

**KICK-OFF MEETING OF THE TECHNICAL WORK GROUP OF THE
PRESIDENTIAL COMMITTEE ON THE IMPACT AND READINESS
ASSESSMENT FOR THE AGREEMENT ESTABLISHING THE AFRICAN
CONTINENTAL FREE TRADE AREA (AfCFTA) THE PRESIDENCY,
ABUJA, MONDAY,
24ND OCTOBER 2018**

**INTRODUCTORY REMARKS BY DR. OKECHUKWU E. ENELAMAH,
HONOURABLE MINISTER FOR INDUSTRY, TRADE AND
INVESTMENT**

Heads of MDAs, Paramilitary Organisation and Senior Government Officials,
Representatives and our Invited Guests, from the Private Sector and Civil
Society,

Distinguished Ladies and Gentlemen.

On behalf of His Excellency, the President, I have the honour to welcome
you all to this commencement meeting of the ***"Technical Work Group of
the Presidential Committee on the Impact and Readiness
Assessment of the Agreement Establishing the African Continental
Free Trade Area"*** (AfCFTA).

1. The idea of an integrated African market to industrialize Africa, spur
growth, enhance welfare and, create jobs, has been around for a long
time. However, with the actual emergence of the AfCFTA in 2018, the
decision was taken by the Government to mobilize stakeholders in the
Nigerian economy to understand its details, interpret its opportunities and,
re-organize our economic system for coherence and coordination, if the
opportunities of the AfCFTA are to be realized and maximized.

2. This is why Stakeholders, in the recently concluded 7-month nation-wide sensitization and consultation exercise, expressed their gratitude, unanimously, to H.E. Mr. President for democratizing the process of awareness building, information-sharing and receiving advice on how best to approach the AfCFTA.

3. The nationwide stakeholder engagement on the AfCFTA, acknowledged the potential benefits of AfCFTA in terms of improved market access in Africa for Nigerian products, services and businesses and opportunity to formalize the largely informal trade along the historic trans-Saharan trade corridors, amongst other benefits.

AfCFTA Technical State-of-Play and Associated Developments in ECOWAS

4. As you know, the Agreement Establishing the African Continental Free Trade Area (AfCFTA) was signed in Kigali, Rwanda, at the 10th Extraordinary Summit of the African Union (AU), on 21st March 2018. So far, there are 49 Signatories and 7 Ratifications. There is a drive by the African Union (AU), in partnership with the United Nations Economic Commission for Africa (UN-ECA), to sensitize stakeholders on AfCFTA. Twenty-two ratifications are required for the AfCFTA to come into force. To this end, in Lagos, on 2nd and 3rd November, the African Union Commission (AUC), the United Nations Economic Commission for Africa (UN-ECA) and the Rockefeller Foundation, in collaboration with private and public sector stakeholders in Nigeria are organising the "Africa Trade Forum" (ATF), as a major stakeholder engagement and sensitization FORUM. The Forum will focus on how the

implementation of the AfCFTA can be positioned to provide a platform for addressing Africa's development challenges to industrialize, grow African economies, create jobs and reduce, if not eradicate poverty completely.

5. In ECOWAS, Nigeria is the current Chairman. Thirteen (13) of the fifteen (15) Members are Signatories to the AfCFTA. The ECOWAS Commission (that is the Executive Secretariat) is moving ahead with ECOWAS Members to prepare the AfCFTA Market Access Offer for Trade in Goods; and, a Market Access Offer for Trade in Services. Because ECOWAS is a Customs Union (CU), these offers shall be deemed binding on all ECOWAS Members. The ECOWAS Market Access Offer shall be submitted to the AfCFTA process at the 13th Meeting of the Negotiating Forum in Addis in November.

II. Nation-Wide AfCFTA Stakeholder Sensitization and Consultative Process

6. AfCFTA Stakeholder Sensitization and Consultations were undertaken from March to October 2018. In the exercise, approximately:

- 34 groups and associations were sensitized and consulted;
- approximately 3,017 natural persons were engaged in the various sessions and meetings;
- 5 Communiqués were adopted and signed; in 5 geopolitical zones; and in the case of the South West Geopolitical Zone summary was issued in Lagos.

7. 12 private sector groups submitted inputs, conveying their group positions on the AfCFTA in response to the nation-wide call for inputs on **all** media platforms.

8. Substantively, the sensitization saw diverse views emerge from the exercise. While many stakeholders support AfCFTA, there are some important stakeholders who are concerned about the impact of the AfCFTA.

9. Those stakeholders in support, point to the market opportunities for growth for Nigerian exporters of goods and services; scope for industrialization through economies of scale in a single market; the mechanism for resolving trade disputes; cooperative mechanisms for regulating and promoting intra-African trade; and, the AfCFTA as a platform for Nigeria's continued leadership in Africa as Africa remains the centrepiece of Nigeria's foreign policy.

10. Stakeholders were also specific in pointing to policy sectors where complementary action is required by the Federal Government, as Nigeria prepares for the AfCFTA. These specific areas requiring intervention and complementing action include:

- predictable, cost effective power supply. The cost of energy accounted for the major cost of doing business in Nigeria.
- reducing the cost of money (interest rates) and expanding trade finance/micro-credits and finance for MSMEs;
- fostering an Enabling Environment for Business that eliminates:
 - multiple taxation by government and highway tolls;

- internal checkpoints; and,
- reduces the level of insecurity;
- investing in trade Infrastructure (seaports, inland dry ports, road and railway networks);
- re-opening historic Trade Corridors in the North East, South-South and South West for trade and investment facilitation;
- mainstreaming informal unrecorded trade into the formal economy and developing a programme for Micro- Small and Medium Enterprises;
- addressing the long-standing problem of trans-shipment and dumping, piracy, smuggling and other injurious trade practices by non-African trading partners, operating through Nigeria's neighbours in complicity with individual Nigerians;
- empowering women in international trade; and,
- establishing a coordinating, implementation and monitoring body for Trade Policy that would cover the AfCFTA, the Commonwealth and the WTO.

11. It is based on the foregoing challenges, that Mr. President inaugurated the AfCFTA Impact and Readiness Assessment Committee on Monday, 22nd of October, to further study and quantify the impacts of AfCFTA, and develop practical and implementable measures that will prepare and if required, protect Nigerian businesses against them.

III Objectives of the Committee

12. The objectives of this Committee are to:
- a. conduct a full assessment of the costs and risks inherent in the AfCFTA
 - b. identify short, medium and long-term measures to resolve the issues and risks, including but not limited to policy, laws and regulations update, reform programs, infrastructure upgrades and compliance enforcement;
 - c. define roadmap to prepare Nigeria for the take-off of AfCFTA trading bloc; and
 - d. finalize and launch plan to enforce the provisions of the ECOWAS treaty as part of the process to validate the practicality of some of the provisions of AfCFTA.

IV. Terms of Reference of the AfCFTA Impact and Readiness Assessment Committee

13. Finally, following consultations, the Terms of Reference for the Presidential Committee on AfCFTA Impact Assessment and Readiness are to:

- i) assess the potential costs and impact of the AfCFTA for Nigeria in relation to the benefits;
- ii) identify the short, medium and long-term measures to prepare Nigerian businesses for the take-off of the AfCFTA trading bloc and a back-up plan that covers selected scenarios; and,

- iii) review the trade remedy options to safeguard the Nigerian economy from predatory and other unfair trade practices

14. More specifically, the scope of impact assessment would include, inter alia, the potential impact on government revenue (for weighted and non-trade weighted revenue), coherence between fiscal policy, structural and monetary policies. The assessment would also include impact on Nigerian businesses, domestically and regionally, for both trade in goods and trade in services.

15. The assessment will review smuggling trends, including the potential escalation of smuggling and abuse of the rules of origin and address specific questions such as how AfCFTA provisions interact with legacy bilateral/multilateral trade agreements.

16. Also to be considered is the national security implications of AfCFTA especially with the movement of persons.

17. In assessing Nigeria's readiness for AfCFTA, the Committee shall evaluate specific measures to prepare Nigerian businesses for export trade, taking into consideration, ongoing programs and reforms.

18. The measures shall include critical trade enhancing projects, policies, laws, regulatory reforms and compliance actions to be implemented over the next 5- 10 years. The measures would include non-tariff and other non-technical barriers and transitional arrangements that if not addressed, will impede export of Nigerian Goods and Services and erode the expected benefits from AfCFTA.

19. The Presidential Committee will also explore actions to improve and enforce the provisions of ECOWAS and other trade treaties with a view to assessing practical and policy-relevant aspects of implementing the AfCFTA.

20. The Committee shall also assess and recommend a framework to mainstream trade into national development plans and programmes to assure coordinated and sustained implementation.

V. Call to Action

21. As Mr. President clearly stated during the Inauguration of the Steering Committee on Monday, "We are determined to break away from the past practice of committing Nigeria to treaties without definite implementation plan to ensure that expected benefits are realized and risks mitigated.

22. I therefore welcome all of you that have been nominated to the AfCFTA Impact and Readiness Technical Work Group.

23. I enjoin you all to undertake critical assessment of the costs and risks inherent in the AfCFTA and identify short, medium and long-term measures to resolve the issues and risks and hence improve Nigeria's competitiveness in regional, continental and global trade.

Thank you