

President of the United States reminded the audience that we now have approximately nine years left to the expiration of AGOA Extension and Enhancement in 2025, the first AGOA bill was passed and signed into law by President Clinton in 2000. We should be looking to using AGOA to add value to primary products, moving away from exporting commodities to industrialization-industrialization will create jobs and improve the standard of living for the large and emerging middle class across Africa. Ms. Liser also stated that her office is looking to now working with eligible countries to start looking to strengthening trade and economic cooperation beyond AGOA in 2025, given the fact that this may be the longest and last extension of AGOA.

Answering a question on the impact of U.S. agricultural subsidies on competitiveness of African products in US markets and globally, Ms. Liser re-capped USTR's position on that issue under WTO negotiation, given that the US remains a major market for imports, globally, it is recommended that other issues limiting the competitiveness of African products in US markets, such as, scaling up; power; transportation linkages; standards, including sanitary and phyto sanitary and other gaps on the supply side be addressed.

Other distinguished panelists included: H.E. Mninwa Mahlangu, Ambassador of the Republic of South Africa to the United States; Mr. Eric Biel, Associate Undersecretary for Labor, Bureau of International Affairs, U.S. Department of Labor; and Ms. Nancy Donaldson, Chief Director, Washington Office, International Labor Organization

Ambassador Mahlangu reiterated South Africa's commitment to using trade and private sector expansion as vehicle for economic growth and improved standard of living. And he underscored some of the challenges currently facing South Africa, they are as follows:

- Fallen commodity prices
- High un employment
- Income inequality, reducing current expected GDP growth rate to 2percent in 2016

Nevertheless, South Africa is focused on optimizing exports under AGOA, particularly, in the agricultural sector; increasing intra Africa trade in SACU and SADC regions to increase AGOA trade expansion, address income inequality and

strengthen democracy, private sector expansion, and inclusive development. Ambassador Mahlangu also noted that South Africa is compelled to working with civil society in South Africa, in Africa and globally to support economic growth and improved standard of living for the people of South Africa

Eric Biel and Nancy Donaldson both addressed labor and workers' rights under their respective organization's child labor policies. Workers' right to collective bargaining and association in fostering the appropriate environment that is conducive to attracting foreign direct investment and encouraging inclusive development in Africa.

The inaugural AGOA Spring Conference was organized in 2015 to galvanize support for the passage of AEEA of 2015, initiate planning for the Civil Society Session of the 14th AGOA Forum held in Libreville Gabon in 2015; and address issues raised by the U.S. Congress regarding South Africa's (SA) eligibility for AEEA as related to the export of U.S. poultry, pork and beef to SA. The AGOA Civil Society Organization Network plans to continue organizing the AGOA Spring Conference to coincide with the IMF/World Bank Spring Conference in Washington to raise awareness regarding the issues that affect trade, civil society, private sector and free markets.

H.E. Fatima Acyl was elected to serve Commissioner for Trade and Industry at the African Union Commission in 2012. As Commissioner she has championed key elements of Agenda 2063, including preparing for: the launch of the African Continental Free Trade Area (CFTA) and establishing the African Minerals Development Center (AMDC) as an AUC institution.

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