



REPUBLIC OF BOTSWANA

SPEAKING NOTES FOR THE

HONOURABLE VINCENT T. SERETSE

MINISTRY OF INVESTMENT, TRADE AND INDUSTRY

SIGNING CEREMONY OF THE COMESA-EAC-SADC TRIPARTITE

FREE TRADE AREA AGREEMENT

30TH JANUARY 2018

MINISTRY OF INVESTMENT, TRADE AND INDUSTRY

3RD FLOOR CONFERENCE ROOM

0930HRS



Director of Ceremonies;

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

Secretary General of COMESA- Mr. Sindiso Ngwenya;

Acting Executive Secretary of SADC – Dr. Thembinkosi Mhlongo;

Permanent Secretary, Ministry of Investment, Trade and Industry - Ms. Peggy Serame;

Permanent Secretaries here present;

Senior Government Officials;

Chief Executive Officers;

Acting Chief Executive Officer, Business Botswana – Mr Norman Moleele;

Private Sector Representatives;

Media Houses;

Ladies and Gentlemen;

Good Morning to you all.

1. It is indeed a historic moment for me as we gather here to witness the signing of the COMESA-EAC-SADC Tripartite Free Trade Agreement by my Country. This day marks a great milestone in the Trade Agenda of the African Union. The Tripartite Free Trade Area will boost intra-African Trade as a result of elimination and reduction of tariffs and non-tariff barriers as well as market expansion. The Tripartite FTA is also expected to serve as one of the building blocks of an African Economic Community, thus facilitating deeper Regional and Continental integration in Africa.

2. This process started as far back as 2001, when the three (3) Regional Economic Blocs, namely, Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and the Southern African Development Community (SADC) agreed to formalise negotiations for a Free Trade Area, bringing together 26 Members or Partner States. The trade negotiations are categorized into two phases. The Phase I of the negotiations cover core FTA issues of tariff liberalisation, rules of origin, customs procedure and simplification of customs documentation, transit procedures, non-tariff barriers, trade remedies and other technical barriers to trade and dispute settlement. Phase II will cover trade in services, trade related issues including Intellectual Property (IP) and Competition Policy. An Agreement on Movement of Business Persons is also being negotiated in parallel Phase I negotiations.

3. Ladies and Gentlemen, you will recall that on the 10th June 2015, the Heads of State and Government in Sharm El Sheikh, Egypt launched the TFTA Agreement which was signed by 16 African Member/ Partner States from a total of 26. Some countries including Botswana opted not to sign the Agreement in 2015 due to the fact that there were outstanding issues on the following areas: Rules of Origin, Tariffs and Trade Remedies which are critical to the establishment of the Free Trade Area.
4. Today, Botswana is increasing the number of countries that have signed to 22. The decision to sign is being taken as a result of the conclusion of the outstanding Annexes on Trade Remedies and Rules of Origin by Tripartite Trade Ministers at their meeting of July 2017.
5. This Agreement resonates well with the Botswana National Development Plan (NDP) 11, aspirations of becoming an export-led economy. Local products which have been identified under this Agreement as having export potential include, veterinary vaccines; pharmaceutical products; electrical and machinery products; plastic products; salt and salt products; carpets and other textile floor covering, just to mention a few.

6. It has been noted that in 2016, Botswana exported goods to the tune of P997 million to its major trading partners in the Tripartite Region, excluding SACU Member States, while the country imported goods to the tune of P1.9 billion, thereby signifying an aggregated negative trade deficit of P945 million. These countries include among others, Kenya; Rwanda; Uganda; Zimbabwe and Zambia, Entry into force of the Agreement, will therefore enable our local products to enjoy preferential treatment, hence increase export volumes.
7. Director of Ceremonies, we cannot ignore the challenges faced that face many of our countries, such as supply side constraints. I therefore urge the Secretariat to assist Member States to improve their production capacities. To build these capacities, we can take advantage of the Phase II negotiations that will look into Trade in Services and the Industrial Development Pillar, which aims at developing and improving the productive capacity in the Tripartite. In addition, the negotiations will also look into Infrastructure Development Pillar, which is aimed at enhancing connectivity and reduce costs of doing business. Ladies and Gentlemen, Economic integration in all its spheres is a complex process that requires multi-faceted strategy. At no particular time can we talk about having completed our efforts to address challenges faced by the Business Community. It is for this reason that addressing impediments to doing business remains a priority for Botswana.

8. As I conclude, I want to urge the Secretary General, Mr. Sindiso Ngwenya, to encourage the Tripartite Member States to speed up the ratification processes to kick start implementation. Botswana is committed to concluding its own ratification process in the near future.

9. Director of Ceremonies, I also wish to thank the Secretary General and his team for making the signing of TFTA Agreement possible. To our own Secretariat, SADC, I want to say thank you for the facilitation. Indeed Africans can create the Africa they want. Let's keep the good work as we prepare for implementation.

THANK YOU.