

CHRISTOPHER H. SMITH

4TH DISTRICT, NEW JERSEY

CONSTITUENT SERVICE CENTERS:

1540 Kuser Road, Suite A9
Hamilton, NJ 08619-3828
(609) 585-7878
TTY (609) 585-3650

108 Lacey Road, Suite 38A
Whiting, NJ 08759-1331
(732) 350-2300

2373 Rayburn House Office Building
Washington, DC 20515-3004
(202) 225-3765

<http://chrissmith.house.gov>



Congress of the United States
House of Representatives

COMMITTEES:

FOREIGN AFFAIRS

**AFRICA, GLOBAL HEALTH,
GLOBAL HUMAN RIGHTS, AND
INTERNATIONAL ORGANIZATIONS**

CHAIRMAN

**WESTERN HEMISPHERE
SUBCOMMITTEE**

**COMMISSION ON SECURITY AND
COOPERATION IN EUROPE**

CO-CHAIRMAN

**CONGRESSIONAL-EXECUTIVE
COMMISSION ON CHINA**

CO-CHAIRMAN

DEAN, NEW JERSEY DELEGATION

Will There Be an African Economic Community?

*Excerpts of Remarks by Chairman Chris Smith
Subcommittee on Africa, Global Health, Global Human Rights, and Int'l Orgs.
2172 Rayburn HOB
January 9, 2014*

Good afternoon. The African Union, or AU, is in the midst of a long program to create an African Economic Community through the eventual merging of existing Regional Economic Communities. U.S. policy is to support regional integration in Africa as enhancing the success of U.S.-Africa trade by reducing trade barriers and creating larger markets. This hearing will examine the AU effort and its potential benefits for Africa and the United States.

A focal point in U.S.-Africa trade policy is the encouragement of integrated markets in Africa. It makes trade with Africa more efficient and beneficial for African businesspeople and governments. It also is more attractive for foreign investors.

The AU, a regional grouping of all countries in Africa except Morocco, was established in 2002 as the successor to the now-defunct Organization of African Unity, or OAU. Its formation was largely motivated by OAU members' desire to more quickly achieve the goals of the 1991 African Economic Community Treaty. The treaty is intended to promote African regional economic integration and socio-economic development through the planned creation of a common African market and shared political and economic institutions. Make no mistake, this is a challenging goal. The example of the European Community demonstrates the difficulty even when involving developed nations.

The current African nations were not created to collaborate with one another. Varying languages, conflicting legal and commercial systems and often incompatible transportation infrastructures make this worthy goal a major challenge, and there are other obstacles that make this effort even more daunting.

Nevertheless, the eight recognized Regional Economic Communities have a timetable to which they are generally adhering with few exceptions. The Arab Maghreb Union, a trade agreement comprising Algeria, Libya, Mauritania, Morocco and Tunisia, is inactive and frozen due to deep political and economical disagreements between Morocco and Algeria regarding, among other issues, the matter of Western Sahara independence. The Community of Sahel-Saharan States, comprising 28 countries across Africa's Sahel region, is finding regional integration difficult because of its members being part of other trade blocs that are more advanced in their integration.

Meanwhile, the Common Market for Eastern and Southern Africa, a free trade area with nineteen member states stretching from Libya to Swaziland, has agreed to an expanded free-trade zone and is also considering a common visa scheme to boost tourism.

The East African Community, an intergovernmental organization comprising five East African countries – Burundi, Kenya, Rwanda, Tanzania and Uganda – signed a protocol just last year outlining their plans for launching a monetary union within 10 years.

The Economic Community of Central African States, which includes 10 countries across the middle of the continent, formed a customs union with a free trade area between members and a common external tariff for imports from other countries as long ago as 1966.

The Economic Community of West African States, a regional group of 15 West African countries, is creating a single large trading bloc through an economic and trading union and serves as a peacekeeping force in the region – all despite operating officially in three co-equal languages—French, English, and Portuguese.

The Intergovernmental Authority on Development is an eight-country trading bloc based in East Africa and has transformed from an executive group with a focus on development and environmental control to a larger structure as a Regional Economic Community.

The Southern African Development Community began as an anti-apartheid coalition fighting for majority rule in South Africa in the 1970s, but since majority rule came to South Africa in 1994, it has become a traditional Regional Economic Community, and like its West African counterpart, sometimes engages in peacekeeping operations.

By 2017, a free trade union and customs union is supposed to be established in each Regional Economic Community. The process is still stalled in North Africa and the Sahel, although there is progress elsewhere. This phase is now fully in force in East Africa, as well as West and Central Africa.

In today's hearing, we are looking for recommendations on what the Regional Economic Communities and their member countries must do to fulfill the AU's ambitious agenda, but we also want to examine what the U.S. government, other donor governments and international financial institutions can do to enhance their efforts in this regard. Ostensibly, this assistance has been ongoing for some time now but we want to find out more about why these efforts have not moved farther ahead.

We have with us experts who have observed regional integration in Africa, and in some cases, have worked to promote it for more than a decade. We know what governments have said about the benefits of regional integration, and we have heard from the private sector about their preference for integrated markets. Today we want to hear from those who can provide and have provided the technical assistance necessary to make these goals a reality.

We in Congress currently are working on legislation to extend the African Growth and Opportunity Act, and integrated regional markets will only enhance the success of this trade process moving forward. We hope today's contributions will better inform us on how we can more effectively encourage regional integration and the expansion of African markets.