



All-Party Parliamentary Group for Trade Out of Poverty

Parliamentary group inquiry calls on new UK Government to create “prosperity partnership” with Africa based on development, trade and investment

Expert committee acknowledges Brexit challenges but outlines “opportunity for the UK to lead the world in structuring a pro-development trade policy with Africa”

London, 18 October 2016

An Inquiry Committee of distinguished British and African experts has today published a report examining the achievements of the UK’s Africa Free Trade Initiative (AFTi) five years after it was formally launched by David Cameron during his visits to South Africa and Nigeria in July 2011.

The Inquiry Committee – made up of Ali A. Mufuruki, Lord Stephen Green, Lord Paul Boateng, Ambassador Darlington Mwape and Professor Myles Wickstead – was established by the All-Party Parliamentary Group for Trade Out of Poverty earlier this year.

The Inquiry Committee gathered written evidence and held public hearings and other consultative events in the UK and Africa over a six month period, engaging over 60 experts, diplomats, business people and representatives from key multilateral organisations from the UK and across the African continent.

The report, *Inquiry into the UK’s Africa Free Trade Initiative*, states that:

1. **The Africa Free Trade Initiative has been a success – supporting key African priorities, slashing trade costs, and delivering real gains for the continent and its trading partners.** The report notes that AFTi has:
 - i. Cut tariffs and reduced red-tape for traders in Africa;
 - ii. Streamlined border-crossings and customs procedures;
 - iii. Upgraded key gateway ports and transport corridors;
 - iv. Leveraged private sector investment into agribusiness, logistics and infrastructure for trade.

2. **Recognising AFTi’s success and the need for faster, more inclusive economic growth, the new UK Government should re-boot its relationship with Africa to create a “prosperity partnership” based on development, trade and investment.** The report states that a successor initiative to AFTi should be launched as the centre-piece of the UK’s economic policy agenda in Africa focused on increased support around:
 - i. Cutting trade costs and connecting markets;
 - ii. Enhancing productive capacity;
 - iii. Using trade to drive inclusive growth for poor women and men.



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3. **The Prime Minister should appoint a Special Envoy to lead the rebooting of the UK-Africa prosperity partnership**, delivering in five key areas:
 - i. Better direction and co-ordination across UK Government Departments;
 - ii. Closer dialogue between UK Ministers, African Governments, business and civil society on freeing up trade for all;
 - iii. More synergy between the investment programmes delivered by the UK Government, the private sector and by international development partners;
 - iv. Driving and scaling new, high-impact approaches that can transform opportunities from trade for ordinary Africans.
 - v. Stronger accountability for results and value for taxpayers' money.

4. **While Brexit poses short-term challenges, it also provides an opportunity for the UK to lead the world in structuring a pro-development trade policy with Africa that will genuinely boost growth, jobs and incomes of ordinary people.**
The report states that new trade agreements should support Africa's own integration efforts, incorporating the best elements of EU, US, Canadian and other practices, ensuring that they become a model for other OECD countries to follow.

In its examination of AFTi to date, the report records a number of notable successes:

- An Electronic Single Window set up in Rwanda reduced the average time taken to clear imported goods through customs from 11 days to 1.5 days;
- The East African Community Single Customs Territory has helped improve efficiency of the Northern Corridor by reducing cargo transit times from Mombasa to Kampala from 18 days to 6 days;
- Modernisation at the Port Of Dar es Salaam in Tanzania has cut cargo dwell times from 11 days to 7 days, and vessel turnaround times by half;
- CDC financing for expansion of ports and rail connections in Southern Africa will expand capacity for trade and create 43,000 new jobs in Mozambique;
- The Grow Africa partnership has helped leverage \$684m in new private sector investment into agribusinesses across 12 African countries;
- A new mega Free Trade Area was launched across East and Southern Africa last year, with negotiations now underway to extend this continent-wide.

Ali A. Mufuruki, Co-Chair of the Inquiry Committee, says:

“All African leaders are anxious to ensure that the UK Government moves quickly to prepare for possible disruptions of African trade to the UK. However, Brexit also presents a big prize – the opportunity for the UK to lead the world in structuring a pro-development trade policy with Africa, becoming a model for other OECD countries to follow.”

Lord Stephen Green, Co-Chair of the Inquiry Committee, says:

“The Africa Free Trade Initiative, which has been aligned with African priorities and supported African-led reforms, shows how effectively the UK and African countries can work together. Successful implementation of the WTO Trade Facilitation Agreement, which the UK and Africa actively championed together in Bali, has the potential to significantly reduce



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trade costs for poor countries. Twelve African countries have already ratified the Agreement – even outpacing Canada – and I expect this number to rise rapidly.”

Lord Paul Boateng, one of the Inquiry Committee members, says:

“Women play a critical but too often undervalued role in Africa's economy. This report highlights the potential of a successor to the UK's excellent Africa Free Trade Initiative to strengthen the position of women as agents of Africa's development. African women as farmers and traders stand to benefit from the implementation of the report's recommendations, furthering the UK's longstanding commitment to gender empowerment across the globe.”

Professor Myles Wickstead, one of the Inquiry Committee members, says:

“The international community recognises the role of trade as a pathway out of poverty, most notably through Goal 8 of the Sustainable Development Goals which specifically demands an increase in Aid for Trade. The Africa Free Trade Initiative provides us with a solid blueprint for supporting trade and points us clearly in direction we need to take”.

Rt Hon Peter Lilley MP, Co-Chair of the All-Party Parliamentary Group for Trade Out of Poverty, which established the Inquiry Committee, says:

“The Africa Free Trade Initiative has been one of the UK's outstanding development initiatives of recent years – supporting key African priorities, slashing trade costs, and delivering real gains for the continent and its trading partners. The new UK government should take forward these successes and create a new “prosperity partnership” with Africa - based on development, trade and investment - that will help the continent to trade its way out of poverty.”

Contact details

Richard King
T: +44 (0) 20 7554 1701
M: +44 (0) 74 7002 1687
E: richard.king@portland-communications.com

Notes to Editors

- The full report, *Inquiry into the UK's Africa Free Trade Initiative*, can be found at: <http://tradeoutofpoverty.org>
- The All-Party Parliamentary Group for Trade Out of Poverty established the Inquiry to seek to answer the following three main questions:
 - i. What has been achieved in AFTi since 2011 and what lessons can be learned?



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- ii. Is there a case for a successor to AFTi in the area of further facilitating trade and investment within Africa as a driver of growth and poverty reduction, and between Africa and the rest of the world, including the UK?
 - iii. What should a future AFTi look like, what targets should it seek to achieve, and through which means and partnerships should it be delivered?
- The Inquiry Committee consists of:
 - **Mr. Ali Mufuruki**, Board Chair of TradeMark East Africa and founder and Chairman of Infotech Investment Group (Co-Chair);
 - **Lord Stephen Green**, former UK Minister of State for Trade and Investment and former Group Chairman of HSBC (Co-Chair);
 - **Lord Paul Boateng**, former British High Commissioner to South Africa;
 - **Ambassador Darlington Mwape**, Senior Fellow at the International Centre for Trade and Sustainable Development (ICTSD) and former Permanent Representative of Zambia to the WTO;
 - **Professor Myles Wickstead**, Visiting Professor at Kings College London, former Head of Secretariat, Commission for Africa and former UK Ambassador to Ethiopia and the African Union.
 - The All-Party Parliamentary Group for Trade Out of Poverty raises awareness of how trade can be a route out of poverty and researches ways of enabling poor countries to achieve inclusive growth through trade.
 - The All-Party Parliamentary Group for Trade Out of Poverty is chaired by
 - **Rt Hon Peter Lilley MP**;
 - **Rt Hon Hilary Benn MP**;
 - **Lord Michael Hastings of Scarisbrick, CBE**.