



The AfCFTA

Impact of the AfCFTA scenario on Africa's trade values

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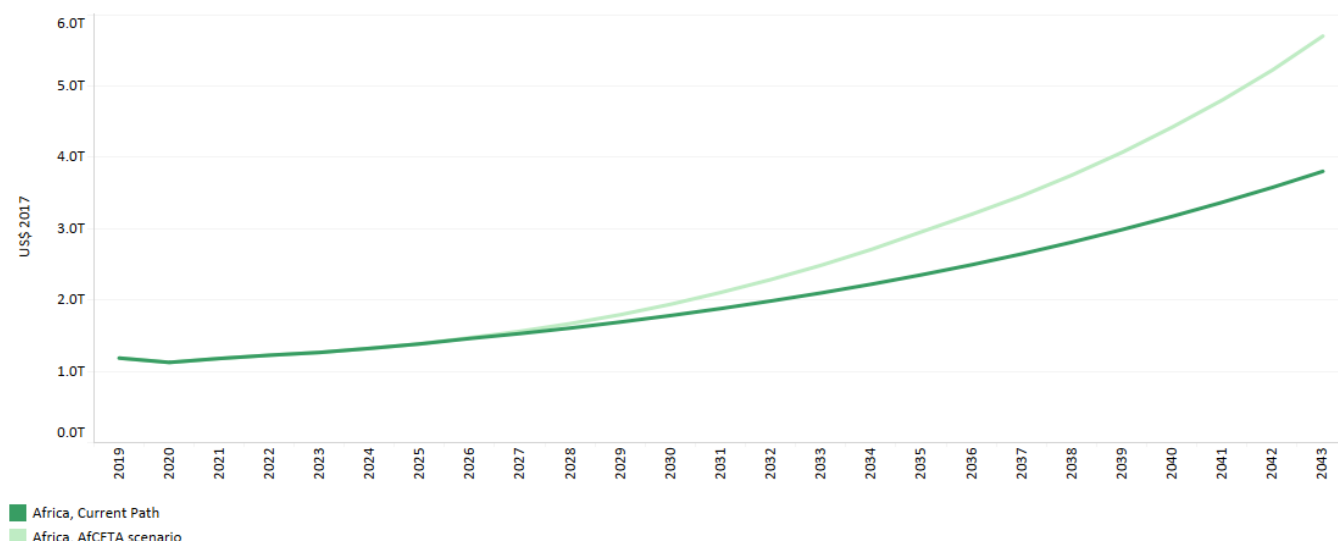
The full implementation of the AfCFTA would significantly boost Africa's trade values. Chart 20 allows the user to toggle between import and export values for Africa, regions, income groups and countries. In 2043, total trade (exports plus imports) gains from the AfCFTA scenario would increase by about US\$1.9 trillion (49.8%) relative to the Current Path forecast. The continent's total trade would represent 5.6% of global total trade, 1.8 percentage points above the Current Path forecast in 2043. However, the gains are dominated by the increase in imports.

Chart 20: Africa trade in AfCFTA scenario and Current Path, 2019–2043

Toggle between imports, exports and total trade, in absolute values and as % of world



Absolute values

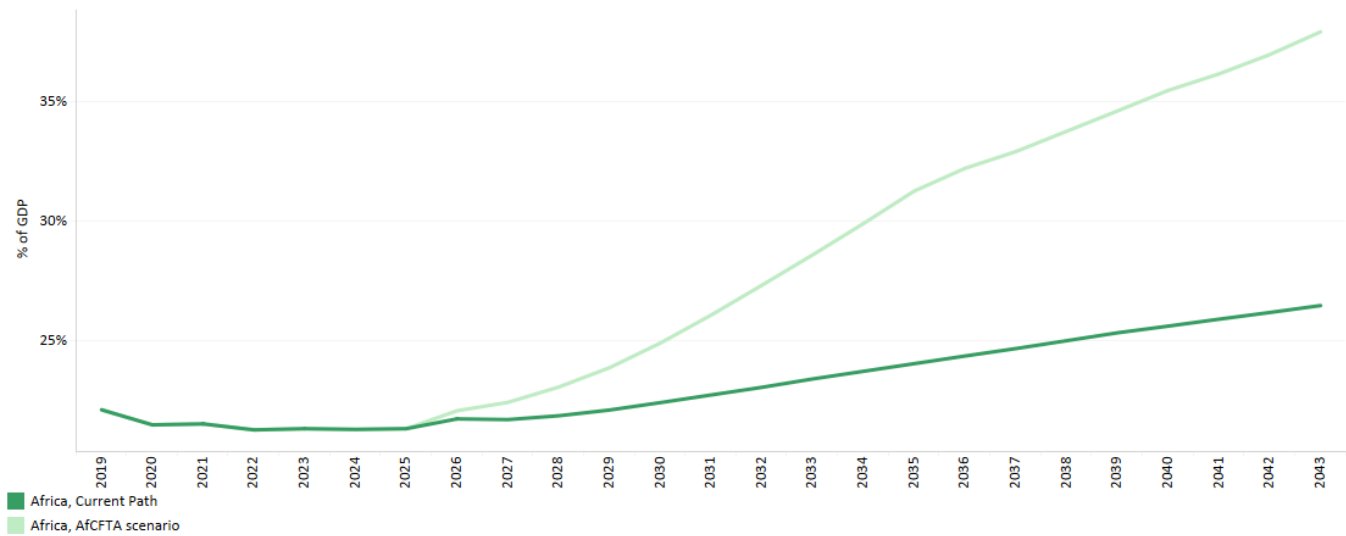


Source: IFS 8.13 initialising from the World Bank and OECD national accounts data

Africa's total imports in the AfCFTA scenario would be about US\$2.9trillion in 2043—an increase of about 42.7% relative to the Current Path forecast. Africa's total exports would increase by about US\$1 trillion (or 58%) relative to the Current Path forecast in the same year, reflecting a continuous but lower trade deficit for the continent in the AfCFTA scenario.

Chart 21 allows the user to toggle exports as a share of GDP for Africa, regions, income groups and countries. In 2043, Africa's exports as a share of its GDP would be about 37.9% in the AfCFTA scenario—nearly 11.6percentage points of GDP above the Current Path forecast. The increase in the share of Africa's exports in its GDP would be mainly driven by the manufacturing and service sectors.

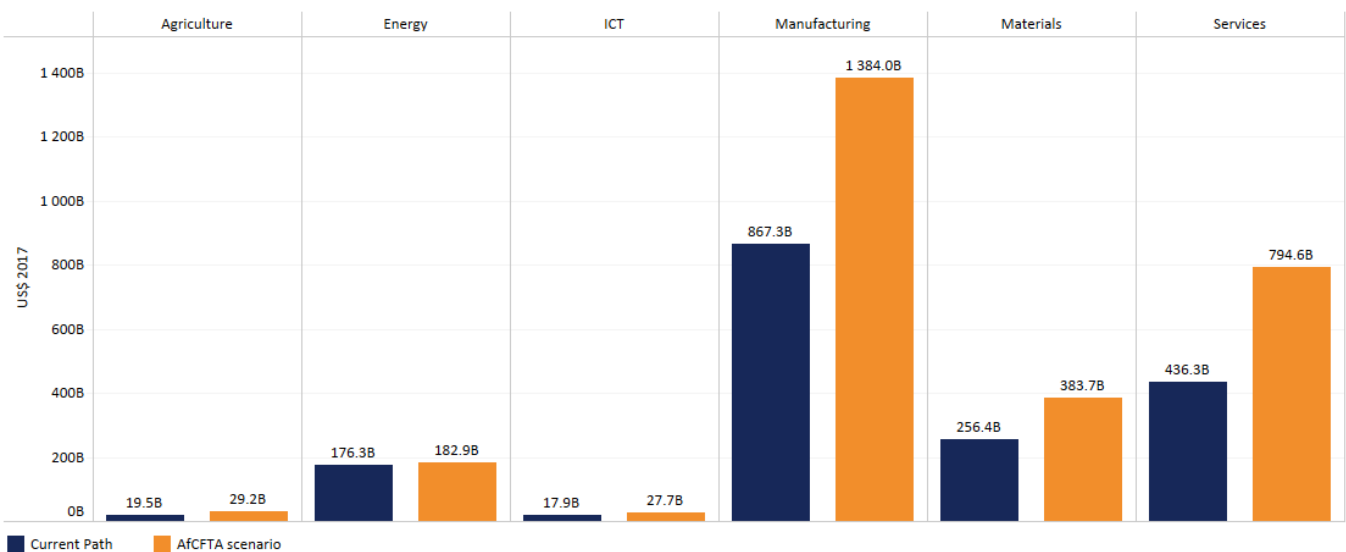
Chart 21: Africa exports as a % of its GDP in AfCFTA scenario and Current Path, 2019–2043



Source: IFs 8.13 initialising from the World Bank and OECD national accounts data

The successful implementation of the AfCFTA would significantly boost Africa’s exports, particularly in the manufacturing and service sector. Chart 22 allows users to toggle between export values and percentage changes for Africa, regions, income groups and countries. In 2043, Africa’s exports would be highly concentrated in manufactured goods—about 49.4% of total exports in the AfCFTA scenario. This finding reinforces the contribution that the full implementation of the AfCFTA would make to industrialisation and reduce Africa’s dependence on commodities exports. The value of Africa’s exports of manufacturing goods is about US\$427.9 billion larger than the Current Path forecast in the same year in 2043. Service exports would account for about 28.3% of total exports, US\$313.3 billion more relative to the Current Path forecast.

Chart 22: Africa exports values by sector in AfCFTA scenario and Current Path, 2043



Source: IFs 8.13 initialising from World Bank and OECD national accounts data

At the low end would be the energy sector. Energy exports would decrease by about US\$11.6 billion (6% lower) relative to the Current Path forecast in 2043. The share of energy exports in total exports would decrease from about 6.9%, in the Current Path forecast, to about 6.5% of Africa's total exports in 2043.

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About the authors

Dr **Blessing Chipanda** joined the African Futures and Innovation (AFI) programme in January 2023. Before joining the ISS he worked as an assistant lecturer/research assistant at the University of Pretoria, Department of Economics. He is particularly interested in tasks within the wider realm of international trade, development economics, public policy, monetary policy, and econometric modelling. Equally interested in economic and socio-economic activities that impact social welfare. Blessing has a PhD in economics from the University of Pretoria, South Africa.

Dr **Jakkie Cilliers** is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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