Priority Area 3: International Trade and Trade Facilitation

A) International Trade

- African LLDCs’ merchandise exports decreased from US$2.9 billion in 2014 to 2.5 billion in 2017.
- Their share of merchandise exports as a percentage of total world trade also declined from approximately 0.23% in 2014 to 0.21% in 2017.
- While the LLDCs’ share of the trade is relatively low compared to their transit counterparts, trade remains very important to their economies.
- However, LLDCs are still dependent on primary goods for exports as their share of primary commodities, precious stones and non-monetary gold in merchandise exports was 85% in 2017.
- There is need for greater diversification and value addition.

B) Trade Facilitation

- A number of trade facilitation measures have been implemented over the review period: customs and border management, introduction of One-Stop-Border-Posts overload control measures, implementation of harmonized road user charges and the Smart Corridor concept.
- More needs to be done to effectively implement the WTO Trade Facilitation Agreement.

Priority Area 4: Regional integration

- Forty-four countries signed the consolidated agreement establishing AfCFTA, the Protocol on Trade in Goods, the Protocol on Trade in Services and the Protocol on Rules and Procedures on the Settlement of Disputes in Kigali.
- AfCFTA is expected that Intra-African trade will continue to grow as regional integration continues to serve as a useful vehicle for reducing some of the trade barriers, paving a way and creating a conducive environment for private sector to operate.
- African LLDCs have become more active participants in regional trade agreements and economic blocks as each of these countries participate in at least one or more regional or bilateral agreements/arrangements.
Priority Area 5: Structural economic transformation

- Informality is still a defining feature of African labour markets.
- The informal economy accounts for an estimated 50–80 percent of GDP, 60–80 percent of employment, and up to 90 percent of new jobs in Africa and more than 60 percent of the population performs low-paid informal jobs.
- African Union, in consultation with other Pan African institutions, launched the Accelerated Industrial Development Plan for Africa (AIDA).
- Based on the Plan, the Action plan for AIDA was developed to guide the implementation of this programme.
- The Regional Economic Communities, on their part, have also taken the opportunity to develop their own industrialization strategies.
- A number of priority development pathways associated with specific regional and global value chains have been identified, and these include: Agro-processing; Minerals beneficiation; Pharmaceutical industries value chains; Capital goods manufacturing; Forestry products; Service Cluster.
- As part of the continentally and regionally facilitated programmes, a number of LLDCs have identified some value chains in which they are and could participate in.
- Within the context of the COMESA-EAC-SADC Tripartite, the value chains identified include the agro-sector encompassing maize; cassava; fish; hides, shoes and leather, as well as sugar.