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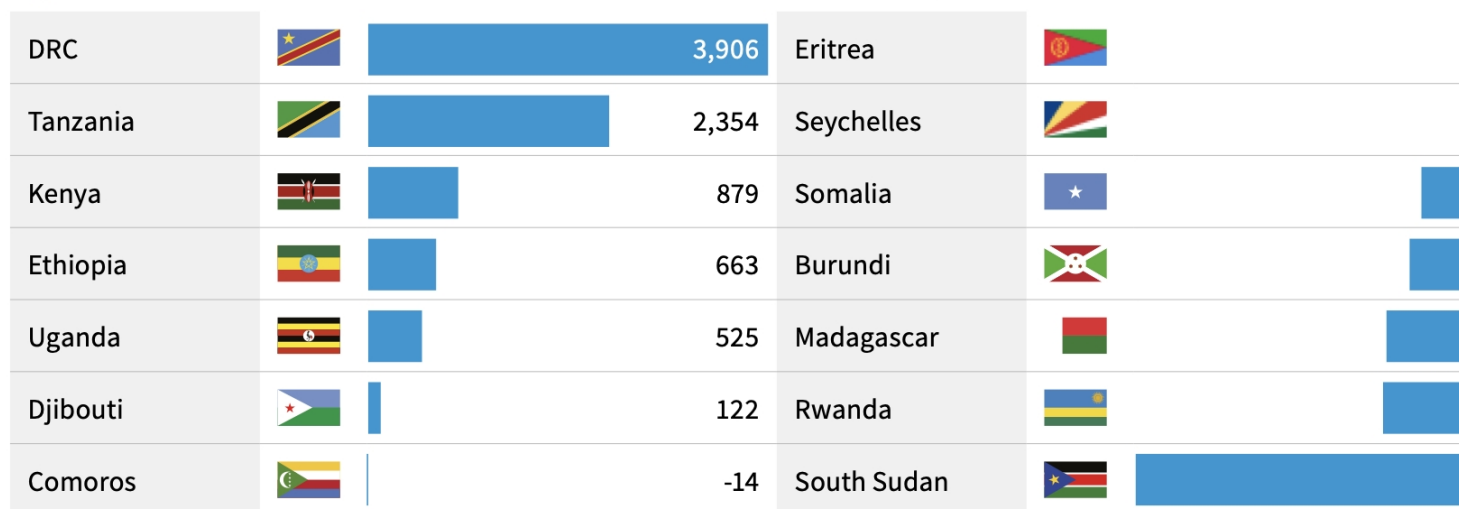
The United Nations Economic Commission for Africa (UNECA) published the 2023 edition of the [Macroeconomic and Social Developments Report for Eastern Africa](#), a document that analyses the economic outlook and integration challenges in Eastern Africa. A chapter of the report is dedicated to the African Continental Free Trade Agreement (AfCFTA), which is analysed in the context of the current status of the economic integration process at both regional and continental level.

The UNECA report urges the acceleration of the implementation of the AfCFTA by inviting African States and Customs Unions in the continent to respect the tariff reduction schedules that have already been agreed, and to start applying the tariff reductions on intra-African imports. In fact, until tariffs are reduced and market access is granted as per the AfCFTA Protocols, African traders will not be able to trade under the preferential rules of the Agreement. In this regard, after the positive experiment of the AfCFTA [Guided Trade Initiative](#), there is the need to overcome this testing phase of the institutional, legal and procedural framework of the Agreement and move forward into the stabilization of trade operations, by trading more proactively under the AfCFTA. The report warns that the AfCFTA Guided Trade Initiative should not be considered as a substitute to formal trading under the Agreement.

The report also highlights the importance of regional 'hegemons' to lead the integration progress in Africa, i.e., the role that larger and stronger economies can play in driving the integration process in the continent. This role was already analysed by another [recent UNECA publication](#), which pointed out how such hegemony can accelerate integration efforts in Africa because of the influential role they have with respect to other countries (especially those that are members of the same Regional Economic Communities to which such hegemony participate). Such nations, indeed, tend to imitate the most successful economies by replicating the initiatives they launched in the area of trade and economic integration. For instance, the report illustrates the case of Kenya, that at the time when the East African Community Customs Union was established, in 2005, immediately allowed duty-free imports into its market from its neighbors, setting into motion the process for the liberalization of intra-EAC imports in the other EAC partner States. Looking forward (but this is not in the UNECA report), it would be important to leverage on regional hegemony also for accelerating the continental free movement of persons: a policy that is strictly complementary to the AfCFTA. Assigning to a powerhouse in Africa such South Africa, Kenya, Ethiopia or Nigeria the role of Champion of Free Movement of persons, could in fact promote the ratification of the African Union Protocol on the Free Movement of persons (2018), which is currently stuck, having been ratified so far only by 4 countries (Rwanda, Niger, São Tomé and Príncipe, and Mali), while 15 ratifications are needed for this Protocol to enter into force. We analyzed this issue in our [post](#)

Interestingly, the UNECA report provides information on the net trading position (i.e., exports to other African nations minus imports from the same ones) in 2022 for 14 East African countries. As shown in the figure below, data show a very large positive trade balance for the Democratic Republic of Congo and Tanzania (3.9 and 2.3 billion USD respectively), followed at a long distance by Kenya (+879 million USD), Ethiopia (+663 million USD) and Uganda (+525 million USD), that also enjoy significant positive trade balances with the rest of the continent, while the worst country in the region, in terms of trade balance, is South Sudan (-920 million USD).

**Figure 18: Intra-African Trade Balance of Eastern African Countries, 2022 (mlns USD)**



The report concludes that it is in the interest of jump-starting the implementation of the agreement that all these countries rapidly and aggressively reduce both their tariff and Non-Tariff Barriers (NTBs), because it is only in such a way that the new market opportunities conferred by the AfCFTA will materialize. With regard to NTBs, the report notes that they continue to pose serious problems to intra-EAC trade, which are commonly indicated as the main obstacle to expansion of trade in the region. Despite that, the report points out that the Intra-EAC Trade is progressively growing, criticizing the findings of a recent report from the East African Business Council (EABC) largely quoted by the East African [press](#) agencies, which recently claimed that the value of trade among the EAC members states fell by more than 33% to \$3.6 billion in 2022, defining this data 'erroneous', as the reported figures do not align with official EAC figures nor with the data from international databases.

Lastly, the UNECA report reinstates the need for Eastern Africa countries (but this is a conclusion that is applicable to all the nations in the continent), to revive the manufacturing and industrial sectors by shifting more investment towards sectors capable of inducing technological change and productivity growth, rather than real estate, the banking sector, or the hospitality sectors, that currently attract most of African investments. UNECA also warns about the importance to sustain the growth certain services' sub-sectors (without indicating which ones), as they are also key for the expansion of the African economy.