



TRADE
MARK
EAST AFRICA

Growing Prosperity Through Trade

**Unpacking current account
deficits in the EAC: How can
AfCFTA help?**

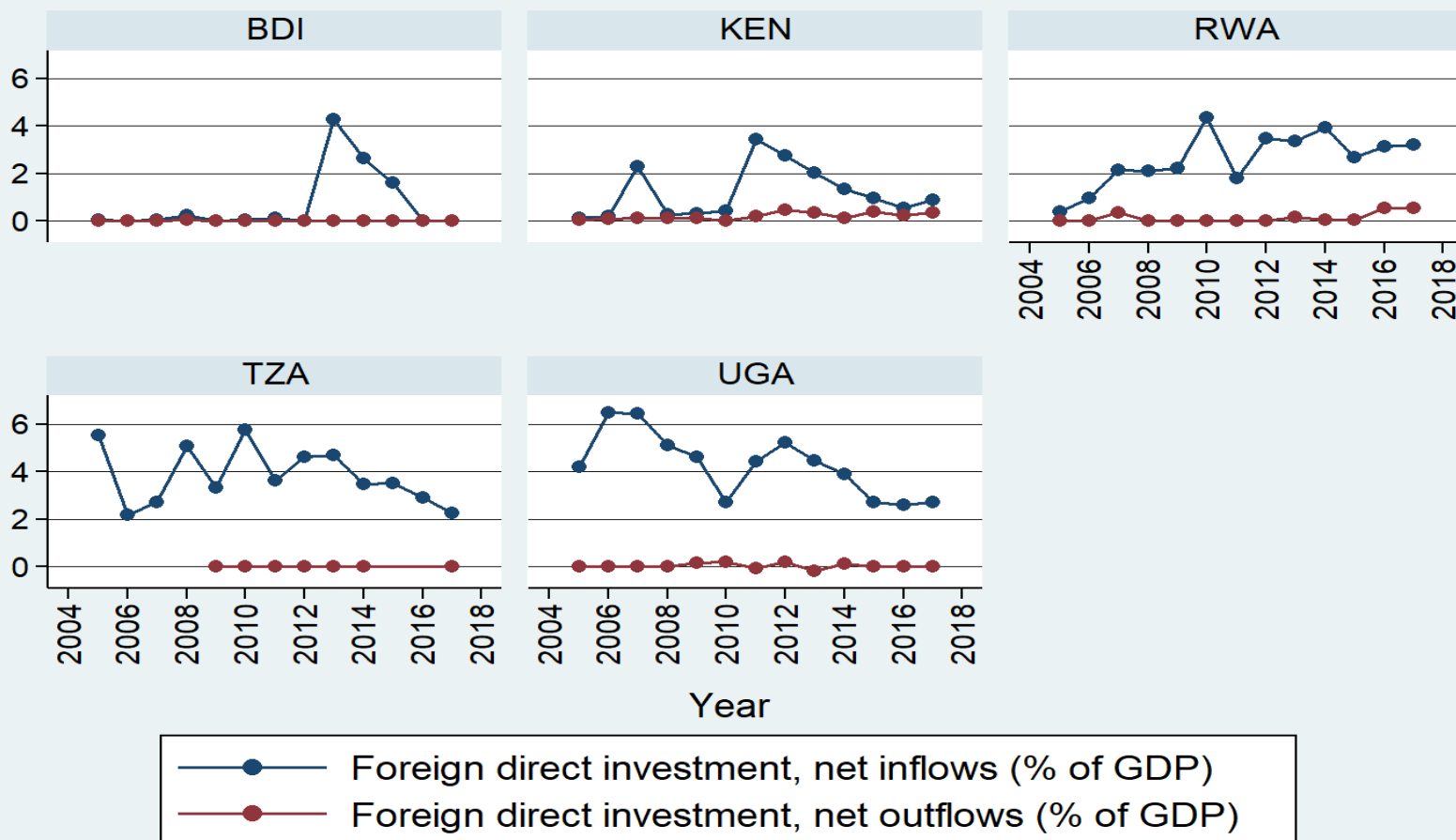
BoP: Key components

- Capital account
 - Financial transactions

- Current account
 - Exports and imports

CAPITAL ACCOUNT

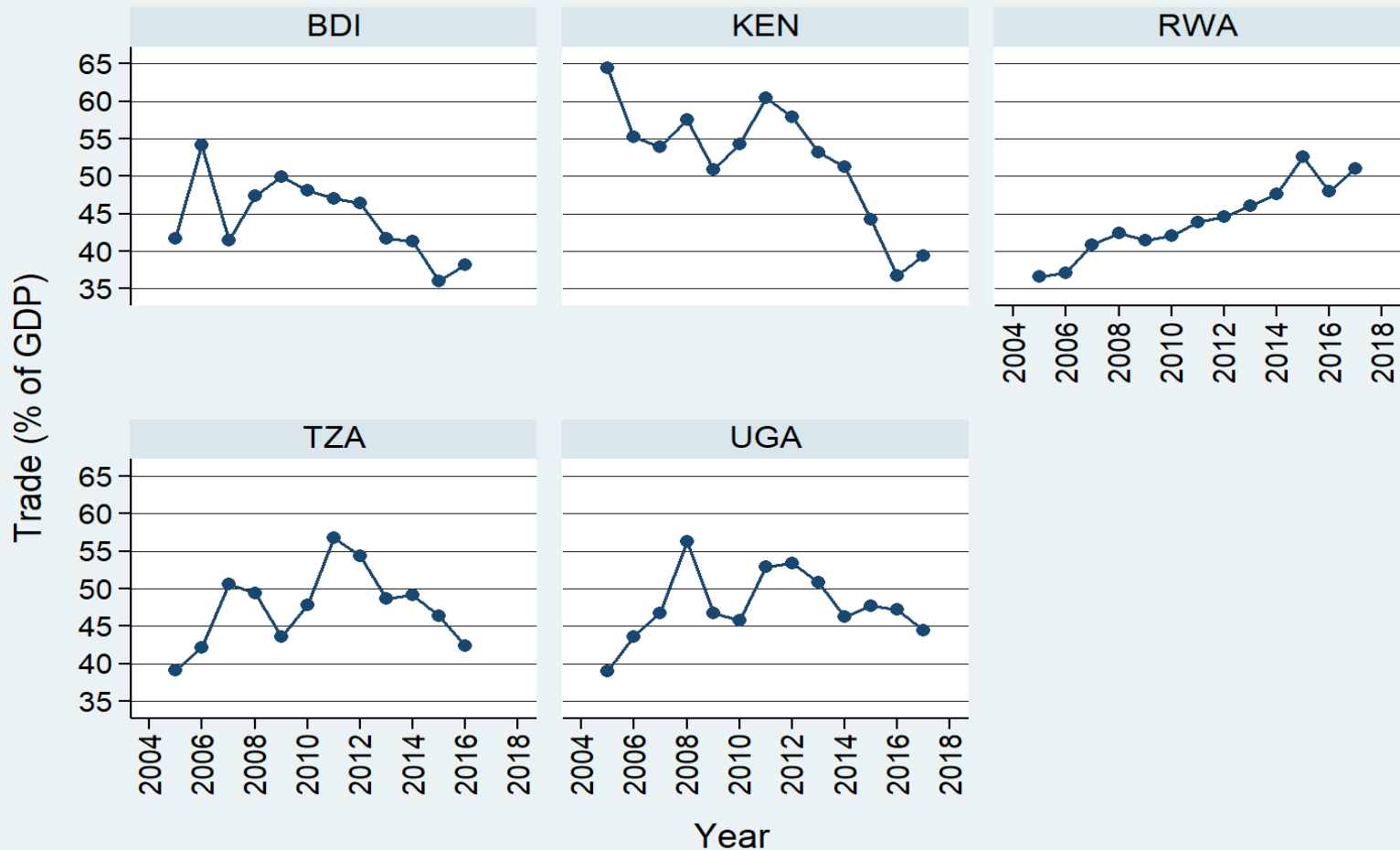
FDI: Capital account surplus?



Graphs by Country name

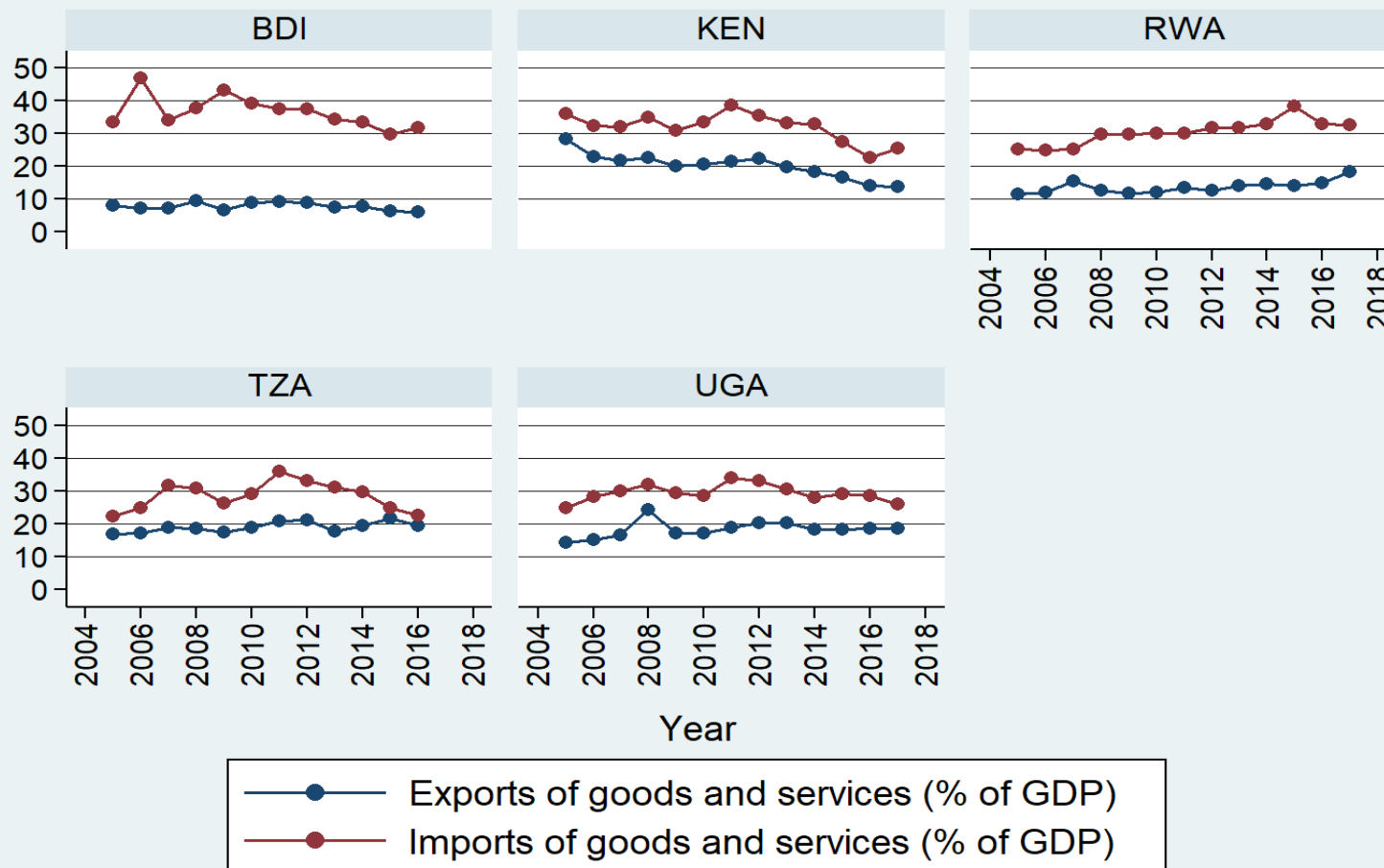
CURRENT ACCOUNT

Trade performance in EA



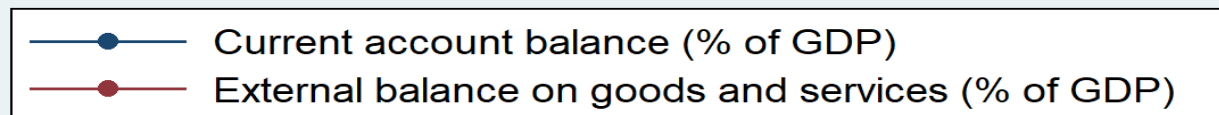
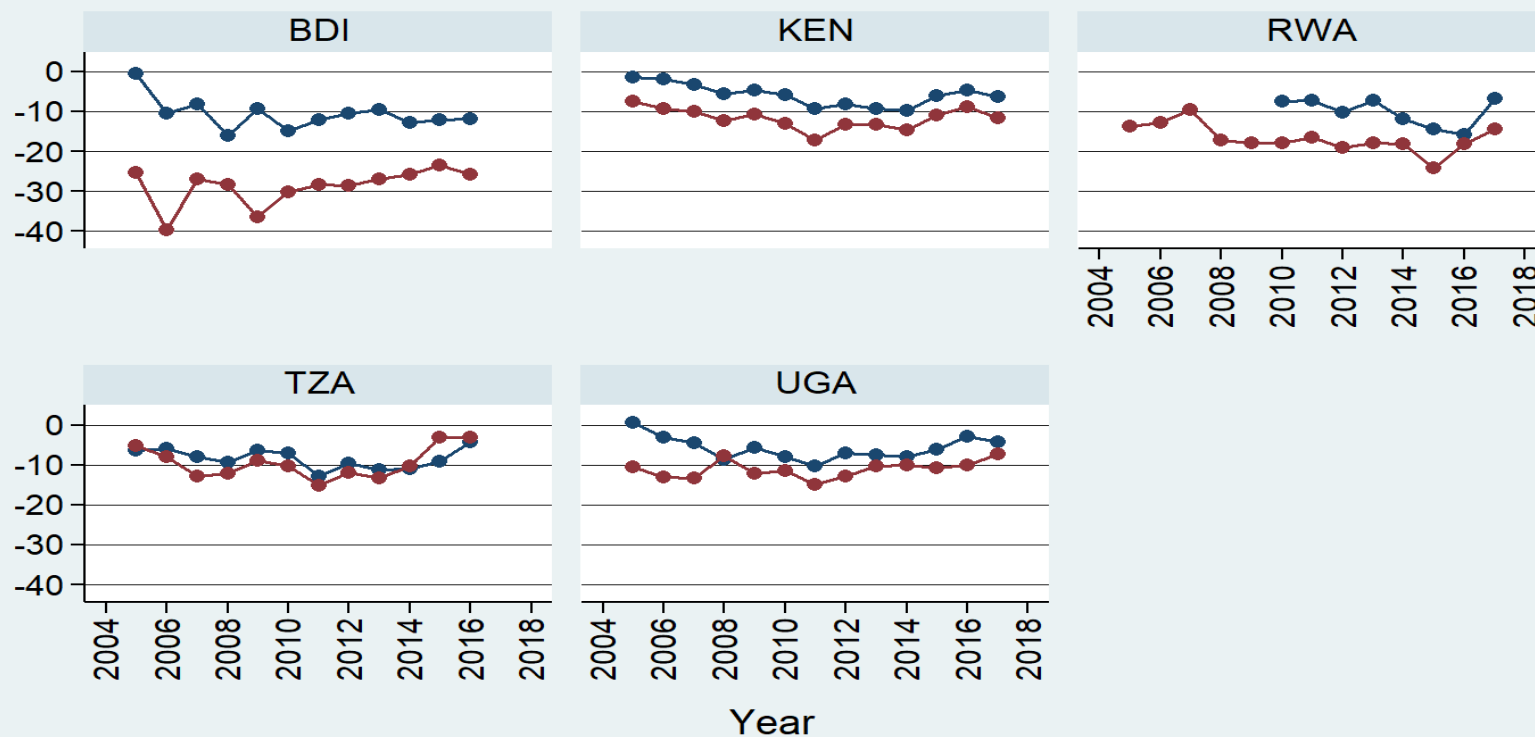
Graphs by Country name

Current account trends: 2005-2017



Graphs by Country name

CA: shares of GDP



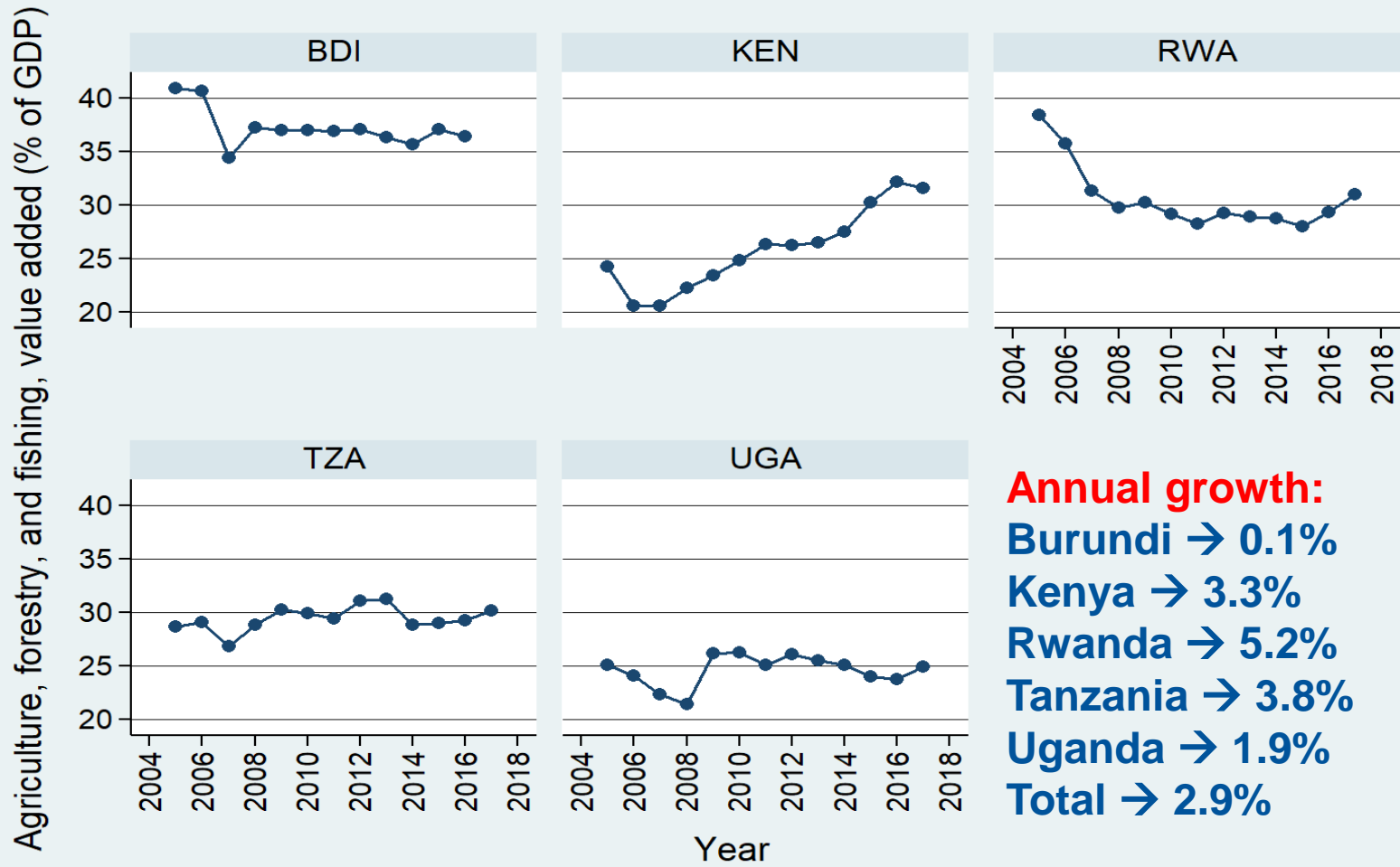
Graphs by Country name

What does CA deficit signal?

- Country's international performance
 - Persistent trade deficits
 - lack of competitiveness
 - Protectionist measures
 - Import restrictions

SECTORAL DECOMPOSITION...

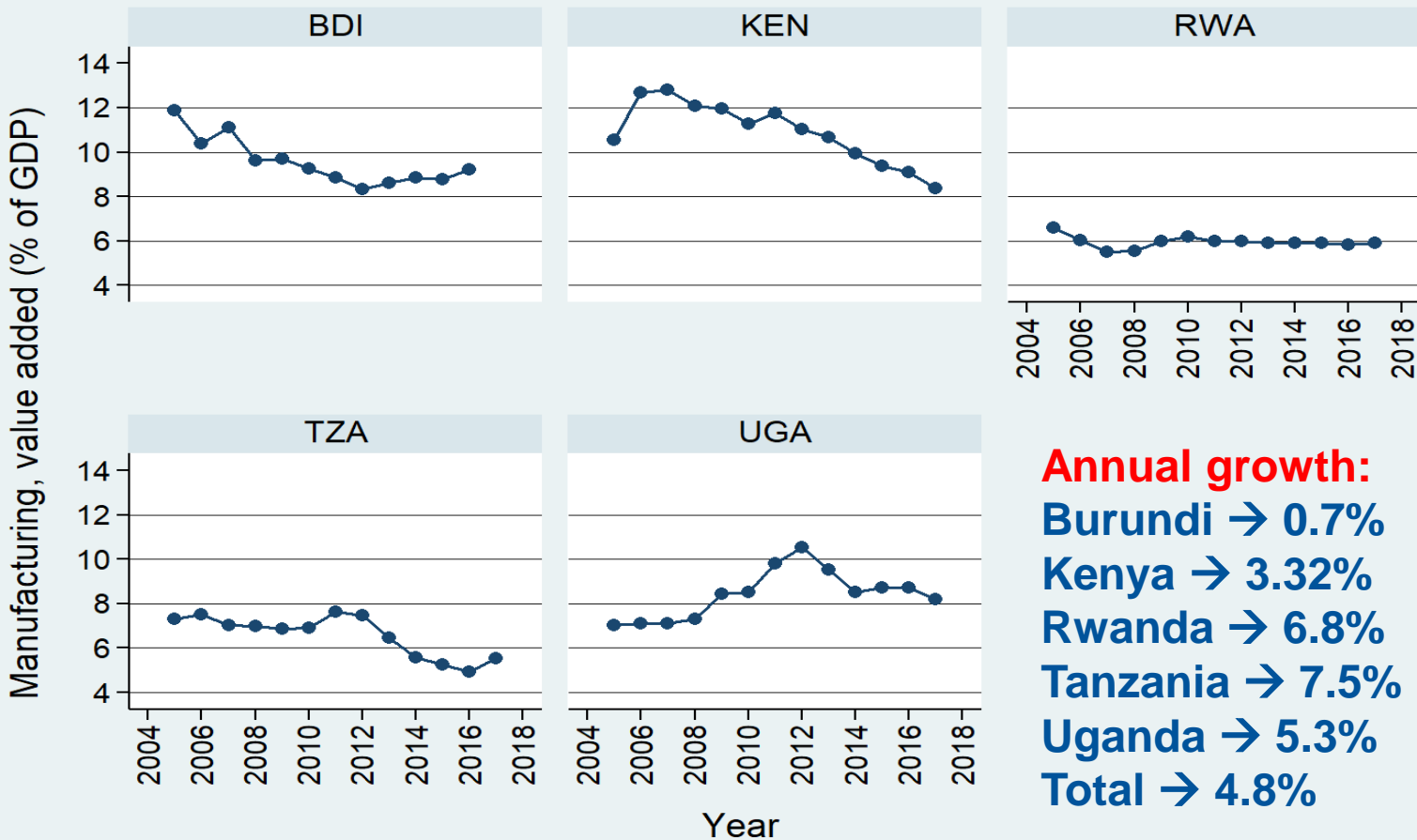
Agriculture



Annual growth:
 Burundi → 0.1%
 Kenya → 3.3%
 Rwanda → 5.2%
 Tanzania → 3.8%
 Uganda → 1.9%
 Total → 2.9%

Graphs by Country name

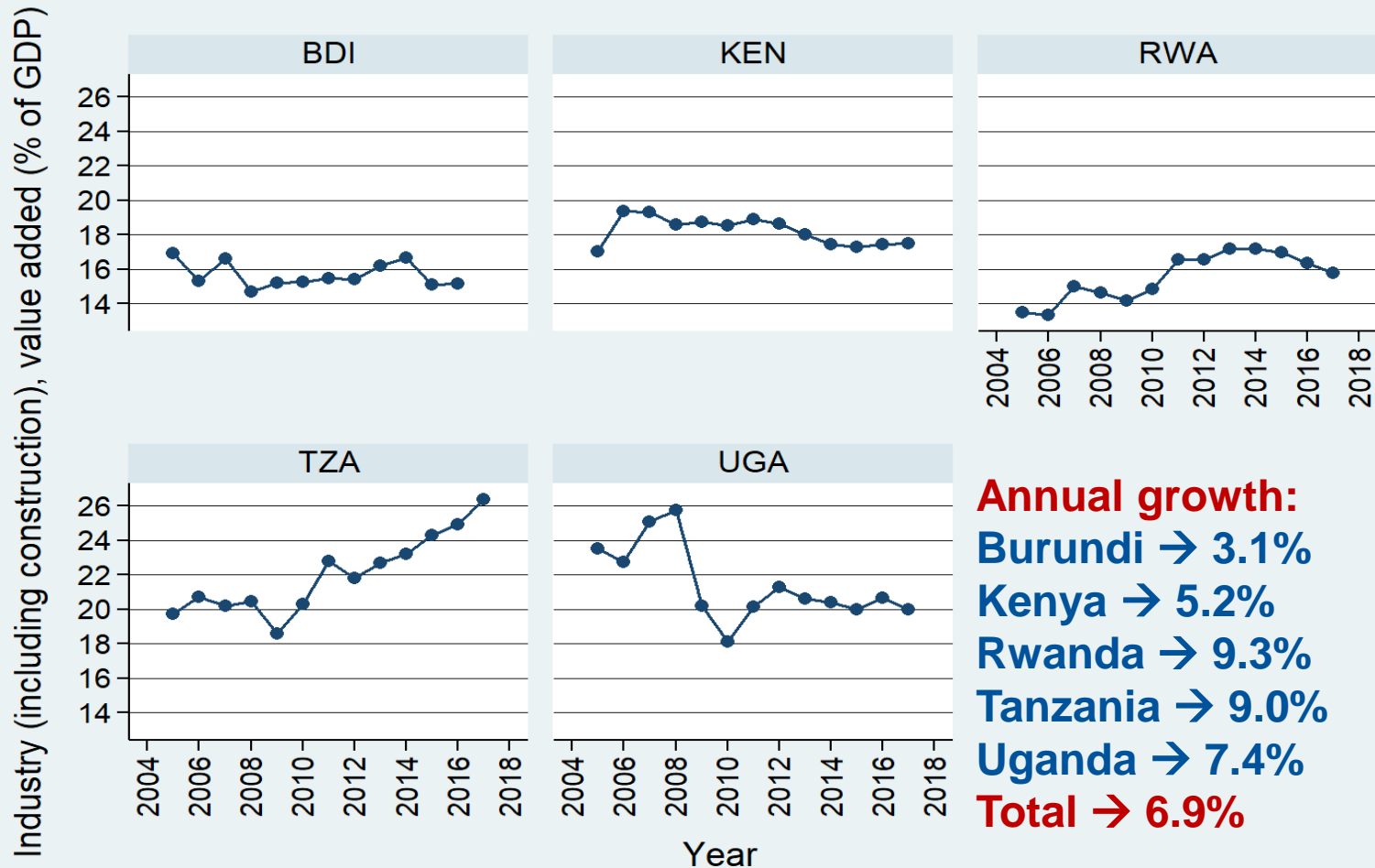
Manufacturing



Annual growth:
 Burundi → 0.7%
 Kenya → 3.32%
 Rwanda → 6.8%
 Tanzania → 7.5%
 Uganda → 5.3%
 Total → 4.8%

Graphs by Country name

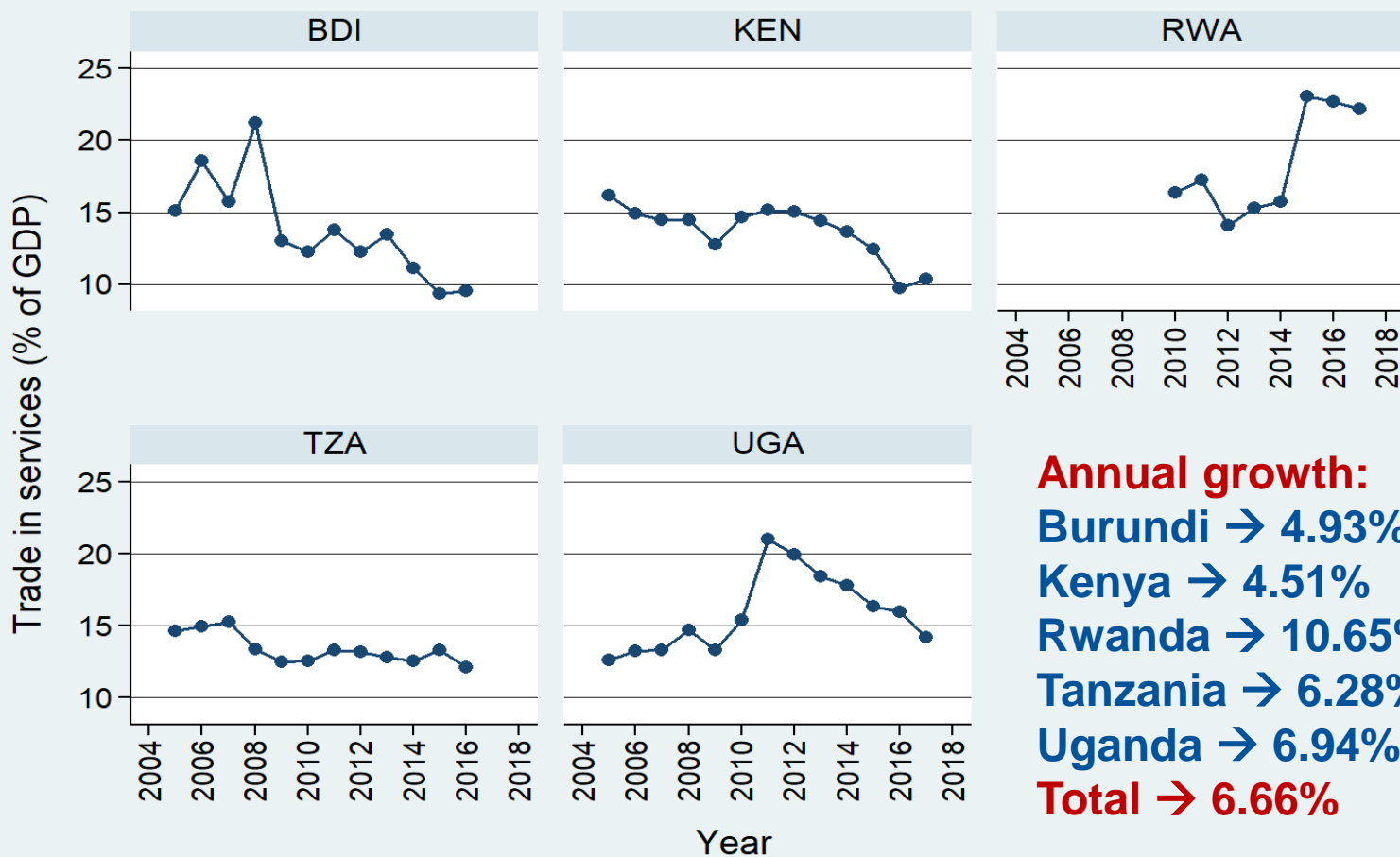
Industry



Graphs by Country name

Annual growth:
 Burundi → 3.1%
 Kenya → 5.2%
 Rwanda → 9.3%
 Tanzania → 9.0%
 Uganda → 7.4%
Total → 6.9%

Services

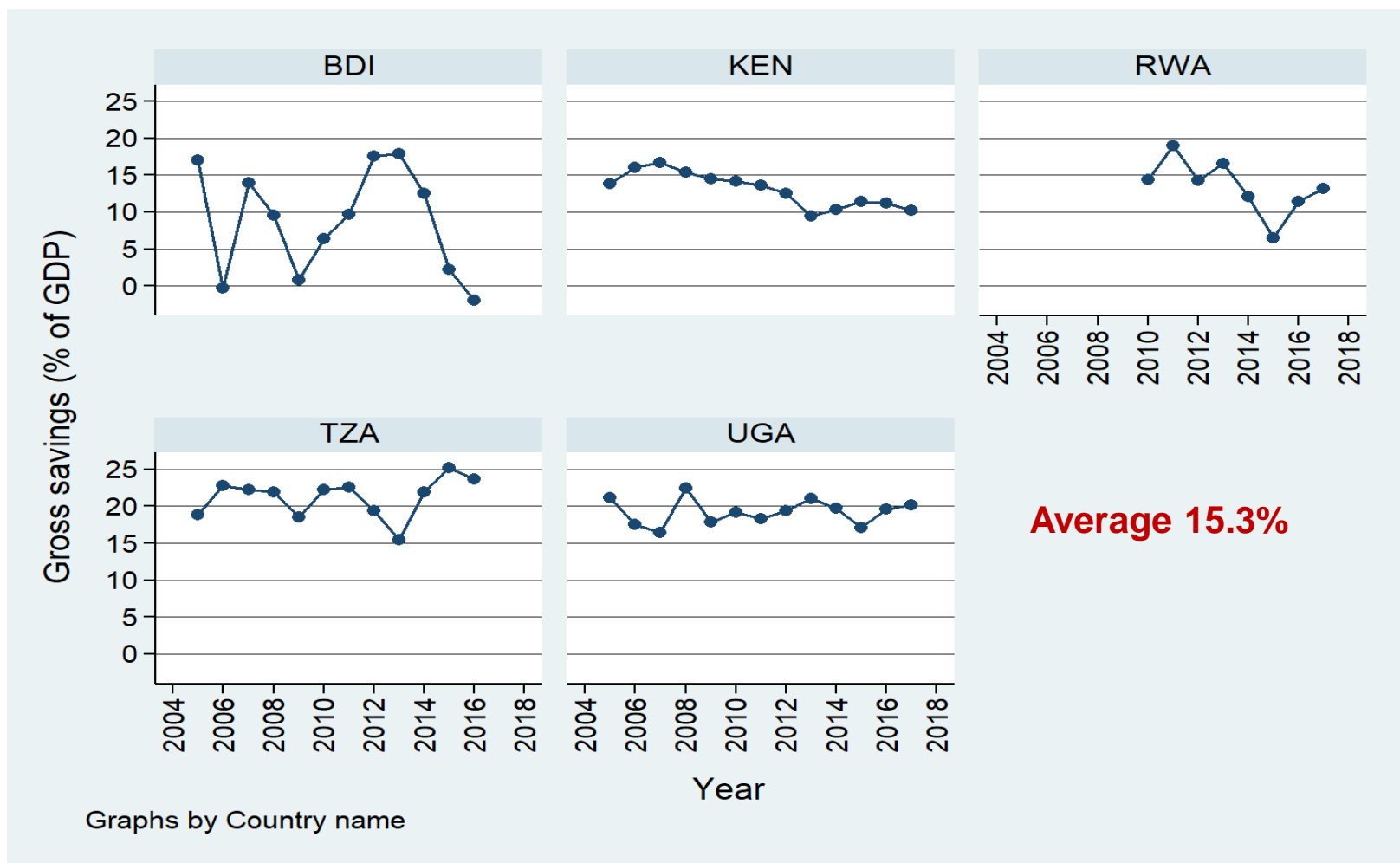


Annual growth:
 Burundi → 4.93%
 Kenya → 4.51%
 Rwanda → 10.65%
 Tanzania → 6.28%
 Uganda → 6.94%
Total → 6.66%

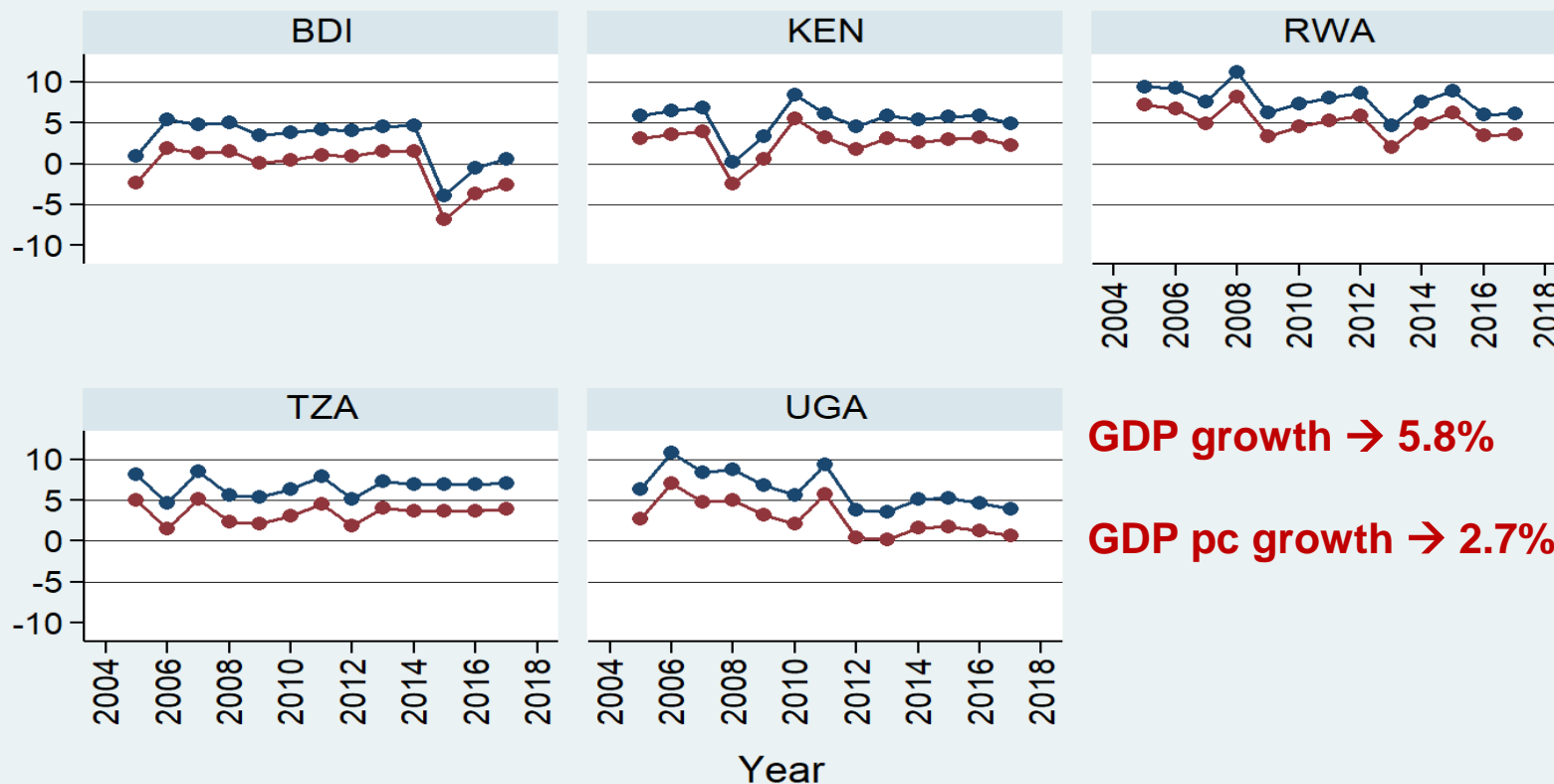
Graphs by Country name

FINANCING CA DEFICITS...

Can savings do the trick?

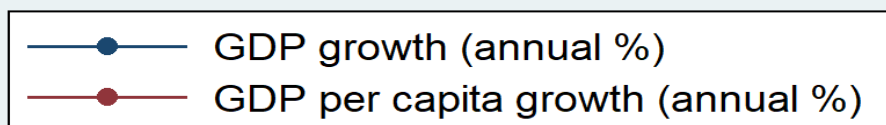


EA's Economic performance



GDP growth → 5.8%

GDP pc growth → 2.7%



Graphs by Country name

How then can AfCFTA help?

- Increase productive capacity of countries
 - Local production
- Improve competitiveness of EA economies
 - Exports > Imports
 - TMEA interventions on export capability, infrastructure e.tc
- Minimize protectionist trade policies
 - Improve regulatory frameworks
 - TMEA interventions on business environment in EA

THANK YOU!