Meeting of chambers of commerce and industry in Africa and Arab World

Rabat, Morocco 29-30 November, 2012

Communiqué:

world (ASSECAA), the House of Counselors of Morocco and the Federation of Morocco's chambers of commerce, industry and services, the third meeting of chambers of commerce and industry in Africa and Arab world was held at the chambers of the House of Counselors of Morocco from 29-30 November, 2012.

The meeting, which brought together legislative institutions, chambers of commerce and industry in Africa and Arab world, representatives of concerned international and regional organizations, and some experts and academics, aims at profoundly reflecting on the ways of establishing investment and trade partnership between Arab and African countries as well as promoting South-South cooperation.

The meeting was organized under the theme of "Afro-Arab investments and trade exchange: The emergence of a new economic pole". It was attended by delegates from the following countries:

- Kingdom of Saudi Arabia

- The People's Democratic Republic of Algeria

- Republic of Gabon
ASSOCIATION DES SENATS, SHOORA ET CONSEILS EQUIVALENTS
D'AFRIQUE ET DU MONDE ARABE

- Kingdom of Bahrain

-The Federal Republic of Nigeria

-The State of Palestine

-The Hashemite Kingdom of Jordan

-Republic of Djibouti

- Kingdom of Morocco

-The Federal Republic of Ethiopia

-Republic of Sudan

-The Islamic Republic of Mauritania

-Republic of Yemen
Also in attendance were the representatives of the United Nations’ Industrial Development Organization (UNIDO), the Institute of African Studies in Morocco, chairmen of chambers of commerce, industry and services of Morocco, business institutions, and representatives of Afro-Arab diplomatic Corps accredited to Morocco.

Opening Ceremony:

The opening session was chaired by Mr. Abdul Waheed Khawaja, Secretary General of the House of Counselors of Morocco.

During the session, Dr. Mohammed Chiekh Baidallah, Speaker of the House of Counselors of Morocco, delivered a speech in which he warmly welcomed the delegates. He praised the serious efforts which are still being exerted by ASSECAA with the aim of strengthening the Afro-Arab economic and trade relations by engaging legislatures and decision-makers as well as chambers of commerce and industry, and entrepreneurships in supporting the efforts at economic cooperation between the two regions.

He made it clear that the holding of this particular meeting on time in Rabat is the best evidence of the continuity of The Spirit of Rabat Declaration, which is aimed at reinforcing the bonds of brotherhood and cooperation among member councils.

He indicated that despite the fact that African countries have achieved a relatively high economic growth rate due to growing global demand for raw materials imported from developing countries, this has rarely reflected positively on the socio-economic conditions experienced by the citizens of the two regions owing to the low level of good governance and rampant bribery, which created political tension hotspots that constitute a fertile ground for terrorism, human trafficking and drug dealership.
He confirmed that the encouragement of gas-producing Arab and African countries to invest on both sides to wipe off unemployment would further accelerate their integration into regional groupings, improve the competitiveness of their economies, enable them beat the cut-throat global competition and ensure the efficacy of their investment and financial activities.

Baidallah called for adopting an encompassing approach to an integrated strategic partnership leading to socio-economic and security stability that serves the interests of both regions in such a way that promotes investment as well as the flow of capitals and goods between them.

Moreover, Mr. Kareem Ghalab, Speaker of Parliament of Morocco, delivered a speech in which he expressed his appreciation to the initiative taken by ASSECAA in terms of organizing this meeting that put together the Afro-Arab chambers of commerce and industry and legislatures.

He indicated that the meeting affords the delegates an opportunity to compare notes on the challenges facing the two regions, as well as the means of boosting trade exchanges between them. He stressed the importance of intensifying dialogue based on reinforcing South-South cooperation to encounter the challenges that lie ahead and eliminate the administrative and political obstacles to the development of their economies.

He called for diversifying partnerships and seriously considering the ways that ensure the promotion of inter-trade and investment ties for the purpose of diversifying economic destinations and outlets in order for Afro-Arab economies to be more immune to global economic crises.

He explained that Morocco has made Afro-Arab cooperation a constitutional option by providing for it in its constitution, which is indicative of its desire to seriously strengthen and invest its own relations with the countries of the two regions. He urged the adoption of a participatory strategy determining optimum framework for the emergence of a new economic
pole between Arab and African countries. He also called for holding periodic meetings for the socio-economic actors with an aim to facilitate the influx of capitals and investments through congenial legal mechanisms.

Mr. Gabriel Ntisezerana, Chairman of ASSECAA and Speaker of the Senate of Burundi, addressed the meeting, pointing out that the strengthening of trade relations among the countries of the two regions, especially South-South ties, is one of the fundamental objectives of the Association that seeks to ensure a dignified life for Arabs and Africans.

He said that the engagement of chambers of commerce in the event aims at unifying the efforts being exerted to shape up a better future for Arab and African nations. He confirmed that the themes of the meeting are highly significant, hoping that the event would come up with applicable recommendations.

For his part, the Secretary General of the Moroccan Ministry of Trade spoke to the attendees, touching upon the accelerated transformations the world has seen over the recent years, such as the impacts of the economic crisis on the whole world. He pointed out that Morocco has carried out a package of legal reforms and created an opportune climate for investments to help entrepreneurships.

He highly commendned the leading role the chambers of commerce and industry are playing in the economic field, calling for the full implementation of the resolutions and recommendations from this meeting and the previous ones.

Furthermore, Mr. Idris Hawat, Chairman of the Federation of chambers of commerce, industry and services of Morocco, gave a speech in which he said that the weak Afro-Arab trade exchange is primarily attributed to the fact that exports largely depend upon raw materials, in addition to the lack of catalysts for exportation and coordination among such countries.
He stressed the importance of giving Afro-Arab investments a special attention and making use of raw materials available on the continent in order to advance Arab industries.

He further underlined that it is necessary to develop the network of Afro-Arab airlines and shipping routes to reactivate intra-trade, urging the promotion of Afro-Arab partnership with the aim of creating a balanced power in the international arena to safeguard the common interests of Arab and African countries and elevate their competitiveness.

He made it clear that it has become imperative for the public and private sectors to heavily engage in building up and boosting partnership by means of ameliorating business climate and eradicating obstacles to investments, the flow of goods and services, and identifying the opportunities available in the investment sector, particularly the prioritized spheres.

He touched upon the development plans drawn up by Morocco to support South-South cooperation in order to give a competitive impetus to its national economy and its integration into the global one.

Then, Mr. Abdul Wasea Yusuf Ali, Secretary General of ASSECAA, also addressed the attendees, explaining that this meeting primarily aims to reflect upon the key obstacles to the development of Afro-Arab economic and trade cooperation and the expansion of investments between the two regions that abound with vast resources.

He called upon the participants to answer two major questions: the first is what should we do to achieve a sustainable Afro-Arab investment cooperation? The second is what must we do to achieve a sustainable trade cooperation?"
ASSECAA Secretary General called for the chambers of commerce and industry along with the legislative authorities in the two regions to propose legal frameworks necessary for facilitating the emergence of an Afro-Arab economic and trade market.

Meeting sessions:

The meeting was divided into two sessions:

1- The first sessions focused on the issue of promoting Afro-Arab investments in the light of current global economic conditions.

The session was chaired by Mr. Charles Amba from the Senate of Gabon.

Mr. Abdul Qader Qassi from the Council of the Nation of Algeria acted as rapporteur.

Work-papers:

-The Afro-Arab relations and future prospects, a work-paper prepared and presented by Dr Sheikh Khaled Al-Khalifa from the Shoora Council of Bahrain.

-The Moroccan investments in Africa in the light of global transformations- a work-paper prepared and presented by Mr. Mohammed Al-Shaqandi from the Institute of African studies in Morocco.
-The challenges to and prospects for building up the Afro-Arab future- a work-paper prepared By Dr. Sami Al-Sayeghi from Sana'a University (the paper was only distributed to delegates).

-An intervention from Mr. Adel Al-Sheikhi, an expert from the Moroccan Agency for Investment Development.

Mr. Afif Al-Barhoumi from UNIDO presented a paper on the challenges to Afro-Arab trade and economic cooperation, which was originally prepared by Dr. Hisham Hussein. Mr. Barhoumi started his presentation with two questions: Is Africa ready to receive Arab investments? And, is the Arab world ready to invest in Africa?

He made it clear that investment needs key potentials, most important of which is the development of business pioneering, a policy which, he confirmed, is still in limbo in Africa.

He stressed the importance of creating new untraditional financing sources to upgrade business pioneering i.e. small and medium projects. He called for spreading awareness of the problems facing youth, who should be motivated to develop projects and promote business pioneering.

The UNIDO representative further called for catalyzing foreign investment while focusing on the development of business pioneering in Africa by reinvigorating youths and determining the spheres of investments in Africa.

He shed light on the economic and development challenges currently facing the two regions and the possibility of these challenges getting worse in case Arabs and Africans do not lay down suitable mechanisms to resolve such problems.
For instance, he indicated that Africa would have the largest workforce in the world by 2040 (1.2 billion people), maintaining that the Arab world is in need of creating job opportunities to wipe off unemployment resulting from overpopulation.

He highlighted that Africa witnesses a variety of imbalances in terms of rising costs of commodity transportation, the absence of competitiveness and incompatibility with international standards pertaining to products and services. He noted that Africa constitutes the major source of raw materials much needed by developing countries such as China and Brazil, whose imports of these materials are on the rise.

The UNIDO expert also touched upon some facts and figures signaling the importance of establishing Afro-Arab trade cooperation, and called for both regions to work hard to eliminate the obstacles to the achievement of this objective.

In his intervention, Dr. Sheikh Khaled Bin Khallifa indicated that the challenges to Afro-Arab relations have sparked off both serious attempts at economic groupings in the GCC and Maghreb Union’s countries, as well as the creation of a free trade zone seeking to achieve Afro-Arab integration which is still not up to the expectations of both regions due to wars and economic hegemony.

He made it clear that the need for enhancing Afro-Arab economic relations lies in the fact that natural resources are in abundance in both regions, citing the case of the GCC countries that are endowed with energy resources, while other nations have a plenty of agricultural resources, which necessitates integration and reciprocation of benefits in the framework of full coordination.

Moreover, Mr. Mohammed Al-Shaandi from Morocco’s Institute for African Studies, in his intervention, pointed out the Moroccan investments in Africa in the light of the global
transformations. He confirmed that the new global economic situation has seen the emergence of new economies in Asia, South America and Africa, which necessitates an Afro-Arab economic integration to attract more investments.

He highlighted that most African countries have seen moderate growth rates coupled with retreating domination of traditional economic powers on the African market, indicating that Moroccan investment ventures serve as a good example of the South-South cooperation.

He stressed the importance of focusing on investments in Africa in order to diversify Arab investments in general and the GCC business ventures in particular.

For his part, Mr. Adel Al-Sheikh, an expert from the Moroccan Agency for Investment Development, affirmed that investment is regarded as a key driving force for development and economic growth, hence the need for promising markets to make profits. He said that despite the fact that there are still some political sensivities, profits remain as a key objective.

He remarked that investors always seek markets that need political stability, commitments from governments, and provision of basic infrastructures as is the case with Morocco that forms an Afro-Arab bridge for economic and trade cooperation.

A work-paper on Afro-Arab economic and trade cooperation, which was prepared by Dr. Sami Al-Siyaghi from Sana'a University, was handed out to delegates.

The paper stipulated that the general climate of Afro-Arab economic and trade cooperation does actually indicate that there are several serious obstacles to any attempts at the development thereof. It stated that most obstacles, especially those emanating from objective conditions
characterizing the economies of the two sides, can be optimally addressed only in the light of cooperation between them. Further stated that the obstacles resulting from the political behaviors of those in charge of cooperation don't appear so complicated, as they can be overcome in record time in case those in power have firm convictions and political wills to go ahead with the strengthening of cooperation.

In addition, the paper explained that all parties involved should seriously consider the importance of reactivating the private sector and providing the optimum means to protect it, as it is obvious that that any real, effective starting point of mutual cooperation between the two sides can never be made away from the private sector.

There have been made lots of interventions from participants, all of which were focused on the Afro-Arab economic and trade cooperation. Deliberations centered on the following proposals:

- A call for investment in Sudan, which is endowed with abundant natural resources—agriculture, rivers and seas,—let alone the incentives given to investors by the Sudanese government.

- There is need to focus on the legislative aspect in order to attract investments by improving the legal systems being a guarantor and a catalyst for investment, according to an economic advisor to the Shoora Council of Bahrain.

- There is need to set up a databank to help both investors and governments identify their own priorities and needs, as well as the kind of investment ventures that can be implemented in each country, in addition to the provision of the essential infrastructure, such as roads, ports and banks as well as the facilitation of entry procedures to encourage entrepreneurship and give a priority to food security—according to the representative of Palestine.
There is need to expand the activities of ASSECAA by opening up to the Arab League, the African Union, and the Federation of Chambers of Commerce, Industry and Agriculture of Arab states, while at the same time, laying an emphasis on the role of media in translating the Association's recommendations on the ground by engaging political actors being the decision-makers (the representative of Jordan).

It is a must to overcome all obstacles to communication between Arabs and Africans in order to push forward the South-South cooperation (according to a Moroccan expert on international trade).

Development should be linked to the achievement of security by reducing the intensity of conflicts and disputes that pose a serious threat to the sovereignty and stability of many countries (according to the representative of Algeria).

Also, the rapporteur of the session read out a speech from Mr. Mohammed Weld Mohammed Mahmoud, Chairman of Mauritania’s National Chamber of Commerce and Industry, on the revival of the Federation of Maghreb Chambers of Commerce and Industry.

The speech stipulated that "Consequent upon the meeting held by the chairmen of chambers of commerce and industry of Maghreb countries on the sidelines of the meeting organized in Beirut in 2012 by the Federation of Chambers of Commerce, Industry and Agriculture of Arab States, it was agreed that the Federation of Maghreb chambers of commerce will be revived".

In this respect, the Chairman of the Mauritanian chamber of commerce and industry has taken the initiative of hosting a meeting for the said federation in Nouakchot within the next few weeks."
2- The Second session dealt with the "Promotion of Afro-Arab Trade Exchange aiming for the emergence of new economic pole". 

Mr. Abdul Halim Al-Tamimi, chairman of the federation of Palestine's chambers of commerce and industry, acted as the chairman of the session.

-Mr. Mohmmmed Auzi, Chairman of Khunaifera's chambers of commerce, industry and services, worked as the rapportuer.

Work-papers:

-The Promotion of Afro-Arab trade, a work-paper presented by Dr. Azza Moursi from UNIDO-run Middle East and Arab World Program.

-Afro-Arab Trade Exchange- a work-paper presented by Mr. Ghufran Ezzuddin, a professor from the college of legal and socio-economic sciences- Rabat, who is in charge of the WTO's chair at the same college.

- A work-paper presented by Mr. Zuhair Al-Turaiki, an expert from the Moroccan Center for the rejuvenation of exports in Morocco.

During the session, Dr. Ghufran Ezzuddin touched upon the development which cooperation strategies among developing countries have seen during the recent decades, as well as the economic changes coupled with globalization and the emergence of the new industrial countries.
He affirmed that the exploitation of global economic changes on the part of Arab and African countries is still limited. Mr. Ezzudin presented the following recommendations:

- It is necessary to strengthen the Afro-Arab bilateral and multi-lateral relations.

- Encountering structural problems and adopt a long-term economic policy.

In her intervention, Dr. Azza Moursi gave a brief presentation on the activities UNIDO is carrying out in Arab and African countries. She also touched upon the competitiveness of products that are able to enter the international markets.

She wondered about the necessity of developing the means of production by respecting international standards, increasing investments, upgrading quality improvement programs, and setting up infrastructures on the part of public authorities.

She indicated that poverty is largely plaguing women, calling for the implementation of a convenient strategy to face this problem.

Mr. Mohammed Lazem, vice chairman of the Moroccan-Egyptian chamber of commerce, addressed the delegates. In his speech, Lazem focused on the limitedness of the Afro-Arab economic relations as well as the difficulty of movement among them. To face this problem, he suggested that the parties involved must give a special attention to the provision of means of transport, facilitating visa procedures, setting up mixed Afro-Arab companies and carrying out investment ventures in agriculture and industry. He, in conclusion, called for enacting Afro-Arab legislation to attract investments.
Zuhair Al-Turaiki, an expert from the Moroccan export rejuvenation center, delivered a speech in which he pointed out the promising sectors that contribute to the achievement of Afro-Arab economic integration (food industries, construction, furniture, pharmaceutical, textile and leather industries, in addition to mechanic and information industries).

He also gave an overview on the most important marketing activities carried out by the center in Arab and African countries.

Following the above presentations, Mr. Mohammed Auzi, chairman of chamber of commerce, industry and services in Khunaiferah region, Morocco, addressed the participants, explaining that some Arab and African countries are endowed with diverse natural resources; however, he said, the people of these countries are still suffering from poverty.

He stressed the importance of working out a consummate profit strategy to encourage investments and facilitate the movement of people and funds.

The representative of Sudanese businessmen then spoke to the attendees, expressing his gratitude to the people and government of Morocco for the warm reception and generous hospitality accorded to the delegates. He also thanked the Speaker of the House of Counselors as well as the chairman of the Moroccan federation of chambers of commerce, industry and services for hosting the meeting. He proposed the encouragement of telecommunication sector and reforming the banking system in order for the Afro-Arab economic relations to be reinforced.

In response to an invitation from the Chairman of Palestine’s federation of chambers of commerce and industry for the representatives of Moroccan chambers of commerce to visit Palestine, Mr. Idris Hawat, Chairman of the Federation of Moroccan chambers of commerce, industry and services, made it clear that Morocco has 28 chambers of commerce, 864 members
and 24 counselors. He indicated that he had already visited Hebron, expressing his pride of Al-Magharebah suburb of Jerusalem.

He confirmed his readiness to visit Palestine, proposing that the visit would be undertaken following some projects are undertaken in Palestine.

Recommendations:

After deliberations, the participants came up with the following recommendations:

- There is need to exploit the economic groupings existing in African and Arab countries in order for Arab countries to set up industrial, agricultural and service projects in partnership with African states.

- There is need for Arab and African countries to set up infrastructures in different development sectors to encourage domestic investments and attract foreign investors, including Arabs who have superfluous funds.

- Implement seriously the majority of recommendations and resolutions from different meetings related to foreign trade and investment at the Arab and African levels, and urge all concerned parties to do the same.

- It is important to explain all legislation on the encouragement of investments as well as the provision of incentives to investors.
- It is also important to facilitate the administrative procedures pertaining to cash remittances on the part of investors operating in Arab and African countries.

- Lay down financial and economic policies to ensure good treatments for investors.

- Set up channels for boosting institutional and regular communication with the components of the Afro-Arab private sectors.

- Work towards making a better coordination among financial and economic institutions concerned with supporting Afro-Arab cooperation.

- Urge Afro-Arab decision-makers to ease restrictions on the strengthening of Afro-Arab trade relations as well as the development of investment dynamics among Arab and African countries.

- Give a special attention to the creation of information centers and databases for the benefit of businessmen and investors.

- Call upon all concerned parties to provide legal and political conditions necessary for the emergence of Afro-Arab trade and investment pole.

- Revive the Afro-Arab Institution for finance and investment proposed by Kuwait during the tenth session of the standing committee of Afro-Arab cooperation.
-Set up centers for conciliation and arbitration at Afro-Arab chambers of commerce, and revitalize their roles in resolving the conflicts that might erupt among businessmen in such countries.

-Reduce customs restrictions and facilitate their procedures in order to encourage trade exchange between Africa and Arab world, taking into account the interests of productive sectors.

-Ameliorate climate investment in Arab and African countries and enhance communication between Afro-Arab chambers of commerce.

-Prepare for phased creation of Afro-Arab free trade zone, taking into account the interests of both regions.

-Urge the private sector to play a vital role in stimulating national legislatures to enact legislation necessary for encouraging and protecting investments and cash flows.

-The private can also take the initiative of setting up joint trade fairs and holding meetings and conferences for investment and tourist marketing.

-Take joint Afro-Arab procedures to coordinate investment and trade policies.

-Build up effective institutional capacities to facilitate investment and boost Afro-Arab trade relations.
- Spur the construction and maintenance of infrastructures to facilitate the transport of products among Arab and African countries at a minimum cost.

- Underpin the steps already taken in several Arab and African countries to improve investment environment, disseminate information on investment in the two regions, improve governance and legal institution and respect ownership rights.

- Adopt productive policies in keeping with international standards and specifications in order to enhance competitiveness.

- Take the necessary measures to encourage the private sectors to play its role in backing investments and reactivating trade among Arab and African countries.

- Make the necessary arrangements for easing customs barriers, and eliminate non-customs hurdles among Arab and African countries.

- Encourage oil-producing Arab and African countries to invest in ventures that depend on contrived production techniques catalyzing economic diversity and increasing the size of trade exchange among Arab and African countries.

- Make endeavors to ratify the internationally accepted standards and specifications in such a manner that is in tandem with the agreement on health and eco-health.
- Encourage Arab national development fund institutions for financing small and medium projects, including agricultural ventures, in African countries in order to bridge food gap.

- Prop up relations among Afro-Arab chambers of commerce, industry, agriculture and vocations in Arab and African countries in order to support investment and trade exchange.

- Upgrade an enhanced finance mechanism or adjust the existing mechanism to provide extra funds to finance Afro-Arab cooperation in the field of investment and trade in consultation with Arab development fund institutions, including the Arab Bank for Economic Development in Africa.

- Create an integrated Afro-Arab partnership that lays the groundwork for undertaking sustainable development programs aimed at raising the contributions of renewable energies, and developing rural electrification sector and strengthen electric power in African and Arab countries.

- Create a finance mechanism capable of funding joint mega ventures with economic and technical feasibility for the purpose of indigenizing industries.

- Urge businessmen to identify the vast investment opportunities available in Africa and the world at large.

- Strengthen joint relations and cooperation in industrial and trade sectors, and exchange information and statistics on economic activities and optimum investment practices in the two regions.
-Exchange the legislation relevant to economic activities to serve trade and investment purposes.

-Exchange visits and invitations to trade fairs and marketing campaigns for the activities organized by the two regions.

-Cooperate on training and dissemination of knowledge and expertise in the fields of joint action.

-Urge investment and trade institutions to make use of various investment opportunities and advantages available in Africa, and develop Arab engagement in upgrading renewable energies and new industrial ventures set up in the two regions.

-Encourage the setting up of investment projects in partnership with Arab companies to boost economic cooperation and open up new avenues for investments on both sides.

-Enhance economic and investment cooperation among small and medium firms.

-The Arab and African chambers should take serious initiatives of identifying economic developments and creating an environment conducive to investment in both regions.

-Increase the exchange of business delegations to identify the latest developments related to investment opportunities available on both sides, and organize joint trade fairs in coordination with the federation of chambers of commerce.
- Increase the exchange of information on economic developments taking place in each country, identify planned projects and the terms and conditions for the engagement therein on the part of companies, and intensify communication among the private sectors in the two regions in order to consider the possibility of cooperation in setting up joint ventures.

- Promote cross-border trade by upgrading commodities’ entry and exit procedures in African and Arab countries, eliminate customs barriers, and set up effective business organizations capable of sensitizing public authorities to the necessity of carrying out reforms.

- Urge Arab and African governments and legislatures to introduce radical reforms into the laws related to the movement of trade and financial investment.

ASSECAA General Secretariat,

Rabat,

30/11/2012