There are no translations available.

PAFTRAC is a platform that brings together the African private sector and African policymakers to support extra and intra-African trade, investment and pan-African enterprises. The 2022 survey, now available online, follows a previous one, conducted in the end of 2021, which revealed that 71% of African companies were optimistic about the ability for the African Continental Free Trade Area (AfCFTA) to spur the continental trade, encouraging them to invest more to grow their business, even though almost two-thirds of respondents (62%) admitted a difficulty in accessing information about the AfCFTA.

One of the more surprising results of the 2022 survey is that 70% of respondents, most of which are small and medium sized enterprises (SMEs), say that despite all the obstacles to which African trade is confronted and the fact that intra-African trade accounts for a small percentage of total African trade, they already export goods or services to other African countries. However, the vast majority clarifies that it is easier to export services than goods, because of the physical and regulatory obstacles existing among the various nations. Improving transport and logistics infrastructure is also cited as another big factor that hampers inter-African trade. Rail and road networks mainly serve national trade, but cross-border links allowing the carriage of freight in other countries, especially from the hinterland to the ports in neighboring coastal countries, are still underdeveloped. Decreasing costs of power/electricity production is another problem to be addressed, as these costs increase the final price of African-made products.

The report is particularly useful, as it shows some of the areas where African companies need to be trained in order to exploit the potential of the AfCFTA. Complying with product quality standards and other requirements needed to access to other African markets is indicated among the main challenges, and the areas where African SME need to build capacity. There is also a need to reinforce competences on packaging standards and customs procedures, as they vary greatly from country to country as well as in accessing new markets in Africa. In fact, despite the AfCFTA is trying to harmonize all these aspects, the study indicates that this harmonization will be achieved only in the long term. The report also recognizes the importance that informal cross-border trade plays in Africa, as the continent currently represents the most unformalized economy in the world. Adopting a legal framework that promotes and recognizes the legitimacy of informal trade, rather than discouraging it, is therefore indicated as key objective to pursue in order to increase intra-African trade, followed by the proposal to expand access to electronic payments for cross-border payments by informal traders.