



**CONCEPT NOTE ON THE INFORMATION SHARING WORKSHOP ON
THE AfCFTA AND REGIONAL DIALOGUE ON EMERGING MARKET
OPPORTUNITIES**

1-2 JUNE 2023

SOUTH AFRICA

1. Background

- 1.1 The African Continental Free Trade Area (AfCFTA) is one of the flagship programmes for the African Union Agenda 2063. It is focused on stimulating growth, creating employment, and diversifying economies across the African continent, through the creation of a single African market for goods and services. It is one of the landmark Agreements signed in the history of the African Union. The AfCFTA brings together all fifty-five (55) African Union member States to create a continental free-trade zone with a combined Gross Domestic Product (GDP) of more than USD\$3.4 trillion and a market of over 1.3 billion people.
- 1.2 The Agreement Establishing the AfCFTA was opened for signature on the 21st March 2018, in Kigali Rwanda. As of February 2023, all 55 African States except one have signed the Agreement, whereas forty-three (47) of the 54 signatories (87%) have deposited their instruments of ratification. In SACU, all Member States have signed and ratified the Agreement.
- 1.3 The SACU Secretariat in collaboration with the AfCFTA Secretariat and the UNDP (through its Regional Bureau for Africa) is planning to host a ***two (2) day information Sharing Workshop on the AfCFTA and Regional Dialogue on Emerging Market Opportunities*** from 1-2 June 2023 in Johannesburg, South Africa.
- 1.4 SACU finds it prudent to collaborate with the AfCFTA Secretariat and the UNDP to disseminate information to relevant stakeholders within the SACU region thereby creating synergies for the effective implementation of the AfCFTA. The outcomes of this Seminar will also be used as insights for the ongoing work in sensitising the Business Community on the Trade Agreements concluded by SACU.

2. Operationalisation of the AfCFTA

- 2.1 The operational phase of the AfCFTA was launched during the 12th Extraordinary Session of the Assembly of the Union on the AfCFTA, in Niamey, Niger on 7th July 2019. Start of trading under the AfCFTA Agreement began on 1st January 2021. However, limited number of trading has taken place under the AfCFTA regime as issues of the tariff schedule and rules of origin among the signatory State Parties are yet to be fully finalised.
- 2.2 The implementation of AfCFTA represents a major opportunity for countries to boost growth, reduce poverty and broaden economic inclusion. Supporting this narrative is the 2020 Report by the World Bank which predicts that by 2035, real income gains from full implementation of the Agreement could be 7 percent, or nearly \$450bn. By 2035, the volume of total exports would increase by almost 29 percent relative to business as usual. Intra-continental exports would increase by more than 81

percent, while exports to non-African countries would rise by 1 percent. Therefore, the AfCFTA is expected to lift around 68 million people out of moderate poverty and make African countries more competitive. The inclusive benefits for the AfCFTA will however not come automatically. Deliberate efforts are required to ensure Micro Small and Medium Enterprises (MSMEs) especially those that often left on the margin of lucrative value chains are better integrated to the markets.

3. SACU's position on the AfCFTA

- 3.1 SACU views the AfCFTA as strategic hence the implementation and leveraging on the AfCFTA has been prioritised as one of the pillars which underpin the recently approved SACU Strategic Plan for 2022-2027. In this regard, SACU is looking at positioning itself to take full advantage of the AfCFTA through industrialisation and the development of Regional Value Chains, Export promotion, and Investment Attraction and Promotion.
- 3.2 To execute this mandate, the SACU Secretariat approached development partners such as the UNDP to collaborate on several areas including raising publicity, creating awareness about the AfCFTA rules and related opportunities, and strengthening trade readiness of businesses, especially MSMEs from SACU Member States to seize these market opportunities.
- 3.3 It is within this context that the SACU Secretariat, the AfCFTA Secretariat and the UNDP agreed to create synergies in order to convene a two-day Workshop on the implementation issues related to the AfCFTA for the SACU region.

4. Objectives of the Workshop

- 4.1 The purpose of the Workshop is to provide a platform for business-to-business networking and enhance business interactions between SACU businesses with their counterparts from different regions of the continent. The Workshop will be used to sensitise the Business Community on key elements of the AfCFTA, highlight the opportunities available in terms of accessing the AfCFTA market to facilitate utilisation of the Agreement. Furthermore, the Workshop will serve as a platform for the AfCFTA Secretariat to provide information on various financing facilities and instruments available to support the implementation of the AfCFTA and industrialisation within the continent.
- 4.2 In this regard, the key information that is required include the available financing mechanisms, the processes for accessing such facilities, targeted sectors, and eligibility requirements. As the custodian of these financing facilities, SACU finds it prudent to collaborate with the AfCFTA Secretariat to disseminate information to relevant stakeholders within the SACU region thereby creating synergies for the

effective implementation of the AfCFTA. Similarly, the UNDP has also joined the collaboration to share experiences learnt so far and mechanisms in place, in supporting the AfCFTA process at country and regional levels.

4.3 In addition to information sharing, a business exhibition event will be organised alongside the Workshop to provide a platform for MSMEs including women and youths to showcase their products. This event will be open to all MSMEs from the region and the rest of the AfCFTA Member States. The idea is to link and introduce the MSMEs from all corners of the continent to establish possible supply and sourcing exchanges among themselves. Therefore, the specific objectives of the Workshop are to:

- (a) support and complement SACU Member States' efforts in publicising and creating awareness on the implementation of AfCFTA;
- (b) sensitise the Business Community in SACU on trade and investment opportunities available under the AfCFTA;
- (c) provide information to the Business Community on trade related measures under the AfCFTA;
- (d) provide information to the Business Community, Governments and other Stakeholders on various financing facilities and instruments available to support the implementation of the AfCFTA;
- (e) provide a platform for business-to-business networking cross-regional economic and trade blocks in order to enhance business interactions across different regions of the continent and showcase;
- (f) present potential export/sourcing opportunities for SACU Business within the AfCFTA market.

5. Expected Outcomes

5.1 Based on the above objectives, the Workshop is expected to achieve the following outcome:

- (a) that the SACU Business Community will have enhanced awareness about the opportunities that the AfCFTA presents;
- (b) that the Business Community, Governments, and other Stakeholders are informed about the various financing facilities and instruments available to support the implementation of the AfCFTA and where or how to go about accessing such facilities and make use of them;
- (c) for the Business Community in SACU to obtain a better understanding of and appreciation of the provisions of the AfCFTA as well as the administrative procedures and requirements for exports;
- (d) businesses especially MSMEs within SACU region will have established contacts and networking with their counterparts from other AfCFTA Member States;

- (e) that the exhibition event was successfully held and provided opportunities for businesses including women and youth MSMEs to showcase their products to the rest of the African continent; and
- (f) that the Workshop will contribute to enhanced trade under the AfCFTA.

6. Participants

- 6.1 The target audience for the Workshop will among others, include Traders, MSMEs including youth and women (mainly engaged in cross border trade or planning to do so) from SACU and other regional trade blocs, Government Officials from SACU Member States, Chambers of Commerce and Industry, Customs Administrations, Export/Trade Promotion Agencies, Investors, Research Institutions, key civil society organisations, and the Academia.

7. Date and Venue

- 7.1 The Workshop is scheduled to be held on the 1-2 June 2023, in Johannesburg, South Africa. The Workshop will proceed the regional publicity event on the Authorised Economic Operators (AEO) Programme which is scheduled to run from 29-31 May 2023. The two events are deliberately planned to coincide in order leverage on the presence of the private sector and MSMEs who will participate in the two events.
- 7.2 In order to draw a large number of participants, the Workshop be hosted through a hybrid format of in-person and a virtual platform such as Zoom. An in-person will also be suitable for business-to-business networking and the showcasing/exhibition of products which could potentially be traded under the AfCFTA. The public will have access to the Webinar through the Secretariat's Social Media platforms.

8. Proposed Programme

- 8.1 The Workshop will be held over a two-day period. The exhibition event and business-to-business networking will run parallel to the Workshop. The event will be preceded by the opening ceremony to be graced by the UNDP Country representatives, the Secretary General of the AfCFTA Secretariat, the Executive Secretary of SACU and the Minister of Trade and Industry South Africa. In addition to traders and producers, guest speakers from organisations such as the EAC Secretariat, ECOWAS Secretariat, Business Associations/Chambers from SACU, and other parts of Africa, Tralac, etc, will be invited to the Workshop. A detailed programme is attached herewith as *Appendix I*.