

# The AfCFTA : Priorities for implementation

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# African Continental Free Trade Area: Priorities for implementation

## Basic data

- Member States -55
- Current population approximately 1.3 billion of which nearly 60% are youth
- Projected to reach 2.5 billion in 2050
- GDP nominal \$2.5 trillion
- ▶ Vast arable land, 874 million hectares of which only 274 million hectares is under cultivation or underutilised.
- ▶ large reserves of strategic minerals,
- ▶ abundant aquatic resources, and
- ▶ the youngest population, 60%- 70% of the population.

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## **Underlying factors for the AfCFTA**

Low economic integration

Low level of intra-Africa trade ( 18%)

Narrow export base

Overreliance on commodity exports (primary products)

Low level of industrialization

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## Objective of the AfCFTA

- A liberalized single African market for goods and services
- the movement of business persons in accordance with agenda 2063.
- The AfCFTA lays a foundation for the establishment, in future, of a Continental Customs Union
- promote industrial development; sustainable and inclusive socio-economic growth
- **Single investment area ( depends on outcome of the negotiations)**

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Question: What should be the priorities for implementation?

- ❖ National level
- ❖ Continental level

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- ▶ **National Level priorities** (after ratification)
  - ▶ National/ **regional** AfCFTA response strategy
    - ▶ Priority sectors comparative and competitive advantage
    - ▶ Priority markets
    - ▶ Identify challenges (national and target market) to be addressed

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## ▶ National Level priorities (after ratification)

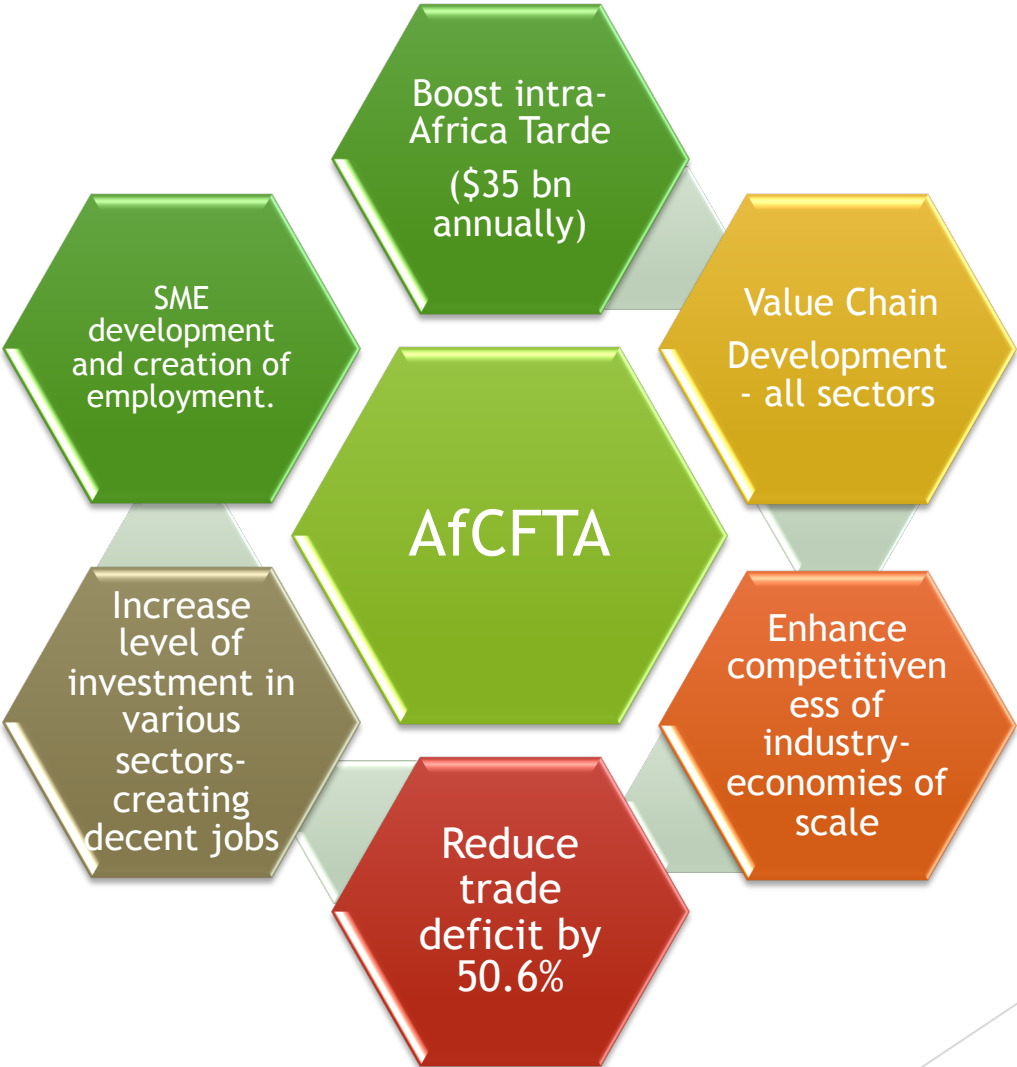
- ▶ Increase and improve productive capacity (volumes; standards and quality assurance; adherence to RoO)
- ▶ Private sector support measures
- ▶ Align processes and procedures to AfCFTA implementation (customs, standards bodies)
- ▶ Strengthen trade and trade facilitating institutions for implementation

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- ▶ **Continental level priorities (implemented with MS/RECs)**
- ▶ Harmonization of customs operations and border agencies cooperation
- ▶ harmonization of SPS measures and conformity assessment frameworks for standards
- ▶ Capacity building in trade policy, including in Rules of origin; trade remedies; dispute settlement and trade facilitation
- ▶ Coordinate the establishment of a vibrant pan-African private sector apex body (Africa Business Council)
- ▶ Coordinate the monitoring and elimination of the NTBs to trade
- ▶ Support the small medium enterprises ( mainly operated by women and youth) in cross border traders
- ▶ Support the State Parties in implementation of their commitments



# Benefits of implementing the AfCFTA





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Creating One Africa Market