

Report encourages intra-African trade

ABUJA, Nigeria - An Economic Commission for Africa (ECA) and the World Trade Organization (WTO) joint publication on the role of Aid for Trade in boosting intra-African trade, launched in Geneva last week. The regional report, titled “Promoting connectivity in Africa: The role of Aid for Trade in boosting intra-African trade”, was launched at the ongoing Aid for Trade Global Review 2017, whose theme is “Promoting Trade, Inclusiveness and Connectivity for Sustainable Development”.



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The ECA-WTO have launched the co-publication on promoting connectivity in Africa, focusing on the role of Aid for Trade (AfT) in boosting intra-African trade as well as the importance of increasing the capacity of developing countries.

The report emphasises that intra-regional trade that is more diversified and industrial in nature creates opportunities for value addition and the development of regional value chains, leading to the creation of decent jobs and improved livelihoods. For this reason, intra-African trade has been placed at the centre of continental developmental frameworks, such as Agenda 2063.

The Continental Free Trade Area (CFTA), which is currently under negotiation, is expected to be an important milestone in enhancing trade on the continent. For the agreement to deliver on its developmental potential, it will need to address connectivity challenges on the continent in a comprehensive way, the report opines.

Boost African trade

The report says Aid for Trade can act as a powerful tool to boost intra-African trade and subsequently, meet the CFTA objectives.

In 2015, Aid for Trade disbursements to African countries reached a record high US\$14.1 billion, representing some 34% of global disbursements. Within Africa, the largest share of Aid for Trade goes to East Africa, in particular Kenya and Tanzania.

Capacity Development Division (CDD) director, Stephen Karingi, who's attending the meeting, said intra-African trade is a key instrument for achieving the much-needed structural transformation of the continent.

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A panel discussion on the publication and its findings featuring Karingi; Jean Lucien Bussa Tongba, Minister of External Trade of the Democratic Republic of Congo; Pierre Guislain, vice-president for private sector, infrastructure and industrialisation at the African Development Bank (AfDB); Albert M. Muchanga, commissioner for trade and industry at the African Union Commission; Benedict Okey Oramah, president and chairman of the African Export Import Bank; Joakim Reiter, group external affairs director, Vodafone; and Christopher Thornley, Canada's High Commissioner to Nigeria, was also convened at the launch.

Karingi acknowledged that the current flows of Aid for Trade and priorities indicated in the responses from Africa suggest that there is good alignment of Aid for Trade to Africa's trade agenda as presented in the Action Plan for Boosting Intra-African Trade (BIAT).

“To ensure that this alignment is maintained and improved upon by increasing focus on intra-African trade, the various continental programmes and frameworks, such as the Programme for Infrastructure Development in Africa (PIDA) should be used,” said Karingi, adding more needs to be done to support the development of productive capacity in industry in Africa.

The African market

While AfDB and Afrexim Bank have been driving regional approaches in projects for connectivity in Africa, a more regional focus could be beneficial in the delivery of AfT, the panelists agreed.

AfT, said Karingi, should also support efforts to meet social goals such as gender equality and food security through trade.

Panelists reaffirmed the importance of the CFTA in bringing together the African market, improving harmonisation in trade policy and bringing down tariffs and NTBs.

While agreeing challenges in digital connectivity continued to exist in Africa, the panelists highlighted advances made so far and the key role smartphones have made in bringing internet access to Africans, adding the ongoing digital revolution should also be seen as a movement towards inclusiveness.

They highlighted the important role of the private sector in this field, the huge African diaspora and the role of governments in providing conducive environments.

Panelists highlighted that after all has been said and done, development of any country will need to come from the country itself.

African development will rely on Africans, they agreed, adding actions to take towards that include tackling corruption and illicit financial flows.

They emphasised that increasing women's participation in political and economic life will no doubt contribute to economic growth and development on the continent. In particular, attention should be paid to bringing the large numbers of women currently in the informal economy on the continent into formal economy.

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