



ECA



AfCFTA Country Business Index

Jamie MacLeod
Trade Policy Expert
Africa Trade Policy Centre
Economic Commission for Africa
(macleodj@un.org)

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The private sector at the heart of measuring
impact

The business case for continental integration



- Consolidate African market
- Highly dynamic market: the population of Africa is projected to reach 2.5 billion by 2050
- RVCs

- Businesses currently face average tariffs of 6.1% when they trade across Africa.
- NTBs even bigger obstacle.


- ❖ **How can we provide value for businesses looking to use the AfCFTA?**
- ❖ **How can we evaluate the AfCFTA ‘on the ground’, as it actually affected businesses?**

AfCFTA Country Business Index

- ❖ The index aggregates the opinions of businesses in Africa and articulates them in an index to ensure that the AfCFTA responds to their interests.
- ❖ It listens to the actual effect that the AfCFTA has on business, and challenges countries to respond to improve the trading environment.
- ❖ Star performing countries are recognized for their efforts, while laggards are identified and flagged.

Part 1: Framing the tool

VISION AND OBJECTIVES OF THE AFCFTA COUNTRY BUSINESS INDEX



Vision

- **AfCFTA Country Business Index** measures impact in a way that generates real value for the private sector operators that use the AfCFTA.

Objectives

- Measure implementation of the AfCFTA ‘on the ground’, as it actually affects businesses
- Benchmark countries to reward those effectively implementing the AfCFTA, and flag laggards
- Provide value to the full breadth of private sector operators, from MSMEs to large corporates
- Evaluate the **developmental impact** of the AfCFTA, including gender dimensions and implications for vulnerable groups
- Shine light onto ‘**knowledge gaps**’ by creating data where none previously existed



Part 2: Putting it to work

HOW IT WORKS



- **Views are collected from businesses:** a survey is administered through regional and local chambers of commerce and industry allowing the collection of primary data for the index.
- **Complemented with data-based indicators:** analysis of secondary data, including tariff schedules and volumes of trade.
- **These views and data are aggregated:** into metrics across 4 dimensions:
 - a) AfCFTA implementation
 - b) Easing trade in Africa
 - c) Trade for development
 - d) AfCFTA Impact
- **Countries are ranked:** by their score according to each dimension

DIMENSIONS

AfCFTA
Implementation

Easing trade
in Africa

Trade for
development

AfCFTA
Impact

OVERVIEW OF INDICATORS

- Monitor implementation: ratification, goods MAO, services MAO, paper -> practice?
 - Is required documentation publically available? Are preferences accepted by customs?
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- Trade facilitating issues:
 - Is trade finance available? Is border administration transparent? How long does it take to clear goods at ports/borders?
-
- Developmental aspects of the AfCFTA:
 - Have you invested recently in export producted? Are you employing more or less workers? Have you expanded into new products?
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- Measure aggregate AfCFTE effect:
 - Reduction in overall trade costs, improvements in non-tariff barriers, increases in intra-African trade flows

DIMENSIONS

OVERVIEW OF INDICATORS

AfCFTA
Implementation

Questions asking
whether sufficient
trade supports are
in place

Questions to verify operation of AfCFTA on the ground: eg “do customs accept AfCFTA RoO certificates”

Easing trade
in Africa

Questionnaire answers from private sector (via PACCI and regional and national chambers)

Trade for
development

Questions that measure
developmental impact: eg “workers
employed in new trade to AfCFTA
countries?”

AfCFTA
Impact

Questions to measure improvements in NTBs, infrastructure,
service restrictions

Closing questions

- **Index is still in inception stage: want to hear from businesses...**
- **What trade-related issues would you like put into metrics and articulated to policy makers?**
- **What are the main challenges you face with other preference schemes (SADC/COMESA etc)?**
- **What would success look like, how can we measure and report on this?**



 **AFRICA**
FIRST

THANK YOU!