

Although the majority of business leaders across Africa are optimistic about the economic benefits of the African Continental Free Trade Area (AfCFTA), detailed information on how to concretely benefit from the new agreement is still lacking. This is one of the main findings of a survey conducted by the Pan-African Private Sector Trade and Investment Committee (PAFTRAC) from August to October 2021 in 44 African countries plus the Americas and the Middle East, which has been recently published. The survey reveals that although 71% of respondents are persuaded that AfCFTA will encourage them to invest to grow their business (with only 2% of participants believing that the free trade area will have a negative impact on their business), almost two-thirds of respondents (62%) do not know where to access information about the AfCFTA.

The [PAFTRAC Africa CEO Trade Survey Report](#) concludes with the proposal to develop a central, online and easily accessible platform consolidating all AfCFTA-related information. However, this conclusion can be deceiving, as the real problem is not the access to information, but the access to information that traders really need. Despite during the latest years studies, publications, papers and brochures analyzing and exploring every angle of the AfCFTA have proliferated worldwide, most of these texts are mostly for an academic and professional audience, and in most cases fail to give practical advice or to explain what exactly a company has to do in order to start trading under the AfCFTA so to enjoy its benefits. In other words, companies, especially SMEs, need learning and training materials necessary to build their capacity to comply with the AfCFTA rules. Rules of Origin (RoOs) are an example. Everybody (or almost) knows how they work. But what traders need is to understand how to exactly structure their sourcing, processing and even their transportation operations, with regard to the products they manufacture so to qualify for preferential treatment under the AfCFTA. For instance, RoOs are normally associated with a "direct transport" or a "non-alteration" rule - this one more flexible than the direct transportation rule as it allows the possibility to store and/or split consignments in the territory of the transit country - applicable when goods move in transit through another State before reaching their destination.

The main constraints to the growth of African intra-regional trade were also analysed in the survey, with about half of all respondents pointing out 3 main factors: 1) transit and customs issues related to cross-border trade; 2) tariffs; and 3) security and safety, while worries concerning Covid-19 are seen as much less important, with only 35% of respondents putting the pandemic among the top five inhibiting growth factors for business growth.

With regard to regulatory problems, transparency in rules and regulations, customs delays, and non-tariff barriers are the main problems raised. The lack of transport infrastructure and services and political stability are also indicated as other constraints to the growth of African

trade, like the difficulties to access to trade finance and investment capital, while cross-border payment systems are seen as the least important inhibiting factor.

Constraints to intra-regional trade

What are the main constraints your company faces when trading within the region?



