



United Nations
Economic Commission for Africa

AFRICA TRADE EXCHANGE

*as a tool to connect demand to supply and foster trade and investment
under the AfCFTA*

**Presenter: Mactar Seck
UN ECA**



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WHAT IS THE AFRICA TRADE EXCHANGE (ATEX)?

ATEX is a Business-to-Business (B2B) / Business-to-Government (B2G) digital trade platform connected within the digital ecosystem supporting the implementation of **the African Continental Free Trade Area (AfCFTA) Agreement**.

The platform was developed by ECA and the African Export-Import Bank (Afreximbank), in collaboration with the African Union and the AfCFTA Secretariat.

Objective:

Digital market place to improve cross-border trade and provide businesses with quality products from verified African suppliers under AfCFTA rules.

ATEX will open opportunities for Intra-African Trade under AfCFTA Rules of Origin and negotiated Tariff Offers.

The platform is expected to integrate with the Pan-African Payment and Settlement System (PAPSS) providing a simple, low-cost, and risk controlled payment clearing and settlement solution to currency challenges that currently limit cross-border trade.

Repurposed Objective:

ATEX was repurposed to assist African countries to deal with shortages of food, fuel and fertilizer in Africa due to the **Ukraine crisis**. To Pool Africa's Demand for Stronger Market Power.

ATEX - Emergence Response for Food Crisis

- ATEX shall be supported on:
 - The financial side by:
 - Afreximbank's capacities to reduce the cost of financing for vulnerable economies, including by addressing foreign currency exposures, and
 - Afreximbank's provision of payment and other Trade Services (Letters of Credit, Overdraft facilities, Guarantees, etc. for those who need it) in support of trades under the Platform.
 - The US\$4 billion (net) from the UKAFPA (Ukraine Crisis Adjustment Trade Financing Programme for Africa) introduced by Afreximbank, will underpin the pooled procurement platform.
 - Logistical side by:
 - Provisional of low-cost logistical solutions in the framework of the "solidarity mechanism" launched by the World Food Program in the framework of the FARM initiative and in partnership with the private sector.

IMMEDIATE ONBOARDING PROCESS AND ORDER PROCESSING

Online onboarding directly by buyers and producers on ATEX as well as order requests and processing via WWW.ATEX.AFRICA

This includes automation of aggregate demand and matching to supply; pre-negotiated demand volume; Straight through processing of inflows via SWIFT and PAPSS (where supported); Aggregated settlement of orders to minimize foreign exchange and transfers charges, as much as possible.

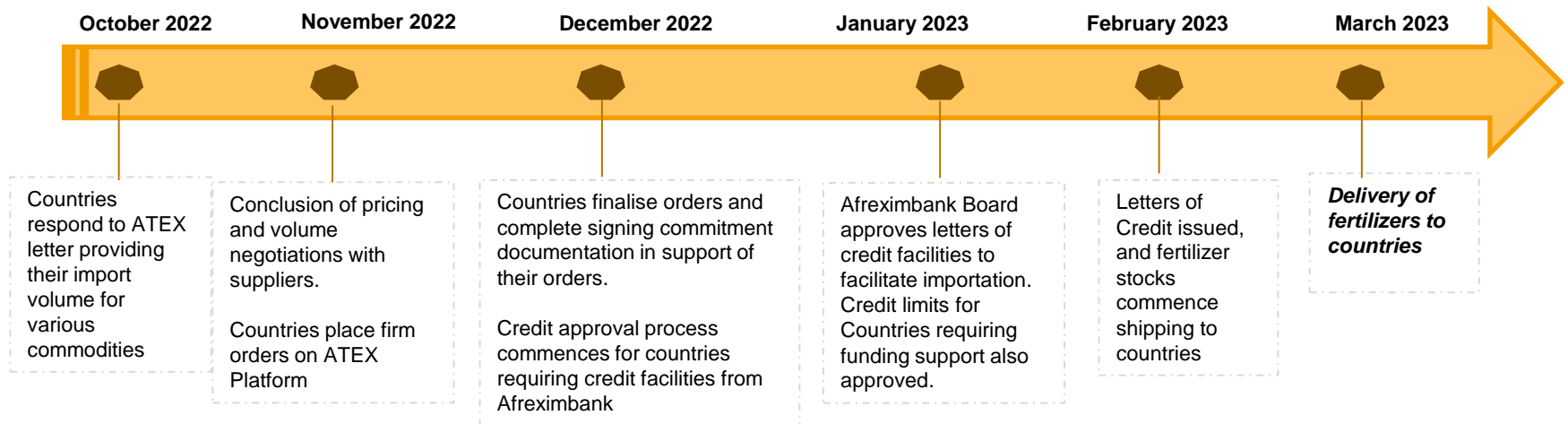
An Operator (WaysToCap of Morocco) has been onboarded to manage the day-to-day operations of ATEX

Commodities on Platform:

- ❖ Grains
- ❖ Fertilizers
- ❖ Agricultural Chemicals
- ❖ Others will follow e.g. Vegetable Oils, Cassava.

The image displays two screenshots of the ATEX website. The top screenshot shows the homepage with the ATEX logo, navigation menu, and a search bar. Below the search bar, there are 'Product Categories' and a 'Featured Products' section with a large image of two people in a field. The bottom screenshot shows a product listing page for 'Agricultural commodities and inputs'. It features a sidebar with filters for 'Category' (Cereal, wheat, Fertilisers and associated inputs, Fertiliser) and 'Price'. The main content area displays three product cards: 'ORGANIC FERTILIZER', 'AZAN Wheat', and 'NPK Fertilizer'.

Process Flow & Estimated Timeline – Fertilizer Example



ATEX : AFRICAN RESPONSE TO IMPLEMENTATION OF THE AfCFTA

- The AfCFTA is expected to boost Africa's trade, regional integration, and GDP, with intra-African trade foreseen to increase by nearly 40 percent in 2045 (ECA, 2021).
- Digital trade will drive this increase with a potential of \$180 billion in 2025 and \$712 billion in 2050.
- ATEX will be the vehicle to drive digital trade in the continent under AfCFTA rules.

How can we boost Digital trade within the AfCFTA?

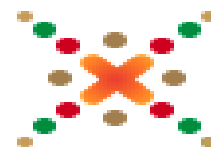
- African countries may consider the following:
 - **Invest in Digital infrastructure** to foster internet penetration while guaranteeing cybersecurity to sustain the uptake of digital trade.
 - Internet penetration in Africa was at **33% in 2021**, which is very low compared to **Asia-Pacific and the Americas**, where internet penetration stood at **61% and 81%**, respectively.
 - **Improve/ review their policies** to support digital trade at the country and regional levels.
 - Several African countries are yet to enact laws and adopt regulations on **cybersecurity, cybercrime, electronic transactions, and data protection** that are crucial to sustaining digital trade.

How can we boost Digital trade within the AfCFTA?

- **Reduce the cost of mobile broadband** to foster the adoption and usage of internet services to boost digital trade.
 - In 2020 the mobile-data basket prices in Africa were 4.4 % of GNI, which is nearly fourth fold higher than the world average of 1.2 % of GNI.
- **Invest in digital skills**, which may also cover digital trade and customs.
 - Skills are crucial to connect the unconnected, boosting the adoption of digital trade for implementing AfCFTA. Digital skills are still low among African countries, and the gender digital parity exacerbates the digital acceleration efforts.
- **Leverage emerging technologies**, such as blockchain technologies and central bank digital currencies (CBDC), to save time and resources at the customs and ensure an instant payment and settlement mechanism.

PROJECT UPDATE

- ATEX project updates:
 - Launched by President Macky Sall of Senegal the Chairman of the African Union in May 2022.
 - Implementation of complex business rules of origin, non-tariff measures, trade remedies, internal taxes (VAT) is on going.
 - Pooled procurement processes are taking place. (Pooled procurement forms were sent out to member countries)
 - Almost 30 companies are onboarded or on the onboard process, including OCP and Dangote.
 - Several multilateral organizations and RECs have welcomed the initiative and willing to working with ECA and AfrieximBank on the initiative.



ATEX

Africa's leading AfCFTA B2B Marketplace

Role of African countries do to make ATEX fully operational?

- **Ratify the AfCFTA Agreement** for countries that are yet to ratify.
- **Encourage African companies to register** and take advantage of the Platform while trading under AfCFTA rules.
- **Share their demand with the ATEX secretariat** to facilitate pooled procurement of critical agricultural commodities and inputs their countries need following the Ukraine crisis.
 - This guarantees food security in the continent now and in the next farming season by ensuring fertilizer access at an affordable cost.



THANK YOU!

Ideas
to
Action