**COMMON MARKET FOR EASTERN AND**

**SOUTHERN AFRICA**



**OPENING REMARKS**

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**VALIDATION WORKSHOP OF THE REVISED COMESA COMMON INVESTMENT AGREEMENT**

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**CAIRO, EGYPT**

**Honourable Deputy Minister of Foreign Affairs and Immigration of Egypt, H. E. Ambassador Aboubakr Hefny Mahmoud,**

**Honourable Vice President of the Egyptian General Authority for Investment (GAFI), Dr. Dahlia El-Hawary,**

**Honourable Representatives of COMESA Member States,**

**Esteemed Chief Executive Officer of COMESA Regional Investment Agency (RIA),**

**Esteemed Representatives of UNCTAD,**

**Colleagues from the COMESA Secretariat and COMESA RIA,**

**Ladies and Gentlemen,**

It is my pleasure and honour to to extend a warm welcome to you all to the Validation Workshop of the Revised COMESA Common Investment Agreement (CCIA). Over and above, I am particularly delighted to welcome all esteemed guests to my beloved homeland, Egypt, the cradle of civilization and as we like to call it in Egypt, the mother of all nations. I would also like to put on record our gratitude for the warm welcome and hospitality extended to the participants since their arrival in Egypt and for the great support and facilities that the Egyptian government has put at our disposal, through the General Authority for Investment and the Ministry of Foreign Affairs.

Honourable Audience,

Our beloved continent, Africa, is known for the abundance of its natural resources. To give some notable examples, Africa contains 60% of the world’s uncultivated arable land, is home to 16% of uranium in the world, 18% of gold, 26% of bauxite, 53% of diamonds, 53% of cobalt, 75% of platinum and around one-third of all other mineral resources. Africa also produces 74% of the world’s cocoa, 50% of its tea and 12% of its coffee. With a median age of 19.5 and 60% of the population under 25, it has the world’s youngest and fastest growing labour force. Yet, around 34% of people living in extreme poverty in the world are in Africa and 34 out of a total of 54 African countries are Least Development Countries (LDCs).

It is, therefore, an established fact that Africa needs investment first and foremost to come out of age, realize its potential and live in peace with itself and the rest of the world. In fact, we need monumental investments in fields such as infrastructure, energy, agro-processing and food production, pharmaceuticals and industrialization. Moreover, we need targeted investment in high-potential and strategically important regional value chains to enhance regional economic development, integration and resilience.

However, Africa lacks domestic financial resources, technology, know-how and managerial expertise. And in terms of foreign direct investment (FDI), it only receives around 4% of global flows. The main reason behind this extremely low performance is the high risk usually associated with investment in the continent, due to factors such as political instability, macroeconomic volatility, predatory business practices, lack of good governance, lack of legal protection and unease of doing business.

Ladies and Gentlemen,

As you probably already know, the pulsating heart of COMESA is its free trade area, but COMESA is indeed a community not just a free trade area and lack of investment in production, industry, value addition and economic diversification leaves so little a room for intra-COMESA and intra-African trade, currently standing at around 8% and 15% only of total trade respectively. This is why we in COMESA are sparing no effort to help Member States change the tide, in cooperation with our development partners.

Honourable Deputy Minister of Foreign Affairs,

Honourable Vice President of GAFI,

Our workshop today marks an important milestone in COMESA’s endeavours to attract more FDI and promote intra-COMESA investment. Today, we are turning a page and opening a new chapter in our regional investment journey, obliged by our duty to serve our community and Member States to the best of our abilities and filled with trust in our Member States commitment to the COMESA’s regional integration agenda.

Cognizant of the lack of buy-in of the 2017 CCIA as well as the requirement to align our regional legal investment framework with the emerging continental one and aiming at a more contemporary, robust and responsive regional legal investment franework, we have partnered with UNCTAD to revise the old CCIA, with focus on aligning it with the AfCFTA Protocol on Investment and global best practices. We are grateful for UNCTAD’s generous, top-notch technical support and the EU financial support to convening this workshop under the Regional Economic Competitiveness and Access to Markets Program (RECAMP).

In this regard, it should be noted that the basic foundation of the draft new CCIA is complementarity with the AfCFTA Protcol on Investment. In addition, the primary focus of the new agreement, as much as its predecessor, is creating a COMESA common investment area through promoting, facilitating and protecting intra-COMESA investments. Notwithstanding the limitations we all know, domestic COMESA investors are the natural owners and should be the prime beneficiaries of this instrument. Secondarily, but perhaps even more importantly, the new agreement aims at increasing the attractiveness of COMESA as a destination of FDI from the rest of the world.

In addition to requesting the RECs to align their legal investment frameworks with the emerging continental one, the AfCFTA Protocol on Investment also commits its parties to terminating bilateral investment agreements with other African countries within 5 years after its entry into force. Thus, the continental protocol foresees only 2 overlapping circles of investment regulation in the continent; the continental one and a regional one involving the 8 AU-recognized RECs to accommodate region-specific needs, weaknesses and advantages, challenges and opportunities.

Ladies and Gentlemen,

As I conclude, I would like to once more underline the critical importance of investment to regional economic integration and leave you with 3 final key messages:

First Second Instead of futile competition on the meagre FDI inflow that reaches our region, the new draft CCIA provides a platform for collective efforts to attract more FDI in the region at large.

Second Time has come to do away with the few, fragmented bilateral investment agreements among our countries and switch to a common regional investment architecture that promotes, facilitates and protects internal investment flows among the 21 COMESA Member States.

Third We hope you assume full ownership of the draft revised CCIA, examine it thoroughly to ensure it meets your needs and fulfills your aspirations and domesticate it expeditiously to realize its benefits.

Finally, I would like to once more thank the Egyptian government for hosting this important workshop and both UNCTAD and the EU for supporting this endeavor technically and financially.

I thank you for your kind attention and wish you fruitful deliberations.