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Boosting Intra-African Trade Crucial to Africa's Development says ECA's Stephen Karingi

Geneva, Switzerland, 11 July 2017 (ECA) - The Aid for Trade Global Review 2017 opened at the World Trade Organisation (WTO) headquarters in Geneva today with the Economic Commission for Africa's Capacity Development Division (CDD) Director, Stephen Karingi, emphasizing the need to boost intra-African trade.

Boosting intra-African trade is the most effective channel for trade to deliver development on the African continent, said Mr. Karingi, adding deeper trade integration is the surest way to speed up Africa's economic transformation.

"Trade contributes towards industrialization and structural transformation. Intra-African trade currently stands at a mere 13 percent of the continent's total trade, which is very low. As the ECA we are saying there's need for African governments to do more to grow intra-African trade," he said, adding Africa's relatively low intra-regional trade is also as a result of barriers created by limited connectivity within the continent.

"With this we should think of physical connectivity, infrastructure, where the gaps remain significant," said Mr. Karingi to participants attending the Africa Session of the Aid for Trade Global Review 2017.

"Equally, we should consider softer aspects of connectivity. Non-tariff and tariff costs both influence how African countries can link with each other."

Higher volumes of intra-African trade, said Mr. Karingi, are essential so African countries can do business with each other more frequently and with wider margins. He said policies to enhance intra-regional trade on the continent are crucial, adding strategies to implement, enforce and monitor their progress and impact are also needed.

This year's Global Review is dedicated to the theme of "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development", and will provide an opportunity for stakeholders to look at how Aid for Trade (AfT) can contribute to the integration of developing countries and least developed countries into the multilateral trading system and the achievement of the 2030 Agenda for Sustainable Development.

The Global Review will in the next three days examine how Aid for Trade promotes connectivity and inclusion and focus on crucial trade and development issues, such as the trade dimension of the SDGs, digital connectivity, women's empowerment and trade facilitation.

Mr. Karingi said key initiatives on the continent for boosting intra-African trade include the

on-going Continental Free Trade Area (CFTA) negotiations, which are set to be concluded this year, and the Boosting Intra-African Trade initiative (BIAT).

BIAT, he said, is a useful framework for addressing connectivity issues in Africa while the CFTA aims to, among other things, create a single continental market for goods and services, promote the free movement of business persons and investments and expand intra-African trade. The CFTA is also expected to enhance competitiveness at the industry and enterprise levels.

Mr. Karingi also spoke about the Action Plan for Boosting Intra-African Trade which has seven priority clusters: trade policy, trade facilitation, productive capacity, trade-related infrastructure, trade finance, trade information and factor market mobility.

“For Aid for Trade to deliver on Africa's priorities, it should be aligned with these frameworks and the continent's priorities,” he said.

The entry into force of the WTO's Trade Facilitation Agreement (TFA) on 22 February 2017 has given trade policymakers a powerful tool for reducing the physical trade costs that prevent many firms in developing countries from participating in international trade.

Implementation of the TFA, and the benefits to developing countries from the associated reforms, will be one of the key themes addressed at the Global Review.

Another key theme of the Global Review is how firms are using digital technology to log on to the multilateral trading system.

Action to bridge the digital divide, and in particular the strong gender dimension to this divide, will also be discussed as it the Review aims to address women's economic empowerment and examine how Aid for Trade is promoting women's empowerment as part of broader efforts to advance the 2030 Agenda for Sustainable Development.

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