

AfCFTA: Powering progress in West Africa

The African Continental Free Trade Agreement (AfCFTA) has emerged as a groundbreaking initiative that holds immense potential for economic growth and development in West Africa and the entire African continent. Established in 2018, the AfCFTA aims to create a single market for goods and services, expand intra-African trade, and foster economic integration, ultimately paving the way for a prosperous and united Africa.

For West African countries, the implementation of the AfCFTA is of paramount importance. With a regional population of over 445 million people and a combined GDP of approximately \$670 billion, West Africa stands to benefit greatly from the elimination of barriers to trade and the creation of a seamless market. By removing tariffs and non-tariff barriers, such as excessive regulations and red tapeism, the AfCFTA promises to facilitate increased trade flows, boost investment, and attract foreign direct investment – all critical factors for economic growth.

The benefits of the AfCFTA for West Africa are multi-faceted. Firstly, it will enhance market access for West African exporters, thereby encouraging diversification and expansion of their product offerings. Currently, many countries in the region heavily rely on the export of commodities, such as oil, minerals, and agricultural products. The AfCFTA presents an invaluable opportunity for these economies to diversify their export base and tap into new markets. By participating in regional value chains and developing competitive industries, West African countries can leverage their comparative advantages and achieve sustainable economic growth.

Secondly, the AfCFTA will create an environment conducive for industrialization. African countries have long been criticized for exporting raw materials rather than processed goods, thus missing out on value addition and economic benefits. With the AfCFTA in full force, West African countries can strategize and collaborate to establish regional industrial clusters, develop manufacturing capabilities, and foster technology transfer. This will facilitate the production of finished goods within the region, promoting job creation, economic empowerment, and poverty reduction.

Moreover, the AfCFTA will facilitate the movement of people, services, and capital across borders. By removing barriers to services trade, West African professionals, such as consultants, accountants, and engineers, can freely offer their expertise across the region. This will not only amplify their earning potential but also contribute to the overall improvement of service quality and standards within West Africa. Additionally, the AfCFTA will encourage cross-border investments by providing a predictable and transparent regulatory framework, making West Africa an attractive destination for investors seeking a larger regional market and economies of scale.

However, the implementation of the AfCFTA in West Africa comes with its fair share of challenges. Infrastructure deficits, particularly in transportation and energy, pose significant barriers to trade expansion and integration. Moreover, there is a need for consistent regulatory reforms, harmonization of policies, and capacity building to ensure the effective enforcement of the trade agreement. By investing in infrastructure and addressing these challenges, West African countries will be better equipped to seize the opportunities presented by the AfCFTA and fully realize its potential.

West Africa must then accelerate work on improving the supply-side constraints such as the lack of good transport and logistic infrastructure, information and communications technology (ICT), and energy infrastructure by aggressively implementing the African Union's Programme for Infrastructure Development in Africa (PIDA) to ensure a successful and sustainable industrialisation agenda and thus a successful AfCFTA.

Effective collaboration is also required for harmonized standards and regulations. This is to be achieved through standards development, mutual recognition, harmonisation that fosters increased rate of diversification, industrialisation and transformation of West Africa's economy and boosts the continent's ability to supply its import needs from its own resources

There is need to mainstream climate change issues, including land degradation, into the AfCFTA implementation by advancing climate resilient development through several pathways including, renewable energy and transformative green industrialization; agriculture, food and nutrition security and climate change adaptation; strengthening development finance institutions;

engaging in multilateral forums and; contributing to a compact on a global green new deal that advances West Africa's interests on climate resilient development.

Although West Africa continues to experience a youth bulge, there is a mismatch between existing education and training and the skills needs of enterprises. Critically important is the need to foster not only the skills needed by enterprises today but also the skills of the future. To strengthen West African businesses' competitiveness in the context of the AfCFTA, the priority is to invest in human capital to equip Africans with the skills needed to engage in skill-intensive manufacturing industries.

Peace and security are essential preconditions for sustainable economic growth and development, including trade. A stable and secure environment is necessary for businesses to operate, for investors to make long-term commitments, and for workers to be able to produce goods and services. On the other hand, trade itself can also contribute to peace and security by promoting interdependence and fostering economic and social connections between countries. This can lead to a reduction in tensions and the likelihood of conflict.

The AfCFTA is a gamechanger for the West African countries in 2024, which presents yet another opportunity to strengthen partnerships, mobilise resources, undertake outreach activities and promote the utilization of the AfCFTA by economic operators through unceasing engagement that will sustain the high momentum around the AfCFTA. West African countries are expected to strengthen the role of the people living in the Diaspora, People of African Descent and create a meaningful link between the implementation of the AfCFTA by driving initiatives aimed at bringing together, projects, events and other initiatives to strengthen the role of these groups in advancing the economic integration of the AfCFTA.

In conclusion, the implementation of the African Continental Free Trade Agreement in West Africa and the continent at large holds immense significance. The AfCFTA offers a transformative platform for economic integration, trade expansion, industrialization, and job creation, ultimately leading to shared prosperity for all Africans. West African countries must seize this opportunity and actively work towards the removal of trade barriers, the establishment of regional value chains, and the promotion of investments, infrastructure development, and

regulatory harmonization. With effective implementation and collaboration, West Africa will embark on a journey towards sustainable economic growth, positioning itself as a formidable player in the global economy.