

There are no translations available.

On 21 November 2023 there was the virtual launch of the third PAFTRAC Africa CEO Trade Survey Report. Despite the report is not freely available online (it can be however obtained by filling [this form](#) ), we provide here a summary of the main findings of such report drawn from its [official presentation](#)

. PAFTRAC is the acronym of Pan-African Private Sector Trade and Investment Committee, an organization that gathers a series of stakeholders from both the public and private sector to deliberate on policy issues, like trade across the continent, so to help to guide the formation of these policies at continental level. PAFTRAC elaborates annual reports where it analyses the perceptions of African Chief Executive Officers (CEOs) about the future economic outlook of Africa. All the editions of the report also make an analysis of the expectations of African businesses regarding the African Continental Free Trade Area (AfCFTA).

The first PAFTRAC survey was conducted in 2021. We examined it [here](#) . The [second one](#) was concluded in 2022 and collected answers from the CEOs of more than 800 companies. The 2023 survey analyses views from more than 1,000 companies operating in 46 countries across the continent, a sample that can look significant, but in reality it is not, considering that the African continent hosts an estimated number of [62 million of companies](#)

. Like in the previous editions, 80% of respondents came from Small and Medium Enterprises (SMEs), which confirms that these kind of businesses represent the overwhelming majority of African companies. The main concern emerged from the last survey regarding the future economic outlook of the continent is the increasing inflation (60.5% of respondents), followed by rising debt levels of African States (50%) and high interest rates (49%). The increasing inflation is seen as a limit to the capacity of African countries to deal with foreign exchange and foreign trade. In fact, when inflation is high, the value of a country's currency weakens, because goods become more expensive, and it is therefore necessary to procure higher amounts of foreign currencies (e.g., dollars) to pay suppliers abroad. Inflation therefore, negatively impacts exchange rates, as cross-border money transfers become more costly.

Concerning the AfCFTA, the third PAFTRAC survey reveals that about 56% of companies is very optimistic about the effects that the agreement will have on their business, citing increased market size (45%), new investment opportunities (25%) and better access to raw materials and inputs (15%), as the major among them. Another 24% instead, is moderately optimistic.

Only 1% of respondents think that a single African market will have a negative impact on their businesses, due in particular to concerns about increased competition if trade barriers and other forms of protectionism are lifted, while 7% say that the AfCFTA will have no effect (neither positive nor negative) and 11% do not know what impact it will have.

As for the threats posed by the African common market, they fear greater competition, stricter protection of intellectual property and trademark rights, and higher taxes due to lost tariff revenues. When asked about the main obstacles currently preventing them from exporting to other African countries, business leaders cite a lack of information on opportunities in other markets, unnecessary customs controls and excessive data and document collection.

The report also reveals that a large majority of the business leaders questioned (84.8%) says that their company has neither taken part in any consultations or negotiations on the AfCFTA, nor participated to the preparation of their national implementation strategies: i.e., the documents that articulate the African countries' and RECs vision for harnessing the potential of AfCFTA. More surprisingly, an even larger majority of CEOs (92.8%) says that their companies have not yet received any support that would enable them to take advantage of the opportunities offered by the agreement.

Particularly worrying is also the fact that less than 10% of such CEOs are completely aware of the progress made in reducing non-tariff barriers (NTBs) – as well as about the

[monitoring systems available](#)

- while most of them have never heard of the Pan-African Payment and Settlement System (PAPSS).

This means that despite the numerous communication activities and training workshops organised by various organizations on the AfCFTA, these actions have been ineffective or, at least, they have not achieved the hoped results. As a result, 72.9% of the surveyed African executives declared to have a low or moderate level of knowledge of the AfCFTA, while only 27.1% of them claim to have a high or very high level of knowledge.

The lack of knowledge about the AfCFTA and the opportunities this agreement offers is mainly due to limited access to information, according the surveyed CEOs. Over 80% of respondents said they had only limited access to information about it. Interestingly, a total of 58% prefers to use search engines to find information on the agreement, than relying on 'institutional' sources provided by Chambers of Commerce, trade support institutions or government agencies. A sign this that something in the way the current communication activities are currently conducted, needs to be changed.