Trade facilitation in the context of the African Continental Free Trade Area

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CURRENT STATUS OF TRADE FACILITATION IN AFRICA

Trade facilitation in the context of the AfCFTA
Current status on TF in Africa

- Africa lags behind the rest of the world in trade facilitation
- The latest World Bank Doing business data shows that for Africa without North Africa, border compliance for export requires around 73 per cent more time than the world average.
- In 2013, the UN Regional Commissions launched a joint initiative - the Global Survey on Trade Facilitation and Paperless Trade Implementation.
- The study aimed at presenting a global view on key trade facilitation issues, and to allow countries and their development partners better understanding and monitoring of progress in trade facilitation, thus promoting evidence-based policy making.
UN RC Initiative

- The results have not been flattering - Africa as a region is lagging behind.
  - In the Global report of 2017, Africa without NA’s implementation rate is 51.8 per cent. When all African countries from 2017 are included, implementation is 51.4 per cent.
  - This is against global average of nearly 60 per cent.
UN RC Initiative

• We should also celebrate some of the areas where we can see more progress.

• The three areas of highest implementation (in terms of overall implementation rate) are formalities (62%), institutions (57%) and transparency (57%).
Trade facilitation: a priority for Africa

- Trade facilitation has great potential in Africa – WTO World Trade Report of 2015 estimates that the implementation of TFA would bring greatest benefit to those further behind, with trade costs reducing on average 14.3 per cent and in excess of 16 per cent for many African countries and LDCs.
- 31 African countries have ratified the TFA out of the 44 African WTO members.
- The Global Review for Aid for Trade of 2017 revealed that trade facilitation is the number 1 stated priority for Aid for Trade for Africa, and constituted 60 per cent of the trade policy related AfT disbursements.
- Trade facilitation as a priority is also evident in the fact that it is one of the seven BIAT clusters.
Trade facilitation for an inclusive AfCFTA
Trade facilitation will maximize AfCFTA gains

- ECA has estimated that the removal of tariffs between African countries could increase intra-African trade by 52 per cent. However when combined with trade facilitation, the benefit could double.

- The AfCFTA will incorporate several elements which support facilitation of trade:
  1. Provisions on trade facilitation and transit
  2. Provisions on customs cooperation
  3. NTM monitoring mechanism
  4. National AfCFTA committee
ECA: NEXT STEPS

Trade facilitation in the context of the AfCFTA
ECA work on trade facilitation

• Continuing to work closely with AUC, RECs and Member States in implementation of the AfCFTA, including trade facilitation elements.

• Supporting Member States to develop AfCFTA National Implementation Strategies

• Currently collecting data for the 2019 edition of the TF survey.

• The survey results will be launched at the Global Review for Aid for Trade in July, with report to follow.

• Deadline to responses has been extended to end of March.

• To increase response rate - This year data collection also relies on sending the questionnaire to member states through the chair of their national trade facilitation committee and a formal letter to ministries of trade.
THANK YOU!

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