



# CREATING A UNIFIED REGIONAL MARKET



TOWARDS THE IMPLEMENTATION OF THE AFRICAN CONTINENTAL FREE TRADE AREA IN EAST AFRICA







## CREATING A UNIFIED REGIONAL MARKET

## TOWARDS THE IMPLEMENTATION OF THE AFRICAN CONTINENTAL FREE TRADE AREA IN EAST AFRICA

#### **Economic Commission for Africa**

P.O. Box 4654 Kigali, Rwanda Tel.: (+250) 788 155 400 Web: www.uneca.org

©2020 United Nations Economic Commission for Africa and TradeMark East Africa.

#### All rights reserved.

Designed and printed by DLWV CREATIVE LTD.

First printing: JANUARY 2020 ISBN: 978-99977-775-5-3

#### **Photo Credits**

Section 1 Cover: AfCFTA signing ceremony in Kigali, Rwanda. ECA.

Section 2 Cover: Traffic at the Malaba border. TMEA. Section 3 Cover: The Tanzanian shilling. TMEA.

Section 4 Cover: Three African young girls playing together on digital tablet. Karelnoppe/Shutterstock.com.

Section 5 Cover: Market in Rwanda. TMEA.

Section 6 Cover: Rwanda Revenue Authority office in Gisenyi. TMEA.

Section 7 Cover: Women from a fishing village in Zanzibar. VladKK/Shutterstock.com.

Section 8 Cover: Freight transport truck on Ugandan road. TMEA.

Section 9 Cover: African coffee beans. Andreas Berheide/Shutterstock.com.

Material in this publication may be freely quoted or reprinted.

Acknowledgement is requested, together with a copy of the publication.

The designations used and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the United Nations Economic Commission for Africa (ECA) or TradeMark East Africa concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as "developed", "industrialized" and "developing" are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process.

## **TABLE OF CONTENTS**

TABLE OF CONTENTS	III
LIST OF BOXES	v
LIST OF FIGURES	vi
LIST OF TABLES	vii
LIST OF ACRONYMS	viii
ACKNOWLEDGEMENTS	X
FOREWORD	хi
EXECUTIVE SUMMARY	xiii
OUTLINE OF THE REPORT	xvii
1 INTRODUCTION - THE HISTORICAL CONTEXT	1
2 SETTING THE SCENE FOR THE AFCFTA 2.1. THE CURRENT STATE OF NEGOTIATIONS	<b>5</b>
2.2. THE MACROECONOMIC BACKDROP FOR EAST AFRICA	10
2.3. OVERVIEW OF EXISTING PATTERNS OF INTRA-REGIONAL TRADE	13
2.4. A REGION STILL HEAVILY DEPENDENT ON IMPORTED GOODS	19
2.5. THE DYNAMISM OF THE SERVICE SECTOR	25
2.6. LOW AND DECLINING LEVELS OF INTRA-REGIONAL FDI	30
3 THEORETICAL AND EMPIRICAL PERSPECTIVES ON REGIONAL INTEGRATION AND THEIR RELEVANCE TO EAST AFRICA 3.1. WHAT THEORY TELLS US ABOUT THE CONSEQUENCES	35
OF REGIONAL INTEGRATION  3.2. HOW DOES TRADE GROW IN PRACTICE?	36
MULTILATERAL VS. REGIONAL PROCESSES	39
3.3. EX-POST ECONOMETRIC VERSUS EX-ANTE SIMULATION MODELS	40
4 THE AFCFTA ON EAST AFRICA – RESULTS OF OUR SIMULATION WORK	47
4.1. PARTIAL EQUILIBRIUM RESULTS	48
4.2. GENERAL EQUILIBRIUM RESULTS	53
4.3. IMPLICATIONS FOR REVENUE COLLECTION	57
4.4 DYNAMIC CGE SIMULATIONS – CASES OF ETHIOPIA,	62

5 SOME KEY SOURCES OF BENEFITS EXPLAINED	63
5.1. GENERATING NEW EMPLOYMENT OPPORTUNITIES	64
5.2. FOSTERING INDUSTRIALIZATION	65
5.3. IMPLICATIONS FOR FIRM SIZE AND ECONOMIES OF SCALE	71
5.4. ENHANCING FOOD SECURITY	73
5.5. TACKLING GENDER INEQUALITY	75
5.6. MISCONCEPTIONS ABOUT THE AFCFTA	76
6 OUTSTANDING AREAS FOR NEGOTIATION AND PRIORITIES	70
FOR EAST AFRICA 6.1. RULES OF ORIGIN	<b>79</b> 80
6.2. HARMONISING INVESTMENT REGIMES	82
6.3. CREATING A MORE COMPETITIVE BUSINESS ENVIRONMENT	83
6.4. DEFINING DEVELOPMENT-FRIENDLY INTELLECTUAL PROPERTY RIGHTS (IPRS)	85
6.5. THE FREE MOVEMENT OF PERSONS PROTOCOL	86
7 COMPLEMENTARY INITIATIVES TO THE AFCFTA	89
7.1. BOOSTING INTRA-AFRICAN TRADE (BIAT) ACTION PLAN	90
7.2. THE DEVELOPMENT OF THE NORTHERN AND CENTRAL CORRIDORS	92
7.3. LEVERAGING THE BLUE ECONOMY	96
7.4. CLOSING THE ENERGY INFRASTRUCTURE GAP	97
8 CONCLUSIONS AND RECOMMENDATIONS	98
8.1. CONCLUSIONS	99
8.2. RECOMMENDATIONS	100
9 REFERENCES	102

### **LIST OF BOXES**

Box 1:	What have we learned from the Tripartite Free Trade Area	
	negotiations?	9
Box 2:	Persistent high trade costs impeding export growth –	
	the case of Ethiopia	23
Box 3:	Saham – An example of pan-African expansion	
	in the service sector	34
Box 4:	Partial vs. general equilibrium – reconciling the numbers	59
Box 5:	Steps Towards an East-African Automotive Industry	67
Box 6:	Anticipating Potential Objections to the AfCFTA	77

### **LIST OF FIGURES**

Figure 1.1:	The AU Continental Integration Agenda	2
Figure 2.1:	Architecture of the AfCFTA	7
Figure 2.2:	Real GDP growth in East Africa, Africa and the world,	
	2014-2020	11
Figure 2.3:	GDP by sub-region, 2018	12
Figure 2.4:	Share of trade with Africa selected countries	13
Figure 2.5:	Trade balance between East Africa and key trading partners,	
	2000-2017	15
Figure 2.6:	Composition of Eastern Africa exports by main products,	
	2016-2018	16
Figure 2.7:	RECs intra-African trade in total trade, 2015-2018	17
Figure 2.8:	Shares of GDP from a Demand Perspective, 2017	19
Figure 2.9:	Services trade balance and merchandise trade balance, 2018	26
Figure 2.10:	Estimated contribution of tourism to regional GDP and	
	employment, 2017	28
Figure 2.11:	FDI inflows to East Africa, 2008-2018	31
Figure 2.12:	Cross-border greenfield investment flows within East Africa,	
	2011-2018	32
Figure 2.13:	Sectoral share of extra-African FDI projects to the EAC,	
	2013-2017	33
Figure 2.14:	Sectoral share of intra-African FDI projects to the EAC,	
	2013-2017	33
Figure 4.1:	Geographical distribution of increased intra-African exports	
	from East Africa after tariff liberalization	50
Figure 4.2:	Change in East African exports to Africa by sector	53
Figure 4.3:	Percentage change in value of GDP by country in East Africa	55
Figure 4.4:	Average change in import prices	57
Figure 4.5:	The decline of customs and import duties as a share	

预览已结束, 完整报告链接和二维码如下:

https://www.yunbaogao.cn/report/index/report?reportId=5\_682

