



Government of Rwanda



## **Press release**

### **It's time to implement the AfCFTA to stimulate economic transformation in Africa.**

*Kigali, Rwanda, 20 November -*

The African Continental Free Trade Area, AfCFTA, could boost regional trade and industrialization, especially in East Africa. Effective implementation of the agreement signed last March in Kigali is now needed to unleash the potential of the region.

*“Currently East African countries are trading amongst themselves at only half their potential, and the growing local demand is met by imports from outside the continent rather than by local production, explained Andrew Mold, Acting Director of the ECA in Eastern Africa. The AfCFTA will enable East African countries to increase their exports of manufactured goods in the region and on the continent.”*

He was talking at the opening session of the ECA annual meeting in East Africa, which is taking place this week in Kigali and focuses on the implementation of the AfCFTA.

Uzziel Ndagijimana, Minister of Finance and Economic Planning of Rwanda, stressed that *“the AfCFTA represented a remarkable degree of consensus across the continent, but this is not enough – we need ratifications to move forward. Our efforts will come to nothing if we do not achieve 22 ratifications by March next year.”*

While 49 countries on the continent have signed the Agreement establishing the AfCFTA, only 12 countries have ratified it so far. Negotiations are still ongoing about modalities on the liberalization of trade in good and services, the ECA providing technical support to member states in those phases of negotiations.

David Luke, Coordinator of the African Trade Policy Centre at ECA insists: *“The more ambitious the liberalization, the higher will be the gains in terms of increase in GDP and exports. However, we still need to win the hearts and minds of the private sector and civil society, who will be the true implementers of the AfCFTA”.*

According to ECA analysis, smaller countries are those which will get the largest increase in intra-African exports - up to 68% increase for a country like Rwanda. On average, intra-African trade is expected to increase by 50% once the AfCFTA is implemented. Gains in welfare are also expected across the continent.

However, “*challenges in terms of non-tariff barriers and restrictions on trade of some commodities need to be addressed to tap into the trade opportunities*” stressed Matia Kasaija, Minister of Finance, Planning & Economic Development of Uganda.

The meeting, organized by the office for East Africa of the ECA, is gathering more than 250 participants from the 14 countries covered by the subregional office. It aims at reaching a consensus on the way forward for the implementation of the AfCFTA, while fostering regional integration.

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*The subregional office for East Africa serves 14 countries: Burundi, Comores, RD Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Rwanda, Seychelles, Somalia, South Sudan, Tanzania and Uganda.*

*The 12 African countries that have ratified the AfCFTA are: Chad, Côte d'Ivoire, Ghana, Guinea, Kenya, Mali, Niger, Rwanda, Sierra Leone, South Africa, Swaziland and Uganda.*