

Information Brief on the CFTA

Third World Network-Africa

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Various stakeholders in Namibia have raised concerns on the on-going negotiations on the proposed Africa's Continental Free Trade Area (CFTA) in the capital, Windhoek. The concerns border on the likely impact of the CFTA on the fragile informal economy, labour standards, weak local production, youth unemployment and the overall transformation of the Namibian economy. These were contained in an outcome statement arrived at during a one-day consultative forum on the CFTA on Tuesday, 19th of September 2017.

The forum was attended by the Namibian Ministry of Trade and Industry, Southern Africa Customs Union (SACU), members of trade unions, non-governmental organisations, researchers, academics, faith-based organisations and youth groups. The CFTA was launched in June 2015 in Johannesburg by the African Heads of State to fast-forward Africa's long-term economic transformation and integration.

'Having listened to presentations from the Ministry of Trade and Industry, SACU Secretariat, among others, we are concerned about the CFTA and its likely impact on the already weak and low level of manufacturing state in Namibia and in other SACU member states. The structure of trade weighs against Namibia and the Region. Namibia exports a chunk of its goods, which are mainly raw and unprocessed, to the rest of the world than it exports to the rest of Africa. In fact, in 2016, according to the presentation by SACU Secretariat, Namibia exports to the rest of Africa (outside SACU) stood at mere 0.5 percent as against 45.2 percent to the rest of the world (outside Africa)' the outcome document stated.

The forum also touched on the Namibian economy which is largely dominated by the informal sector but being outflanked by big and ever-growing shopping malls. The main market for Namibia goods within the current structure of production are SACU member countries and the rest of the world. However, the negotiations of the CFTA seem not to start from this economic reality-weak manufacturing and large informal sector- that is confronting Namibia and other SACU member states.

On employment and labour issues, the forum raised concerns on the precarious unemployment levels among the youth and the lack of clarity on the labour standards in most companies operating in Namibia. Most free trade agreements act as a clamp on governmental regulatory control of companies for the social good and society at large. Participants raised concerns about the lack of clarity on how descent working conditions will be safeguarded in the CFTA negotiations.

Stakeholders also noted that the CFTA remains within the confines of a few officials, leaders of businesses, CSOs and most of the population in the dark. The legitimacy of the CFTA hinges more on how it is embraced by a large portion of the population. Participants call on the Namibian government to open the process for full participation for the academia, CSOs, youth and labour movement. The forum noted with

deep concern the rush to conclude the CFTA negotiations by December 2017. According to the SACU Secretariat, the text is only about 20 percent complete.

Based on the above, participants concluded that, if these concerns are not taken on board the CFTA will not address the structural problems that confront Namibia and other SACU member states. This is even more worrying when the Heads of State launched the CFTA negotiations to address these same problems. In short, the participants are of the view that the current focus of the CFTA negotiations falls short of the aspirations of the people of Namibia.

The Forum was organised and hosted by the Labour Resource and Research Institute (LaRRI) of Namibia in collaboration with the Economic Justice Network (EJN) of the Fellowship of the Christian Councils in Southern Africa (FOCISSA) and Third World Network-Africa (TWN-Africa).