

**Opening Remarks of Pradeep S Mehta, Secretary General,  
CUTS International**

**to the Southern African Regional Virtual Conference on  
Strengthening Integration into the AfCFTA, 15<sup>th</sup> September,  
2021**

I wish to welcome you all to the Southern African Regional Virtual Conference on Strengthening Integration into the African Continental Free Trade Area (AfCFTA).

I wish to extend my sincere gratitude to all of you for giving this event the seriousness it deserves and it is my hope that it will be immensely useful to all of us. I also wish to thank all resource persons representing various international and national organisations for accepting our invitation to participate in this much needed dialogue.

Just a recap of what CUTS is known for. CUTS International as a Civil Society organization working on a range of public policy issues as a premier research and advocacy group has been functioning in Zambia for the past 20 years. It is a member of a large family of CUTS Centres in Jaipur, Hanoi, Lusaka, Accra, Nairobi, Geneva and Washington DC.

CUTS International Lusaka has been operating as a centre for research, advocacy and networking on issues of Trade and Development, Competition Policy, Investment Policy, Economic Regulation and Consumer Protection. Over the years CUTS has distinguished itself by raising consumer – producer synergies that affect sustainable growth between producer and consumer welfare. We have also been voted as one of the best think tanks in Zambia.

The AfCFTA is a free trade area agreement that spans across the whole of Africa. It was conceptualised at the eighteenth Ordinary Session of the Assembly of Heads of State and Government of the AU in 2012 with the hope of commencing the free trade area by 2017. As it stands fifty-four out of fifty-five AU member states have signed the agreement and thirty eight or 70% countries have submitted their ratification instruments to the AU Commission. More are in the pipeline. Ratification by 22 members is required to enable the AfCFTA to come into effect, which was achieved in May, 2019.

Continuing the momentum, May 2019 saw the dawn of an exciting chapter in the continent's continued progress. It marked the start of the AfCFTA with a lucid and enthralling vision with Africa as one mega free trade area. Consequently, the starting of trading under the AfCFTA agreement on 1st January 2021 marked the dawn of a new era in Africa's development journey. Over time, the AfCFTA will eliminate import tariffs on 97% of goods traded on the continent, as well as address non-tariff barriers. Opening up a market of over 1.4 billion people is expected to spur more intra-African trade while increasing the appeal of direct investment in Africa for the rest of the world.

Optimistically speaking, the AfCFTA offers member states unlimited prospects to progress their developmental agenda by enhancing competitiveness of their industry and enterprises on one hand, and on the other hand, increasing their ability to exploit opportunities for higher scales of production. Thus, it would affect their potential cumulative continental market access and better allocation of resources.

However, for some of these benefits to be realised, including the general success of the AfCFTA integration, it is important to address some outstanding issues pertinent to strengthening the integration of countries in Southern Africa into the AfCFTA. One key actor in this process is the role of Civil Society as they can advocate what is best for citizens of Africa while providing African governments an opportunity for institutional and policy reform towards successful integration.

Hence, CUTS international, Lusaka, with a network of several centres of CUTS International and other civil society groups felt the need to conduct the first ever Southern Africa virtual conference to discuss the diverse prospects and challenges that will need to be addressed for the successful integration of countries into the AfCFTA.

Just in terms of countries participating, it is already the largest free trade area in the world given the number of states who are members. Africa's rise is also eloquently illustrated by the data. Whilst the entire world is reeling from the coronavirus pandemic and most countries and regions like ours are showing negative growth, the African Economic Outlook done by the African Development Bank noted that real GDP is expected to grow by 3.4 percent despite the COVID-19 pandemic.

So far, regional integration of countries in Southern Africa has been imbued with several structural and institutional weaknesses that have previously affected its opportunities to the already existing membership in the regional economic communities like SADC and COMESA. Hence, it is worth noting that building on the weaknesses faced around competition and investment in the current RECs, including issues relating to the service industry and intellectual

property rights, and the various dynamics bordering on the human development dimension as well as interrogating the future of RECS in the presence of AfCFTA. Finally, how Inter-Africa trade can contribute to citizens' economic empowerment mechanisms, and particularly women, constitutes the very essence grounding this important discussion around how country integration into the AfCFTA ought to consider.

It is imperative to delve into some of these issues to identify opportunities and challenges that may arise including how best they can be harnessed/addressed. The topics of discussion to be presented in the two day's conference will be a guide to better understand the environment of interest as regards to Southern Africa's integration into the AfCFTA and how it can be strengthened.

It is worth noting that the issues chosen for this conference are more representative of domestic regulatory issues rather than typical trade related tariff measures as areas of concentration in most trade conferences. Essentially, this is what makes this conference relevant as it touches on domestic regulatory issues that need close attention by member states in the broader context of integration into the AfCFTA.

It cannot be overemphasised that the AfCFTA platform offers the various member states an opportunity to partner with other African countries and a wider market reach of an estimated 1.4 billion people. But how do African countries really maximise the benefits of this reach? Specifically, how countries can ramp up their commercial capabilities to fully benefit from integration? Firstly, there is need to shift from political diplomacy to one that includes a commercial focus giving countries an opportunity to reorganise themselves institutionally and structurally to take advantage of this integration.

Among the various considerations that African countries need to effectively realign domestically, is the need to harness the private sector to effectively take advantage of the opportunities that this

integration will offer to the member states. Business has an important role to play and organisations such as the chambers of commerce and manufacturer's associations need to ensure that synergies between sectors are enhanced so that they can be a stronger link to their counterparts on the continent.

Inevitably, the topical discussions selected for this conference are intended to enhance Southern African countries' preparedness towards integration into the AfCFTA. The perceived outstanding issues outlined for discussion may not represent the entirety of the priority needs for the countries in Southern Africa but will constitute a basis to potentially help countries to look into issues that maybe key for immediate consideration as countries prepare for their full integration into the AfCFTA.

In summary, it is envisaged that the conference will help meet the following objectives:

- It will potentially help inform the negotiation process on issues that countries in Southern Africa may have overlooked
- Given that countries are endowed differently; this discussion may motivate countries to restructure internal structures for better integration into the AfCFTA to ensure successful integration based on their national endowments and associated opportunities and challenges