ECOSOC 75

ECONOMIC COMMISSION FOR AFRICA (ECA)

The AfCFTA's economic benefits are largely centered on intra-African trade

The AfCFTA is expected to have positive impact on Africa's global GDP, trade, output and welfare Intra-African trade creation would also lead to an improvement in Africa's output

Percentage change in intra-African trade, by main sectors with AfCFTA implemented in 2045 as compared to baseline (i.e. without AfCFTA)



At sub-sectoral level, the most notable increases in intra-African trade, with positive output variations are to be found in:

Cereals and crops, milk and dairy products, sugar, processed food Tourism and transport

Wood and paper, chemicals, rubber, plastic and pharmaceutical products, vehicles and transport equipment, metals, other manufactured products **Refined oil**

Expected benefits in refined oil need to be analyzed carefully, in light of environmental concerns associated with C02 emissions from fossil fuels

GREEN RECOVERY PATHWAYS ARE ESSENTIAL TO HELPING AFRICAN COUNTRIES TO GET BACK ON TRACK TO ACHIEVE THE SDGS AND BUILD LONG-TERM MULTIDIMENSIONAL RESILIENCE

1. COVID-19 has compounded the serious and existential threats posed by climate change to Africa

- Climate impacts will cause annual losses in Africa of between 3-5% of GDP by 2030 under a business-as-usual scenario. In some cases, this will be as much as 15% of GDP.
- The region already spends over 5% on average of its GDP, amounting to \$335 billion annually to respond to climate disasters.
- COVID led to a contraction of over 4% of GDP initially
- The pandemic has widened the continent's financing gap to \$385 billion and derailed progress towards the achievement of the SDGs.

2. Case studies show that targeted green investments can create the largest multiplier effects such as greater gross value added, more new jobs and a better recovery from the COVID-19 crisis than with traditional, fossil fuelbased investments

South Africa

250% more jobs in the short term

> **420%** More value added in the economy

Dem. Rep. of Congo

- **130%** more jobs in the short term
- 280% More value added in the economy

Kenya

120% more jobs in the short term

More value added in the economy

Egypt



150% More value added in the economy



United Nations www.uneca.org Economic Commission for Africa

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