



Creating One African Market

# THE AFRICAN CONTINENTAL FREE TRADE AREA - PROGRESS SO FAR

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# Key message

1. There is strong political will
2. AfCFTA is rule-based and provides predictability
3. Implementing AfCFTA will produce policy and regulatory reforms
4. The business environment and ease of doing business will improve
5. AfCFTA aims for structural transformation – decent jobs and incomes
6. AfCFTA is to be fit for purpose, fit for the 4IR

# Introduction

# The Vision – Creating the future through blueprints

A free, decolonized Africa (achieved in 1990), and progressively forming the African Economic Community, to be achieved by 2028 (34-year blue print)

Under Agenda 2063 adopted in 2013, THE AFRICA WE WANT is an integrated, peaceful and prosperous Africa, effective in international relations (50-year blue print)

Africa takes a developmental approach to regional integration – markets, industrialization, infrastructure, political and macroeconomic stability

RI is an inter-governmental process in partnership with Stakeholders (users and enablers), within the Triple helix framework

Where are we coming from?

# African FTA Timelines – 5 and half years

15 June 2015 – negotiations launched in Joburg

21 March 2018 – AFTA Agreement signed in Kigali

30 May 2019 – AFTA Agreement entered force

1 January 2021 – starting of trading under AFTA regime, as decided and declared by AU Assembly on 5 December 2020

2023 – African Common Market is to be formed

2028 – African Economic and Monetary Union is to be formed

From political to economic panafricanism





What is the African Continental Free Trade Area?

# AFTA is the African Single Market

- modern, comprehensive, transformative

A single African Market of 55 countries, covering trade in goods and services, dispute settlement, investment, intellectual property, competition, and e-commerce

Based on the negotiated Agreement, opened for signature on 21 March 2018 and entered force 30 May 2019

- **impressive momentum**



# AFTA tools – for a Modern, Digital AfCFTA

Online system for addressing non-tariff barriers

<https://tradebarriers.africa>

Africa Trade Observatory

<https://ato.africa>

AfCFTA app

[www.afcfta.app](http://www.afcfta.app)

Adjustment facility

Pan African Payment and Settlement System

AfCFTA Fund

AfCFTA Academy

# What is the value proposition of AFTA – a single continental trade regime

AFTA constitutes the 5<sup>th</sup> biggest economy in the world

High returns on investment, at 6.5 percent higher than in developed countries at 6.0 percent (ODI); but **over 20 percent in some sectors**

US\$ 3.4 trillion economy, consumer and business spending at US\$ 4 trillion annually, 1.35 billion consumers

African Median age of 19.7 years

60 percent of world's arable land  
Natural resources

Post-COVID 19 regional economic growth will be 3.1 in 2021 (IMF)

A large market for  
Trade, Investment,  
Infrastructure, Innovation



# What do the people of Africa expect



If implemented, AFTA will pull 30 million people out of extreme poverty and improve the lives of 68 million living on less than US\$ 5 per day (World Bank)

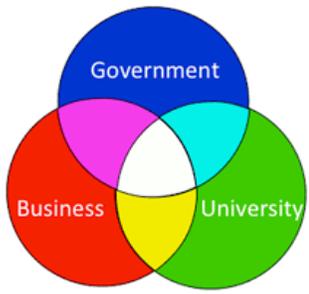
ILO and ECA are conducting their own studies on this

Social economic transformation towards the Africa We Want, Agenda 2063, ie, internally Peaceful and Prosperous, and internationally Efficacious

AFTA must be inclusive by attention to women, youth and SMEs



Please be the Africans We Want to build the Africa We Want



# What Actors can do – Trade, Invest, Innovate, Own

Wage diplomatic agency for a universal Africa and the Africa We Want

Use the AfCFTA trade instruments eg AfCFTA Certificate of Origin and declare under the AfCFTA on the customs document

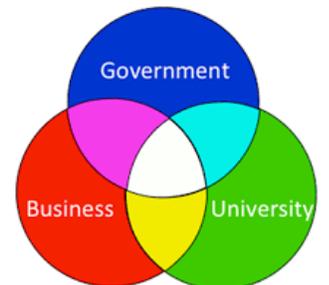
Lobby Government and its regulatory agencies to continuously improve the AfCFTA trading regime, so that it is equitable and no one is left behind

Form and join active public-private-academia partnerships, work closely with the Secretariats of African FTA and the regional economic communities,

To champion women, youth and SMEs for an inclusive African FTA

Innovation and Entrepreneurial education

Partners should deal with Africa as a bloc, not bilaterally





Where are we now?  
- well done!

# Status on instruments and negotiations

- 54/55 Member State have now signed,
- 36 have deposited their instruments of ratification of the Agreement with the African Union Commission Chairperson
- 41 tariff offers
- 34 Services offers
- Online mechanism for NTBs
- Africa Trade Observatory
- Trading commenced on 1 January 2021

There is strong political ownership



Where are we going?  
- a Digital AfCFTA

# Strategic objectives

## – a single market for the Africa We Want

### Means:

1. Global Partnerships – Governments, Industry, Academia, civil society; technical and financial
  2. Knowledge products (eg analytical work) for evidence based policy and implementation
  3. Training Meetings for optimal outcomes
  4. Short and Long Term Experts, Consultancies
  5. Missions and outreach
  6. Subscriptions to data bases and knowledge sources
  7. Proactive hands-on engagement
  8. Monitoring and Evaluation
- ❖ The inclusive AfCFTA - prioritizing women, young Africans and SMEs
  - ❖ The transformative AfCFTA – AfCFTA strategies, markets, industrialization, infr
  - ❖ The functional AfCFTA - all institutions activated
  - ❖ The rule-based AfCFTA - full implementation and compliance achieved
  - ❖ The knowledge- innovation- and technology-driven AfCFTA - fit for the Fourth Industrial Revolution
  - ❖ The globally networked AfCFTA – a universal Africa based on science diplomacy
  - ❖ A well resourced Secretariat fit for purpose - as the technical arm of the AfCFTA

# The Universal African Union

To all people of good will –

- ❖ Invest in Africa
- ❖ Develop regional value chains
- ❖ Build sound technological bases
- ❖ Prepare innovation eco-systems
- ❖ Integrate Africa into global knowledge centers and systems

Africa is a growth pole of the global economy

19.7 median age, 30 million km<sup>2</sup> with 60% of the world's arable land, minerals and resources for the 4IR (coltan, cobalt),

contributes to environmental protection, a stable global order, has home-grown initiatives and solutions (doomsday clock)

Partnerships can assist developmental integration – large markets, industrialization, infrastructure, political and macroeconomic stability

# Contact



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