

At the last annual meeting in May 2022, the World Economic Forum (WEF) launched the [Forum Friends of the Africa Continental Free Trade Area](#)

(AfCFTA), a multistakeholder group made up by representatives of both international and national organisations with the participation of the private sector that aims at mobilising global business to support the implementation of the AfCFTA through public-private collaborations. This week, the World Economic Forum Annual Meeting 2023, which started today and will end on 20 January 2023, will include the presentation of a [report](#)

consolidating the contributions and findings developed within this forum with a description on how global business can accelerate the implementation of the AfCFTA. Its objective is to provide a pathway for global businesses and investors to understand the biggest trends, opportunities, and strategies to successfully invest and achieve high returns in Africa, developing local, subregional, and continental value chains and accelerating industrialisation, all of which go hand in hand with the success of the AfCFTA. The WEF report also reviews the various operational tools and strategies that can support the implementation of the Agreement, by identifying high-potential sectors and initiatives to support business and investment in Africa, with the description of some examples of successful businesses, such as Agility, the Africa Finance Corporation, Coca-Cola, DP World, Menzies Aviation, Novartis, OCP Group, the United Bank for Africa, Volkswagen, and Yara.

Awaiting the publication of the report, a

[post published on the WEF website](#)

gives some preliminary information on its content.

Among the operational tools supporting the implementation of the Agreement there are the:

1) AfCFTA Guided Trade Initiative, 2) the Pan-African Payment and Settlement System (PAPSS), 3) the AfCFTA Adjustment Facility Fund (a combination of a base fund, general fund, and credit fund, that assists governments and the private sector in addressing short-term disruptions through financing, technical assistance, and grants and compensation funding), 4) the AfCFTA Private Engagement Strategy (an initiative aimed at helping companies to better understand the overall continental strategy as well as the specific initiatives and policy recommendations in emerging sectors that the AfCFTA is prioritizing), and 5) the Rules of Origin Manual & E-Tariff Book.

In terms of strategies, the WEF report recommends the establishment of local partnerships with governments, local institutions, universities and others to create regional hubs and host Research and Development centres at local universities. Another proposed strategy is to leverage key trade accelerators such as investing in local infrastructure and logistics, with opportunities ranging from food storage to partnering with local organizations to move various parts of the value chain onto the continent. Lastly, another proposal is to form integrated ecosystems by developing end-to-end value chains around local resources, which de-risks

projects and creates an environment where shared infrastructure can support multiple projects in different sectors.

According to the WEF post, four key sectors represent high-potential opportunities for companies looking to invest in Africa: 1) the automotive industry, 2) agriculture and agro-processing, 3) pharmaceuticals, and 4) transportation and logistics. These four sectors are expected to see rapid acceleration in production and trade volumes under the AfCFTA, given that they have a high potential to meet local demand with local production. Until now, local demand for goods and services in the 4 sectors indicated above has been met through relatively high-cost imports, despite the region's growing and lower cost production capabilities.

With regard to logistics and transport services, it worths to be remembered that during the 5th Africa Business Forum held on 7 February 2022, the United Nations Economic Commission for Africa (UNECA) presented a [report](#) entitled "Implications of the African continental free trade area for demand for transport infrastructure and services" which estimates that the implementation of the AfCFTA will lead to an increase of the demand for freight transport services in the continent by about 50 times, raising the need to upgrade and expand logistics infrastructures in Africa, but also to modernize and increase efficiency of transport services. In this regard, the report notes, after the full implementation of the AfCFTA. the road transport will continue to act as predominant mode of freight transport in Africa, with an even growing trend. Currently, 76.6 percent of intra-African trade moves by road, compared to 22.1 percent by sea transport, 0.9 percent by air transport and 0.3 percent by rail.