Primer for the AfCFTA Country Business Index (ACBI)

Summary results for Angola, Côte d’Ivoire, Gabon, Kenya, Namibia, Nigeria, and South Africa

February 2022
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The African Continental Free Trade Area (AfCFTA) agreement officially commenced operationalization a year ago, forming the cornerstone of trade integration in Africa. The objective of the AfCFTA encompasses the creation of a single continental market and aims to enhance competitiveness at the enterprise level. From a business perspective, the AfCFTA is a tool to help African businesses benefit from the great opportunities that our growing continent can offer on both the supply and demand sides.

Alongside the AfCFTA, the AfCFTA Country Business Index (ACBI) was launched in 2018 by the Executive Secretary of the United Nations Economic Commission for Africa (ECA)\(^1\). The ACBI is seen as one of the primary tools through which businesses can voice their views on the implementation of the AfCFTA by identifying main trade constraints. The ACBI aggregates the opinions of businesses in Africa and articulates them in an index that ranks countries by how well they are implementing the AfCFTA from a business’s perspective.

A key focus of the ACBI is to understand business perceptions of trading under the free trade agreements (FTAs) already in force across African countries. By focusing explicitly on the constraints and challenges faced by private business, the ACBI is a tool through which key private sector challenges on cross-border activity can be distilled and identified through the following main objectives:

- Measure the extent of implementation of broader African integration and trade related developments, based on private sector views.
- Understand business perceptions of trading under the free trade agreements (FTAs) already in force across African countries.
- Assess the perceived impact of the AfCFTA on the private sector’s ability to trade and invest across African borders, once the AfCFTA is operationalised.

\(^1\)ECA has commissioned the ACBI data collection to DNA Economics and Ask Afrika under the leadership of Mr. Yash Ramkolowan, Director, DNA Economics. The ECA team is constituted by Ms. Wafa Aidi, Economic Affairs Officer, Regional Integration and Trade Division (RITD), Mr. Rodgers Mukwaya, Economic Affairs Officer, Sub-regional office for East Africa (SRO-EA) and Mr. Thomas Yapo, Consultant, RITD under the leadership of Mr. Stephen Karingi, Director, RITD and Ms. Mama Keita, Director, SRO-EA, ECA
In its conceptualization, the ACBI is closely linked to the AfCFTA. This agreement covers policy issues and areas beyond just the trade in goods. Negotiations under this agreement will cover trade in services, investment, competition policy and intellectual property rights with future rounds of negotiations also covering issues related to e-commerce. The ACBI consists of 3 broad dimensions:

- **Goods restrictiveness and costs:** this dimension seek to understand business perceptions of the ease / difficulty of trading across borders in Africa.

- **African FTA knowledge and use:** this dimension summarise firm perceptions of their awareness, information access and use of African FTAs.

- **Commercial environment:** this dimension capture business perceptions of the domestic environment related to services and other “new generation” issues under negotiation in the AfCFTA.

Following the launch of the index, ECA embarked on piloting and refining this index as a tool to measure and compare business views on the implementation of the AfCFTA across the continent. Cameroon and Zambia were selected as the two initial countries in which the pilot survey was to take place.

Subsequent to this pilot, the ACBI methodology has been refined and surveys conducted in a further 7 countries namely Angola, Côte d’Ivoire, Gabon, Kenya, Namibia, Nigeria, and South Africa. This summary includes results based on the 2nd phase rollout. At a 3rd phase, the ACBI will be rolled out in the Democratic Republic of Congo, Egypt, Rwanda, Senegal, and Tunisia. (Figure 1)
Figure 1: The implementation of the AfCFTA Country Business Index (ACBI)
ACBI approach and methodology

The ACBI differs from other integration-focused indices, with the index fully informed by private sector perceptions, rather than secondary data, making it truly representative of African business. The ACBI is unique in that it focuses on Africa integration by targeting businesses based in and trading (and investing) across African countries and borders.

The link between the ACBI dimensions (and sub-dimensions) is summarised below in Table 1.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Sub-dimension</th>
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<tr>
<td>Goods restrictiveness and costs</td>
<td>Tariff barriers</td>
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<td>Customs</td>
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<td></td>
<td>Technical barriers to trade</td>
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<td></td>
<td>Sanitary and phytosanitary measures</td>
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<td>Specific limitations</td>
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<td>Additional charges</td>
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<td></td>
<td>Fraud and corruption</td>
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<tr>
<td>African FTA knowledge and use</td>
<td>Awareness of African FTAs</td>
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<td></td>
<td>Ease of use of African FTAs</td>
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<td></td>
<td>Access to information on African FTAs</td>
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<td></td>
<td>FTA rules of origin</td>
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<tr>
<td>Commercial environment</td>
<td>Investment</td>
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<tr>
<td></td>
<td>Trade in services</td>
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<td></td>
<td>Cost of services</td>
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<tr>
<td></td>
<td>Intellectual property rights</td>
</tr>
<tr>
<td></td>
<td>Competition policy</td>
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</table>

Source: Based on ACBI Project
The dimensions are closely linked to the AfCFTA negotiations and outcomes, all of which focus on deepening integration across the continent. Dimension 1 aims to understand business perceptions of the ease / difficulty of trading in goods across borders in Africa and is directly linked to phase 1 of the AfCFTA negotiations on trade in goods. The objectives of the AfCFTA’s Protocol on Trade in Goods are primarily centred on creating a liberalised market in Africa through the elimination of tariff and non-tariff barriers to trade. In particular, Annex 5 of the Agreement establishing the AfCFTA has informed the non-tariff barrier sub-dimensions that have been included in this dimension.

Dimension 2 focuses on firm awareness and use of African FTAs, including the AfCFTA. This dimension has been included in recognition of the fact that the success of regional trade agreements depends, in part, on their ease of use and the extent to which private sector firms are aware of the preferential arrangements. This is especially important within the context of African integration and the AfCFTA for two reasons.

First, the current format of the AfCFTA negotiations (on trade in goods) implies that the AfCFTA will not replace existing FTAs in Africa, at least in the short-term. This means that a significant portion of preferential trade within Africa is likely to take place through FTAs outside of the AfCFTA. Second, there are multiple regional economic communities (RECs) and FTAs in place across Africa (beyond the eight officially recognised by the AU), some of which also have overlapping membership. This makes understanding the extent of awareness and ease of use of these agreements for the private sector additionally important in determining the challenges and success of integrating trade in goods across the continent.

Dimension 3 covers the domestic environment related to “new generation” issues under negotiation in the AfCFTA. Specifically, this dimension covers issues related to trade in services, a priority focus area under phase 1 of the AfCFTA negotiations (and covered under the AfCFTA’s Protocol on Trade in Services). This dimension also covers areas related to cross-border investment, intellectual property rights and competition policy, all of which are areas of integration which form part of phase 2 of the AfCFTA negotiations. Protocols for these areas are yet to be finalised and remain subject to negotiation, but some questions on these areas have already been included in the ACBI.

The survey of businesses was primarily undertaken through the online channel, with telephonic and face-to-face interviews supplementing this where necessary. The survey is based on a minimum targeted sample of 50 completed responses in each country. The strong buy-in from country chambers of commerce and business associations was incremental to the success of the ACBI rollout.
Firm perceptions are collected through a perception ranking (Likert) scale, ranging from 0 to 10. The index, dimension and sub-dimension scores will aggregate these perception scores to provide an aggregate score for each country, ranging from 0 to 10, where a higher score implies that a country is perceived by businesses in that country to be “performing” better in addressing trade, investment, and integration issues in Africa. A small number of questions / indicators included in the index (from the ACBI questionnaire) are Boolean in nature (e.g., requiring a Yes/No response) or are percentage-based. For these indicators, a straight-line conversion to match the Likert scale was undertaken before they are incorporated within the index.

For the ACBI each dimension is equally weighted within the index, and each sub-dimension equally weighted within each dimension. This implies that questions are only weighted equally within each sub-dimension.

As a perceptions index, the results can be interpreted based on firm perceptions of various aspects relating to trading and investing across African borders. A score of 5 reflects a neutral perception (i.e., on average firms are neither positive nor negative for the specific area). A score below 5 indicates that, on average, firms have a negative perception of the area of interest. Conversely, a score above 5 suggests that firms are positive with regards to that area’s impact on their business, or their ability to trade and invest across borders.

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2 The survey questions are structured in such a way that firms provide the perceptions of their own country in relation to trading and investing across borders.

3 In some cases, this also reflects an “awareness” sentiment. A score above 5 reflects high awareness, below 5 low awareness.
Overall, the ACBI average score (4.9) reveals that businesses in Angola, Côte d’Ivoire, Gabon, Kenya, Nigeria, Namibia, and South Africa are neutral in their perception regarding their country’s environment for trading and investing goods across African borders. Firms appear to be, in general, mildly negative to neutral overall regarding the environment for investing and trading goods across African borders. It is therefore important to understand the main drivers of this perception. The 7 member states included in this report have deposited their instruments of ratification. There is a need here to support enterprises identifying strategic interests and market opportunities to ensure that the private sector fully benefit from the AfCFTA.

At dimensional level, the average score reveals that African countries performed better in the Dimension 2 Awareness and use of FTAs, followed by Commercial environment and after Goods restrictiveness and costs. It seems that the areas related to trade in goods constitutes significant challenges / impediments to trading within the continent. Special focus should be dedicated to unauthorised charges and other charges on trade as they are perceived as the most restrictive aspects to trading. Firms appear most positive regarding sanitary and phytosanitary measures and technical barriers.

For the Dimension 2 relative to Awareness and Use of the FTAs, firms’ awareness of a country’s membership of various regional agreements appears is relatively high. For the AfCFTA, 64% of firms across all countries indicating awareness of their country’s participation in the AfCFTA.

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4 Unauthorised charges refer to bribery and corruption at a country’s border posts or along transport routes. Other charges on trade refer to additional customs, border and product surcharges, price controls, reference prices, additional variable charges on goods, statistical taxes, import licence fees, etc.

5 All 7 countries included in this ACBI report have signed, ratified, and deposited their instrument of ratification for the AfCFTA.
Complying with an FTA’s rules of origin requirements is perceived as the most restrictive aspect to trading. This can be partly explained by the difficulty to conforming to these rules and may be particularly onerous for informal traders and especially women.

The ACBI scores vary across countries which translates differences in business perceptions between countries. The AfCFTA national implementation strategy should be informed by the perception of national firms on the main trade challenges to trading and investing under the AfCFTA. In South Africa, Namibia and Nigeria, businesses are relatively positive in their perceptions to Awareness and use of FTA comparing to other dimensions. However, they seem to more positively impacted by the Commercial Environment in Gabon, Angola, and Cote d’Ivoire.

- There is a clear distinction in perceptions between male-owned and female-owned business. Overall, it appears that trading across borders is more challenging for female-owned firms compared to male-owned firm. Therefore, African countries should design specific policy response in support of an inclusive implementation of the AfCFTA. Across all 7 sub-indices of the goods restrictiveness and costs index, female-owned businesses perceived these areas as more significant challenges, when compared to male-owned businesses.
The ACBI results reveal that all countries are close to the neutral mid-point. This suggests that overall, firms in Angola, Côte d’Ivoire, Gabon, Kenya, Namibia, Nigeria, and South Africa were either moderately negative or moderately positive regarding the intra-African trade and investment environment. Overall, African countries should double their efforts to enhance the business environment and improve the perception of enterprises of doing business from and across Africa. This could be done by focusing on measures and procedure that can help galvanising more intra-African trade and investment to key priorities sectors with high developmental impact.

The overall score differs across African countries with Namibian firms being the most positive (5.4) in their perceptions to business environment in Africa followed respectively by Côte d’Ivoire (5.2) and South Africa enterprises (5.1). Namibian, Ivoirian, and South African companies generally find trading and business conditions as mildly supportive of trade. There is here important lessons and best practices to be identified and replicated in other countries to ensure that the AfCFTA translates into business opportunities and
increased trade, investment in support of Africa sustainable development.

- Countries scoring below the neutral point included Gabon, Angola, Kenya, and Nigeria, implying that businesses in these countries have moderately negative perceptions regarding their country’s environment for investing and trading goods across African borders. Additional efforts should be directed in these countries to facilitate trading and investing within and across the continent. It is therefore important to understand the bottlenecks for each country to operate the required trade reforms.

3.2 Dimension 1: Goods restrictiveness and costs

3.2.1 Overall perceptions: Goods restrictiveness and costs (scale between 0 and 10)

- This dimension assesses the extent to which businesses view each of the areas related to trade in goods as significant challenges/impediments to trading within the continent. The Non-tariff barriers included as sub-dimensions have been aligned to Annex 5 of Agreement establishing the AfCFTA.

- For the trading environment (goods restrictiveness and costs), for all respondents (across all countries), firms are typically neu-
3. ACBI MAIN results

tral to negative regarding the various aspects that impact on their ability to trade goods across borders. Firms appear most positive regarding sanitary and phytosanitary measures and technical barriers, scored above the neutral mid-point of 5.0.

- However, for all other sub-dimensions relating to trade in goods, the average score was below the neutral mid-point and thus perceived by firms to be an impediment (or challenge) to overall trade activities. Firms were, on average, especially negative in relation to unauthorised charges and other charges on trade, suggesting that these are perceived as the most restrictive aspects to trading. Customs tariffs and customs administration and procedures also perceived as moderate impediments to trade scoring 4.1 and 4.2 points respectively.

### 3.2.2 Dimension score by country – Goods restrictiveness and costs (scale between 0 and 10)

![Graph showing dimension scores by country for goods restrictiveness and costs.](image)

**Source:** Based on ACBI survey

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6 Unauthorised charges refer to bribery and corruption at a country’s border posts or along transport routes. Other charges on trade refer to additional customs, border and product surcharges, price controls, reference prices, additional variable charges on goods, statistical taxes, import licence fees, etc.
In terms of Dimension 1 (Goods restrictiveness and costs), all countries scored below the neutral point, suggesting that all countries are somewhat negative in their perceptions of the overall trading environment. Nigeria scored the lowest across all sub-dimensions with an average score of 3.9 points. In contrast, Angola and Namibia scored relatively higher than other countries. South Africa was the second-best performer relative to other countries, followed by Gabon, Kenya, and Côte d'Ivoire. At the sub-dimension level, the most prominent areas where firm respondents were particularly pessimistic included issues related to unauthorised charges, additional charges on trade and customs procedures and administration.

### 3.3 Dimension 2: Awareness and use of FTAs

#### 3.3.1 Overall perceptions: Awareness and use of FTAs (scale between 0 and 10)

- This dimension focuses on firm awareness and use of African FTAs, including the AfCFTA, as well as firm ability to access information on doing business in other African countries.
- For all respondents (across all countries), 3 of the 4 sub-dimensions in the awareness and use of FTAs dimension have been scored above the neutral midpoint of 5.0. This suggests that firms perceive the ability to access information...
on, and utilise, African FTAs in a moderately positive manner.

- Firms’ awareness of a country’s membership of various regional agreements appears to be relatively high, with this dimension averaging close to 7 across all respondents. Importantly for the AfCFTA, average firm awareness sits slightly below two-thirds, with 64% of firms across all countries indicating awareness of their country’s participation in the AfCFTA. Complying with an FTA’s rules of origin requirements is perceived as the most restrictive aspect to trading, scoring 4.5 points.

### 3.3.2 Dimension score by country – Awareness and use of FTAs (scale between 0 and 10)

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>4.6</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>5.6</td>
</tr>
<tr>
<td>Gabon</td>
<td>4.6</td>
</tr>
<tr>
<td>Kenya</td>
<td>5.4</td>
</tr>
<tr>
<td>Namibia</td>
<td>6.0</td>
</tr>
<tr>
<td>Nigeria</td>
<td>5.7</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Source: Based on ACBI survey

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7 All 7 countries included in this ACBI report have signed, ratified, and deposited their instrument of ratification for the AfCFTA.
Businesses are relatively positive in their overall perceptions, with an average score of 5.4 reported on firm awareness and use of FTAs across all countries. However only 5 of the 7 countries have scored above the neutral point. This includes Côte d’Ivoire, Kenya, Namibia, Nigeria, and South Africa. Angola and Gabon reported the lowest scores, each scoring 4.6, respectively. Relative to other countries, Angola and Gabon appear to severely lag their counterparts, suggesting that relatively more work is required to ensure firms are aware and can access the trading opportunities through the respective FTAs.

Firm awareness pertaining to participation in the AfCFTA, was at least 51% in 6 of the 7 countries analysed with Nigerian firms reporting the highest awareness, with 84% of firms, whilst in Gabon only 51% of firms demonstrated awareness of participation in the AfCFTA. South African firms have also demonstrated substantial awareness with around 3 in 4 firms (74%) indicating awareness. For Côte d’Ivoire, Kenya and Namibia awareness sits above 60% (66%,60% and 60% respectively), with Angolan firms indicating a markedly low awareness of participation of the AfCFTA (34%).

Relatedly firms have generally reported extremely high levels of awareness of country participation in the respective FTA, with at least 93% of firms in 5 of the 6 countries analysed, reporting awareness of the respective FTA. Kenyan firms have demonstrated the highest awareness of country participation in their respective FTAs, with 100% of firms reporting awareness of the East African Community (EAC) and 97% of firms in respect of the Common Market for Eastern and Southern Africa (COMESA), with the lowest awareness reported by Gabonese firms with 66% of firms reporting awareness of the country’s participation in the Central African Economic and Monetary Community (CEMAC/UDEAC).

For the remaining countries, firms’ awareness of participation in the Economic Community of West African States (ECOWAS) includes 93% for Ivorian and 96% for Nigerian firms respectively, with awareness of the Southern African Development Community (SADC), 95% for Namibian firms and 94% for South African firms.
3.4 Dimension 3: Commercial environment

3.4.1 Overall perceptions: Commercial environment sub-dimensions (scale between 0 and 10)

- The commercial environment dimension covers the domestic environment related to key regulatory aspects, aligned to the issues under negotiation in the AfCFTA. Specifically, this dimension covers issues related to the trade in, and cost of, services, a priority focus area under phase 1 of the AfCFTA negotiations (and covered under the AfCFTA’s Protocol on Trade in Services). This dimension also covers areas related to cross-border investment, intellectual property rights and competition policy, all of which are areas of integration which form part of phase 2 of the AfCFTA negotiations.

- Based on the average scores across the commercial environment sub-dimensions, companies are generally close to neutral in their perceptions of the commercial regime under which they operate. Firms across all countries have ranked the services and IPR regimes as the aspects of the commercial environment most positively perceived, with these above the neutral mid-point of 5.0, scoring 5.5 and 5.1 points respectively. All other sub-dimensions have been scored closely to the neutral mid-point of 5.0. Specifically, firms are neutral in their perceptions of the investment regime, scoring

Source: Based on ACBI survey
5.0, although remain mildly negative in their perceptions of the cost and availability of services and the competition regime to support trade, with each scoring 4.9, respectively.

- Based on firm ownership, the results indicate somewhat mixed perceptions regarding the different commercial environment sub-dimensions. However, female owned businesses perceive the services regime as most supportive of trade relative to their male counterparts, whereas for male owned businesses the cost and availability of services (4.9 versus 4.7 for females) and competition regimes (4.9 versus 4.6 for females) have been scored higher, although below the neutral midpoint of 5.0. Both the investment and Intellectual Property Rights (IPR) regimes have been scored mildly positive, scoring 5.1 for both males and females (across both sub-dimensions).

3.4.2 Dimension score by country – Commercial environment (scale between 0 and 10)

Source: Based on ACBI survey
Most enterprises do not perceive the commercial environment as an impediment to investing and trading goods across African borders. Côte d’Ivoire scored 5.6 points in the overall dimension score with other countries also scored at or above the midpoint including Namibia (5.4), South Africa (5.1) and Nigeria (5.0). However, Gabon (4.9), Angola (4.9) Kenya (4.8) scored below the neutral point indicating that firms in these countries perceive the commercial environment as an impediment to investing and trading goods across African borders.

### 3.5 ACBI Score male versus female-owned businesses

**Overall perceptions: male- and female-owned businesses, by sub-dimension (scale between 0 and 10)**

#### Goods restrictiveness and costs dimension
- Unauthorised charges: Female-owned 3.3, Male-owned 3.5
- Specific limitations on trade: Female-owned 4.4, Male-owned 4.8
- Sanitary and phytosanitary measures: Female-owned 5.0, Male-owned 5.3
- Technical barriers to trade: Female-owned 5.1, Male-owned 5.2
- Customs administration and procedures: Female-owned 3.6, Male-owned 4.3
- Other charges on trade: Female-owned 3.1, Male-owned 4.1
- Customs tariffs: Female-owned 3.4, Male-owned 4.3

#### Awareness and use of FTAs dimension
- FTA rules of origin: Female-owned 4.0, Male-owned 4.7
- FTA ease of use: Female-owned 5.3, Male-owned 5.3
- Access to information on African FTAs: Female-owned 4.8, Male-owned 5.1
- Awareness of African FTAs: Female-owned 7.3, Male-owned 6.8

#### Commercial environment dimension
- Competition regime: Female-owned 4.6, Male-owned 4.9
- IPR regime: Female-owned 5.1, Male-owned 5.1
- Cost and availability of services: Female-owned 4.7, Male-owned 4.9
- Services regime: Female-owned 5.6, Male-owned 5.4
- Investment regime: Female-owned 5.1, Male-owned 5.1

*Source: Based on ACBI survey*
The ACBI survey results found, on average, a clear distinction in perceptions between male-owned and female-owned business, especially in relation to trading goods across borders. Across all 7 sub-indices of the goods restrictiveness and costs index, female-owned businesses perceived these areas as more significant challenges, when compared to male-owned businesses. Overall, it appears that trading across borders is more challenging for female-owned firms compared to male-owned firms. Therefore, there is a need to focus on specific policy measure that help attracting more female-owned enterprise that perceives other charges on trade and unauthorised charges as major barriers to trading and investing within and across Africa.

8 Male-owned firms were defined as those where firms specified that the company had 50% or more male owners, while a female-owned firm was defined as those where female ownership was more than 50%.
The AfCFTA Country Business Index provides a monitoring and evaluation tool for member states to understand the challenges encountered by business in implementing the AfCFTA. It translated the businesses perception of 1- Goods restrictiveness and costs, 2- African FTA knowledge and use and 3- Commercial environment. There is a momentum to institutionalize the utilization of the ACBI in informing AfCFTA National and Regional Strategy as the active involvement of the private sector is a must to realize the expected AfCFTA benefits in terms of inclusive development and shared prosperity for all Africans.

As far as trade in goods is concerned, Angola, Côte d’Ivoire, Gabon, Kenya, Nigeria, Namibia, and South Africa score below neutral in terms of private sector perceptions. Firms across most countries appear to have mildly positive perceptions on technical barriers to trade and sanitary and phytosanitary measures, however, strongly negatively perceive other charges, unauthorised charges, customs tariffs, and procedures in supporting trade

This result suggests that trade policy measures need to be taken at national and continental level to remove tariff and non-tariff barriers and this can be done through the effective implementation of the AfCFTA in line with the private sector expectations.

As of today, 54 member states have signed the consolidated text of the Agreement Establishing the AfCFTA, while 41 member states have deposited their instruments of ratification which give a good signal and incentive to the private sector that there is a strong political support to intra-African trade and investment at the continental level. It is therefore important that African nations continue ratifying and signing key agreements that will foster trade and investment within Africa including Single African Air Transport Market,
the Protocol on the free movement of persons, the African Continental Free Trade Area investment protocol, the African Continental Free Trade Area competition protocol, Intellectual property rights and electronic commerce. It equally important that the member states domesticate the AfCFTA by revisiting their national laws, regulations, and administrative procedure to ensure the harmonization of the regulatory framework across African countries.

- The survey results reveal that females owned firms are disproportionately impeded by these aspects of the trading regime as compared to their male counterparts when investing and trading goods across African borders. Particularly, female-owned businesses are, on average, negatively impacted by tariff and non-tariff barriers. Most of SMEs in Africa are women owned and it is therefore important to ensure a conducive national but also continental regulatory framework that allows them to participate in an efficient, effective, and competitive way.

From a policy perspective, complementary measures need to be taken to support women traders and women owned SMEs to ensure a more inclusive trade under the AfCFTA. To this end, policy makers should give special focus to address the challenges faced by women-owned businesses in trading across borders, with stronger emphasis required on understanding and improving female perceptions of additional and unauthorised charges, customs tariffs, and customs procedures where females are substantively divergent from the neutral score and have more negative perceptions, on average, compared to male-owned firms. Enhancing women (and youth) participation in the overall economy is imperative for an inclusive AfCFTA and a more sustainable development.

The AfCFTA country Business Index findings make a significant contribution to Africa development agenda 2063 and sustainable development agenda 2030 by identifying bottlenecks in trade regimes that needs to be addressed to ensure a more inclusive trade under the AfCFTA. It is critical to accompany women using specific policy measure to ensure their active participation to intra-African trade and investment.

- From a business-critical knowledge lens, firms surveyed were strongly aware of their country’s participation in different RECs while they are less informed of their country’s participation in the AfCFTA. For all countries, firms’ awareness of their country’s participation in the AfCFTA (an average of 64% of firms across countries indicating awareness of their country’s participation in the AfCFTA) was lower than their awareness of participation.
Africa can realize the benefits linked to the AfCFTA namely to boost intra-African trade by 26% in 2045 only by ensuring an active engagement with the private sector for a successful AfCFTA implementation. Based on the ACBI Survey results, an important and immediate action point is to build and raise awareness on the AfCFTA opportunities and its mechanisms of operation both at national and continental level. This ultimate objective can be done through deeper engagement with private sector and business associations when developing country and regional AfCFTA implementation strategies and through wider dissemination of these implementation strategies once completed to create the required incentives for businesses. Another important measure for countries to develop a national communication strategy around the AfCFTA development avenues as a part of their investment promotion policy in support of the AfCFTA and in line with the African development agenda 2063 for the Africa we want.

- For the second phase negotiation issues, surveyed businesses in all 7 countries have relatively neutral perception of the overall policy regimes in place for services, investment, IPR and competition. Though AfCFTA negotiations on trade in services and other “new generation” issues are at a very early stage, negotiators and policy makers should improve the private sector’s perceptions of the overall commercial environment by focusing on policies that ease access to African markets and harmonise regulations in these areas. As informed by the ACBI scores, businesses per-

- At the operational level, the AfCFTA Country Business Index report outlines that it is crucial to simplify administrative procedure for the ease of doing business from and across Africa. As an illustration, the surveyed firms were most negative on the ease of use, and access to information on, rules of origin for existing African FTAs. This result demonstrates that, despite the long existence of several FTAs at a regional level, their use by the private sector can be hampered by laborious and overly complicated administrative burdens, which effectively raise the cost of using these agreements. In this regard, the development of simplified regimes around the rules of origin can not only serve to improve utilisation of existing FTAs but could also spur deeper value chain integration across borders.

in other RECs. Awareness of participation in the AfCFTA was lowest in Angola (where roughly one-third of participants were aware of Angola’s participation in the AfCFTA) and Gabon (just over 50%).
ception tends to be negatively impacted by the cost and availability of services and competition regimes and there is a need to give a careful attention to aspects that disproportionately impede female owned firms namely the service regimes.

Endnotes

1 This is summarised below, where n refers to the number of dimensions (d), sub-dimensions (s) or questions (q)

<table>
<thead>
<tr>
<th>Index (I) score</th>
<th>Dimension (D) score</th>
<th>Sub-dimension score</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ I = \frac{\sum_{n_d=1}^{n_d} D_n}{n_d} ]</td>
<td>[ D = \frac{\sum_{n_s=1}^{n_s} S_n}{n_s} ]</td>
<td>[ S = \frac{\sum_{n_q=1}^{n_q} Q_n}{n_q} ]</td>
</tr>
</tbody>
</table>