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HARARE INTERNATIONAL SCHOOL

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ZIMUN XI

The Cost of Innovation:

*Navigating the Ethical Responsibilities of Technological
Advancements and Societal Change for Inclusive, Sustainable
Development in a Globalised World*



African Union:

*Expanding intra-African trade networks to bypass restrictive high
import tariffs on African goods imposed by foreign nations*

Committee: African Union

Issue: Expanding intra-African trade networks to bypass restrictive high import tariffs on African goods imposed by foreign nations

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Position: Chair

INTRODUCTION

African countries have long been plagued with the inability to breach foreign and international markets due to the highly restrictive trade policies put in place by foreign countries. These have limited the continent's ability to actively participate in global trade, which in turn has put a damper on economic growth and development.

However, in recent years, the importance of intra-African trade has been acknowledged and recognized as a key factor in bypassing the damage done by restrictive high import tariffs in order for "regional integration to help develop larger markets, foster greater competition and improve policies in areas of development."(Boosting intra-African trade)

DEFINITION OF KEY TERMS

- **Tariff:** a tax or duty to be paid on a particular class of imports or exports
- **Intra-African trade:** interactions and transactions that take place between and among African States, their institutions and individuals within the totality of the African region
- **Integration:**the process or action of combining with another so that they become a whole

BACKGROUND ON THE ISSUE

The history of African trade is rich and complex, and dates back to the pre-colonial era. African kingdoms and empires managed to build extensive trade networks that traded in a vast amount of things. However, colonialism managed to disrupt, what was at the time, a carefully constructed

and efficient system, as the European powers imposed their own trade policies and systems that only managed to exploit African resources for their own benefit.

However, “on independence, diversifying economies and expanding trade internationally and regionally were centralized African goals. Kenya, Uganda and Tanzania continued efforts at integration by creating the East African Community (EAC) in 1967. The West African states came together to create the Economic Community of Western States (ECOWAS) in 1975 and in 1980 countries in Southern Africa, several of whose economies had been tied to that of South Africa since the discovery of diamonds and gold, formed the Southern African Development Co-ordination Conference (SADCC).” (History of African trade). But the existing trade patterns only served to undermine all these regional initiatives and not many positives came out of them.

Now, in the post colonial age, African countries are still facing significant challenges in re-establishing these trade networks, as colonialism has left a stain of dependence on foreign markets, making it impossible for African nations to regrow and develop their own trade networks.

CURRENT CONTEXT

Despite numerous challenges over the years, significant efforts have been made in recent years to promote inter-African trade. Important developments and initiatives have taken place that have made expanding intra-African trade more of a reality than a dream.

Most significantly was the finalization of the African Continent Free Trade Area in 2019, “creating a free trade area of 54 countries, with more than 1.3 billion people and a combined GDP of USD2.5 trillion. Moreover, the construction of a USD525 billion transport infrastructure pipeline to rapidly reduce the cost of trading between African countries was established.” (Transforming Africa’s trade: Entering a new age of intra-African trade)

Another mention is “the rise in global prices and demand for Africa’s primary products, especially from 2002 going onwards, as it produced six of the ten fastest growing countries in the world in Africa: Angola, Mozambique, Rwanda, Nigeria, Chad and Ethiopia.” (History of African Trade)

The resurgence of African enthusiasm for regional economic integration has greatly influenced the attitude towards intra-African Trade. “Prior to the implementation of the AfCFTA, total formal trade within the continent totaled between 12-18%. Since its enactment, intracontinental trade has noticeably increased. This upswing in activity has presented a unique opportunity to further leverage the potential of regional markets to drive sustainable development and economic prosperity. In the evolving context of intra-African trade, significant progress has been made in creating a more integrated and sustainable economic environment across the continent. The 2030 Agenda for Sustainable Development recognizes international trade as “an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development. Driven by the AfCFTA, intra-African trade offers considerable opportunities for continent wide sustainable development. By promoting increased trade connectivity, Africa can foster sustained, inclusive economic growth (SDG 8), thereby creating job opportunities and building more resilient economic structures. This growth in trade connectivity naturally extends to fostering industrialization and innovation (SDG 9), which is pivotal for sustainable and inclusive industrial development. Moreover, such interconnected trade and industrial growth contribute to stabilizing food prices and improving food security (SDG 2), illustrating the broad benefits of enhanced intra-African trade.” (Intra-African trade and its potential to accelerate progress toward the SDGs)

MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED

- **African Union:** it is a key player in promoting intra-African trade as it provides frameworks for African countries to work together with the goal of promoting Economic integration and trade.
- **United Nations Economic Commission for Africa:** this is a United Nations organization that promotes economic development in Africa by providing technical assistance and support to African countries.

- **African Continental Free Trade Area secretariat:** is the main organization that has the responsibility of implementing the African Continental Free Trade Area agreement which aims to create a single market for goods and services across the continent of Africa
- **Egypt:** has the responsibility of hosting the African Continental Free Trade Area secretariat which implements the AfCFTA agreement; is apart of the Arab Maghreb Union (AMU) which aims to promote economic integration among North African countries and is also a major trading partner with other African countries, particularly in textiles, food and pharmaceuticals
- **Nigeria:** has the largest economy in Africa; is apart of the Economic Community of West African States (ECOWAS) which aims to promote economic growth among West African countries, and similar to Egypt, is a major trading partner with many other African countries particularly in oil and gas
- **South Africa:** with the second largest economy in Africa, South Africa is apart of the Southern African Development Community (SADC) which aims at promoting economic integration in Southern African countries and it is also a major trading partner to other African countries.

TIMELINE OF KEY EVENTS

- **3 June 1991-The Abuja Treaty.**
The Abuja treaty was signed to establish the African Economic Community (AEC) and “for the harmonization and rationalization of economic integration and technical institutions supporting the economic integration process.”(Implementation of the Abuja Treaty establishing AEC: progress made and prospects)
- **29-30 January 2012-Boosting Intra-African Trade (BIAT).**
The African Union “adopted the decision to establish a Continental Free Trade Area by the indicative date of 2017, and also endorsed an Action Plan for Boosting intra-African Trade”(Developments on the Boosting intra-African Trade initiative and the Continental Free Trade Area). These decisions aimed at widening Africa’s market integration and using trade as an instrument for attaining sustainable and socioeconomic development

- **10-15 June 2015-Negotiations for AfCFTA.**

A summit for the African Union was held in Johannesburg, South Africa, where negotiations for setting up the AfCFTA were launched and put up for discussion.

- **21 March 2018-Signing of the AfCFTA agreement.**

A signing of the AfCFTA agreement took place in Kigali, Rwanda, where 44 African Union member states all showed up with a stamp of approval in the form of their signatures

- **30 May 2019-Implementation of AfCFTA agreement.**

The AfCFTA entered into force and a cascade of events followed such as the launch of the Pan-African payment and settlement system (PAPSS)

- **7 October 2022-Trading under the AfCFTA.**

The AfCFTA secretariat launched the AfCFTA Guided Trade Initiative in Accra to allow for commercially meaningful trade under the agreement to commence for eight participating countries.

RELEVANT UN RESOLUTIONS, TREATIES, & EVENTS

- [Protocol on free movement](#)
- [Implementation of the AfCFTA agreement](#)

PREVIOUS ATTEMPT TO SOLVE THE ISSUE

In response to seeing the need to expand intra-African trade, the establishment of [Regional Trading Agreements](#), a treaty that is signed by two or more countries to encourage the free movement of goods and services across the borders of its members, were put into action

POSSIBLE SOLUTIONS

- Adopting and implementing coherent and efficient trade policies at national, regional and continental levels, specifically centered towards the promotion of intra-African trade
- Diversification of the economy and the enhancement of productive capacity and competitiveness for meeting the challenges of sustainable economic growth and development
- Development of innovative, legal and other mechanisms for multi-country infrastructural development projects

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