

SPECIALIZED TECHNICAL COMMITTEE BRIEFING PAPER Trade and Industry

The Specialized Technical Committee on **Trade and Industry** is tasked with enhancing African engagement in trade and industry on both a continental and international scale. It facilitates policies regarding African trade, ensure Africa's competitiveness in the global economy, and promoted the African Union's Continental Free Trade Agreement (CFTA) -- which aims to create a "single continental market for goods and services, with free movement of business persons and investments." This committee's core priorities include promoting inter- and intra-African trade; developing policies on taxes and tariffs; and promoting transparency, social responsibility and tax compliance in the minerals, oil, and manufacturing industries.¹

This committee also extensively discusses the importance of the international community in promoting industrialization and investment in the continent. It considers ways in which to attract foreign direct investment in the minerals and manufacturing sectors, such as leveraging the low labor costs in the continent. Although it acknowledges the need for international involvement, the committee also emphasizes that Africa needs to leverage its natural resources for its own benefit.

<u>Task</u>

You are attending a yearly meeting of the Committee on Trade and Industry within the African Union. The meeting will take place under the backdrop of increased interest from the international community, and potentially an influx of development money meant to support the goals of the Committee and Agenda 2063 at large. Your task is twofold: (1) Identify two or three areas of substantial need on the continent that are connected to the issues of trade, industry, and resources; and (2) develop two to three short and long term strategies to meet the needs previously identified.

The challenge for this committee group is to assess the needs of different peoples across the continent, and develop strategies and solutions to meet these needs on a continental scale.

Key questions to consider from the perspective of your assigned country and region

- 1. Generally speaking, what are the biggest and most prominent industries within the continent as a whole? In terms of your assigned region and the other African regions?
- 2. What countries and/or regions on the continent are the most industrialized? Did this industrialization come about primarily through the efforts of non-African countries?
- 3. How can taxes/tariffs play a role in helping or hindering progress toward achieving Agenda 2063?
- 4. Which countries participate the most in intra-African trade? Why? What are the benefits of promoting more intra-African trade and the African Union's Continental Free Trade Agreement?

¹ African Union: Department of Trade and Industry

- 5. How can your committee help to ensure that African countries benefit from their own resources while working with non-African countries on development projects?
- 6. Are there any other committees (i.e. Agriculture and Environment, Monetary and Financial Affairs, Social Development and Labor, Infrastructure and Transportation, Defense and Security, Rights for Women and Children) with which it would make sense to seek cooperation? Why and what are some possible ideas for collaboration?
- 7. How do your proposals balance working with non-African countries on development projects while continuing to further Africa's competitiveness in the global economy?

Helpful Resources

- Trade
 - Brookings: "Figures of the week: Africa's intra- and extra-regional trade" (2018)
 - World Economic Forum: "Africa's greatest economic opportunity: trading with itself" (2018)
 - o UN: "Using trade to boost Africa's industrialization" (2015)
 - o Foreign Affairs: "How Africa Is Bucking the Isolationist Trend" (2018)

Industry

- World Economic Forum: "How can Africa achieve sustainable industrial development?"
 (2015)
- o Africa Policy Review: "Accelerating Industrial Development In Africa"
- o <u>Padmashree Gehl Sampath: "Industrial development for Africa: Trade, technology and</u> the role of the state" (2015)
- Brookings: "The potential of manufacturing and industrialization in Africa" (2018)