



STATEMENT BY THE SADC EXECUTIVE SECRETARY, HER EXCELLENCY DR STERGOMENA LAWRENCE TAX ON AFRICA INTEGRATION DAY

7 JULY, 2020

1. Starting this year, 2020, 7th July has been earmarked a special day for the commemoration of the African integration and the establishment of the African Continental Free Trade Area (AfCFTA) under the African Union. The establishment of the AfCFTA is a key milestone in Africa's continental integration that will greatly contribute to the realisation of our founding forefathers' dream of a united, and prosperous Africa, once fully operationalised.
2. The AfCFTA brings together all 55-member states of the African Union, covering a market of more than 1.2 billion people and a combined gross domestic product (GDP) of more than US\$3.4 trillion. It aims to create a single continental market for goods and services, with free movement of business persons and investments. It also aims to expand intra-African trade through better harmonization and coordination of trade liberalization and facilitation across the RECs and Africa in general. If implemented effectively, it will enhance competitiveness at the industry and enterprise level, through the facilitative cross border infrastructure; as well as, the exploitation of opportunities for scale production, continental market access, and effective allocation of resources.
3. The AfCFTA is also to address fragmentation of the continent's trading system that currently operates under exclusive blocs, which has always raised concerns over the distortions imposed by multiple and overlapping membership
4. The continent's participation in the global value chain remains minimal, with its export basket dominated by primary commodities and natural resources, accounting for less than 3 percent of world trade. In addition, intra-African trade continues to trail other regions, which have drawn on vibrant cross-border trade to sustain growth and economic development, as well as integrate into the global economy. Currently, at 15 percent, intra-Africa trade compares unfavourably to Europe (68 percent), North America (37 percent), and Latin America (20 percent). Under the AfCFTA, intra-African trade is projected to rise to 52 percent by 2040, and Africa will have a combined consumer and business spending of \$6.7 trillion by 2030. AfCFTA will also have a significant impact on manufacturing and industrial development, tourism, intra-African cooperation, and economic transformation. The significance of the AfCFTA, therefore, cannot be overemphasized.

5. As a regional economic community and one of the eight pillars of the African Union, SADC has made tremendous progress in its integration agenda and across all the eight dimensions of integration. The Region achieved FTA status in 2008, which has seen intra-regional trade grow to about 22% of the region's total trade. At the same time, the share of the Region's trade with the rest of Africa stood at 22% as of 2019. Having achieved FTA status, and recognizing the challenges associated with multiple membership, SADC is part of the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) which was officially launched in June 2015.

6. The COMESA-EAC-SADC Tripartite Free Trade Area brings together 26-member states, covering a market of more than 700 million people and a combined gross domestic product (GDP) of more than US\$1.4 trillion.

7. SADC joins hands with the rest of the continent to commemorate this special day - the African Integration Day. As we commemorate the African Integration Day, and the establishment of the AfCTA, we should not lose sight of the COMESA-EAC-SADC Tripartite Free Trade Area, which is one of the major building blocks towards the establishment of the African Continental Free Trade Area.