



**Fifty-seventh session of the Economic Commission
for Africa: Conference of African Ministers of
Finance, Planning and Economic Development**

Advancing the implementation of the Agreement Establishing the African Continental Free Trade Area:
proposing transformative strategic actions
12 March, 2025 18 March, 2025
Addis Ababa

**Advancing the Implementation of the Agreement
Establishing the African Continental Free Trade Area:
Proposing Transformative Strategic Actions
(Document Reference No. E/ECA/COE/43/6–E/ECA/CM/57/4)**

Dr. Hanan Morsy
Deputy Executive Secretary – Programme and Chief Economist

12 March 2025



Harnessing Africa's Potential: Leapfrogging to Sustainable Development through the AfCFTA



OPPORTUNITIES

Youthful population

Abundant natural resources

Leapfrog stages in technology advancement

Growing consumer market

CHALLENGES

Global supply chain disruptions

Rising international trade restrictions

Dominance of primary commodities in exports

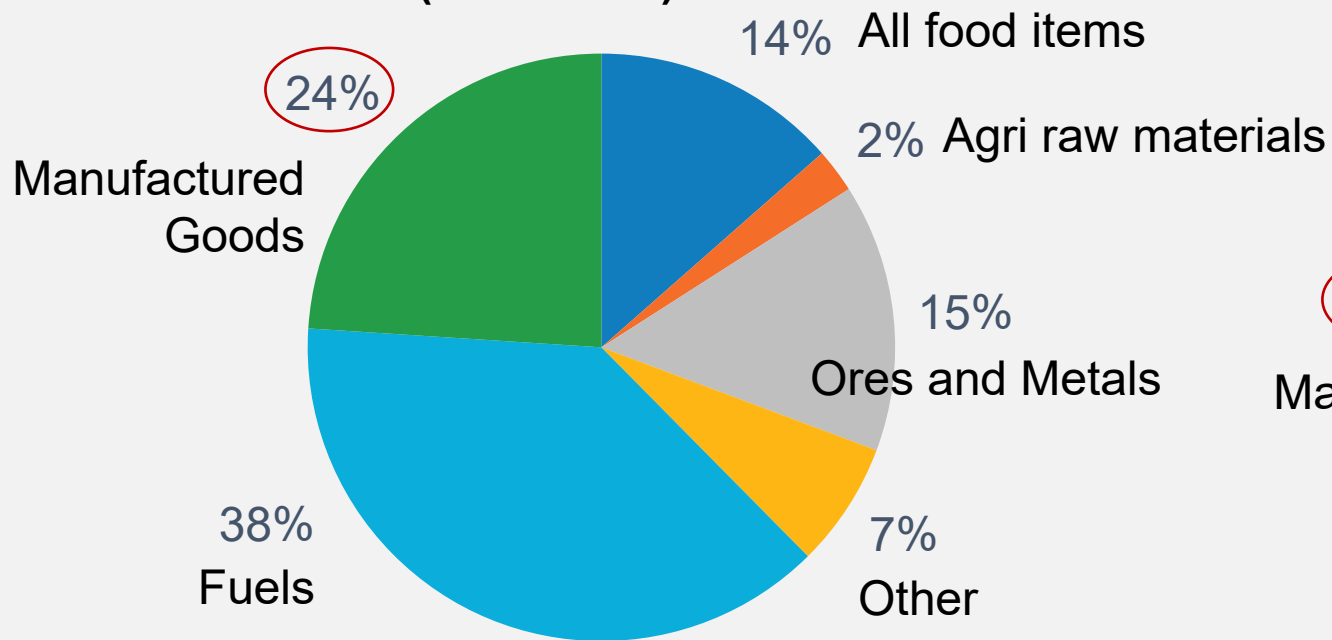
Sluggish economic growth

Slow progress in achieving the SDGs

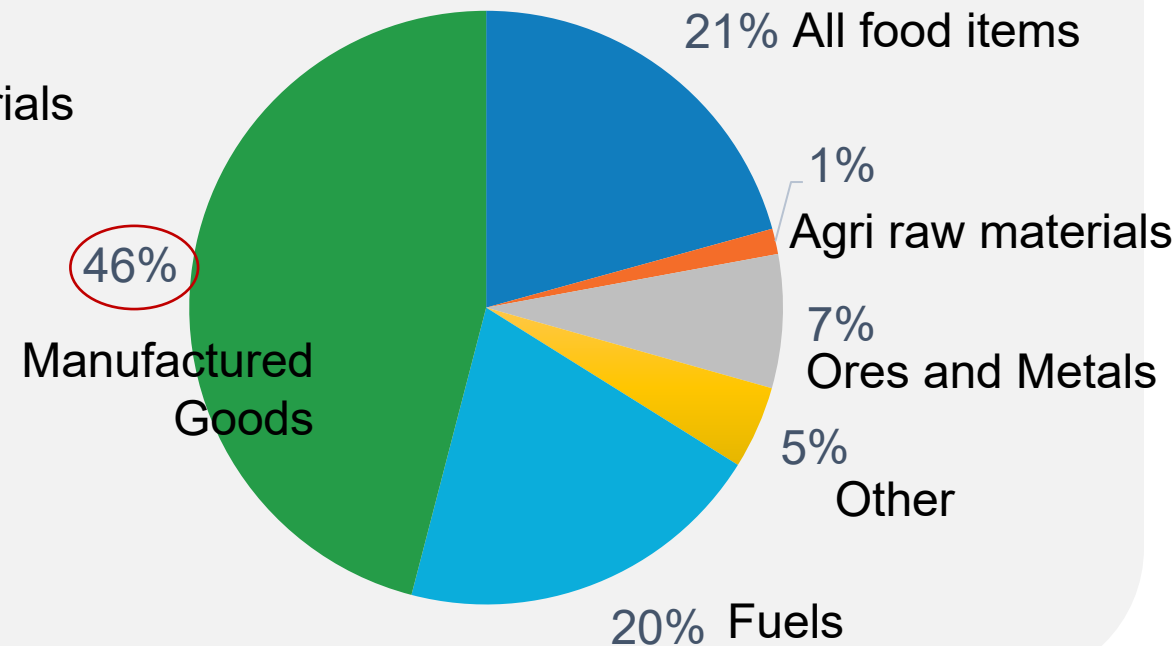
Intra-African exports are dominated by manufactured goods



Total African exports (2019-2023)



Intra-African exports (2019-2023)



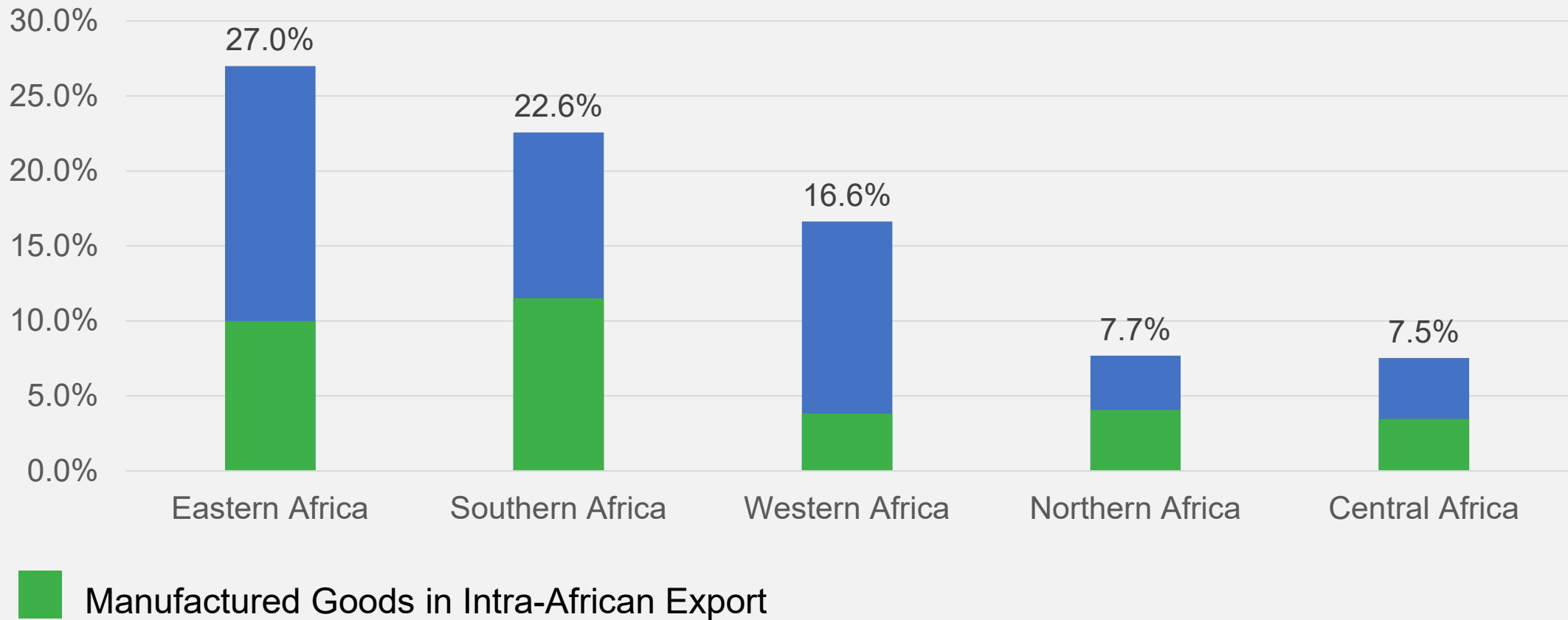
Source: UNCTADstat database, (2024).

Total African exports to the rest of the world are primarily driven by fuels and raw commodities. **In contrast, intra-African trade is led by manufactured goods.** To propel Africa's economic growth, we must boost intra-African trade, paving the way for greater industrialization across the continent

Regional integration progress varies across subregions

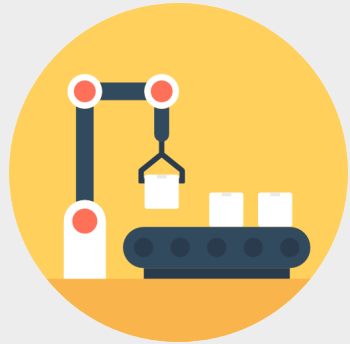


Share Intra-African Export in Total Export for Each Subregion (2019-2023)

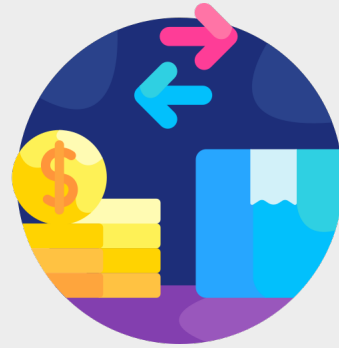


Source: UNCTADstat database, (2025).

Africa must seize the untapped opportunities for deeper trade integration within the AfCFTA, which would...



Increase Africa's GDP by **1.2%**, exports by **7.3%**, imports by **6.9%**, and welfare by **0.9%** through tariff liberalization and NTBs reduction with the AfCFTA



Boost intra-African trade by **45%** by 2045 with AfCFTA, driven by sector expansions: **60%** in agri-food, **48%** in industry, **34%** in services, and **28%** in energy and mining



Advance the development of regional value chains, food security, and sustainable industrialization



Foster equality and poverty reduction in Africa by harnessing the anticipated macroeconomic growth and intra-African trade benefits

Leveraging the opportunities presented by the AfCFTA will significantly enhance Africa's progress toward achieving the SDGs



7 AFFORDABLE AND CLEAN ENERGY



ACCELERATE THE TRANSITION TO RENEWABLES



Regional power pooling and trading reduces electricity costs to **7-8 \$cents per kWh**, can help Africa achieve universal electricity access by 2035.

8 DECENT WORK AND ECONOMIC GROWTH



ENHANCE INTRA-AFRICAN DIGITAL TRADE



A 1% reduction in the restrictiveness of the regulations would lead to a **21.5%** (or \$508 million) increase in intra-African digital trade

2 ZERO HUNGER



BOOST FOOD SECURITY AND AGRICULTURAL VALUE CHAINS



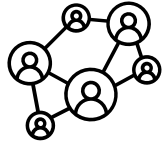
Full AfCFTA implementation would raise trade in processed agrifood could grow by **59.7% (\$12.4B)** for intermediate and **62.8% (\$35.2B)** for final goods

Recommendations



National Level:

- Implement the AfCFTA Agreement and its protocols
- Modernize customs procedures
- Well design industrial policies
- Improve business environment & adopt convergent economic policies
- Scale up investment in critical areas in infrastructure and skills
- Support for small and medium-sized enterprises



Regional Level:

- Build on the experiences of Regional Economic Communities (RECs)
- Develop cross-border infrastructure to enhance infrastructure connectivity and logistics efficiency
- Focus on key sectors to support industrialization and food security



Continental Level:

- Harmonize standards for trade in goods and services
- Advance the implementation of the AfCFTA dispute resolution mechanism
- Catalyze the operationalization of the AfCFTA Adjustment Fund, the Pan-African Payment and Settlement System and the African Trade Gateway

Key issues for discussion



Institutional Frameworks:

- What can be done to safeguard the AfCFTA promises from being undermined by global developments?
- What strategies can be used to ensure national AfCFTA implementation committees and related structures are effective, efficient, accountable and transformational?



Link AfCFTA with other social, economic, and environmental dimensions:

- What policies and measures are needed to maximize the potential of AfCFTA to address food insecurity, climate change, and energy transition?
- What type of human capital and skills should African countries invest in for the future of work?
- What measures can be taken so the implementation of the AfCFTA and the new protocol on women and youth in trade in particular, can best support women-led businesses and youth employment?



Harness opportunities for regional integration and sustainable development:

- How can African countries fully leverage digital transformation, AI, energy transition, and decarbonization to advance regional integration and sustainable development?
- In the current geopolitical context and shifting of global trade and investment patterns, how can African countries turn the challenges into opportunities?



Fifty-seventh session of the Economic Commission for Africa: Conference of African Ministers of Finance, Planning and Economic Development

Advancing the implementation of the Agreement Establishing the African Continental Free Trade Area:
proposing transformative strategic actions
12 March, 2025 18 March, 2025
Addis Ababa

THANK YOU!

Follow the conversation: #COM2025

More: <https://www.uneca.org/eca-events/cfm2025>

Ideas
+ Action