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FOURTEENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

World Leaders Summit, High-Level Events, Round Tables, Side Events

World Investment Forum

Civil Society Forum

Global Commodities Forum

Youth Forum

## Global Services Forum

### Session 1: Leveraging infrastructure services as key enablers of the 2030 Agenda focus on Transport Services

Room Tsavo 3

Kenyatta International Convention Centre, Nairobi

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### Statement

from

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**Commissioner for the Department of Trade and Industry  
African Union Commission**

## **Excellencies**

### **Ladies and Gentlemen**

It is my pleasure to be here today at the Global Services Forum to discuss the key issue of Leveraging Infrastructure Services as key enablers of the 2030 Agenda.

There is consensus between, researchers, policy makers and private sector that economic transformation cannot be achieved with a lagging services sector. Services industries continue to drive FDI growth and LDCs remain key services investment destinations despite a fall in other sectors like manufacturing.

Services are key determinant of competitiveness of manufacturing exports and crucial for the industrial and manufacturing development of African countries, as well as in boosting agricultural productivity.

### **Infrastructure Challenge for African**

Despite the evidence pointing to the fact that Services are key to Africa's transformation, challenges with key Infrastructure services including energy and transport, remain a big constraint towards Africa's competitiveness. I will focus my intervention today on the issue of transport infrastructure services and what the African Union is doing to address this.

Deficiencies in broader transport infrastructure remain a challenge, with road freight about 4 times more expensive than other developing countries. Despite the rise in demand for air transport over the past years with passenger numbers and freight traffic growing by 45% and 80% (AFDB), the cost of transport is still higher than in developed economies. African countries pay 40-70% more on average freight cost and overall maritime transport costs for international transport of their imports than developed countries (UNCTAD).

African policy makers are aware of these facts and have taken and continue to take steps towards addressing these challenges. The African Heads of State and Government have adopted specific Continental Policies to address Transport Infrastructure and services in particular. I am just going to briefly high a few of these:

**Agenda 2063 and the 10 year Implementation Plan:** Agenda 2063 is Africa's vision towards social-economic transformation through implementation of short, medium and long term strategies for the next 50 years. The Ten years implementation plan speaks a lot to the importance given to infrastructure for Africa's transformation. One of the priorities includes the ***Integrated High Speed Train Network*** connecting all African capitals and commercial centres through an African High Speed Train to facilitate movement of goods, factor services and people, reduce transport costs and relieve congestion of current and future systems;

**The Programme for Infrastructure Development in Africa (PIDA)** - PIDA is a continent-wide infrastructure Programme in Transport, Energy, ICT and Trans-boundary Water. The programme is aimed at closing the infrastructure deficit by improving infrastructure to facilitate increased intraregional and international trade, reduce the cost of doing business and enhance Africa's competitiveness as a catalyst to Africa's economic transformation and diversification through industrialization and value addition and sustainable and inclusive growth.

**Air Transport; the Decision Relating to the Implementation of the Yamoussoukro Declaration Concerning the Liberalisation of Access to the Air Transport Market in Africa 1999, commonly known as the "Yamoussoukro Decision"** - This is the African Treaty on Open skies aimed at deregulating air services and promoting regional air markets by liberalisation of scheduled and non-scheduled intra-Africa air transport services. To date 13 countries (have made a solemn commitment to the implementation

of the Decision towards the establishment of a Single African Air Transport Market by 2017<sup>1</sup>. Draft regulations on Executing Agency, Consumer Protection, Competition and Dispute Resolution have been endorsed by Executive Council and will come into force after adoption by the Assembly.

**The Action Plan for Boosting intra-African Trade (BIAT)**, which is a continental Trade Policy Framework to boost intra-trade. The Plan acknowledges the role of trade in services as an emerging opportunity to boost-intra-African trade and provides for unilateral liberalisation of Transport Services among other priority trade-related service sectors. The Plan also entails Programmes and activities that need to be implemented in the short, medium and long terms to develop Africa-infrastructure for enhanced product competitiveness, regional interconnectivity and boost intra-African trade.

**The Continental Free Trade Area (CFTA)** The Continental Free Trade Area aims at creating a free market for trade in services among others. But the CFTA is not an end in itself. Within the Abuja Treaty Framework, the CFTA will pave way for an African Customs Union and Economic Union by 2028. The CFTA Services Agreement will:

- create a freer market for services and investment throughout the Continent;
- Increase the competitiveness of services so as to generate greater productivity and innovation in all African economies;
- Enhance the ability of services to contribute to more inclusive and sustainable growth and economic development;

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<sup>1</sup> These countries Benin, Cape Verde, Congo Republic, Cote d'Ivoire, Egypt, Ethiopia, Kenya, Nigeria, Rwanda, South Africa and , Zimbabwe ( January 2015) and ., Ghana ( June 2015) and Sierra Leone ( May 2015)

- Realize the potential of micro and small and medium sized services firms to produce services and to engage in the regional and international market;
- and Enhance the role of services in boosting intra-Africa trade and promote deeper regional integration.

These are just a few highlights of the African Union initiatives on trade in services in general, and the transport services in particular. I am looking forward to more discussions.