



# **African Continental Free Trade Area: Private Sector Insights**

**Rooma PILLAY NARRAINEN**  
**Mauritius Chamber of Commerce and Industry**

# WHY AFRICA?





# AFRICA AT A GLANCE



## Population

1.3 Billion  
Largest Youth  
Population



## AVG GDP Growth

3.4% (2019)  
2.7% (2020)



## Fastest Growing Economies



## FDI Inflows

USD 47 Billion (2019)  
USD 40 billion (2020)



## Internet/ Mobile Users



## Consumer Market

350 million (2020)  
600 million (2030)

# African Continental Free Trade Area



## OBJECTIVES

- Set up of New Free Trade Area (FTA)
- Preferential market with African 55 countries
- Increase Intra-African trade in goods and services
- Fast-track regional integration and regulatory reforms in Africa
- Entry into force Jan 2021

# Trade Agreements in Africa

## COMESA FTA

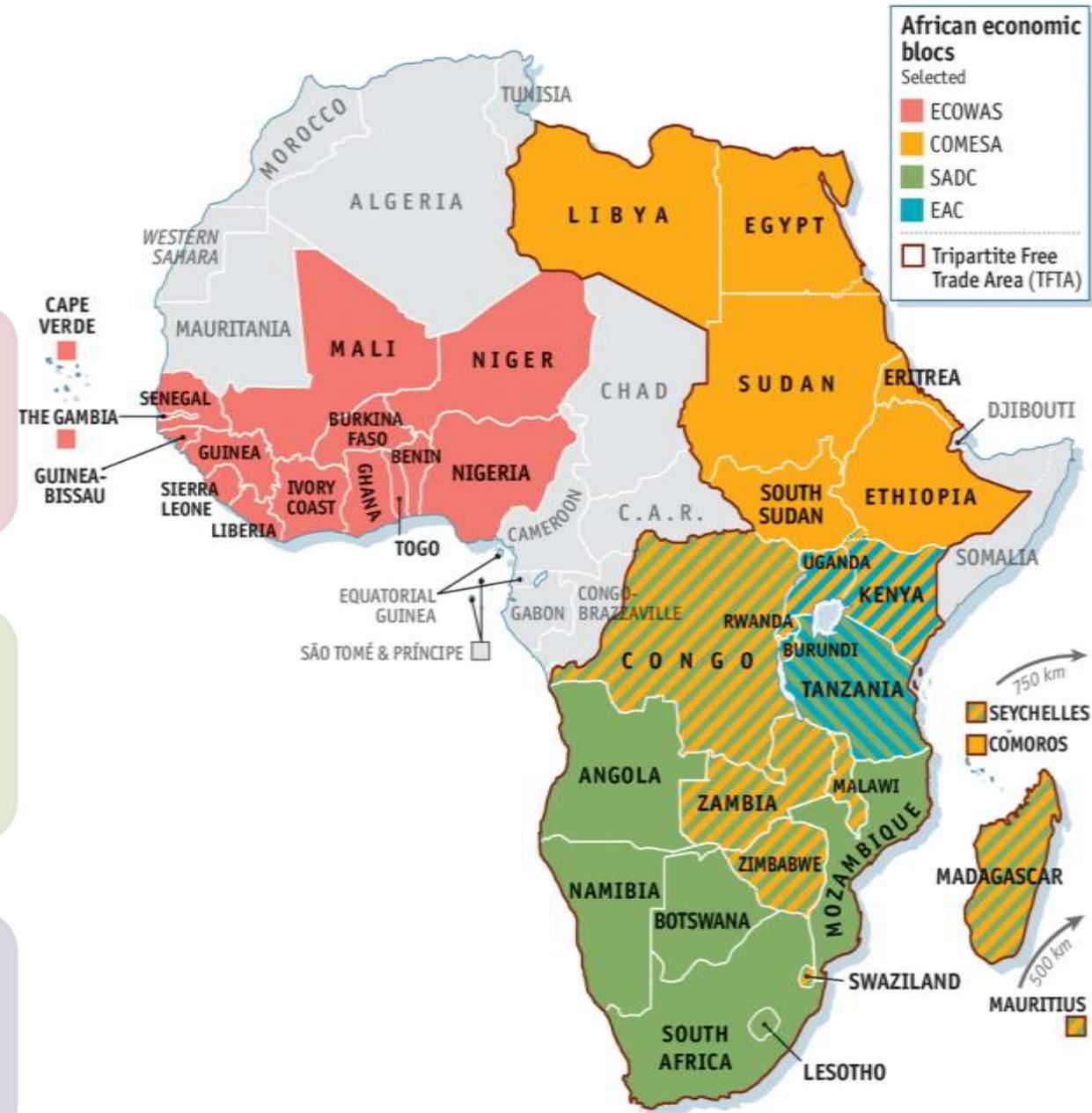
- Duty free market since 2000
- 100% tariff lines
- Kenya, Egypt, Tunisia,...

## SADC FTA

- Duty-Free market since 2012
- 100% tariff lines
- SACU, Mozambique,...

## African Continental FTA

- Tariff Reduction 5 to 13 years
- 90%-95% of tariff lines
- Countries having ratified the agreement





## Turning Point for Africa

- Only 12% of African Imports originate from Africa
- Africa exports primarily raw materials
- Trade rules that encourage value addition in Africa
- Manufacture in Africa for the African market

**AFRICAN  
CONTINENTAL  
FREE TRADE AREA**

# AFCFTA COMMITMENT

## Preferential Market

- Preferential Market Access for Good and Services
- Gradual Tariff Reduction
- Invest and Manufacture in Africa
- Regional Value Chains

## Business Facilitation

- Trade and Investment Facilitation Framework
- Reduce costs of doing business (NTBs/NTMs)
- Regulatory Framework (IP, Standards,...)
- Movement of Business People, MRAs

## Infrastructure

- Address infrastructure constraints
- Connectivity
- Transport and Freight Costs

# MAKING THE AFCTFA WORK





# PRIVATE SECTOR BUY-IN

- Realistic Expectations
- Heterogeneous Countries and Regions
- Barriers to trade
- Availability of information
- Laws & Regulations
- Cost of Doing Business



**TRADE OPPORTUNITIES  
WITHIN AFRICA**

# SADC TRADE WITH AFRICA

---



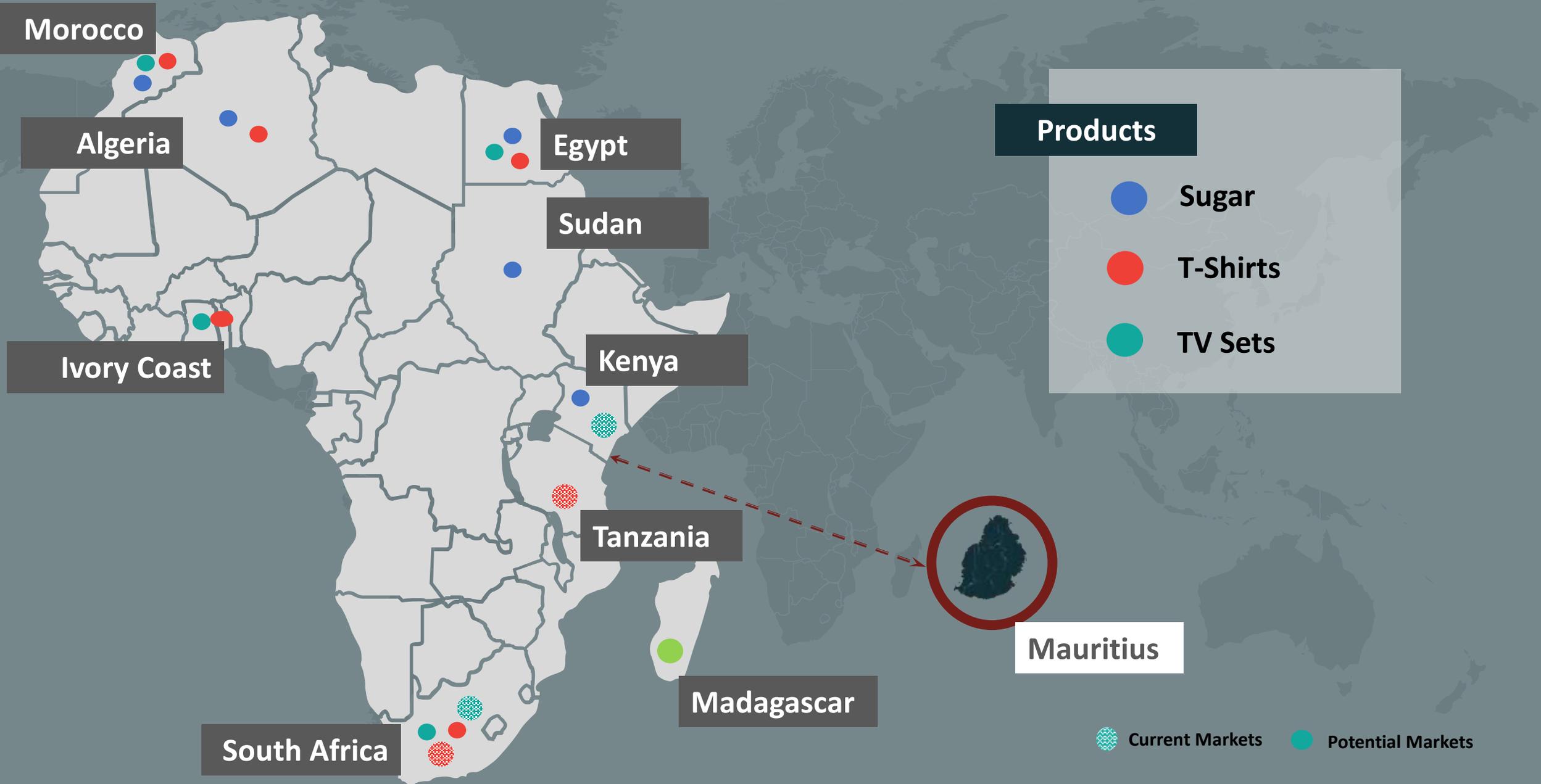
## Exports of Goods

- SADC Exports to the World – USD 160 billion (2020)
- SADC Exports to Africa – USD 36.4 billion
- Main Products Exported – Mineral Fuels/Oils, Machinery, Copper, Precious metals, Motor Vehicles,...
- Top Exporting Countries (Intra-Africa trade) – South Africa, DRC, Zimbabwe, Namibia, Zambia

## Export of Services

- SADC Exports of Services - USD 30 billion (2019)
- Main Exports – Financial Services, Transport Services, Travel and Tourism, Business Services, ...
- Main Countries – South Africa, Mozambique, Tanzania, Mauritius, Seychelles

# POTENTIAL EXPORTS TO AFRICA



# COUNTRY PROFILES



World Bank Ease of Doing Business



GDP Per Capita



Democracy Index



Global Competitiveness Index



Mo Ibrahim Index of African Governance



ICT Data



Potential Exports



Potential Imports



**CCI**  
**NETWORK:**  
**HELP**  
**BUSINESSES**  
**CONNECT**  
**IN AFRICA**



**Thank  
You**

