



Ad Hoc Expert Group Meeting

Aswan, Egypt

25-28 November 2019

**Trade Facilitation in North Africa for Enhanced
Regional Economic Integration:
Challenges, Opportunities and the Way Forward**

Aide Memoire

I- Background

1. Trade facilitation is a comprehensive and integrated approach to reduce the complexity and cost of the trade transaction processes. It aims at ensuring that all trade activities can take place in an efficient, transparent, and predictable manner, based on internationally accepted norms, standards and best practices. At the same time, it seeks to optimize the effectiveness of regulatory controls to ensure the safety and well-being of citizens and the collection of appropriate taxes and fees. Therefore, it is one of the key factors for economic development of nations and is closely tied into national agendas on social well-being, poverty reduction and economic development of countries and their citizens.
2. Trade facilitation reforms improve trade performance by enhancing the quality of the regulatory environment, basic transport and communications infrastructure. It will not only assist in the deepening of North Africa's market integration but also enhance the performance of North African countries in global trade. Therefore, improvement in trade facilitation is a key to boost regional and international trade performance.
3. The United Nations Economic Commission for Africa has projected that the trade opportunities brought by trade facilitation measures on top of the AfCFTA would more than offset the few costs from declines in tariff revenues entailed by liberalization. Gains from liberalization are mainly driven by trade facilitation, whose economic impact significantly outweighs that of tariff and investment liberalization. Trade facilitation will expand intra-African trade and Africa's industrialization, as it will lead to faster and more cost-effective sourcing of intermediate inputs, producing higher-value commodities (Ofa and Karingi, 2013). AfCFTA would more than offset- and even greatly expand- impacts on intra-African trade, and more so when trade facilitation reforms are adopted (Economic Report on Africa, 2015).
4. North African countries participate in a variety of overlapping bilateral and regional trade agreements such as the Arab Maghreb Union (AMU), Greater Arab Free Trade Area (GAFTA), the Agadir Agreement, Euro Mediterranean Partnership, Community of Sahel-Saharan States (CEN-SAD), and the Common Market for Eastern and Southern Africa (COMESA). This overlapping has resulted in dilution of human and technical resources, high administrative costs, and inconsistencies between integration agendas. This will have serious implication on trade facilitation and the sub- region's participation in the African Continental Free Trade Area (AfCFTA).
5. Although North Africa region has most of the structural elements of a dynamic integrated market such as proximity, infrastructure, linguistic and cultural affinities; however, the existence of most of these elements has not been a sufficient condition for bringing intra-regional trade to its optimal level. The Sub-Regional Office for North Africa (SRO-NA) has elaborated advocacy efforts supported by research for the promotion of Regional Value Chains (RVCs) as an instrument for regional integration and structural transformation of member States. The findings of the research show that the intra-trade between Egypt, Morocco and Tunisia mainly concerns intermediate products and semi-finished products such as cotton, cotton fabric and special fabrics. The share of exports of these products in relation to the total exports of each of these three countries remains negligible. On the other hand, exports to other North African countries (Algeria, Libya, Mauritania and Sudan) mainly concern finished products such as clothing. These exports are destined to satisfy the local demand of these four countries, but they remain negligible compared to the total imports of these countries.

6. Tackling the challenges of trade facilitation in North Africa certainly entails high costs but it is critical and requires sub- regional, comprehensive and coordinated approach that entails improvements in infrastructure and provision of efficient and competitive services in the areas of roads, railways, ports, ICT; and the simplification and harmonization of customs and border procedures as the gains of trade facilitation are related to the whole chain of processes. This sub-regional approach can be an efficient mean of coordinating actions, setting priorities, reviewing progress, mobilizing resources, allocating funds, and monitoring contribution levels.

7. For trade facilitation process to be fully successful in North Africa, three key elements need to be present:

- A strong political will and commitment.
- A clear strategic plan.
- A close cooperation with the business community.

II- Meeting objectives

8. The objectives of this meeting are as follows:

- Sharing knowledge and experiences, best practices among the participants on the implementation of national trade facilitation programs as well as promoting the use of international standards and applications in single window and paperless trade projects.
- Providing specific policy advices on good practices and successful strategies on trade facilitation in North Africa to policy-makers, private sector, and other key stakeholders.

III- Expected outcome

9. The immediate outcome expected from the meeting is a revised comprehensive report on trade facilitation in North Africa for enhanced regional economic integration; including challenges, opportunities and proposed way forward.

IV- Organization and format of the meeting

10. The meeting will be held in the form of plenary sessions. Participants will be presented with the report on trade facilitation in North Africa for enhanced regional economic integration; including challenges, opportunities and proposed way forward, they will also attend and discuss presentations by different experts. Member countries will be sent the final version of the report.

V- Attendance

11. Participation in the meeting is open to ministries, national administrations and institutions in charge of economic development, trade, and regional integration, representatives from private sector organizations, academia and research centers, agencies of the United Nations System and other development partners in the sub region.

VI- Date and venue of the meeting

12. The ECA Office for North Africa will organize the meeting on the side lines of the 34th Meeting of the Intergovernmental Committee of Senior Officials and Experts. The meetings will be held in Aswan from 25 to 28 November 2019, at the invitation of the Government of the Arab Republic of Egypt.

VII- Working languages

13. The working languages of the meeting are Arabic, English and French.

VIII- Contacts

14. For more information regarding the organization of the meeting, please contact:

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