

There are no translations available.

A [report from the World Bank on the distributional impacts of trade](#) offers a detailed perspective on how the gains from trade may differ across regions, industries, and demographic groups in developing countries. Although Free Trade Agreements (FTAs) create significant opportunities for expansion of trade, history shows that maximizing their potential benefits is not automatic.

In the light of previous experiences that have limited the impact of previous regional FTAs in Africa, the study concludes that for the African Continental Free Trade Area (AfCFTA) to become a milestone for development in the continent, several factors need to be put in place by State parties, including: a) the effective removal of trade barriers, b) the concrete implementation of their commitments under the Agreement, and c) the adoption of complementary initiatives ensuring greater flows of productive investment, particularly in non-traditional sectors.

Drawing on the experience of similar negotiation exercises by other developing countries, the report highlights how the following measures are needed in order to maximize the potential benefits of the AfCFTA:

- Capacity building (in the form of training, direct advice, and implementation support) will be needed for ministries of trade and other key ministries, as well as border management agencies (especially customs), as the practical implementation of the agreement will depend on these agencies. Capacity building will need also to be provided to agencies that are in charge of trade and investment-related matters that in practice affect the correct functioning of the AfCFTA.

- Sector-specific initiatives aimed at enabling domestic firms (notably small and medium enterprises) to address economic distortions affecting competitiveness in a free-trade environment.

