



United Nations
Economic Commission for Africa

Prospects for the future and building back better

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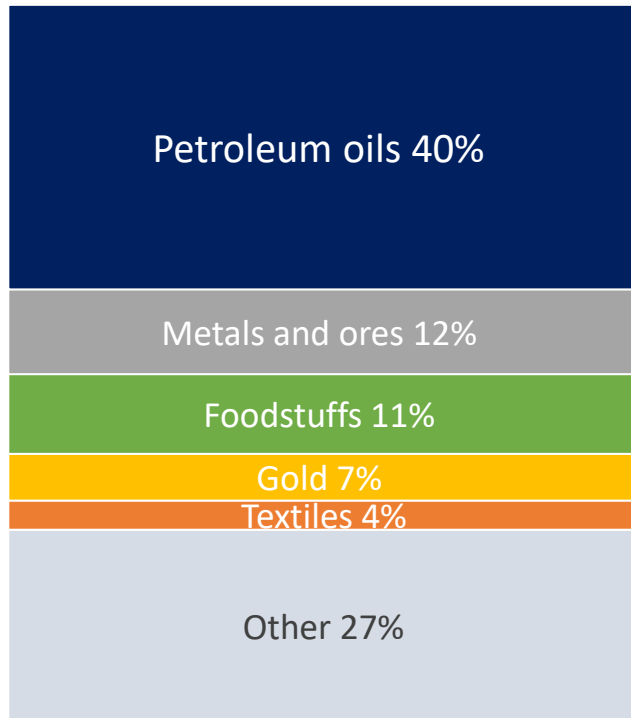
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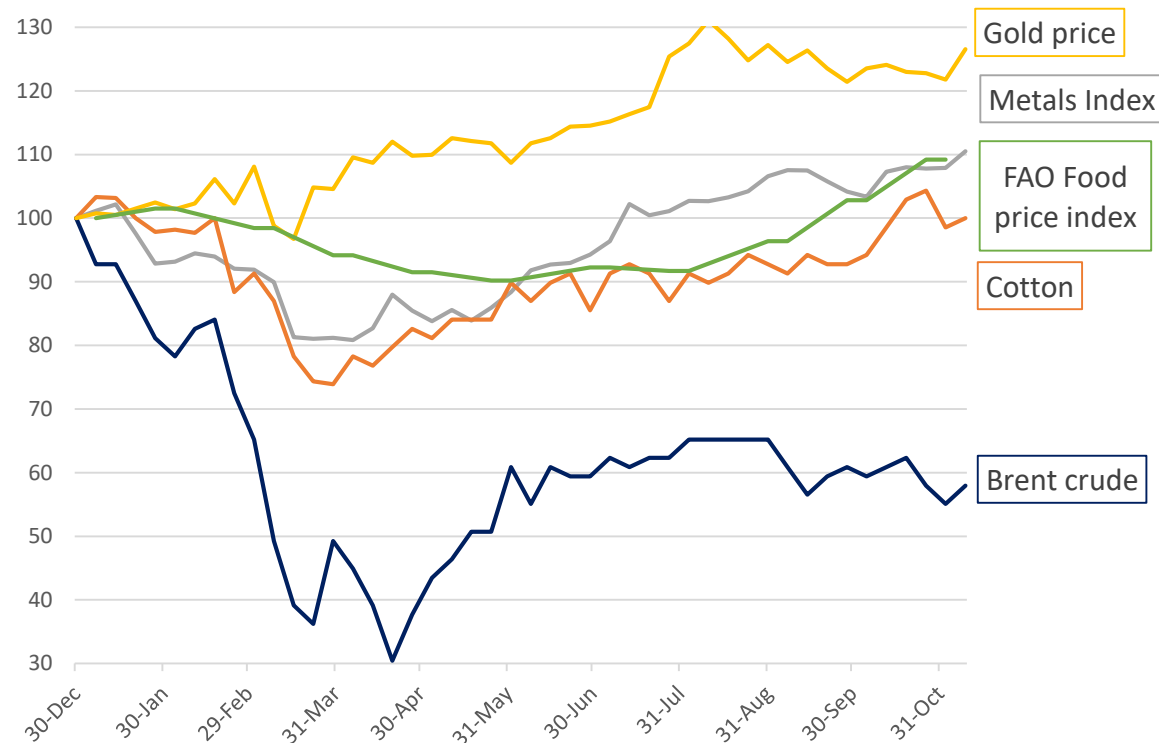
**13 November, 2020
Virtual**

Covid-19 exposes Africa's overdependence on basic commodities

Composition of Africa's total exports



... and their fluctuating prices

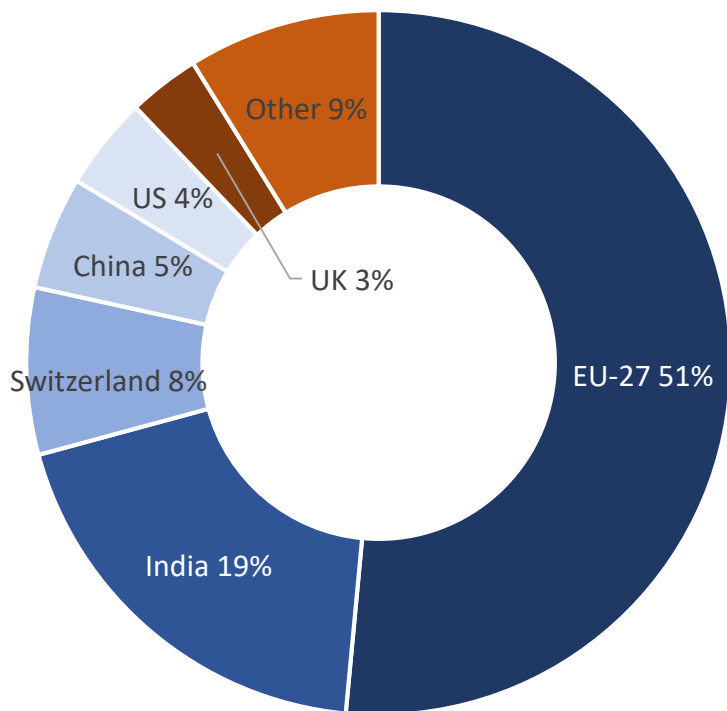


Source: Based on ITC TradeMap Data (2016-18 average) and FAO and Trading Economics, June 2020

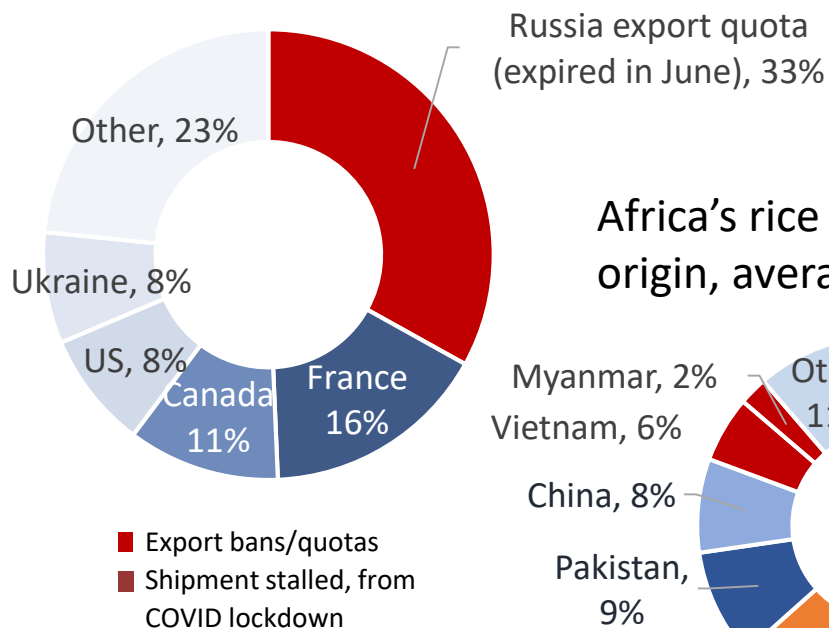
- As the severity of COVID-19 emerged through Feb-Mar, commodity prices plummeted for more than 67% of Africa's exports with a modest improvement from April. Brent crude – by far Africa's most important export - still down 38%.
- **But this isn't unusual:** commodity price repetition of every global downturn

And dependence on imported pharmaceuticals and food staples

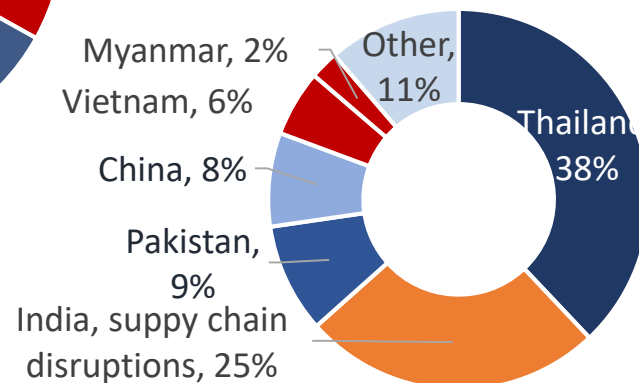
Africa's import sources of medicinal and pharmaceutical products (2016–2018)



Africa's wheat imports, by origin, average 2016-18



Africa's rice imports, by origin, average 2016-18

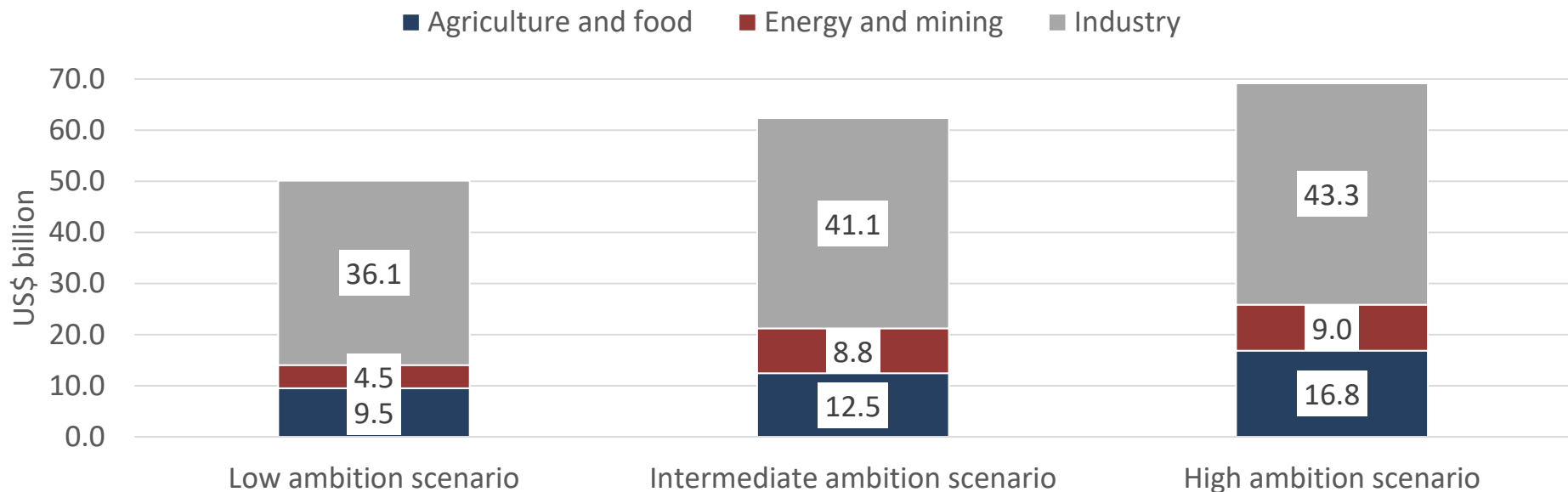


Source: Based on ITC TradeMap and UNCTADState Data (2016-18 average)

- Indian rice exports stalled due to nationwide lockdowns, Vietnam and Myanmar imposed rice export ban, Russia (and other much smaller exporters) introduced restrictions or quotas on wheat exports
- 71 countries imposed restrictions on pharma, medical and PPE exports

AfCFTA opportunity: diversify exports, industrialize, sustainability

Change in intra-African exports by main sectors, as compared to the baseline without AfCFTA in place - 2040 - US\$ bn (various scenarios)



- Intra-African exports would increase the most for industrial products; with gains ranging between around 25 per cent (or US\$ 36.1 billion) and almost 30 per cent (or US\$ 43.3 billion) under low ambition scenario and high ambition scenario
- Largest increases in exports of vehicles and transport equipment, energy, metals, machinery, chemical products, sugar, other food products, wood and paper, and textiles
- **Impact:** much needed diversification, industrialization and sustainability

And address longstanding trade facilitation challenges



African Costs of Transportation
are **63% higher** than developed countries



Freight Costs as % of Import Value
are **11.4% for Africa** vs. 6.8% for developed countries



Customs Transactions include
20-30 different parties, **40** documents, **200** data elements



Customs Processing Delays
can cost **\$185 per consignment for each day** of delay



THANK YOU!