

AfCFTA implementation in Senegal in the ECOWAS's Sub-Region

The African Continental Free Trade Area (AfCFTA) agreement has been one of the biggest continent-wide projects aimed at economic integration and African industrialisation through increased intra-African trade.

The AfCFTA entered into force on May 30, 2019, after 24 Member States deposited their Instruments of Ratification following a series of continuous continental engagements spanning since 2012. It was launched at the 12th Extraordinary Session of the AU Assembly of Heads of State and Government in Niamey – Niger, in July 2019. The commencement of trading under the AfCFTA was in January 1, 2021.

In March 2018, Senegal signed the African Continental Free Trade Area agreement (AfCFTA), a step toward a continent-wide liberalized market for goods and services. The AfCFTA entered into force in May 2019, and as of July 2021, 40 countries out of 54 signatory countries have ratified the agreement, including Senegal.

The national, regional and continental institutions are preparing for the AfCFTA by putting the necessary infrastructure and processes in place. Progress has been made on all fronts, and the agreement continues to enjoy significant political will.

According to the UN Economic Commission for Africa, this single market trade agreement will enable the African economy to reach the \$29 trillion mark by 2050. With Africa having a population of about 1.3 billion people and \$2.5 trillion economic bloc, it is estimated that by 2030, there will be approximately US\$6.7 trillion worth of cumulative consumer and business spending, while increasing Africa's gross domestic product or income by \$450 billion by the year 2035 including adding \$76 billion to the world's income.

Currently, only 47 countries have ratified the policy agreement to implement AfCFTA. The realization of the continental free trade area concept was achieved at the beginning of 2020. The AfCFTA will contribute to boosting a population estimated to 1.4 inhabitants or consumers and business spending in Africa to over \$6.7 trillion by 2030.

That's why this article will take into consideration four key aspects: I.)The current status of AfCFTA implementation (II), the key challenges and opportunities encountered in promoting and implementing AfCFTA (III) trade and economic integration, success stories and best practices (IVI) that can serve as inspiration for other regions and at last, the future prospects and strategies (IV) for advancing the goals of AfCFTA within our Sub-Region.

The current Status of AfCFTA implementation

ECOWAS is one of the international establishment concerned with the operationalization and the implementation of the Intra African under the African Continental Free Trade Area (AfCFTA). According to the United Nations of Economic Commission for Africa, all State Parties have to send their National Strategies for the operationalization of the African Continental Free Trade Area (AfCFTA) in their respective regions.

Senegal is the best example engaged in the AfCFTA implementation. Because, it has not only already has in place its National Strategy but also developed their tariff concessions for products eligible for trading under AfCFTA. In addition to those achievements, Senegal has also taken public measures to integrate this continental free trade area policy in the country to the satisfaction of all stakeholders.

Indeed, it has held national consultations about specific areas of AfCFTA, namely the Protocols. At this time, Senegalese State has designed two national consultations dedicated to opening dialogues with all stakeholders in specific sectors in order to contribute significantly to the promotion of the Intra African Trade under the AfCFTA. All the elements previously mentioned proved the will of Senegalese State to make businesses take advantage of the benefits and opportunities available with the Continental Free Trade Area.

The key challenges and opportunities

In every situation, there are always challenges our country has faced. And, this reality is a reflection of the peculiar situation encountered in our Sub-Region. And all challenges and opportunities are taken cognizance of in all National Strategies. In Senegal, there are many challenges that national private sector faces:

In terms of challenges, there are weaknesses in the following areas:

- Transformable and exportable products offered in African Markets
- Diversification of local products for Intra-African trade
- Financing at diverse levels of exportations
- Liberalization and conformity with exported and imported products
- Logistics and transportable proposals
- The application of supply chain public reforms
- Synergy between public and governmental agencies in charge of exportations to support to private sector.

In terms of opportunities, these are the areas to consider:

- There are a number of locally- produced commodities available for export to African countries namely agricultural, horticulture and fishing products. One could add other services like telecommunication services.
- There is a strong political and community stability
- Senegal has a dynamic private sector businesses, namely MSMEs, skilled entrepreneurs, vibrant SMEs and informal sectors engaged in trading.

Success stories and best practices

In Senegal, there is a lot of success stories and best practices other countries could tap into. And, these success stories are better oriented towards the private sector like SMEs. Indeed, they have developed some sort of innovation and creativity in their economic activities in all sectors. Just to mention three of the areas are the following:

- A long story of experience in local and regional integration
- Political stability and peace in some countries in the Sub-Region, including Senegal.
- Tourism, cultural and natural resources.

Future prospects and strategies

In the operationalization of this initiative, future prospects and strategies are central to better accelerate the goals of the Intra-African Trade under the African Continental Free Trade Area (AfCFTA). To take charge that the Government and the stakeholders should have the preoccupation, in five elements:

- To better replicate the AfCFTA concept for all stakeholders to understand and assist in the swift decision making, for the benefit of public and private sectors, i.e. MSMEs, SMEs, Women engaged in trading cross borders and the Youths to gain employment. The informal sector will have some relief in their day to day activities and take care of their needs meaningfully.
- To inspire better political reforms to transform the value chains of our local products and brands and undertake public tax measures to better finance the Intra African Trade operationalization under the AfCFTA.

To realize all future prospects, these concrete strategies need to be taken:

- The transfer of technology and co-company promotion

- Opening the employment Market
- Reducing the price of finished products
- Increasing the promotion and volume of exportations of commodities in Senegal to other African countries in order to transform the economies in the Sub-Region.

In a nutshell, the Intra-African Trade under the AfCFTA is one of the most instrument of economic integration in the African Union. It aims to boost the free trade area and the most important to create a unique continental Market. The Sub-Region is the best illustration of the most advanced model in the operationalization of the AfCFTA. That's the reason why certain elements like the current status of the operationalization of the AfCFTA, the key challenges and opportunities, the success stories, best practices and the future prospects and strategies should be taken into consideration to make the African Continental Free Trade Area (AfCFTA) concept a reality towards delivering the desired progress in the continent.

The AfCFTA has the potential to build Africa's economy through trade liberalization and economic integration, and could create the largest and most efficient trade area in the world. Some objectives of the agreement such as creating a common currency and visa may be complex issues to achieve, but with the size of the continent and the horizon for trade, there is no gainsaying that the gains could be very significant.

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