



The AfCFTA

Impact of the AfCFTA scenario on African countries' exports

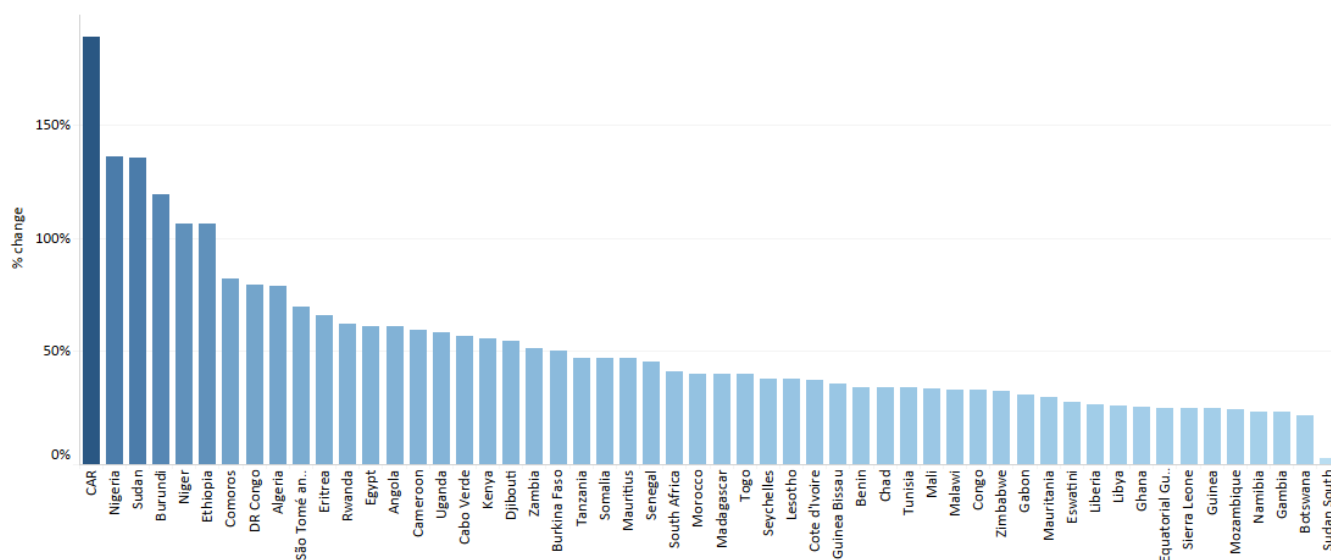
Blessing Chipanda and Jakkie Cilliers

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Chart 23 presents African countries' total exports gains in the AfCFTA scenario in 2043. In the AfCFTA scenario, Nigeria would gain the most in total exports with an increase of US\$152.4 billion relative to the Current Path forecast in 2043. The continent's potential export gains would be heavily concentrated in five major exporters (Nigeria, Egypt, South Africa, DR Congo and Ethiopia) in 2043. These five exporters would account for about 41.7% of the continent's potential total exports in the AfCFTA scenario, while the top 10 exporters would account for about 62.6% in 2043.

Chart 23: Export gains in AfCFTA scenario relative to the Current Path, 2043



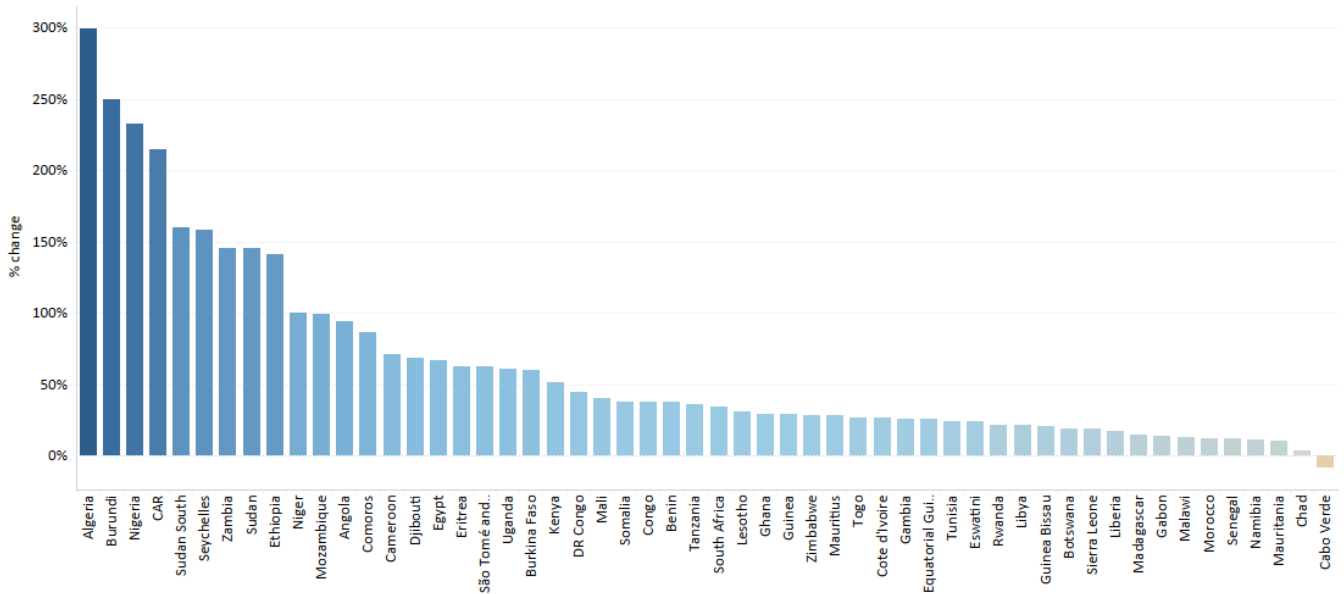
Source: IFs 8.13 initialising from World Bank and OECD national accounts data

The bottom five exporters (Burundi, Sao Tome and Principe, Central African Republic, Comoros and Guinea Bissau) would account for only about 0.2% of Africa's total potential export gains in the AfCFTA scenario in 2043, while the bottom 10 would account for just 0.7%.

Disaggregating the export data by sector also reveals the differential impact of the AfCFTA scenario across countries and sectors. Chart 24 allows the user to toggle export values and percentage change for each of the six sectors within the IFs forecasting platform. Nigeria would experience the most significant increase in manufacturing exports at about US\$102.1 billion relative to the Current Path forecast in 2043, followed by Algeria, Egypt and South Africa. At the low end, Cabo Verde would see manufacturing exports loss relative to the Current Path forecast. Currently, the manufacturing sector of most of Cabo Verde is small and weak.

Chart 24: Sectoral export gains by sector relative to the Current Path forecast, 2043

Toggle between sectors, and absolute and % change



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

Agricultural exports gains relative to the Current Path forecast in 2043, which would be highly concentrated in the top six exporters (Nigeria, South Africa, Ethiopia, Tanzania, Angola and Kenya). Each would gain over US\$0.5 billion, accounting for about 33.4% of the continent’s total agricultural exports in the scenario.

Nigeria would gain the most as its agricultural exports would increase by about US\$1.3 billion relative to the Current Path in 2043. South Africa would have the second largest agricultural export gains relative to the Current Path with its agricultural exports increased by nearly US\$1.2 billion in 2043. At the low end, the agricultural exports of Sudan, Central Africa Republic, Chad, Gambia and Sao Tome would decrease relative to the Current Path forecast in 2043.

Overall, the AfCFTA scenario affirms that the full implementation of the agreement could significantly contribute to diversifying African economies and promoting inclusive growth on the continent. However, the gains from the AfCFTA will vary across states depending on their institutional frameworks, the structure of their economies, their domestic policies and their levels of development, etc.

Without comprehensive policymaking and preferential treatment of Africa’s LDCs, the AfCFTA could be a source of divergence rather than integration. It is, therefore, important that the LDCs build efficient and effective institutional frameworks. To alleviate the negative impacts, dynamic industrial policies must be put in place to encourage productivity, diversification and fair and healthy competition, especially concerning small and medium enterprises (SMEs) and manufacturing.

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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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