

There are no translations available.

The East African Community (EAC) and the United Nations Economic Commission for Africa (ECA) have published the results of a [survey](#) on the views of the private sector on the African Continental Free Trade Area (AfCFTA) and on how this sector perceives the opportunities, constraints and policy reforms needed to maximize its benefits. The report reveals that an important share of respondents is still unaware of AfCFTA, its status of implementation, its benefits, and the level of political will that is required from African governments to effectively drive the implementation process.

Precisely, 51 per cent of the respondents declared a moderate level awareness of the Agreement, while 35 per cent has a low level of awareness.

On the other hand, 53.5 per cent of respondents affirms that the direct benefits of the AfCFTA for companies will be visible in the short term, within two to five years from its implementation.

Moreover, although part of traders in the EAC shows willingness to invest in the rest of the African regions, they indicate as key obstacles to this process the existence of unharmonized fiscal and regulatory policies among Regional Economic Communities, and transportation infrastructure and logistics constraints which significantly raise the costs and time of transport.

Harmonization of investment policies is also considered as extremely important by more than 70 per cent of the respondents, while for what concerns the specific challenges faced by companies in EAC while implementing AfCFTA, these are indicated as follows: poor infrastructure (66.9 per cent), lack of access to finance (67.7 per cent), regulatory biases and procedural obstacles (47.1 per cent), Non-Tariff Barriers/NTBs (45.6 per cent), inadequate human capital (38 per cent) and different social cultural norms (36.5 per cent). Regarding the culture and the social factors of countries to which traders consider exporting, they play an important role as they affect how people behave and what they buy. Hence, this information is fundamental to determine whether a product or service would be sold in a certain market.

The conclusions of the report are that further sensitization campaigns of AfCFTA to the benefit of the private sector are needed. These activities should be accompanied by capacity building programs in trade finance and business start-up, as well as by initiatives supporting small-scale enterprises in accessing credits at commercial rates. Other recommendations

include fast-tracking the negotiations of the remaining phases of the AfCFTA , harmonizing trade policies and regulations, devising an efficient and enforceable dispute settlement mechanism, strong political will, capacity-building for business membership organizations, and improving transport and logistics infrastructure.

Level of awareness of AfCFTA by EAC traders



