

# AITCR POLICY INSIGHT

## ENHANCING BUSINESS ENGAGEMENT WITH AFCFTA: BRIDGING KNOWLEDGE GAPS AND MAXIMISING TRADE OPPORTUNITIES

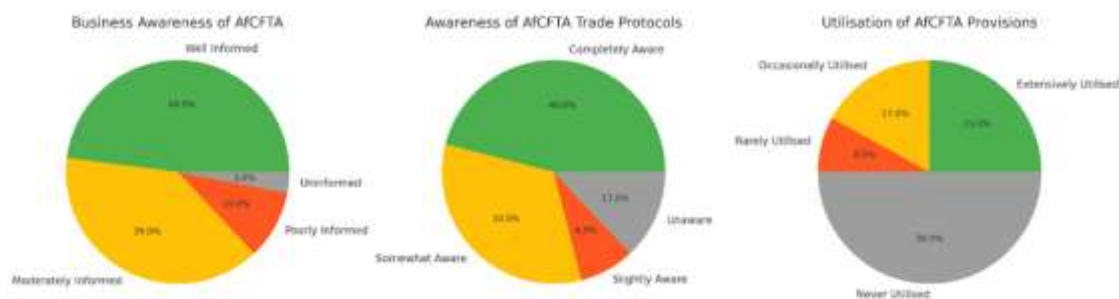
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## Introduction

The African Continental Free Trade Area (AfCFTA) is a landmark initiative designed to accelerate economic integration, enhance intra-African trade, and drive industrialisation. However, despite its potential, many businesses, particularly SMEs and informal traders, remain unaware of its provisions. This knowledge gap significantly limits their ability to leverage AfCFTA's benefits, resulting in suboptimal participation in intra-African trade. This policy brief presents key findings from Africa International Trade and Commerce Research (AITCR) a recent trade poll survey on business awareness and utilisation of AfCFTA provisions, highlighting key barriers and policy recommendations to enhance business participation in the agreement.

The following charts visualise key findings from the trade polls policy brief:

- Business Awareness of AfCFTA (Figure 1) shows the level of awareness businesses have about the AfCFTA agreement.
- Awareness of AfCFTA Trade Protocols (Figure 2) measures businesses' understanding of specific trade protocols under AfCFTA.
- Utilisation of AfCFTA Provisions (Figure 3) illustrates how businesses are using AfCFTA provisions for trade.





## Key Findings

- I. Business awareness of AfCFTA opportunities**
  - a. 87% of respondents possess at least a moderate understanding of AfCFTA's provisions.
  - b. However, 13% remain poorly informed or completely unaware, with SMEs and informal traders disproportionately affected.
  - c. Knowledge gaps are attributed to inadequate outreach efforts, information asymmetry, and limited engagement with businesses.
- II. Maximising AfCFTA benefits through business awareness campaign**
  - a. 46% of respondents demonstrated comprehensive knowledge of AfCFTA protocols, while 33% reported moderate awareness.
  - b. 21% of businesses exhibit limited or no understanding, impeding their ability to leverage trade opportunities.
  - c. Reducing these disparities through targeted education and capacity-building initiatives is important to ensuring equitable participation in AfCFTA-driven trade.
- III. Utilisation of AfCFTA provisions**
  - a. 50% of businesses have never utilised AfCFTA provisions, indicating barriers such as a lack of awareness, regulatory challenges, and infrastructural constraints.
  - b. 25% of businesses have extensively utilised AfCFTA benefits, mainly large firms with greater access to trade-related information and resources.
  - c. To improve engagement, policy efforts must focus on simplifying trade processes, increasing financial support, and enhancing digital trade infrastructure.



## Recommendations

- i. **Enhance AfCFTA awareness and outreach efforts**
  - ✓ Implement nationwide and sector-specific educational campaigns.
  - ✓ Leverage digital platforms, trade fairs, and mass media for broad dissemination.
  - ✓ Develop multilingual educational materials tailored to diverse business sectors.
  - ✓ *Implementation Agencies:* AfCFTA Secretariat, National AfCFTA implementation authority, National Ministries of Trade and Industry, National Chambers of Commerce and Customs.
- ii. **Develop business-centric capacity-building programmes**
  - ✓ Establish training workshops, online courses, and business advisory services.
  - ✓ Develop sector-specific training modules for industries such as manufacturing, agriculture, and e-commerce.
  - ✓ Facilitate mentorship and incubation initiatives to support SME growth.
  - ✓ *Implementation Agencies:* African Business Council (AfBC), Regional Economic Communities (RECs), Africa Manufacturers Association, Pan-Africa Chambers of Commerce and development partners.
- iii. **Improve access to trade finance and market entry support**
  - ✓ Develop AfCFTA-aligned financial instruments, including trade facilitation loans and export credit guarantees.
  - ✓ Establish one-stop trade information centres for SMEs and informal traders.
  - ✓ Simplify bureaucratic processes to reduce compliance costs.
  - ✓ *Implementation Agencies:* Afreximbank, National Investment Promotion Agencies and National Import and Export Bank.
- iv. **Strengthen infrastructure and regulatory support for cross-border trade**
  - ✓ Enhance logistics networks, digital payment systems, and customs modernisation.
  - ✓ Harmonise regulatory frameworks across member states to streamline trade processes.
  - ✓ Digitalise trade documentation to reduce inefficiencies.



- ✓ *Implementation Agencies:* African Union (AU), National Trade and Customs Authorities and National Central Bank.
- v. **Strengthen public-private sector collaboration on AfCFTA implementation**
  - ✓ Foster continuous dialogue between governments, trade organisations, and businesses.
  - ✓ Establish AfCFTA Business Advisory Committees to provide structured engagement.
  - ✓ *Implementation Agencies:* AfCFTA Secretariat, National Trade and Investment Promotion Agencies.
- vi. **Implement continuous monitoring and impact assessment mechanisms**
  - ✓ Conduct periodic surveys and stakeholder consultations on AfCFTA participation.
  - ✓ Publish evidence-based policy recommendations to refine business support initiatives.
  - ✓ *Implementation Agencies:* UNECA, UNDP, National Statistics Offices and Development partners.

## Conclusion

The success of AfCFTA hinges on business awareness and active participation. Bridging existing knowledge gaps through strategic policy interventions will empower SMEs, women-led enterprises, and informal traders to fully utilise AfCFTA's provisions. Through enhanced awareness campaigns, capacity-building initiatives, trade finance accessibility, and regulatory harmonisation, African businesses can maximise the full potential of AfCFTA, fostering inclusive economic growth and regional prosperity. African governments, financial institutions, and private sector actors must collaborate to create an enabling trade environment that supports broad-based business participation, ultimately positioning Africa as a competitive global trade player.

### Call to Action:

Policymakers, trade facilitators, and business leaders must act swiftly to implement these recommendations. Africa can achieve its vision of a seamlessly integrated and economically empowered continent under AfCFTA by bridging knowledge gaps, simplifying trade processes, and enhancing support mechanisms. Now is the time to accelerate efforts towards a more inclusive and sustainable trade future for all African businesses.



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