



The State of Eritrea



United Nations
Economic Commission for Africa

**23rd Meeting of the Intergovernmental Committee of
Senior Officials and Experts (ICSOE)**

ECA Office for Eastern Africa

Concept Note for the Plenary Session:

How to fast-track AfCFTA Implementation in Eastern Africa

Asmara, Eritrea

05-07 November 2019

I. Background

Over the past decade, Eastern Africa has emerged to become the fastest growing sub-region on the continent. This is a major achievement for a region that in the 1980s and 1990s was suffering from a reputation as having one of the poorest and least dynamic economies in the world.

However, the current dynamism has been consumption-led, not investment- or technology-led. A significant proportion of domestic demand (especially demand for manufactured goods) is being met by imports - rather than regional production. This engenders large trade deficits ranging from around 10 to 20% of GDP. These deficits, financed by mainly foreign debt, have raised concerns about growth sustainability in the region.

Additionally, the lack of significant progress in regional integration presents a serious impediment to the future development of the region. Although the East African Community (EAC) is one of the best performing Regional Economic Communities in Africa, the levels of intra-regional trade in Eastern Africa are still very low relative to the global averages – and have recently been declining. Intra-regional exports within the EAC exports peaked in 2013 (at USD 3.5 billion) and by 2017 had declined 31% (to just USD 2.4 billion). The two largest economies in the region – Kenya and Ethiopia – barely trade with each other: their annual bilateral trade is worth less than USD 100 million.

The African Continental Free Trade Agreement (AfCFTA) offers an opportunity to increase both regional and intra-African trade and thereby create sustainable development in Eastern Africa. Looking forward, further to the signing and ratification of the AfCFTA, a crucial 'next step' for Member States in Eastern Africa will be to develop national and regional AfCFTA implementation strategies. Although the AfCFTA will not address all the region's problems, it will go a long way to strengthening the regional economies, helping to put the region on a more sustainable growth path.

II. Objectives of the Session

Against this background, the objective of this session to **review** ways of deepening regional trade and investment as well as **fast track the implementation of the AfCFTA in Eastern Africa**

III. Format of Session

This session will have a presentation by the convener as part of the main plenary parallel sessions of the 23rd ICE. This will be followed by a panel discussion.

Presentation by:

- **Stephen Karingi**, Director, Regional Integration, Infrastructure and Trade Division, ECA

Moderator:

- **Arnold Segawa**, News Reporter, NTV Uganda

Panelists:

- **Hon. Dahir Abdi Abdullah**, State Ministry of Commerce and Industry, Somalia
- **Mogos W/Micheal**, Director General, Ministry of Trade and Industry, Eritrea
- **Amb. Peter Mathuki**, CEO, East Africa Business Council
- **Million Habte Begna**, Senior Expert on Trade in Services, AfCFTA Unit, African Union Commission (AUC)
- **Woldai Futur**, National Centre for Investment, Eritrea
- **Marcellin Henry Ndong Ntah**, Lead Economist, East Africa, African Development Bank (AfDB).

IV. Participants

The session will be attended by representatives of Eastern Africa Member States, RECs and IGOs. In attendance will also be representatives of the private sector, international institutions, civil society organizations, media, and other relevant stakeholders.

V. Supporting Documents

ECA. (2019). **Assessing Regional Integration in Africa**. Edition IX. Addis Ababa: Economic Commission for Africa

ECA. (forthcoming). **Creating a Unified Regional Market - Towards the Implementation of the African Continental Free Trade Area in Eastern Africa**.

UNCTAD. (2019). **Key Statistics and Trends in Regional Trade in Africa** [Online]. Available at: <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2447>