

Concept Note

Public-Private Dialogue on Private Sector Role and Participation in the African Continental Free Trade Agreement (AfCFTA)

Background/Introduction

The 18th Ordinary Session of the Assembly of Heads of State and Government of the African Union, held in Addis Ababa, Ethiopia, in January 2012, adopted a decision to establish an African Continental Free Trade Area (AfCFTA) by an indicative date of 2017.¹

The main objectives of the AfCFTA are to create a single continental market for goods and services, with free movement of business, persons, and investments and thus paving the way for accelerating the establishment of the Customs Union.

Ghanaian businesses need to take advantage of the agreement, produce and export to other countries in Africa. Local industries need to expand their capacities to be able to produce quality goods and services at economy of scale. However, for Ghana like any other member country to thrive or benefit from this agreement, it must develop its productive capacity and industrialise since a country cannot trade effectively unless it can produce and add value to its raw material endowments. This hinges on the availability of trade-related infrastructure and services, finance, information along with other trade facilitation measures such as removal of non-tariff barriers, simplification of customs procedures and documentation among others.

The private sector is the key player in the agreement.² Without a strong private sector, which has the ability to produce and export competitively to other parts of the continent, the country would not be able to take full advantage of the Agreement. If Ghana is not able to produce for its local consumption and export competitively, the country would turn

¹ <https://au.int/en/ti/cfta/about>

² For example, SMEs in Ghana consists of 85% of enterprises in the country and contribute to about 70% of gross domestic product. Source: Abor J. & Quartey P (2010): Issues in SME Development in Ghana and South Africa. International Research Journal of Finance and Economics - Issue 39

out to be importing goods from countries with strong manufacturing sectors. Once a country becomes a net importer of goods, it means that jobs that could have been created locally will be lost³ among others. This, therefore, calls for an in-depth dialogue between the public and the private to ascertain the best possible measures needed to be implemented to position the private sector to take advantage of the AfCFTA.

Trading under the AfCFTA commenced on 1st January 2021 and the Annex 2 of the AfCFTA on Rules of Origin is has agreed on about 88% of tariff lines. Additionally, State Parties, individually or through their respective Regional Economic Communities (RECs) have already exchanged their tariff concessions, agreeing to liberalize about 90% of tariff lines over the next 10 years all expected to boost intra-Africa trade under the AfCFTA.

The Government of Ghana through the Ministry of Trade and Industry (MOTI) recently launched Ghana's AfCFTA Implementation Strategy. This among others would coordinate government resources to ensure that Ghana gets the best from the agreement in terms of job creation, manufacturing and exporting.

With all the issues raised and the teething problems confronting the smooth take of the AfCFTA, it is important to have a policy dialogue involving both the private and public actors to look at the issues and address them. The role of the government agencies and private sector in aligning with the protocols and its implementation is very critical towards the success of the agreement.

To realise potential of the business landscape in Ghana, public-private dialogues (PPD) will play a key role in identifying bottlenecks, promoting best practices, and implementing enabling business environment reforms for the success of AfCFTA implementation in Ghana. PPD promotes good public and private interaction. It sets an example of transparency and dynamism and collaboration between the government and the private sector

Aims and Purpose of the Public-Private Dialogue

This PPD initiative follows a research study that was conducted by CUTS International Accra with support from GIZ entitled “**Improving Framework Conditions to Unlock the Potential of AfCFTA for SMEs in Ghana.**” The study among other objectives, involved a nationwide assessment about the level of competitiveness and growth-readiness of Ghanaian SMEs for enhanced participation in the AfCFTA. It also produced a diagnostics report, necessary to develop practical steps in addressing those gaps and challenges and to advocate for improving the business framework conditions for the SMEs.

³ It however depends on the type of import though. For example, importing intermediate product tends to have different impacts than that of agricultural or manufacturing products.

Against the backdrop of the research study, the PPD seeks to engage relevant stakeholders with the findings of the diagnostic report, the current state of play of AfCFTA implementation and seek their inputs and recommendations on how to practically improve the framework conditions for the private sector particularly SMEs to take advantage of the AfCFTA.

The overall objective of the dialogue is to improve public and private dialogue relations in improving the discourse on AfCFTA.

Participants

The PPD would bring together high-profile officials from the Ministry of Trade and Industry (MOTI), Ministry of Finance (MoF), Ghana National Chamber of Commerce and Industries (GNCCI) Private Enterprise Federation (PEF), Association of Ghana Industries (AGI), Ghana Export Promotion Authority (GEPA), Institute for Statistical, Social and Economic Research (ISSER), Ministry of Foreign Affairs and Regional Integration, Ghana Investment Promotion Centre (GIPC), Ghana Standard Authority (GSA), CUSTOMS, Food and Drug Authority (FDA), Economic Unit of Various Embassies in Ghana, donor agencies, Social and Economic Research (ISSER), Ghana Union of Traders Associations (GUTA), academia, economists, trade experts, CSOs, business men and women etc.

The discussions would be based on the findings from the research study including but not limited to:

- General little knowledge among Ghanaian SMEs about the existence of AfCFTA
- Barriers to exporting to and importing from other markets
- Low competitiveness of Ghanaian firms
- Issues with certification both domestic and international
- Low diversification and value addition
- Challenges with packaging and finishing of products

Expected Outcomes

Policy Briefs: After the expert dialogues, a policy brief will be developed highlighting the recommendations by experts in the forum. All the previous data collected through primary research including surveys, will make part of such policy brief. That will help substantiate or differ from the forum proceedings and recommendations, thus giving a complete picture of the on-ground realities. Such briefs will be circulated to all experts and stakeholders including the specific sector ministry (duty bearers), and meetings will be held with key duty bearers for implementation.

Public Private Dialogue (PPD) on Private Sector Role and Participation in the African Continental Free Trade Agreement (AfCFTA)

Date:	Thursday 13th October, 2022
Time:	9;30am
Venue:	Alisa Hotel, North Ridge Accra

For More Information

For more enquires regarding this event, please email: sny@cuts.org or accra@cuts.org or call (Shadrack) 0558045500.