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In an [interview](#) published on CEO Magazine, the Global Director for Trade, Investment and Competitiveness of the World Bank talks about the objectives and the possible gains that Africa could achieve through the implementation of the African Continental Free Trade Area (AfCFTA). According to the World Bank report “[Making the Most of the African](#)

[Continental Free Trade Area](#)”,

this agreement has the potential to double intra-African trade by 2035, lifting 50 million people out of extreme poverty, with income gains totaling US\$571 billion. However, the report also warns that for this scenario to materialize, the AfCFTA needs to go beyond trade liberalization. Elimination of tariffs and NTBs, as well as implementation of trade facilitation measures are daunting, yet important tasks – especially in the light of the fact that African countries tend to over-rely on protectionist policies to support domestic industries - but is a recipe that is not sufficient for success.

Harmonized frameworks conducive to the attraction of investment, able to promote competition, and to protect intellectual property rights (IPRs) are even more necessary for African countries to increase the capacity to attract the investments that they desperately need in order to grow. In her interview for the CEO Magazine, the World Bank Director for Trade further clarifies that a full harmonization in these policy areas (and on ecommerce) is extremely important, since a deeper integration in all these sectors will help to build more efficient markets, improve competitiveness and attract more foreign direct investment (FDI) in the continent. Indeed, World Bank research shows that the AfCFTA could increase intra-African cross-border investment by 68 percent and total FDI by more than 150 percent if all the above conditions will be in place.

In this regard, one of the sectors that offers the highest and fastest-growing potential for investment is the green energy. With its solar, wind and hydropower resources, Africa is uniquely placed to take advantage of the transition process toward net zero carbon emissions and clean energy that most of economies in the world are pursuing. In other words, African countries can trade energy they produce in excess with other countries in the continent that have lower capacity (Ethiopia is already pursuing this strategy in East Africa). Moreover, Africa could become a global supplier of green energy, but the route is still long, considering that currently, still more than 40 per cent of Africans do not have no access to energy at all. But this is also a problem of low capacity of transmission and distribution lines... Curiously, these thoughts come in a period when many African leaders and the AU Commission are participating to an event, in Rome, dedicated to the launch of a “new approach” for Italy in cooperating with

African countries. The country aims at leveraging its geographical position as a bridge in the Mediterranean sea, between Africa and Europe, to funnel energy to North Europe, via the enhancement of energy cooperation with African countries, even though

[some critics](#)

say that the Italian strategy appears too heavily focused on fossil fuels, underestimating the potential of renewable energies.

Already the previous government of Italy, in April 2022,

signed MOUs with Angola and the Democratic Republic of Congo for increasing gas supplies, in an attempt to diversify Italy's energy sources, reducing dependency on Russian gas. Similar agreements have been concluded more recently with Egypt, Algeria and Mozambique. The new strategy of Italy has similar objectives, even though apart

from this sector, there are other objectives that are being pursued, including plans to support African countries in education, health and other. The overall objective is to create wealth and jobs in the Continent in the hope that this will reduce mass migration to Europe.

Another area of potential expansion in Africa is trade in services, and particularly digital services. Globally, services account for more than two-thirds of GDP, twice the combined shares of agriculture and industry. In Africa, the situation is not much different, as [it has been noted](#) that

the services sector contributes about 50 percent to its GDP. Moreover, the World Bank Director notes that services employ more workers and generate more jobs than any other sector. Lastly, services like IT and logistics, are highly strategic as they can help Africa to tap into regional and global value chains, which are important drivers of growth.

Another point raised in the CEO Magazine article, but extremely important for Africa to realize its continental trade objectives, is the skills development. Africa needs to develop a competent and skilled workforce to increase the productivity of work, which is currently the lowest in the world. And this will be possible only through investments in education and development of human capital. As African governments today still invest too little in this sector, this should be an area of interest for potential foreign investors willing to seize the opportunities offered by the African market.