Speech by the Secretary General of COMESA and Chair of the Tripartite Task Force at the Signing Ceremony of the Tripartite Free Trade Area (FTA) Agreement by the Government of Botswana – Gaborone, Botswana 30 January 2018

The Honourable Vincent T. Seretse, Minister of Investment, Trade and Industry, My Colleague and

The Honourable Biggie G. Butale, Assistant Minister of Investment, Trade and Industry

Acting Executive Secretary, Dr. Thembinkosi Mhlongo

Senior Government Officials

Private Sector representatives

Member of the Tripartite Task Force

Ladies and Gentlemen,

It is a great honour and privilege for me to be here in Botswana to witness the signing of the Agreement Establishing the Tripartite FTA by the Government of Botswana. Botswana is the twenty second country to append its signature to this important Agreement which will not only see the dismantling of trade barriers among the twenty-seven Tripartite Member/Partner States but will pave way to integrating the African continent. You will agree with me that the process of negotiating the Tripartite FTA has been a long and somewhat arduous one. However, one derives solace in the knowledge that the Agreement has taken into account the peculiarities of countries in our region.

The Tripartite Free Trade Area was launched in June 2015 by the Third Tripartite Summit of Heads of State and Government after more than three years of intense negotiations. The Agreement establishing the Tripartite FTA was signed and opened for signature by sixteen Tripartite Member States. To date, the Agreement has been signed by twenty-one Tripartite Member
States. It is encouraging to note that the Agreement has been ratified by two Member States, the Arab Republic of Egypt and Uganda. For the Agreement to come into force, it has to be ratified by fourteen (14) Tripartite Member/Partner States. I therefore call upon those Tripartite Member/Partner States who have signed the Agreement to expedite its ratification and operationalization.

You will recall Honourable Minister, Ladies and Gentlemen that the decision to establish a single market through the merger of the Free Trade Areas (FTAs) of the three regional economic communities (RECs) of the Common Market for Eastern and Southern Africa (COMESA), East African community (EAC) and Southern African Development Community (SADC) was taken on 22 October 2008 at the First Tripartite Summit of Heads of State and Government, held in Kampala, Uganda having realized the importance of a larger market to boost inter-regional trade and attract investments. Our political leaders realized that just opening up our markets will not increase the share of our region in global trade, nor can it contribute to poverty alleviation, hence they adopted a developmental approach to regional integration anchored on three pillars. These are market integration, industrial development and infrastructure development pillars.

Industrial development, infrastructure development and trade facilitation are some of the key priority areas for the Tripartite FTA in recognition of supply side constraint, poor connectivity and high cost of doing business in the region.

It is important Honourable Minister at this point that I stress the importance of Member States supporting our regional integration efforts. Our Programmes are heavily supported by donors, for which we are grateful. However, as we have witnessed in recent years, heavy reliance on donor funding can pose serious challenges as donor priorities shift to other pressing issues. I would like to thank Tripartite Member States for supporting the Tripartite negotiations. Some Member States have hosted and funded Tripartite meetings and we have been able to advance the negotiations. On behalf of the Tripartite Task Force, I would like to thank them for the kind gesture.
Honourable Minister,

Ladies and Gentlemen

Our focus now should be on ratification and operationalization of the TFTA Agreement. The Tripartite Task Force is currently developing the instruments that are necessary for the TFTA to be operational. In this regard, I would like to urge Tripartite Member/Partner States to conclude the outstanding issues in Phase I.

You will recall that at the launch of the TFTA, some work was still outstanding on negotiating rules of origin, trade remedies, exchange of tariff offers, legal drafting of the accompanying Annexes to the Agreement and movement of business persons. I am happy to report that significant work has been covered since 2015. Nine out of the ten Annexes have been finalized and subjected to legal scrubbing and now form part of the TFTA Agreement. What remains are negotiations on Tripartite rules of origin and bilateral tariff exchanges between EAC/SACU, SACU/Egypt and Egypt/EAC. Negotiation of Tripartite rules of origin is part of the built-in agenda.

The second phase of the TFTA negotiations covering trade in services, competition policy, intellectual property rights, cross border investment and cooperation in trade and development is expected to commence as soon as the first phase is concluded. With the Continental FTA negotiations at an advanced stage, it is crucial that the Tripartite FTA negotiations are finalized.

The draft Agreement on Movement of Business Person will be considered and reviewed by the Chiefs of Immigration and Ministers responsible for Immigration in the Tripartite region, to address specifically issues around principles guiding the negotiations, issuance of visa on arrival and validity of multiple entry visa. If countries are to benefit from the TFTA, the movement of business people has to be facilitated together with that for goods and services.

On industrial development, the Tripartite Council of Ministers adopted the Framework of Cooperation which outlines areas of cooperation among Tripartite Member/Partner States. Council also adopted a work programme
which lists activities on industrial development over a four to five-year period. The activities include creation of a coherent and enabling policy environment for industrial development, development of regional and cross-border industrial value chains, development of Small and Medium Enterprises, collaboration in promoting local content through the development of regional value chains, developing industrial skills, among others. Three sectors were identified for regional value chains and these include agri-business, mineral beneficiation and pharmaceuticals.

The benefits of a larger market for most African countries cannot be overemphasized. Infrastructure development will ensure that landlocked countries like Botswana can move their goods to other parts of our region and beyond.

Once again Honourable Minister, I would like to express my sincere gratitude to the Government of Botswana for the decision to sign the Agreement. This is an indication that Botswana is committed to regional integration.

I thank you for your kind attention.