



TALKING NOTES FOR USE BY HON. DAVID OSIANY, HSC, CHIEF ADMINISTRATIVE SECRETARY, STATE DEPARTMENT FOR TRADE AND ENTERPRISE DEVELOPMENT, MINISTRY OF INDUSTRIALIZATION, TRADE AND ENTERPRISE DEVELOPMENT DURING THE OPENING CEREMONY OF THE WORKSHOP TO REVIEW AND VALIDATE THE NATIONAL AfCFTA REVIEW ON 1ST MARCH, 2021 AT LAKE NAIVASHA RESORT-NAIVASHA

A. Salutations: Recognize the presence of the following:

- Representative from United Economic Commission for Africa
- Representative from Trade Mark East Africa
- Dr. Wilfred Marube: CEO-KEPROBA
- Representative from MDAs
- Representative from the Private Sector
- Representatives from the Academia
- Women and Youth groups
- Distinguished Ladies and Gentlemen

B. Opening Remarks

1. Express sincere appreciation to United Nation Economic Commission for Africa (UNECA), Trademark East Africa

(TMEA) and Kenya Export Promotion and Branding Agency for partnering and supporting the development of the National Africa Continental Free Trade Area (AfCFTA) Implementation Strategy towards supporting Kenya's integration within the African continent.

- 2.** Recall that the journey to develop this Strategy began in 2019 and that the first stakeholder engagement was held in November 2019 at Crowne Plaza.
- 3.** The second stakeholder engagement was held in February, 2020 to review the comments of the stakeholders. During the engagement, the stakeholders agreed that a validation workshop be held after a technical review of the Strategy is done.
- 4.** However, due to complications caused by the global pandemic Covid 19 and government measures on containment to mitigate the further spread of the virus, the review and validation workshop did not take place as planned.
- 5.** Now, emphasize that the review and validation of the Strategy is coming at time when trading at the continental market has been launched (1st January, 2021) and that there is increased momentum in terms of ratification of the Agreement increasing the number of ratifications to 36. This is necessary in terms of ensuring that commercially meaningful trade

happens within the continent to boast intra-Africa to the projected levels.

6. Mention that the purpose of the workshop is to review and validate the draft national **Africa Continental Free Trade Area (AfCFTA) Implementation Strategy in view of recent developments and as well as lessons learnt from Covid 19. It is important that the Strategy is Covid sensitive.**
7. Emphasize that the purpose of the AfCFTA strategy is to **leverage deeper integration within the framework of the African Continental Free Trade Area (AfCFTA)** to facilitate an expansion of Kenya's trade and investment in Africa
8. Reiterate that **Kenya has since independence been an active participant in regional economic integration initiatives and in promoting Pan-Africanism** and its values.
9. Emphasize that Regional economic integration and trade hold the key to **inclusive economic growth and sustainable development** as spelt out in the Africa Union's Agenda 2063. **Emphasize that the AfCFTA from a Kenyan perspective, is what will set African nations on a recovery path beyond Covid 19.**

C. Importance of AfCFTA

10. Mention that Intra-African trade is an important engine for **development, economic growth** and **integration** including, increased **competitiveness of Africa's industrial products** through harnessing the economies of scale of a large continental market of about one billion people, **boosting employment opportunities** in the public and private sectors leading to poverty reduction.
11. Inform the workshop that the **intra-Africa trade** currently stands below **15 per cent** compared to **40 per cent** for **intra-North American**, **59 per cent** for **intra-Asia** and **69 per cent** for **intra- Europe** trade.
12. Emphasize **on the aim to increase intra-African trade** from the current rate of **10 – 12 % to 20-25% in the next decade** to drive the development of the continent.
13. Mention that the **Kenyan exports** accounted for **38 per cent** to the **African market** whereas the **imports** constituted a paltry **11.6 per cent** in 2018.
14. Underscore that, the AfCFTA **creates a large single market** with a **population of over 1.2 billion** people and combined Gross Domestic Product (**GDP**) of about **US\$ 3.4 trillion**.
15. Mention that in order to create a single African market, the AfCFTA seeks to **eliminate tariffs on most goods, liberalize trade of key services, address Non-tariff**

measures to intra-regional trade, and eventually **create a continental single market** with free movement of labor and capital.

- 16.** Further state to the workshop that, the Agreement opens up market access opportunities for Kenya's goods and services exports to the **Western, Central, and North Africa countries where Kenya has no preferential trade arrangement**

D.Importance of the National AfCFTA Implementation Strategy

- 17. Emphasize that the Strategy seeks to:**

- ❖ Increase GDP, overall exports and Kenya's exports to all African sub-regions
- ❖ Boost manufacturing and other value-added exports.
- ❖ Develop and strengthening regional value chains
- ❖ Boost Kenyan exports to the rest of Africa outside EAC and the COMESA-Free Trade Agreement (FTA).
- ❖ Boost Trade in service exports where Kenya enjoys comparative advantage

- 18.** Further, the Strategy will also go a long way to:

- ❖ Reinforce the Big 4 Agenda and Kenya's Industrial Transformation Agenda

- ❖ Leverage the existing priority export sectors in Regional Economic Communities (RECs)
- ❖ Broaden the inclusive list in expanding and diversifying Kenya's exports
- ❖ Complement effective implementation of the Integrated National Export Development and Promotion Strategy (INEDPS) towards realization of the Vision 2030 goals and aspirations.

E. CONCLUSION

- 19.** Mention that the AfCFTA implementation Strategy is timely and we as a country need to take advantage of the huge potential benefits that it presents
- 20.** Emphasize that the Private sector will play a key role in driving the exports at the continental market and that the State Department of Trade and Enterprise Development will continue to champion an enabling environment for the private sector to thrive and access the opportunities as identified by the Strategy.
- 21.** Finally, wish all the participants successful deliberations and that you are looking forward to receiving the final document as we plan for the launching.

Thank you.