

The AfCFTA Country
Business Index (ACBI) :
Summary results for
Angola, Côte d'Ivoire,
Democratic Republic of
Congo, Egypt, Gabon,
Kenya, Morocco
Namibia, Nigeria,
Rwanda, Senegal, South
Africa, and Tunisia

Wafa AIDI

United Nations Economic
Commission for Africa



United Nations
Global Compact



United Nations
Economic Commission for Africa



This project is funded by
the European Union

Plan of the Presentation



The AfCFTA : Where we are ?

- The ratification: 47 AU Member States (**August 2023**)
- Trade in Goods: 48 schedules of tariff concessions received (**June 2023**)
- Trade in Services: 48 schedules of commitments in 5 priority sectors submitted to AfCFTA Secretariat; regulatory frameworks for the 5 priority sectors still under development and to be annexed to the Protocol, with negotiations on the 7 other services sectors to follow (**June 2023**)
- RoO : negotiated at 93,3 per cent (**June 2023**)
- The AfCFTA Phase II : completed
- The AfCFTA implementation : More than 40 member States are in the process of developing these strategies

The ACBI : How it can help?

- The ACBI was launched in 2018 as one of the primary tools through which businesses can voice their views on the implementation of the AfCFTA.
- The ACBI aggregates the opinions of businesses in Africa and articulates them in an index that ranks countries by how well they are implementing the AfCFTA from a business's perspective.
- The AfCFTA Country Business Index provides a unique and powerful monitoring and evaluation tool for African member states to understand the private sector take of the new AfCFTA world.

Methodology: Getting Private Sector right

	Objective	Sub-dimension
Goods restrictiveness and costs	Assess the extent to which businesses view each of the areas related to trade in goods as significant challenges / impediments to trading within the continent. Non-tariff barriers included as sub-dimensions have been aligned to Annex 5 of Agreement establishing the AfCFTA	Tariff barriers
		Customs
		Technical barriers to trade
		Sanitary and phytosanitary measures
		Specific limitations
		Additional charges
		Fraud and corruption
African FTA knowledge and use	Determine business views on the ease of use of FTAs in Africa Assess private sector perceptions of the extent to which countries are proactively engaging with the private sector on the AfCFTA	Awareness of African FTAs
		Ease of use of African FTAs
		Access to information on African FTAs
		FTA rules of origin
Commercial environment	Understand private sector perceptions of the restrictiveness of the investment and services environment in their country Assess private sector perceptions of “new generation” issues being negotiated under the AfCFTA (competition policy, intellectual property rights)	Investment
		Trade in services
		Cost of services
		Intellectual property rights
		Competition policy

Methodology: Getting The Private Sector Perception

- Each dimension is equally weighted within the index, and each sub-dimension equally weighted within each dimension.
- Firm perceptions are collected through a perception ranking scale, ranging from 0 to 10.
 - A score above 5 suggests that firms are positive with regards to that area's impact on their business, or their ability to trade and invest across borders.
 - A score of 5 reflects a neutral perception (i.e., on average firms are neither positive nor negative for the specific area).
 - A score below 5 indicates that, on average, firms have a negative perception of the area of interest.

Methodology : What is the scope ?

Phase 1

- Cameroon and Zambia were selected as the two initial countries in which the pilot survey was to take place

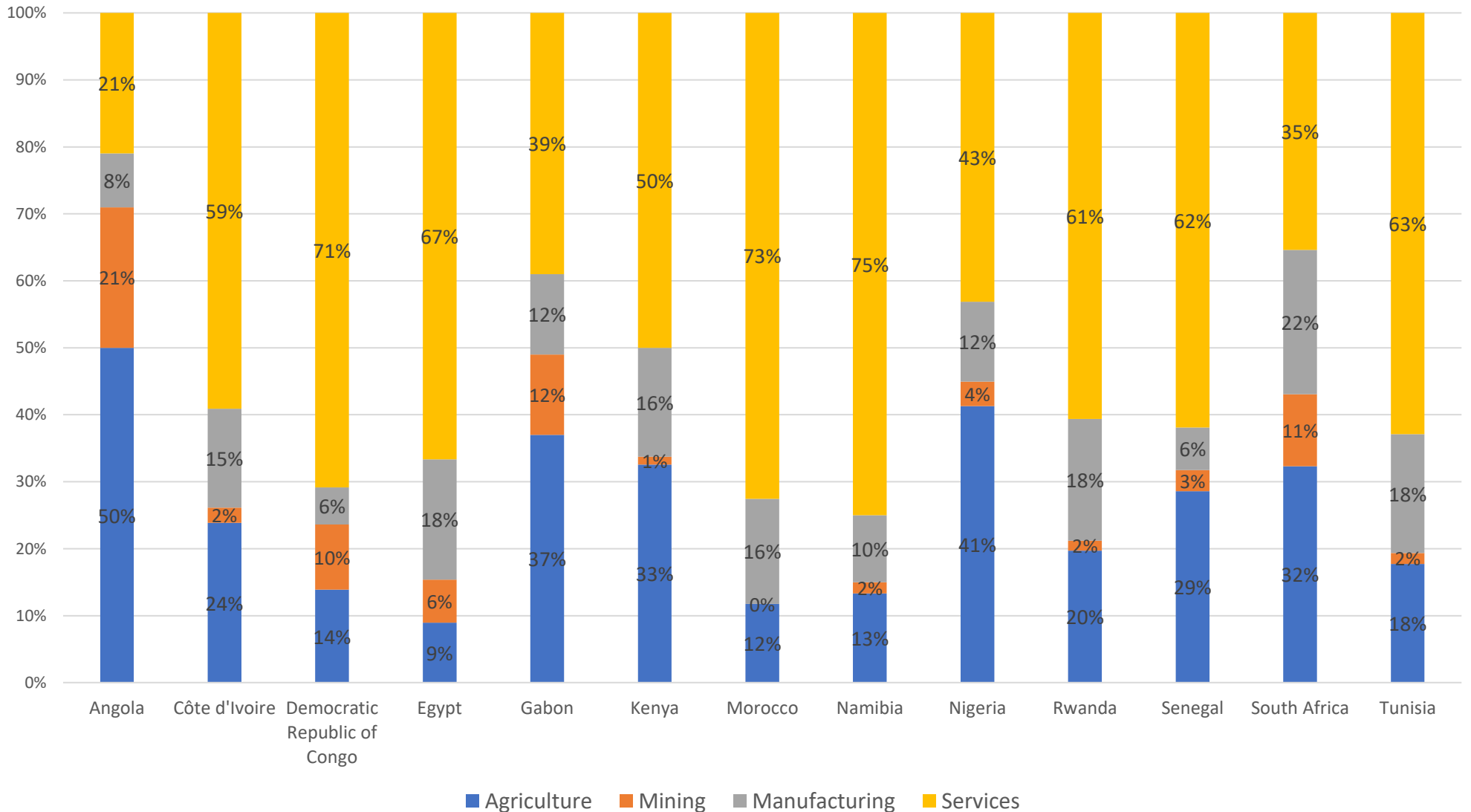
Phase 2

- The ACBI methodology has been refined and surveys conducted in 7 countries namely Angola, Côte d'Ivoire, Gabon, Kenya, Namibia, Nigeria, and South Africa.

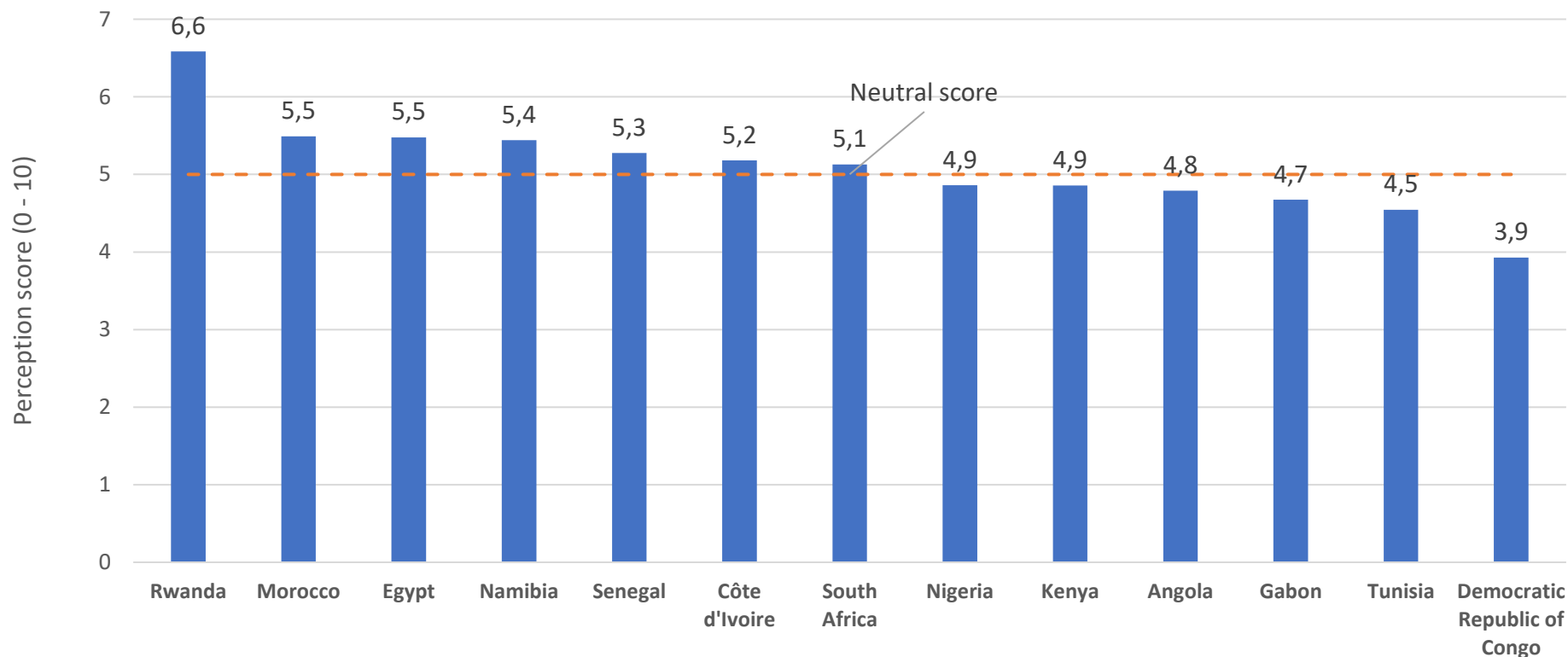
Phase 3

- The ACBI have been rolled out in 6 countries namely the Democratic Republic of Congo, Egypt, Rwanda, Senegal, Tunisia and Morocco

Firm activity of ACBI survey respondents



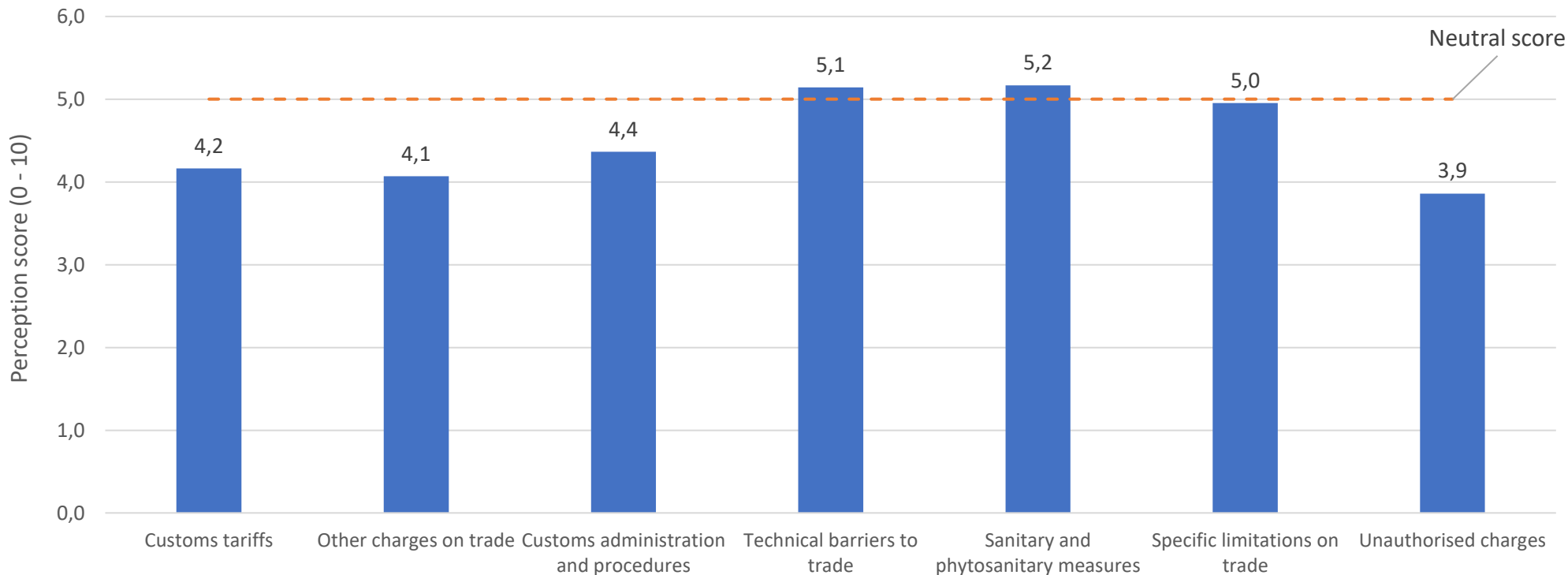
Overall ACBI score by country



Source: ACBI survey

- Businesses in most of the 13 countries are neutral in their perception regarding their country's environment for trading and investing goods across African borders.
- Firms in Rwanda are typically optimistic regarding the investment and trading environment and the enterprises in Democratic Republic of Congo are more pessimistic relative to firms in other countries,

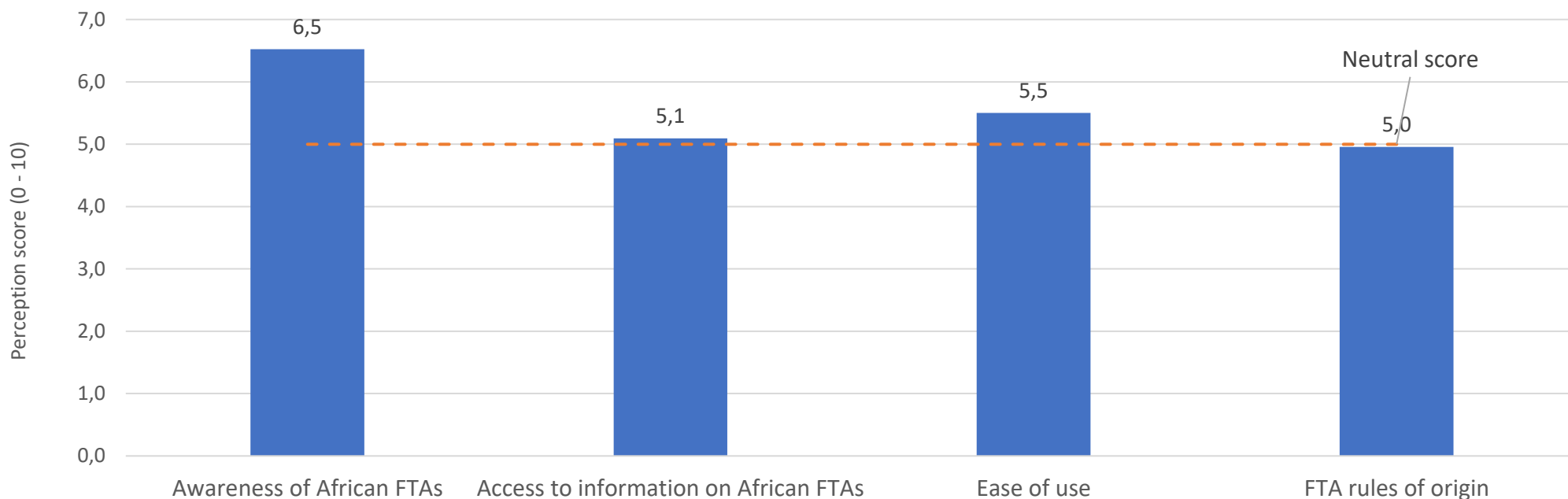
Dimension 1: Goods restrictiveness and costs



Source: ACBI survey

- Firms are neutral to negative regarding the various aspects that impact on their ability to trade goods across borders. The most challenging area is trade in goods and non-tariffs barriers.
- Unauthorised charges and other charges on trade as they are perceived as the most restrictive aspects to trading. Firms appear most positive regarding sanitary and phytosanitary measures and technical barriers.

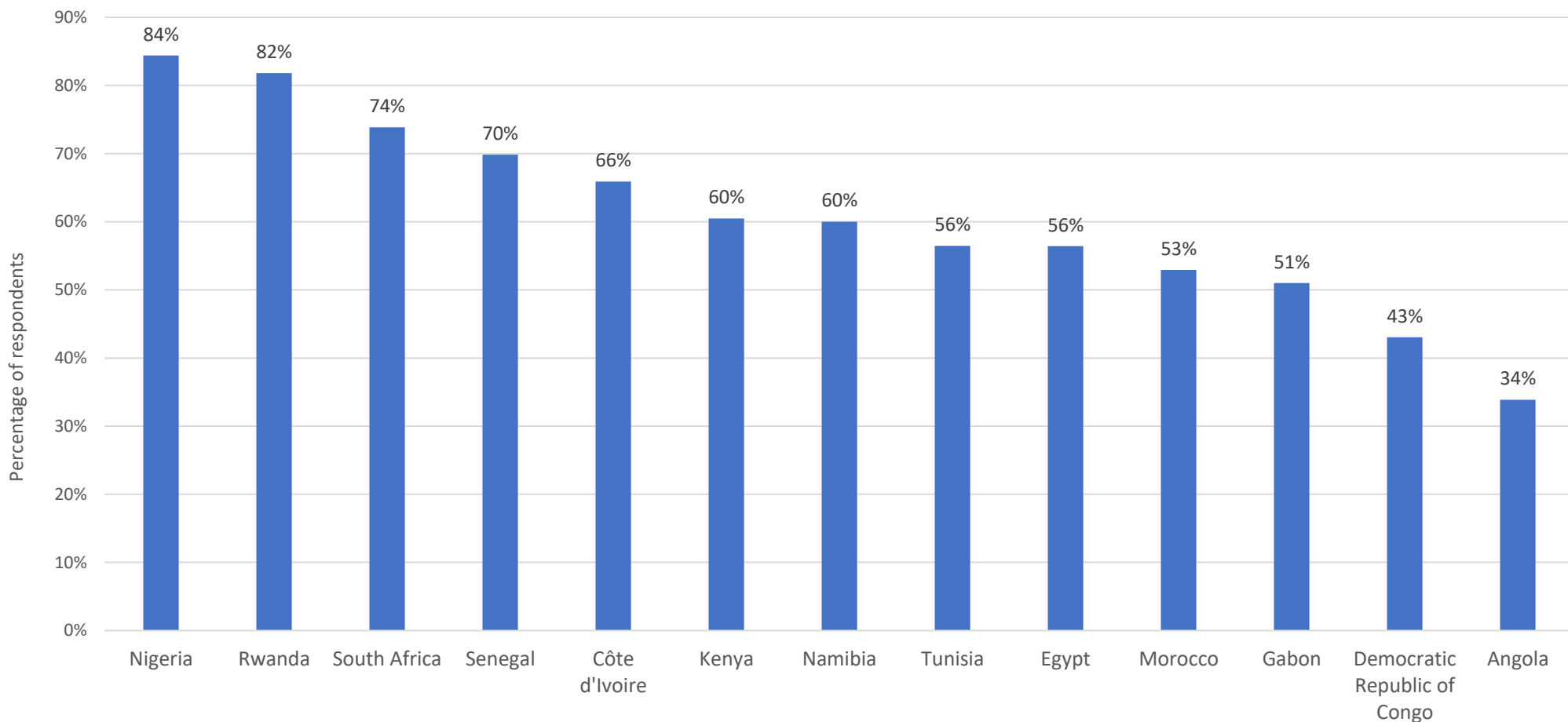
Dimension 2: Awareness and use of FTAs



Source: ACBI survey

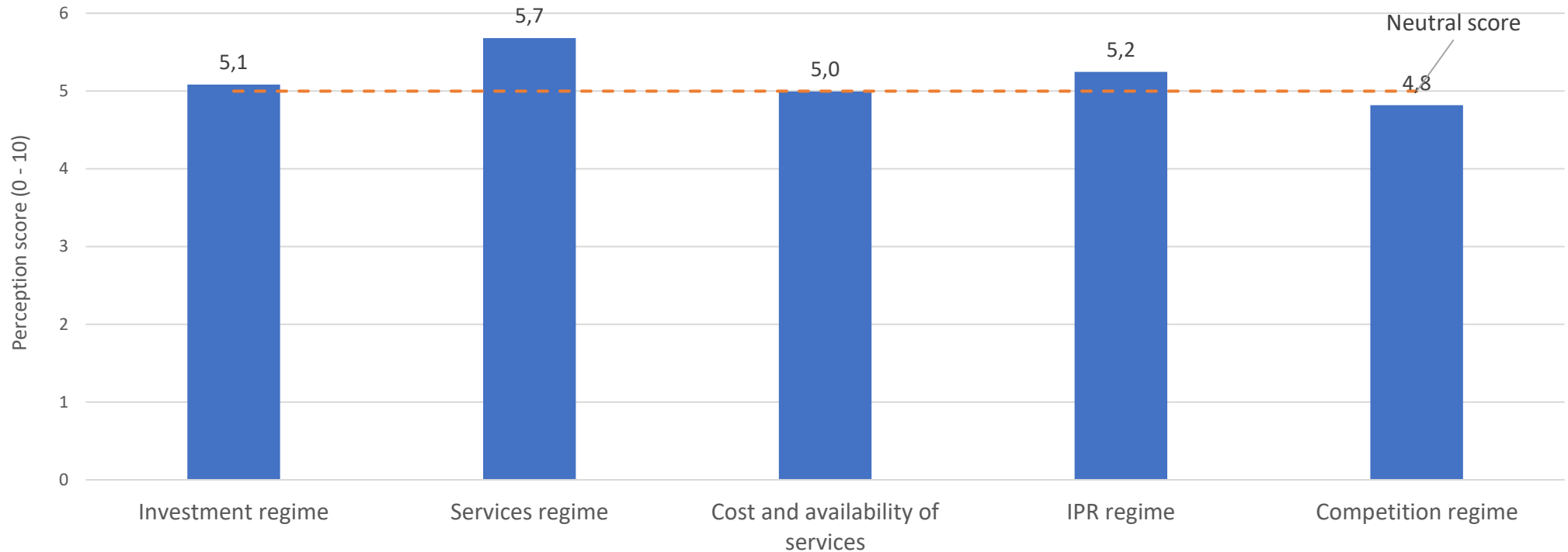
- Firms' awareness of a country's membership of various regional agreements appears to be relatively high. However, awareness of country participation in the AfCFTA ranged from a low of 34% (Angola) to a high of 84% (Nigeria).
- Complying with an FTA's rules of origin (RoO) requirements is perceived as the most restrictive aspect to trading.

Awareness of country's participation in the AfCFTA



Source: ACBI survey

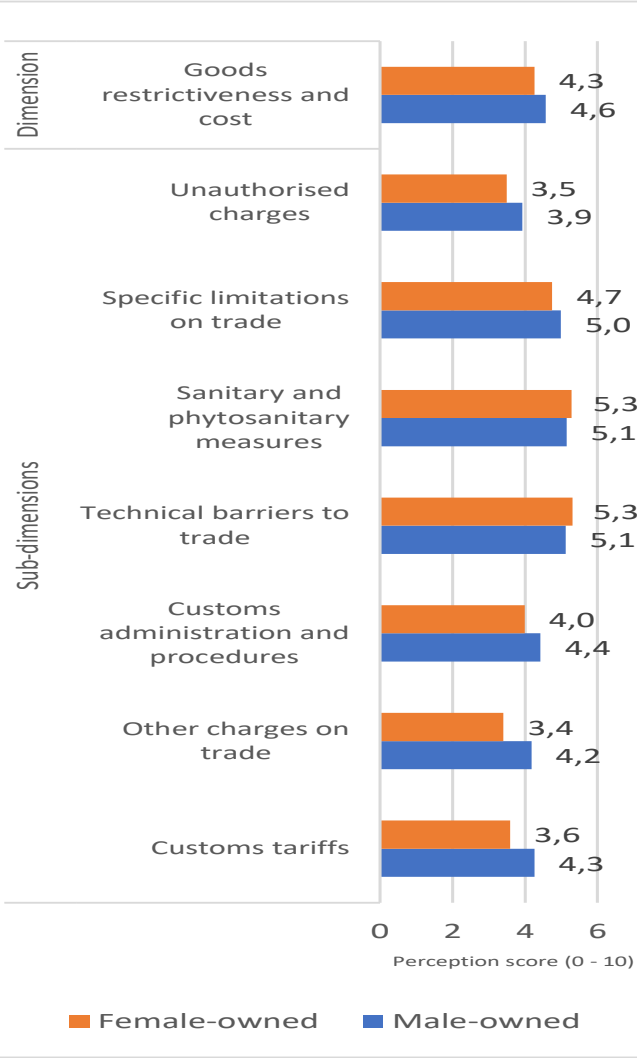
Dimension 3 Commercial environment



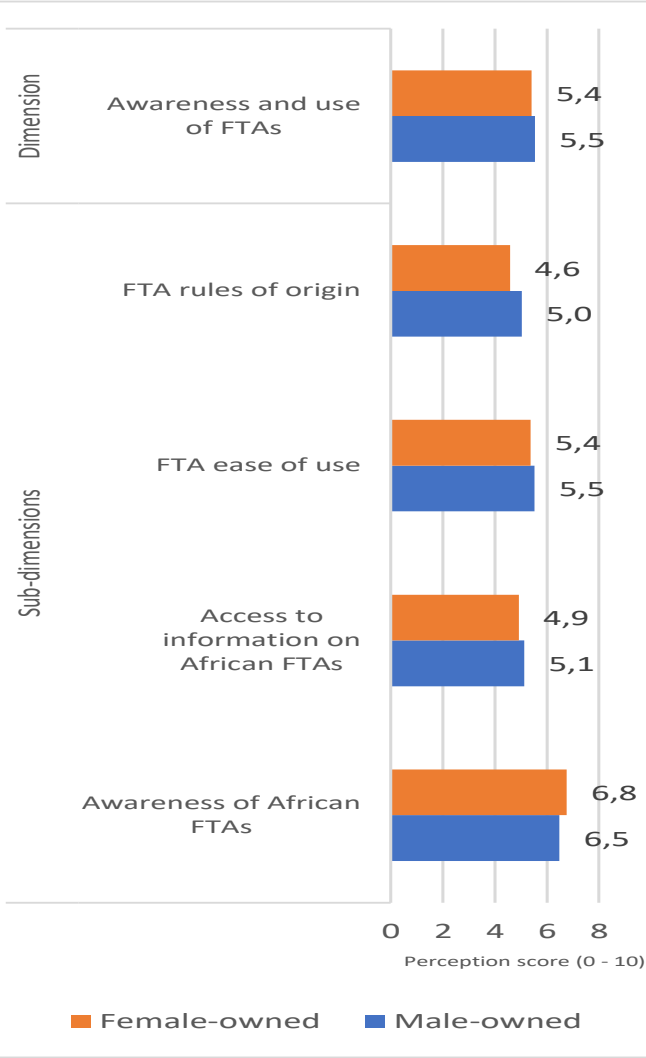
- Companies are generally close to neutral in their perceptions of the commercial regime under which they operate.
- Firms are neutral in their perceptions of the investment regime, scoring 5.1, and the cost and availability of services (5.0). Firms are mildly negative in their perceptions of the competition regime, with this area scoring 4.8 overall.

Overall perceptions: male- and female-owned businesses

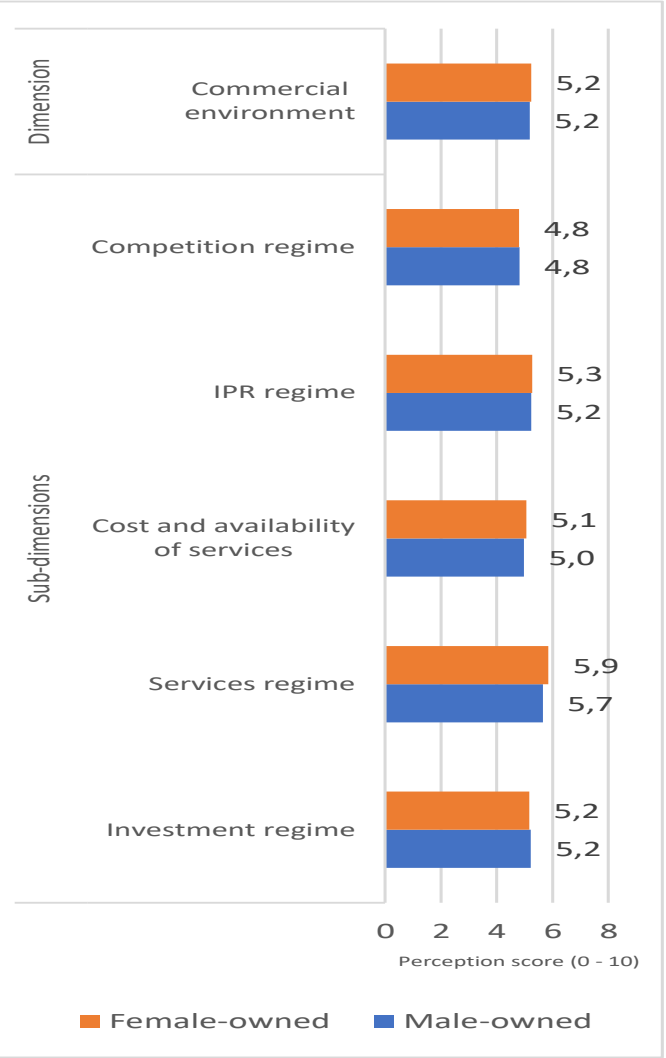
Goods restrictiveness and costs



Awareness and use of FTAs



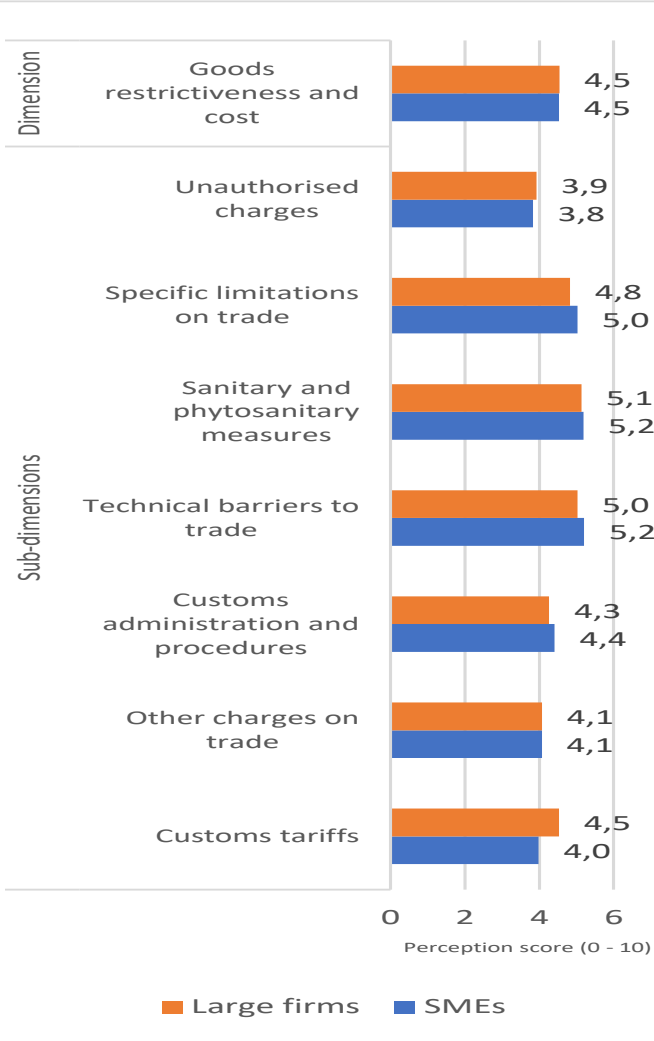
Commercial environment



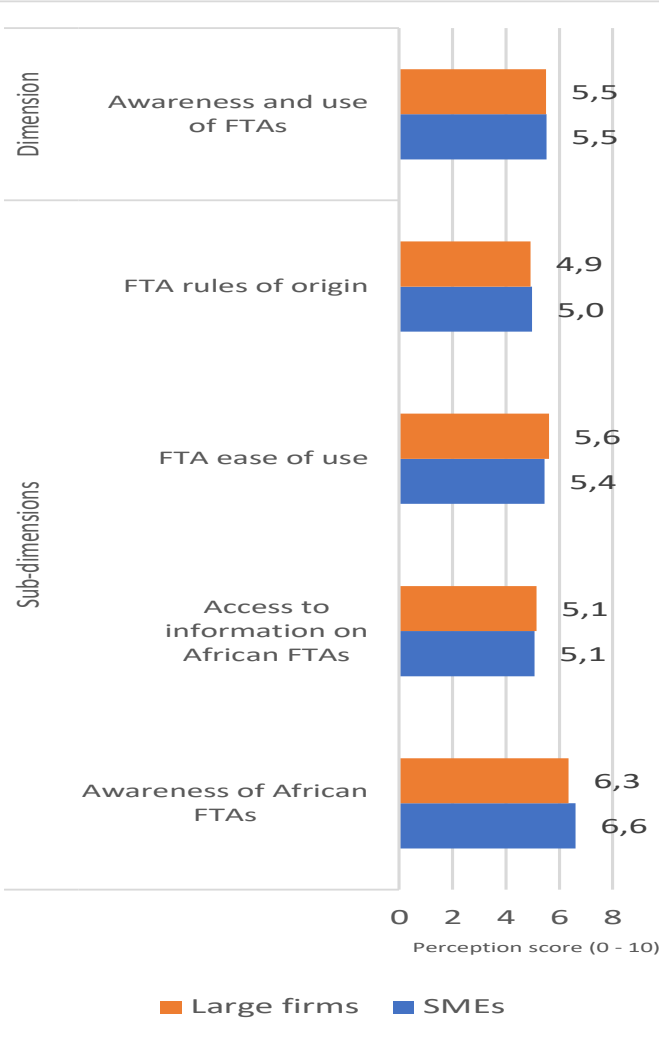
Source: Based on ACBI survey

Overall perceptions: SMEs and large businesses

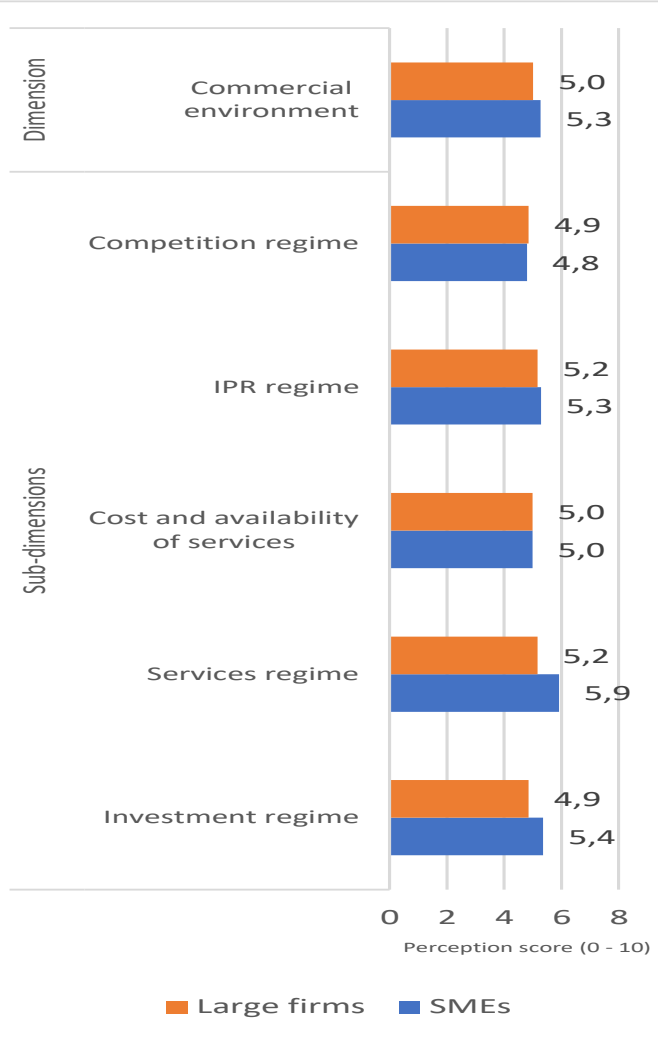
Goods restrictiveness and costs



Awareness and use of FTAs



Commercial environment



Source: Based on ACBI survey

ACBI : Policy Implications

- Agenda 2030 and 2063 recognize the need to accelerate growth of intra-Africa trade as an engine of sustainable development. The AfCFTA Country Business Index can significantly contribute to Africa trade and inclusive development by identifying bottlenecks in trade regimes (Women, SMEs).
- Africa can realize the benefits linked to the AfCFTA namely to boost the share of intra-African trade to 25% in 2045 only by ensuring an active participation of the private sector.
- An important and immediate action point is to build and raise awareness on the AfCFTA opportunities and its mechanisms of operation both at national and continental level.
- It is critical to accompany women traders using specific policy measure with stronger emphasis required on understanding and improving female perceptions of additional and unauthorised charges, customs tariffs, and customs procedures .
- Complying with an FTA's rules of origin requirements is perceived as the most restrictive aspect to trading. The AfCFTA rules of origin (RoO) needs to be simple, practical, and business friendly to enable businesses especially small and medium ones to perceive the economic and social gains expected from the AfCFTA.



THANK YOU!