



**COMMUNIQUE ISSUED AT THE END OF THE 5<sup>TH</sup> GHANA  
INTERNATIONAL TRADE AND FINANCE CONFERENCE**

**COMMUNIQUE ISSUED AT THE END OF THE 5<sup>TH</sup> GHANA INTERNATIONAL TRADE AND FINANCE CONFERENCE - GITFiC ON THE THEME: FACILITATING TRADE & TRADE-FINANCE IN AfCFTA; THE ROLE OF THE FINANCIAL SERVICES SECTOR, HELD AT THE MOVENPICK AMBASSADOR HOTEL, ACCRA (COMMERCIAL CAPITAL OF AFRICA) ON JULY 27, 2021**

The Ghana International Trade and Finance Conference (GITFiC) in furtherance of its vision to promote engagements on trade, trade-finance, finance and logistics issues, held its 3<sup>rd</sup> annual trade and finance conference in Addis Ababa, Ethiopia at the African Union Headquarters in the month of April 2019. Subsequently, as part of efforts to sensitize the public about the benefits of the African Continental Free Trade Agreement (AfCFTA) which was established in 2018 and operationalized in January 2021, GITFiC organized its 5<sup>th</sup> annual trade and finance conference on the theme: **“Facilitating Trade & Trade-Finance in AfCFTA; The Role of the Financial Services Sector”** with a subtheme; **“Creating an Enabling Macroeconomics Environment for AfCFTA; “The Role of the Central Banks in Africa”**.

The event was held at the Movenpick Ambassador Hotel, Accra (**Commercial Capital of Africa**) on Tuesday July 27, 2021. The occasion had experts and stakeholders from the financial and monetary institutions in Ghana and on the Continent, attending both physically and through electronic means. The conference had huge sector participation from Ghana and on the continent with strict adherence to national COVID-19 Protocols as institutionalized by H.E the President of the Republic of Ghana which later had an Executive Instrument. The ceremony had the Vice President of Ghana, **H.E Alhaji Dr. Mahamadu Bawumia** opening the commencement of proceedings with a presentation from the Government and the People of Ghana on behalf of H.E Nana Addo Dankwa Akufo-Addo.

The welcome address was given by the Chief Executive Officer of GIFIC, **Mr. Selasi Koffi Ackom**, who highlighted the need for discussions to be deepened among stakeholders to enable African economies maximise benefits under the AfCFTA. He also stressed on the negative impact of Africa's fragmented-fronts as a possible means of derailing the time-sensitive-lines of the proposed AfCFTA achievements. Finance rules over Politics he added.

There were two plenary sessions ie; **Trade-Finance & Monetary Panel and the Governor's Panel** which focused on Trade-Finance & Monetary and Macroeconomic issues as well as Role of the Financial Services Sector. The proceedings of the event were moderated by Messrs Kwaku Temeng of EIB Network, Prince Moses Ofori-Atta - General Manager of Asaase Radio, and broadcasted via conventional and social media outlets.

It was a simulating session of intellectual discussions as conference speakers and panelists made various remarkable contributions on the importance of the financial services sector, the role of central banks in creating an enabling macroeconomic environment and particularly the role of the Pan African Payment and Settlement Systems (PAPSS) in the implementation of the various protocols under the AfCFTA.

## **OBSERVATIONS**

The keynote presentation was delivered by **H.E Alhaji. Dr. Mahamadu Bawumia**, Vice President of the Republic of Ghana. The presentation drew the attention of the Afreximbank and the implementers of the PAPSS to the current situation where individual state financial institutions are being asked to plug into the PAPSS architecture.

After plenary discussions and interventions by participants, the conference made other observations:

1. There is a need for a seamless cross border payment in terms of currency convertibility.
2. African economies need to enhance development of logistics to boost intra African trade.
3. Major aspects of the Rules of origin protocol have been agreed by negotiating parties.
4. The Pan African Payment and Settlement System (PAPSS) under the supervision of the Afreximbank will be ready for launch.
5. There is a low support for trade finance and credits for small to medium scale business on the African continent.
6. Intra African trade can be boosted when the financial services sector is robust enough and embraces digitalization to improve financial inclusion of the largely informal sector of African economies.
7. The Pan African Payment and Settlement System (PAPSS) faces a strong competition with Orange and MTN joining forces ie' **MOWALI**. Both PAPSS and WOWALI totally ignored the Roles of Central Banks. *(Mr. Jean Clay Otoumou – Central Bank of Central Africa)*
8. Critical issues such as; Trust, Sovereignty, Commitment, Control and Ownership of Data, Exploitation, Capacity and Capability et al should be urgently addressed. *(Francophone West Africa and Central Africa)*
9. The African Union Economic Commissioner for Trade, Industry and Mining H.E Albert M. Muchanga acknowledged the importance of the theme for the 5<sup>th</sup> GITFiC. He also mentioned that several Manufacturing companies on the Continent are currently investing huge funds to scale-up production to meet the African Demands under the AfCFTA. *(H.E Albert M. Muchanga)*
10. Cross Border Payment, Cross Border Trade, Transit of Goods, large shipments of goods amongst others are currently being considered by our Central

Banks. An interoperable payment system with Mobile Money for transacting cross border trade is underway. WAMI is collaborating with AfDB to outdoor and implement UBI – **Unique Bank Identity**. This mechanism will eliminate fraud, check double accounts by suspected wrong doers. Identity Management is the way to go. **(Dr. Olorunsola E. Oluwofeso – WAMI)**

- 11.** Common currency will have profound impact on Trade and Macro economy performance. There are three institutions trying to promote integrations within the Southern African Zone. The first one is: **Common Monetary Area of the CMA**. The second one is: **Southern African Development Community** and the third one is: **The committee of Governors in SADC**. There are five milestones set for the SADC area for integration tabled for achievement. 1. **Free Trade Area** 2. **Customs Union** 3. **A Common Market** 4. **Monetary Union** 5. **The aspirations of the African Union to create a single currency**. The SADC zone has a fully functional Real-Time Gross Settlement(Payment System) currently under implementation to enhance Regional Cross Border Payment. **(Governor Johannes Gawaxab – Central Bank of Namibia)**
- 12.** All 54 States will have to agree to have a unique currency. There is no clarity on how CFA can be sent to a Cedi or Naira Zone as we speak today. There are fragmentations with our currencies dotted all cross. **(Mr. Jean Clay Otoumou – Central Bank of Central Africa)**
- 13.** Interconnectivity comes with risk. A system of compensation should immediately be put in place by the implementers. The exchange rate control should be made known. VISA, MASTERCARD and AMERICA EXPRESS are clear examples. Africa is already connected. **(Mr. Ismail DEM – Central Bank Francophone West Africa)**
- 14.** Payment systems should be regulated. Such systems should be assessed through two key parameters namely; 1. **Should be effective** – does it get the job done? Does it allow for trade to flow? Does it bring sellers and producers

together satisfactorily? 2. **Efficiency** – payment systems should be trusted by their patrons and identities safeguarded. (Dr. Joseph Asenso – EBID)

15. We need to find the right tune to make sure that the PAPSS is the driver to Intra-Africa-Trade. One of the 5 pillars of AfDB's High 5s is **Regional Integration**. AfDB has been working hard on Regional Financial Integration. All the Ecosystems within the PAPSS need to be involved. The payment systems trainings should be solid and sound in terms of training the local central banks and commercial banks. North Africa's Financial Integration is relatively embryonic at a developing stage. WAMI is spearheading the implementation of PAPSS within the region because West African Countries are highly informed than the rest. (Mr. Nalletamby – AfDB)

## **RECOMMENDATIONS**

1. The PAPSS should allow for signatory African countries to have their national switches connected to ensure smooth operationalization.
2. Government, the private sector and other stakeholders need to work together to fast-track the regional integration by addressing the teething challenges relating to trading under the AfCFTA.
3. Build institutional capacity among stakeholders and businesses in the formal and informal sectors in the implementation of the Pan African Payment and Settlement System.
4. African economies are being encouraged to roll out policies which would lead to financial inclusion for the unbanked and the petty trading community.
5. African contracting parties are encouraged to respect the protocols under the AfCFTA to reduce the incidence of smuggling, unfair trade practices such as dumping, transshipment of third-party products into the African liberalized market.

6. African economies are encouraged to build an integrated and organized financial mechanism, and allow an independent monetary system, to ensure the smooth and effective implementation of the Pan African Payment and Settlement System and not necessarily a full-blown-private entity like AfreximBank which has a substantial amount of Private Interest.
7. Systematically address infrastructural gaps and improve the general ease of doing business across the sub-region.
8. Implementing agencies of the AfCFTA protocols to conduct periodic empirical studies on the various modules to inform policy decisions.
9. Implementers of the Pan African Payment and Settlement System should as a matter of urgency show a clear roadmap for Trust, Sovereignty, Commitment, Control and Ownership of Data, Capacity and Capability because Lagos alone is expected to drive more than 5 million transactions on a daily basis and most importantly explain mechanisms that have been put in place to avoid exploitation.
10. The Central Banks on the Continent should be assured and guaranteed at least 1% of all Transactional Revenues. This we at GITFiC believe will spike-up interest and commitment by all Sovereign States on the Continent and their various financial architectures.

## **APPRECIATION**

The conveners of the 5<sup>th</sup> Ghana International Trade and Finance Conference (GITFiC) expresses deepest appreciation to the Offices of the President and Vice President of the Republic of Ghana, The African Union especially the Economic Commissioner for Trade, Industry and Mining and his team, Bank of Africa, GIZ Support Program for the AfCFTA, officials and panelists from the Central bank of Francophone West Africa, Central Bank of Francophone Central Africa, West African Monetary Institute, EBID, AfDB, President and Chairman of the Ecowas Bank of Investment and Development, President and Chairman of the Africa Development Bank, Director General of WAMI, Central Bank of Ghana, Association

of Ghana Industries (Greater Accra), Management and Staff of Asase Radio, members of the Diplomatic Corps present at the 5<sup>th</sup> GITFiC and same for the media for their laudable support and partnership in ensuring a successful organization of the GITFiC 5<sup>th</sup> Ghana International Trade & Finance Conference.

## **WAY FORWARD**

To sustain the momentum on efforts so far, the GITFiC will be embarking on a Sub-Regional Tour in two months with series of Breakfast Meetings/Dialogues with a total team of seventeen to meet with sections of the Business & Financial Community to enhance our advocacy, education and sensitization on these various subjects/themes/topics to achieve a greater inclusion in one accord. This we believe fits into the AU agenda 2063. Six West Africa countries have been earmarked and they include; Nigeria (**Abuja**), Sierra Leone (**Freetown**), Gambia (**Banjul**), Ivory Coast (**Abidjan**), Senegal (**Dakar**) and Togo (**Lome**) and will all converge again in Accra (**Commercial Capital of Africa**) hopefully in 2022 to evaluate a one (1) year implementation of the AfCFTA and impacts gained by regional economic communities through the Pan African Payments and Settlement Systems. We will also pay courtesy calls on **BEAC (Yaoundé), BCEAO (Dakar), EBID (Lome), AfDB (Abidjan) and WAMI (Accra – Commercial Capital of Africa) to fraternize and advance relationships.**

**Signed:**

**5<sup>th</sup> August, 2021**

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