



Theme | **AfCFTA:**  
**Trade and Investment Opportunities**  
**from a South African Perspective**

## Africa Trade South Africa 2021 Virtual Conference

According to the Minister of Trade and Industry of South Africa - Ibrahim Patel, the AfCFTA presents South African producers and manufacturers of goods with an opportunity for expansion to new markets in West, Central, East and North Africa, thus providing alternative markets for the export of value-added goods and services.

### Background

The historic launch of the African Continental Free Trade Area (AfCFTA) took place on 01 January 2021, signaling a new dawn in Africa. South Africa has found itself in the forefront of the AfCFTA as the launch happened when the country's president, Cyril Ramaphosa, was the Chairman of the African Union. South Africa's commitment to the AfCFTA dates back in 2018 when President Ramaphosa signed the Kigali Declaration in March 2018, which affirmed South Africa's position on the agreement.

The AfCFTA is a free trade area, outlined in the African Continental Free Trade Agreement between 54 of the 55 African Union nations. It is the largest trade area in the world in terms of participating countries since the formation of the World Trade Organization. The agreement seeks to create a single market for goods and services, with free movement of businesspersons and investments across borders, which will strengthen trade and intra-African investment. The combined GDP of the 54 AfCFTA countries is more than \$3,4 trillion and it is estimated that the agreement will further boost intra-African trade by 52% by 2022.

Trade integration between countries has effectively tripled trade and investments. There is a universal accord that integration is the key to unlocking vast opportunities. The agreement gives Africa a distinct advantage, with its growing population, a rising middle class and aggregate GDP, which is expected to triple by 2030. The deepening value chains will not only strengthen regional trade, but also further open access to global markets.

Intra-African trade from 2015 to 2019, averaged 17.2%, far below that of other continents, which are all more than triple its rate. In the same period, the averages from intra-regional trade were as follows: Europe (68.4%), Asia

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(55.3%) and America (54.7%). The continent has set a target of doubling intra-African trade by 2022 (as set out in BAIT - Boosting Intra-Africa Trade), while promoting industrialization and boosting investments. The integrated region and the establishment of the AfCFTA will contribute to the United Nation's (UN) Sustainable Development Goals as well as African Union (AU) Agenda 2063.

Africa Trade South Africa (ATSA) 2021, is a virtual conference which will bring together government and non-governmental institutions, academics, entrepreneurs, corporates, project developers, financiers, African economists, government officials, policy makers, institutional investors, development banks, commercial banks, fund managers, private equity investors, multilateral financial institutions, technology providers, IT and ecommerce companies. ATSA will serve as a virtual platform for these diverse stakeholders to discuss and craft workable strategies on how South Africa can seize trade and investment opportunities presented by the AfCFTA.

South Africa has been viewed as an African powerhouse and must reposition itself as a main player in the larger continental context of the AfCFTA. South African businesses must take a proactive approach in unpacking opportunities that will allow businesses to adopt futuristic approaches, which will not only cater for domestic markets, but recraft its vision for the opportunities brought by this single market.

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