

# United Nations Economic Commission for Africa

## It's time to implement the AfCFTA

Founded in 1957, the Economic Commission for Africa (ECA) is dedicated to promoting the economic and social development of its member States, through delivering ideas and actions for an empowered, inclusive and transformed Africa

Next week ECA's Office for Eastern Africa will hold its annual regional meeting in Kigali to discuss the Economic and Social Impacts of the Covid-19 Crisis on Eastern Africa and Strategies for Building-Back-Better. The Meeting will also discuss the profitability of the African Continental Free Trade Area (AfCFTA) and how to implement it.

Here we highlight some of the arguments in favour of the AfCFTA for Eastern Africa:



ECA in Eastern Africa supports countries through providing a set of comprehensive impact assessments of AfCFTA, highlighting the issues at stake, identifying areas where governments and the private sector will need to focus their energies as the region moves forward to action.



### Eastern Africa & AfCFTA

Trading under the African Continental Free Trade Area (AfCFTA) will begin on 1st January 2021, with a market of 1.3 billion people and a combined Gross Domestic Product of \$2.5 trillion. More than thirty countries of the 54 who have signed the AfCFTA Agreement have thus far ratified it and are full state parties to the agreement, six of them in Eastern Africa (Djibouti, Ethiopia, Kenya, Rwanda, Uganda, and Somalia).



### AfCFTA estimated impact

The AfCFTA is not, as its name denotes, simply a 'free trade area'; It encompasses ambitions to proceed to a single unified continental market, with a lot of implications for business – including investment, competition, intellectual property rights, means of transactions and payments, e-commerce... According to the UNECA the implementation of the AfCFTA could result in welfare gains amounting to USD 1.8 billion in Eastern Africa, creating 2 million new jobs".



### AfCFTA to increase the degree of Intra-African Trade

The elimination of tariffs and non-tariff barriers required by the Agreement is expected to increase intra-African trade from the current 18 per cent to 52% by 2022 and double the share of Intra-African Trade over the course of a decade.



### AfCFTA to increase intra-African investment.

The AfCFTA signals that Africa is open for business and mutually beneficial investment. The agreement will accelerate the industrialization of East Africa, as manufacturing will be among the principal beneficiaries from the increase in investment. The AfCFTA will facilitate companies' and farmers' access to rapidly growing markets across Africa.



### AfCFTA & Free movement

Another area of major benefit for the general public is the implementation of the Free Movement Protocol. Easing the ability of Africans to travel or to work in other African countries is an intrinsic part of the AfCFTA agreements. If the free movement protocol is implemented, a more open continental labour market will go a long way towards addressing skill-shortages that constrain the growth of important strategic sectors in the region.



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The Economic and Social Impacts of the Covid-19 Crisis on Eastern Africa: Strategies for Building-Back-Better.

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