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REPUBLIC OF NAMIBIA



**STATEMENT BY HON. TJEKERO TWEYA,
MINISTER OF INDUSTRIALISATION, TRADE AND SME
DEVELOPMENT FOR THE RATIFICATION OF THE AGREEMENT
ESTABLISHING THE AFRICAN CONTINENTAL FREE TRADE AREA**

NATIONAL ASSEMBLY

Honourable Speaker,
Honourable Members of the National Assembly.

It gives me great pleasure and honour to table for consideration and ratification by this August House, the Agreement Establishing the African Continental Free Trade Area negotiated amongst the 55 African Union Member States, in accordance with Articles 63 (e) and 144 of the Namibian Constitution.

The mandate of the Ministry of Industrialisation, Trade and SME Development amongst others includes the following functions:

- To create favourable economic space to overcome market challenges;
- To transform Namibia into a globally competitive industrialized economy;
- To play a leading role in establishing effective and operational supra-national regional institutions;

- To actively participate in international trade dialogue and integrate Namibia in the global economy; and
- To maintain sound policies that ensures effective cooperation and favourable trade relations with other countries.

All the above tasks can be achieved through the effective participation in the regional and international economic integration through enhanced trade and investment cooperation.

Honourable Speaker,
Honourable Members,

The Government of the Republic of Namibia, through its African Continental Free Trade Area National Negotiating Team have been involved in the full AfCFTA negotiations since February 2016, together with other African Union Member States. The African Heads of State and Government held an Extraordinary Summit on the African Continental Free Trade Area from 17- 21 March 2018 in Kigali, Rwanda, during which the Agreement establishing the African Continental Free Trade Area was presented for signature, along with the Kigali Declaration and the Protocol to the Treaty Establishing the African Economic Community relating to the Free Movement of Persons, Right to

Residence and Right to Establishment. In total, 44 out of the 55 AU Member States signed the consolidated text of the AfCFTA Agreement, 47 signed the Kigali Declaration and 30 signed the Protocol on Free Movement. Five additional countries (Namibia, South Africa, Sierra Leone, Lesotho and Burundi) signed during the 31st Summit of the African Union Heads of State and Government held from 1 – 2 July 2018 in Nouakchott, Mauritania.

Honourable Speaker,
Honourable Members,

The implementation of the Agreement is expected to commence upon ratification and depositing of instruments of ratification by 22 African Union Member States. Currently only seven countries (Chad, eSwatini, Ghana, Kenya, Niger and Rwanda) ratified the AfCFTA Agreement. For Namibia, the process of ratification of an international Treaty takes a maximum of six months. I therefore, kindly request this August House upon the approval of the ratification of this Agreement by this same August House, to mandate the technical officials from the MITSMED and Ministry International Relation and Cooperation (MIRCO) to fast-track the ratification process.

Honourable Speaker,

Honourable Members,

In brief, the AfCFTA offers an opportunity to create larger economies of scale, a bigger market and improve the prospects for the African Continent to attract investment. Namibia is, therefore, committed to a coordinated strategy to boost intra-Africa trade and to build an integrated market in Africa that will see a market of over 1.2 billion people with a GDP of approximately US\$2.6 trillion.

Honourable Members, the Agreement Establishing the AfCFTA aims to safeguard and promote the following:

- Create a single market; this will help facilitate the free movement of persons, goods and services, and investments which will help fast-track the creation of African customs union.
- Reinforce intra-African trade. This will better harmonize the coordination of trade liberalization and facilitation regimes and instruments across the Regional Economic Communities (RECs) and across Africa in general.
- Accelerate regional and continental integration procedures, and resolve multiple and overlapping membership challenges.
- Augment industrial competitiveness through production, market access and resource re-allocation.

The coverage of the AfCFTA Agreement is on trade in goods (both industrial and agriculture), Trade in Services, Investment, Intellectual Property Rights and Competition Policy. Investment, Intellectual Property Rights and Competition Policy will be negotiated in the second Phase. It is hoped that the AfCFTA scope will be widened to cover other substantive disciplines such as electronic commerce.

Honourable Members, the AfCFTA Agreement presented to you for ratification constitute of the Main Text, three Protocols and Four Annexes. The Main Text contains the general principles and provisions, while the Protocols and Annexes contain the specific undertakings, which are:

The Protocol on Trade in Goods aims to boost intra-African trade in goods through progressive elimination of tariffs and non-tariff barriers, enhanced efficiency of customs procedures, trade facilitation and transit. It seeks to facilitate trade in goods via enhanced cooperation in the areas of Technical Barriers to Trade and Sanitary and Phytosanitary Measures as well as development of continental and value chains. The Protocol contains several Annexes: Schedules of Tariff Concessions; Rules of Origin;

Customs Cooperation and Mutual Administrative Assistance; Trade Facilitation; Technical Barriers to Trade; Sanitary and Phytosanitary measures; Non-Tariff Barriers; and Trade Remedies. Annexes on Tariff Concessions, Rules of Origin etc. are yet to be finalised.

The Protocol on Trade in Services aims to create a single services market through progressive liberalisation and elimination of barriers to trade in services across the African continent. It covers all services in any sector except services supplied in the exercise of governmental authority – services that are supplied not for commercial purposes or in competition with one or more service suppliers. Procurement by governmental agencies for governmental purposes and not with a view to commercial re-sale are excluded from the scope of this Protocol. The Protocol contains three Annexes: Schedules of Specific Commitment; Most-Favoured-Nation Exemption; and Air Transport.

Protocol on Rules and Procedures on the Settlement of Disputes deals with trade disputes arising from the commitments undertaken by state parties under the AfCFTA Agreement. It provides for rules and procedures for the settlement of such disputes. The dispute settlement mechanism provided under the Protocol is similar to that of

the World Trade Organisation system. It is inter-state, and administered by a Dispute Settlement Body.

The AfCFTA Dispute Settlement Body, composed of representatives from the state parties, has the authority to establish dispute settlement panels and an Appellate Body, to adopt reports of the panels and Appellate Body. It also maintains surveillance of implementation of rulings and recommendations of the panels and Appellate Body. Dispute Settlement Body decisions are taken by consensus. The Protocol provides that parties to a dispute must endeavour to settle their dispute through consultation, conciliation and mediation processes. If these processes fail, parties must settle their dispute through arbitration procedures facilitated by an arbitration panel established by the Dispute Settlement Body.

Honourable Speaker

Honourable Members,

Allow me now to table the above mentioned Agreement, its Protocol and Annexes for your consideration and ratification.

Your positive consideration and ratification of this Agreement, Honourable Members, will reinforce and give impetus to the implementation of the agreement, and thus

ensuring a widened economic space for Namibia's industries in the form of additional market access for our export products and a source for imports.

This will further confirm the position of Namibia, as an attractive destination for investment and trade and with predictable and reliable legal system.

I am counting on your usual partnership and continued support.

Hon, Speaker, Hon Members, I thank you for your kind attention and I submit!