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PRESS RELEASE.

<u>Piecing the puzzle of African integration: the successes and exponential potential.</u>

Achieving African integration is not an end in itself. The purpose must be to offer the African citizenry prosperity and security. The objective of both regional and continental integration must enable African countries benefit from economies of scale, trade amongst themselves, move freely across the continent and most importantly, benefit from the common goals of Africa's Agenda 2063, aimed at shared prosperity, unity and integration. The commemorative activities of the African Integration Day that kicked off on the 7th of July, will examine into details, the status of the continental integration and with particular focus on the role of continental integration in accelerating African economic recovery from the COVID-19 Pandemic.

In the last two decades, Africa has recorded a 4.6 percent growth rate on average, despite an unfavourable international economic and financial environment. The current COVID-19 pandemic has however plunged the continent into its first recession in 25 years exposing the vulnerability of African economies. The cumulative loss of Africa's GDP is estimated at between \$145 and \$190 billion with worrying projections that 39 million more people could be pushed into extreme poverty, if urgent and purposed measures are not taken to address the socio-economic difficulties caused by the pandemic.

Accelerating African economic recovery has brought to the fore, yet again, the need to piece the puzzle of African integration. With a fragile recovery based on the health, economic and financial measures member states were quick to implement at the onset to curb the spread of COVID-19 and mitigate the related economic and social consequences, the <u>African Development Dynamics</u> report show the continent will experience a positive growth of 3.4 percent. Although positive, the return to growth remains far below the minimum threshold of the 7 percent target to accelerate socio-economic transformation as envisioned in Agenda 2063.

For the continent to advance positively on the post recovery efforts to build back better, stronger and reinforce Africa's resilience in this and future pandemics, H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda and Champion of Regional Integration in Africa, notes that Africa can only be prosperous through production of goods and services and most importantly, by ensuring its continental market is integrated from the 55 micro markets to trade under the common market of the African Continental Free Trade Area (AFCFTA). "How will the 1.4 billion Africans be prosperous? You can only be prosperous through production of goods of services but this prosperity can only be guaranteed by integrating the market. Integration should not only be a slogan but should be able to enable us overcome poverty and underdevelopment through production where people are assured of markets for their goods and services. Strategic security is also another key factor."

The launch of trade under the African Continental Free Trade Area in January 2021, demonstrated Africa's political will to make regional integration a tool for development and reposition Africa in the international environment by redefining its mode of insertion in international trade, not just as a mere supplier of cheap raw materials and importer of industrial products, but as a producer and exporter of final goods with high added value. H.E Moussa Faki Mahamat, Chairperson of the African Union Commission, asserts, "achieving productive transformation requires us to accelerate the implementation of the flagship projects of Agenda 2063 in areas with high growth potential in agriculture, infrastructure, energy, industry and services. Particular attention should be paid to the creation of continental value chains connected to global value chains. Making AFCFTA a Production Community will ultimately enable us to accelerate economic growth and ensure our food, industrial and medical sovereignty to meet the emerging challenges on the horizon."

Economic integration go hand in hand in facilitating the increased share of Africa's global trade and competitiveness. Amb. Albert Muchanga, AU Commissioner for Economic Development, Trade, Industry and Mining observes that with the AFCFTA, the common market would create a large market space of 1.3 billion people that is capable of attracting large scale and long term investments and in the process, shift the people from low productivity agriculture to higher productivity industrial activities thus leading to poverty reduction in the rural areas and equally, create prosperity in the urban areas. "In this market, what will be very characteristic is intense competition for all those firms that want to operate in this market and this is good for increased productivity, in addition, it will prepare these firms to compete globally. With economic integration, we (Africa) will be better placed to overcome the negative effects of the pandemic."

African integration envisions that every African citizen should enjoy the benefits associated with regional integration, and in this connection allowing for free movement of persons across the continent, conducive business environment and favorable conditions that enhance the skills and capabilities of the labour force, especially, those of the youth and women. Dr. Amany Asfour, Interim President of the African Business Council notes that for African integration to become a reality, it is

mandatory to invest in our African private sector. "The private sector is appealing for policies and enabling conducive business environment and to have special preferential procurement, at least 40 percent of the government procurement of African products. If we are going to increase intra-African trade and for enhance industrialization, we must invest in our own resources, including human resources to involve our youth and women."

The need for Africa's health independence through the production of essential medicines needed to fight diseases and pandemics has repeatedly been emphasized to address the unhealthy heavy dependence on external health care. As of July 2021, less than 2 percent of the African population has had access to COVID-19 vaccines, which calls for unity of purpose for the continent to achieve its economic independence.

Watch the opening session of the three-day commemoration of African Integration Day 2021 here.

For more details on African Integration day and the African Integration Forum, visit-African Integration.

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