



DRAFT
Do not cite without permission
SMAIAS-ASN SUMMER SCHOOL
Harare, 3–7 February 2025



The Future of African Regional Integration in the Context of the African Continental Free Trade Area

MOSTAFA AHMED MANDOUR
Aswan University, Egypt

Introduction

Considering increasing global challenges, the issue of sovereignty and international solidarity stands out as one of the most important issues facing the world today, especially in the post-neocolonial era. Recent events, such as the genocide in Palestine, have redefined the features of international solidarity and exposed the ideological facade of the West, which claims to defend human rights and the "rules-based" international order. These events have not only affected the Middle East but have also impacted the Global South, where support for the Palestinian liberation struggle has always been the strongest.

In this context, the African Continental Free Trade Area (AfCFTA) emerges as one of the most important initiatives aimed at enhancing economic integration among the countries of the African continent. This agreement was signed on March 21, 2018, and entered into force on May 30, 2019, marking a historic step towards unifying fragmented African markets and facilitating the movement of goods, services, and labor across borders (African Union, 2023).

This research paper aims to analyze the potential of the African Continental Free Trade Area (AfCFTA) in promoting regional integration in Africa, particularly in the context of South-South cooperation and the themes of regional integration emphasized by the SMAIAS-ASN Summer School. The study will explore how the AfCFTA addresses critical challenges such as capital accumulation and imperialism and assess its ability to foster a self-reliant and interconnected African economy (Qobo, 2007).

By analyzing the initial performance and strategic objectives of the AfCFTA, this study seeks to determine whether it can overcome the legacy of dependency and contributing to a new era of economic sovereignty and solidarity among African countries (Mohamed, 2023). The first and second parts of the paper provide a brief demonstration of the evolution and objectives of AfCFTA and main aspects of performance, then the third part discusses how AfCFTA encounters capital accumulation and imperialism in the continent on one side and advance south solidarity on the other side.

First: Origin and Strategic Objectives

For centuries, the African continent remained the weakest and most suffering link in the international system. It was subjected to the control of European colonial powers who plundered its wealth and divided it into zones of influence through artificial borders. These borders severed



the ties of African societies and created reasons for division and conflict among them. Despite the success of national liberation movements in gaining independence, the newly formed African states continued to suffer from dependency and became threatened by a new form of colonialism. During the Cold War era, the continent was subjected to intense polarization from both the American and Soviet sides, which negatively impacted it. After the end of the Cold War, the African continent became the target of the ambitions of many traditional and emerging international powers, as it is a source of natural resources and raw materials, and a large commercial market that can be exploited.

Hoping to change the bitter African reality, the journey of African regional integration began a long time ago and its pace increased significantly in the wake of national liberation. Many efforts were combined at that time, leading to the establishment of the Organization of African Unity in 1963, amid widespread official and popular hopes for achieving complete unity among the member states. During the seventies and eighties, the African continent witnessed the birth of several economic blocs within the sub-regions to overcome difficult economic conditions through economic integration.

In 1980, within the framework of the Organization of African Unity, African countries adopted the Lagos Plan of Action. They also adopted the Abuja Treaty in 1991 to establish the African Economic Community (AEC), in six successive stages over a period not exceeding 34 years from the entry into force of the treaty (May 1994). With the beginning of the third millennium, the New Partnership for Africa's Development initiative, known as "NEPAD", was launched in October 2001. The Organization of African Unity was also transformed into the African Union as of 2002. The Union introduced a set of new bodies and mechanisms and was considered a positive step towards African integration. In November 2010, the trade ministers of the African Union agreed to accelerate the establishment of the Continental Free Trade Area. To confirm their seriousness, the ministers agreed in December 2011 on a framework, roadmap, and mechanism for the Continental Free Trade Area.

Despite some progress made towards African integration, and the efforts of regional economic communities at different speeds to implement the Abuja Agreement and establish the African Economic Community, there is still a low level of interconnectedness between African economies. They've remained large gaps between goals and achievements in most regional economic blocs within the continent, which was reflected in the annual report on African regional integration (2021 edition). This becomes clear when analyzing the Multidimensional Regional Integration Index as the main tool for formulating the report.

General points of the Multidimensional African Regional Integration Index achieved by the Regional Economic Communities according to the African Union Commission 2021

The following table shows the general points of the Multidimensional African Regional Integration Index achieved by the Regional Economic Communities according to the African Union Commission 2021, on a scale of 0 to 1.



Regional Economic Community	General points of the Multidimensional African Regional Integration Index
Economic Community of West African States (ECOWAS)	0.74
East African Community (EAC)	0.73
Common Market for Eastern and Southern Africa (COMESA)	0.68
Economic Community of Central African States (ECCAS)	0.62
Southern African Development Community (SADC)	0.61
Community of Sahel-Saharan States (CEN-SAD)	0.54
Intergovernmental Authority on Development (IGAD)	0.53
Arab Maghreb Union (AMU)	0.52

Source: African Union Commission, 2021 African Integration Report "Report on the State of African Integration in Africa"

The overall assessment score for the integration process within the continent is 0.62 on a scale of 0 to 1. It is the arithmetic mean of the total assessments of the eight regional economic communities. We note that it recorded a slight increase from the average of the 2016 index, which recorded (0.470). As for the overall scores of the Multidimensional African Regional Integration Index for each of the regional economic communities, they are the arithmetic mean of the scores obtained in the eight dimensions of the index. These scores are a reflection of the efforts made within each of the regional economic communities.

The regional economic communities that are making the greatest effort include the Economic Community of West African States (ECOWAS), the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS), and the Southern African Development Community (SADC). In general, they have scores exceeding 0.6 on a scale of 0 to 1. On the other hand, the Community of Sahel-Saharan States (CEN-SAD), the Intergovernmental Authority on Development (IGAD), and the Arab Maghreb Union (AMU) are considered slightly above the average value of 0.5. The fact that there are no defined plans or programs in certain dimensions of integration, such as free movement and financial and monetary integration, is one of the reasons for the poor overall performance of these regional economic communities.

As for the African Continental Free Trade Area (AfCFTA), it is part of African Union's Agenda 2063, which aims to achieve economic and political integration of the African continent. The agreement was signed on March 21, 2018, in Kigali, Rwanda, and entered into force on May



30, 2019, after being ratified by the required number of countries (African Union, 2023). So far, 54 African countries have signed the agreement, and 47 out of 54 member states of the African Union have ratified it (African Union, 2023).

The seven member states that have signed the agreement but have not yet ratified it are (Benin, Liberia, Libya, Madagascar, Somalia, South Sudan, Sudan) in addition to Eritrea, which has not yet signed the agreement.

This agreement comes at a time when the African continent is witnessing remarkable economic growth, with the continent's total GDP reaching about \$3.4 trillion, with 1.3 billion potential consumers, making it the eighth largest economy in the world (UNCTAD, 2021). However, intra-African trade remains limited compared to trade with the outside world, accounting for less than 20% of total African trade (Qobo, 2007).

Strategic Objectives

The AfCFTA aims to achieve the following objectives:

- Establishing the largest free trade area in the world: in terms of the number of participating countries, including 54 African countries (African Union, 2023).
- Promoting intra-African trade: which currently does not exceed 15% of total African trade, compared to 60% in Europe and 40% in Asia (UNCTAD, 2021).
- Reducing customs tariffs: by up to 90% on goods traded between member states (World Bank, 2020).
- Stimulating economic growth: by increasing investments and diversifying African economies (IMF, 2022).
- Enhancing regional integration: by unifying fragmented markets and facilitating the movement of goods, services, and labor (African Union, 2023).

Second: Analysis of the Initial Performance of the Free Trade Area

The African Continental Free Trade Area Agreement is ambitious in its scope and scale: dismantling colonial borders that were put in place during the Berlin Conference in the 19th century, thereby fostering economic unity across the continent. By leveraging economies of scale and gains in competitiveness, the AfCFTA seeks to accelerate industrialization in Africa and diversify its sources of growth, ultimately raising living standards and providing an economy capable of supporting the African population, which by 2050 will represent more than 25% of the world's population.

It is still too early to conduct a comprehensive assessment of the performance of the African Continental Free Trade Area, as it is still in its early stages of implementation. However, some indicators suggest that the agreement has started to achieve some positive results, but it also faces some challenges.



The following is a glimpse at the key economic indicators that the African Continental Free Trade Area Agreement focuses on.

Intra-African Trade

A report issued by the African Export-Import Bank (Afreximbank, 2023) revealed that intra-African trade recorded a growth of 7.2% during 2023, reaching \$192 billion. It indicated that regional trade represented 15% of the continent's total trade last year, compared to 13.6% in 2022 (Mubasher, 2023).

The report explained that this increase masks major disparities between the regional areas of the continent. Southern Africa remains the main driver of trade between African countries, with 41.4%, compared to 25.7% for the West Africa region, 14.1% for East Africa, 12.4% for North Africa, and 6.6% for Central Africa.

The report also revealed that the total value of intra-regional and external trade for Africa decreased by 6.3% in 2023 to reach about \$1.3 trillion. This is due to several factors that led to a slowdown in global demand for raw materials and weighed down the continent's exports on goods. These factors include: escalating geopolitical tensions related to the protracted war in Ukraine and the conflict in the Middle East, continued high interest rates, and slowing economic growth in China and many developed countries.

The Afreximbank report stated that while oil represents more than 36% of total African exports, price fluctuations have negatively affected the continent's trade performance. In fact, oil prices fell to an average of \$82.62 per barrel in 2023, compared to about \$99.82 per barrel in 2022.

Intra-African trade has witnessed a slight increase since the start of the implementation of the African Continental Free Trade Area (ECA, 2023) , Estimates indicate that the agreement may lead to an increase in intra-African trade by up to 52.3% by 2045 (World Bank, 2022) , The African Continental Free Trade Area is expected to increase Africa's exports to the rest of the world by 29.7% by 2045 (World Bank, 2022).

Foreign Direct Investment

According to World Investment Report 2024 Issued by UNCTAD, Global FDI flows fell 2% to \$1.3 trillion in 2023, as trade and geopolitical tensions weighed on a slowing global economy. The report underscores that the headline figure exceeds -10% when excluding a few European conduit economies that registered large swings in investment flows, FDI flows to developing countries dropped 7% to \$867 billion.(UNCTAD,2024)

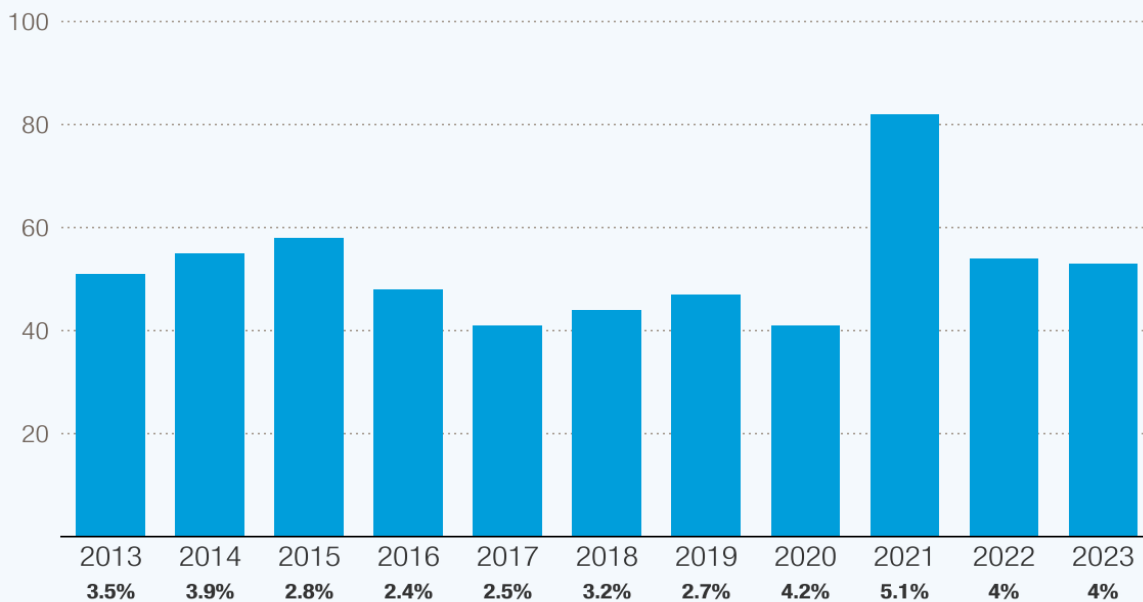
In Africa, FDI fell by 3% to \$53 billion in 2023, with two of the largest recipient economies – Egypt and South Africa – driving this overall trend.



During the year, the estimated value of international project finance deals in African nations declined by 50% to \$64 billion. This follows a 20% drop in 2022.

Africa: Foreign direct investment inflows and share in world inflows

Billions of dollars and percentage, 2013–2023



Source: UN Trade and Development (UNCTAD), FDI/MNE database.
Note: The value for each year represents the share of total inflows. Data exclude financial centres in the Caribbean and special-purpose entities in reporting countries.

However, the continent attracted a growing share of global greenfield megaprojects, six of them valued above \$5 billion.

Topping the list was a green hydrogen project in Mauritania, a least developed country in Northwest Africa. This project is expected to generate \$34 billion in investment, an amount several times greater than the nation’s GDP.

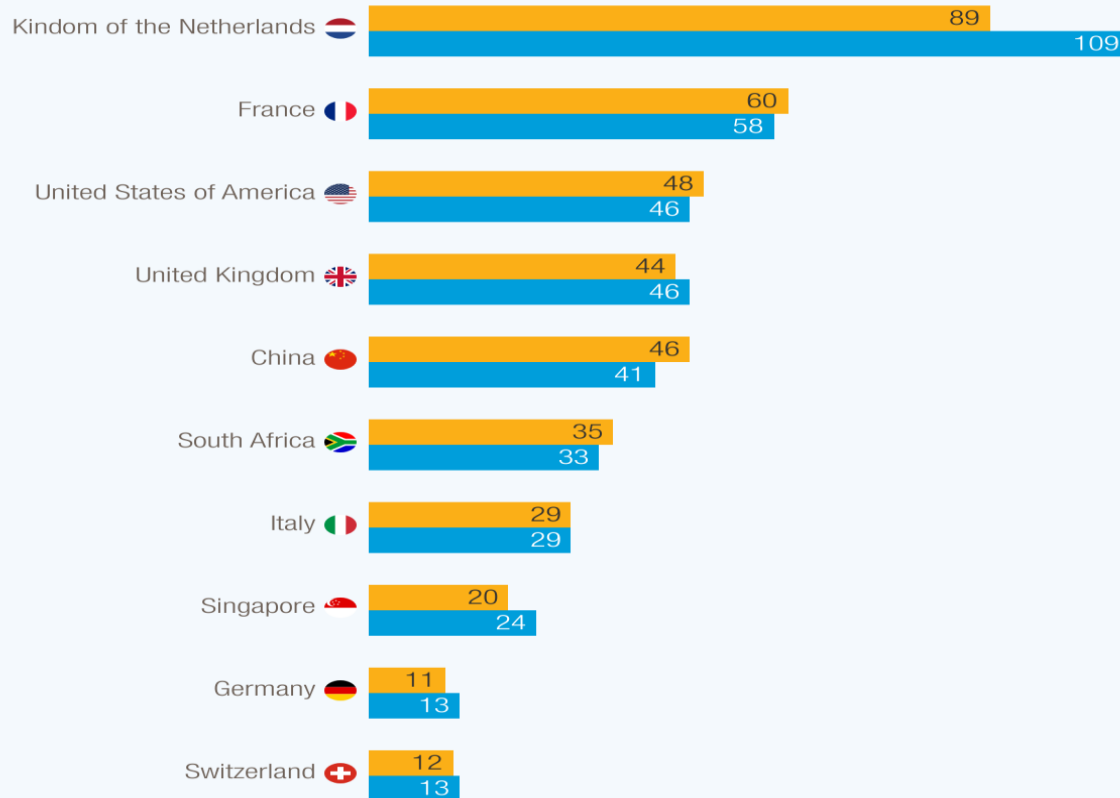
Africa also received more than \$10 billion in project finance for wind and solar electricity production, with the largest projects located in Egypt, South Africa, and Zimbabwe.

Value chains for electric vehicles also prompted foreign investments. The largest deals announced included one to establish a \$6.4-billion electric vehicle battery manufacturing facility in Morocco. The main economies investing in the continent, by FDI stock, are the Kingdom of the Netherlands, France, the United States, the United Kingdom, and China.

Africa: Top 10 investor economies by foreign direct investment stock

Billions of dollars, 2018 and 2022

■ 2018 ■ 2022



Source: UN Trade and Development (UNCTAD), FDI/MNE database.

Foreign investments in North Africa went down by 12%. In Egypt, mergers and acquisitions fell from the highs of 2022. Morocco also had decreased FDI inflows but performed well in attracting greenfield projects.

FDI flows to West Africa dipped by 1%, with mixed results across countries. The value of greenfield investment was heavily influenced by the announced \$34-billion green hydrogen project in Mauritania. Even excluding this outlier, greenfield project values tripled, and the number of projects remained stable.

In Central Africa, FDI declined by 17%. Despite a 56% increase in the number of greenfield projects and a 119% rise in their value, the region was negatively impacted by the downturn in international project finance deals.



DRAFT
Do not cite without permission
SMAIAS-ASN SUMMER SCHOOL
Harare, 3–7 February 2025



In East Africa, FDI inflows fell by 3%, mainly due to an 11% decrease in Ethiopia. However, greenfield projects and international project finance deals increased by more than 30%, indicating better prospects ahead.

In Southern Africa, fluctuations in Angola continued to influence trends. Inflows to South Africa decreased by 43% despite higher mergers and acquisitions activity.

Compared to 2018, FDI inflows expanded for all major regional groupings, most prominently the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC).

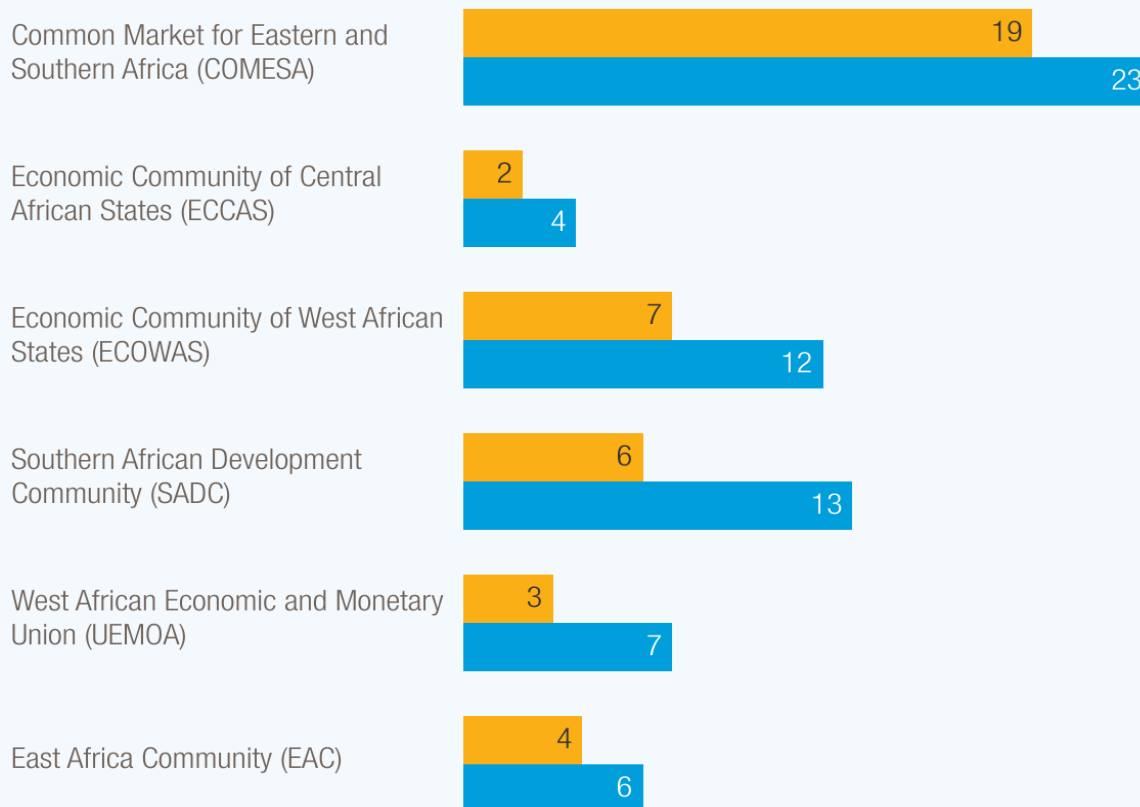
The African Continental Free Trade Area is expected to increase foreign direct investment in Africa by up to 11.2% by 2045 (World Bank, 2022).



Africa: Foreign direct investment inflows by regional grouping

Billions of dollars, 2018 and 2023

■ 2018 ■ 2023

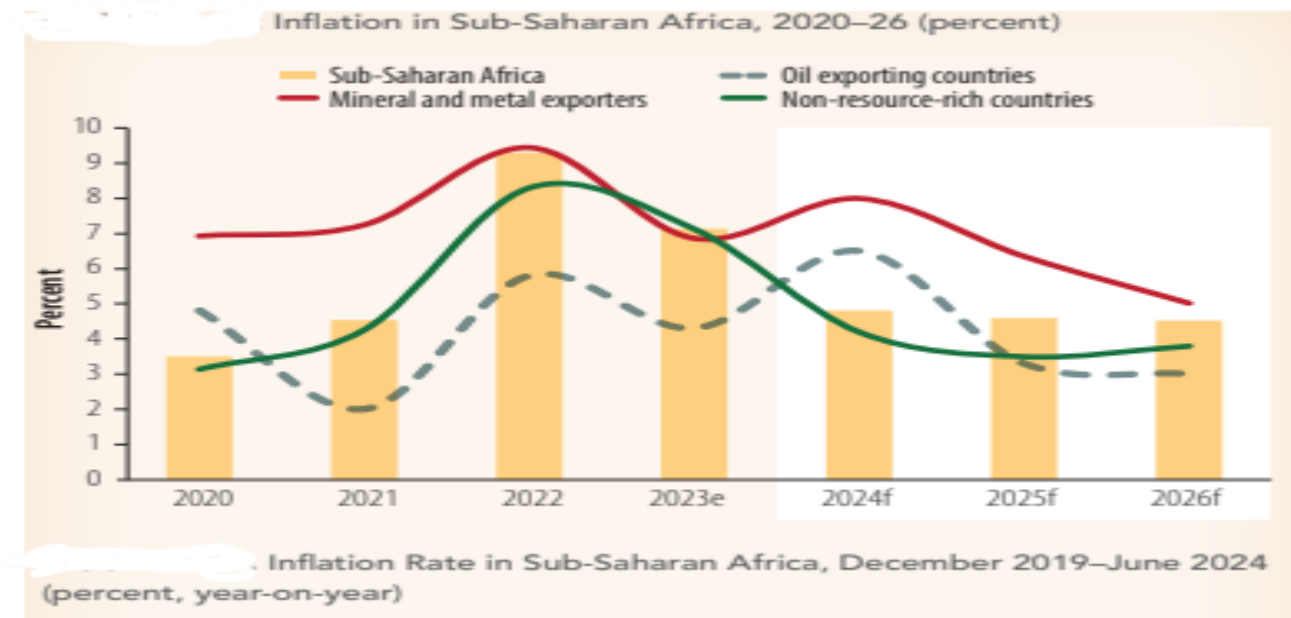
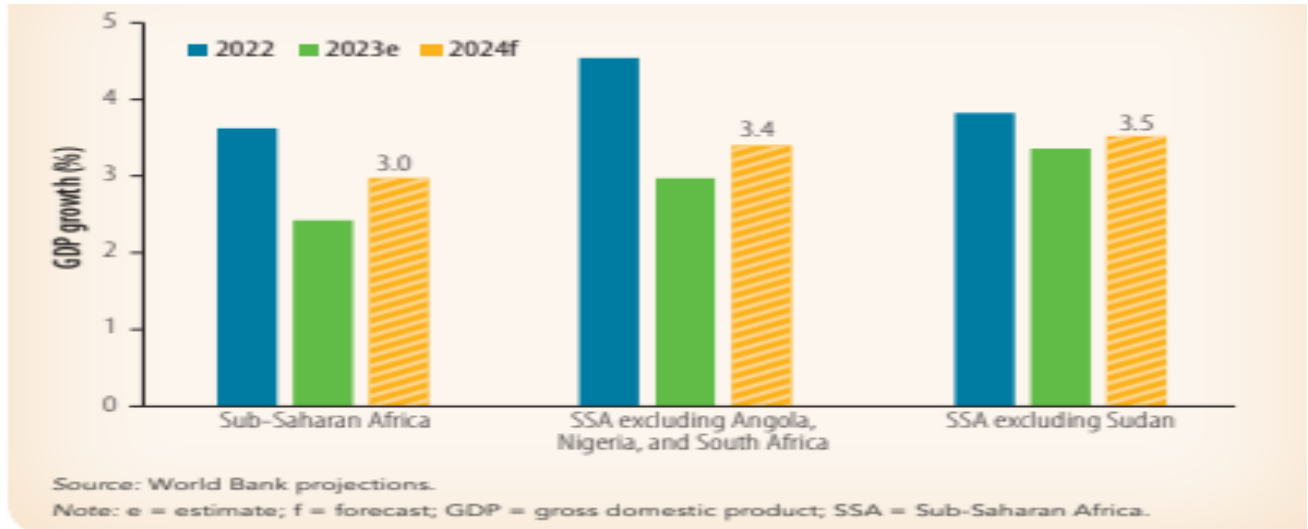


Source: UN Trade and Development (UNCTAD), FDI/MNE database.

Economic Development

The October 2024 edition of Africa's Pulse reports a fragile economic recovery in Sub-Saharan Africa, with growth projected at 3% in 2024, up from 2.4% in 2023, driven by increased private consumption and investment. Inflation is expected to decline from 7.1% in 2023 to 4.9% in 2024 and 4.6% in 2025–26 due to tighter monetary and fiscal policies, stabilized currencies, and eased supply chain disruptions. Fiscal balances are improving as governments cut expenditures and raise revenues, but high debt service costs remain a challenge. The region's growth has been insufficient

to reduce extreme poverty and boost prosperity, hindered by slow investment growth, conflicts, and climate change. (World Bank, 2024)



A closer look based on 2024 data from the International Monetary Fund shows that five of Africa’s largest economies – South Africa, Nigeria, Egypt, Algeria and Ethiopia – collectively contribute a staggering US\$1.4 trillion to the continent’s GDP (Statista Research Department, 2024).

This represents a significant portion of Africa’s US\$2.8 trillion GDP, meaning that these five countries alone account for half of Africa’s economic output, with the remaining 48 countries sharing the other half, underscoring the deep economic divide within the continent.



The need for strategic investments and initiatives to bridge the economic gap is increasingly evident, which the AfCFTA could achieve alongside sustainable economic development. The African Continental Free Trade Area is expected to increase Africa's gross domestic product by up to 6.9% by 2045 (World Bank, 2022). The African Continental Free Trade Area is expected to create millions of new jobs in Africa (AUC, 2021).

From this initial analysis, it appears that there are opportunities for the African Continental Free Trade Area, which we will discuss below.

Increasing the volume of intra-African trade

Intra-African trade is expected to increase by 52% by 2025 as a result of the implementation of the AfCFTA agreement (World Bank, 2020). This significant increase in the volume of intra-African trade will contribute to enhancing the continent's economic growth and reducing reliance on foreign markets.

Reducing customs tariffs

One of the main objectives of the AfCFTA is to reduce customs tariffs by up to 90% on goods traded between member states (World Bank, 2020). This measure would reduce trade costs and increase the competitiveness of African goods in local and international markets.

Improving infrastructure

Although the AfCFTA provides great opportunities to enhance intra-African trade, the lack of logistical infrastructure remains one of the main challenges. According to the World Bank report (2020), the African continent needs significant investments in roads, railways, and ports to facilitate the movement of goods and services.

Increasing foreign investment

The AfCFTA is expected to attract more foreign investment to the continent, as the agreement will provide larger markets and new opportunities for international companies (IMF, 2022). This will contribute to enhancing economic growth and diversifying African economies.

Promoting local industries

According to the World Bank report (2020), the AfCFTA will provide great opportunities to promote local industries on the African continent. By providing larger markets for African goods and services, local companies will be able to increase their production and improve the quality of their products.



Third: The African Continental Free Trade Area: A Pathway to Economic Sovereignty and Regional Integration

The African Continental Free Trade Area (AfCFTA) holds immense potential for transforming the African economic landscape. By fostering regional integration and promoting self-reliance, the AfCFTA can address critical challenges such as capital accumulation, lingering imperialist influences, and the need for a more interconnected and autonomous African economy.

To illustrate these challenges, we will point to the traditional race for natural resources on the continent, especially Africa's abundant reserves of rare minerals, vital raw materials, and essential elements crucial to renewable energy technologies (Critical Minerals). Here, the Chinese Belt and Road Initiative, announced in 2013, competes with the plan to revive the Lobito Corridor in southwestern Africa, announced by Biden a year earlier (The Sharq Forum, 2024).

The Belt and Road Initiative is a strategy adopted by China to control the supply chains of vital minerals, relying on investing billions of dollars in building roads, power stations, ports, railways, and digital infrastructure worldwide. Over the past decade, the BRI has witnessed China invest about one trillion US dollars in infrastructure projects in developing countries. So far, 52 African governments have signed Memoranda of Understanding with China regarding joining the Belt and Road Initiative. African countries received Chinese investments within the framework of this initiative estimated at 10 billion US dollars annually between 2012 and 2018. By mid-last year, Belt and Road countries in Sub-Saharan Africa saw a 130% increase in Chinese investments, becoming the second most important target area for Belt and Road investments (after East Asia). The Chinese approach has contributed to enhancing Beijing's access to African wealth in these minerals. In the Democratic Republic of Congo, in particular, China controls more than 80% of copper mines. It has also become responsible for extracting most of the rare earth minerals there, including cobalt - a key metal in the manufacture of electric car batteries and F-35 fighter jets. One Chinese mining company, CMOC, has acquired more than a third of the world's cobalt supply through its mines in the Democratic Republic of Congo. China has also invested about 4.5 billion US dollars in lithium mining in other countries such as Zimbabwe, Angola, and Namibia between 2018 and 2023

As for the US plan to revive the Lobito Corridor, it aims to export cobalt, copper, uranium, and other strategic minerals directly to the United States from Central Africa, especially from the Democratic Republic of Congo and Zambia, via the port of Lobito in Angola on the Atlantic Ocean. It faces complications, including those related to safety and operation, especially since the civil war in eastern Congo may lead to delaying or suspending the construction of the Congolese section of the project, in addition to issues related to economic and commercial feasibility, alongside geopolitical competition with China and the need for Washington to first build trust with local partners and provide tangible benefits that meet the aspirations of African countries.

Regarding imperialism, we illustrate with the African Growth and Opportunity Act (AGOA), legislation issued by the Clinton administration in 2008, which allows eligible African countries



to export certain products to the United States duty-free, with the aim of transforming the relationship between the two parties into trade instead of aid. So far, only 32 African countries out of 54 have benefited from it, in addition to the fact that 80% of its returns go to only 5 African countries. During the Biden administration, the law witnessed the exclusion of 7 countries from it in exchange for allowing two countries to join it. Also, AGOA is supposed to be renewed by next year, which adds a state of uncertainty about its continuation, especially with the return of Trump to the White House, whose administration criticized such laws in his first term. Also, the debt crisis in Africa has recently worsened in a way that brings to mind a similar crisis experienced by African countries in the eighties of the last century, which led to significant negative repercussions. The total public debt in Africa, according to the African Development Bank, was estimated at 1.1 trillion US dollars in 2022, with expectations that it reached 1.13 trillion US dollars by the end of 2023. One of the causes of the exacerbation of the African debt crisis was the global geopolitical tensions in which the United States is an active party, and the monetary tightening cycle approved by the Federal Reserve. Its repercussions were the default of three African countries so far on their debt payments, in addition to twenty-five African countries suffering from debt distress or at high risk of critical debt. Reflecting this, the issue of reforming financial institutions came as one of the common denominators among African delegations at the 79th United Nations summit about a month ago. The demands were high, and the language of the discourse was strong, as African leaders stressed the reform of the international financial structure and the rules of work of its financial institutions to ensure fair representation of developing countries in making decisions related to international economic governance that affect the course of their national development. On the other hand, both Egypt and Ethiopia recently joined the BRICS bloc led by China and Russia, and other African countries announced their desire to join the bloc, which some consider an attempt to build a new global economic system away from the hegemony of the United States. As for climate issues, the United States did not provide adequate support to Africa in this regard, as it is the continent most affected by climate change and at the same time the least responsible for it. This has established among a wide segment of Africans that Washington imposes its social values as a prerequisite for its development and even humanitarian programs on the continent, such as the clause that requires countries to respect and expand the rights of homosexuals, as stipulated in the Biden administration's policy, which was translated on the ground by the expulsion of Uganda for the same reason last year from the (AGOA) law, or the suspension of funding for the US President's Emergency Plan for AIDS Relief (PEPFAR) worth one billion US dollars due to allegations by Republicans that the program also funds abortion operations abroad.

After presenting examples of these challenges, we will discuss how the African Continental Free Trade Area can help address them.

Capital Accumulation and Industrial Development

One of the most pressing challenges facing African nations is the issue of capital accumulation (Amin, 1972), where resources are often extracted to benefit multinational corporations rather than local economies. The AfCFTA offers a solution by promoting local industries. By providing a larger market for African goods and services, the agreement encourages increased domestic



production, reducing reliance on imports and fostering self-sufficiency. Furthermore, the AfCFTA can attract foreign direct investment, which can contribute to infrastructure development and job creation (World Bank, 2020). This inflow of capital, when channeled effectively, can support local industries and promote sustainable economic growth.

Countering Imperialism Through Regional Integration

Despite the formal end of colonialism, the lingering effects of imperialism continue to shape African economies. As Dambisa Moyo argues (Moyo, 2009), the exploitation of natural resources for the benefit of external powers remains a significant challenge. The AfCFTA offers a powerful tool to counter these influences by promoting regional integration. By unifying fragmented markets and facilitating the movement of goods, services, and labor, the agreement reduces dependence on external markets and fosters greater economic autonomy. This shift towards intra-African trade strengthens economic sovereignty and enables African nations to prioritize their own development agendas.

Building a Self-Reliant and Interconnected African Economy

The AfCFTA has the potential to create a more self-reliant and interconnected African economy. Mkandawire highlights the importance of regional integration in achieving sustainable development (Mkandawire, 2015). The AfCFTA contributes to this goal by increasing intra-African trade, which is projected to grow by 52% by 2025 (World Bank, 2020). This expansion of trade will stimulate economic activity, create new opportunities for businesses, and enhance regional cooperation. Moreover, the AfCFTA promotes investment in critical infrastructure, such as roads, railways, and ports, further facilitating the movement of goods and services and strengthening economic linkages across the continent.

Enhancing Sovereignty and Solidarity

The legacy of dependence in Africa, rooted in colonialism and externally imposed economic structures, has resulted in economies heavily reliant on exporting raw materials and importing manufactured goods. The AfCFTA offers a pathway to overcome this legacy by promoting local industries and reducing reliance on imports. By providing larger markets for African goods and services, the agreement encourages diversification and reduces dependence on external markets (World Bank, 2020).

The AfCFTA also contributes to greater economic sovereignty by unifying African markets and strengthening the continent's collective bargaining power in international trade agreements (African Union, 2023). This enhanced negotiating position allows African nations to secure more favorable terms and reduce external influence over their economies.

Furthermore, the AfCFTA fosters solidarity among African nations by promoting regional cooperation and reducing trade disputes (World Bank, 2020). By establishing a framework for



collaboration in areas such as trade, investment, and infrastructure, the agreement strengthens regional integration and promotes political and economic stability.

In Conclusion the African Continental Free Trade Area represents a significant step towards a more integrated, self-reliant and prosperous Africa. By addressing critical challenges and enhancing regional cooperation, the agreement has the potential to unleash the continent's vast economic potential and pave the way for a future where African countries can chart their own path towards sustainable development and shared prosperity (UNECA, 2019). Critical thinkers such as Samir Amin, Thandeka Mkandawire and Dambisa Moyo have argued that the continent can rise above the legacy of dependency and imperialism and instead embrace the values of sovereignty and solidarity. These scholars have expressed the importance of economic integration in boosting intra-African trade, fostering industrial development, and combating the legacy of colonialism and dependency. However, they also caution against overly optimistic projections and emphasize the need to address the structural challenges and power imbalances that may hinder this transformation.

While the AfCFTA aspires to boost intra-African trade and reduce reliance on external markets, deep-seated legacies of colonial structures and global value chains present formidable obstacles. African economies remain heavily dependent on exporting raw materials and importing manufactured goods, hindering the development of diverse and competitive industries (UNCTAD, 2021). Furthermore, the dominance of external actors in key sectors, such as mining and technology, poses challenges to achieving genuine economic sovereignty and self-reliance.

Despite the optimism surrounding the AfCFTA's potential to attract foreign direct investment (FDI), concerns persist regarding the nature and distribution of these investments (World Bank, 2020). Ensuring that investments contribute to sustainable and inclusive development, benefiting local communities and promoting environmental sustainability, requires careful planning, regulation, and transparency. Addressing the looming debt crisis and ensuring debt sustainability is equally crucial for creating an enabling environment for investment, growth, and equitable development (African Development Bank Group, 2023).

The ultimate success of the AfCFTA hinges on effective implementation and the political will of member states to overcome challenges and pursue deeper integration. Addressing infrastructure deficits, harmonizing regulations, and fostering industrial development are crucial for creating a truly integrated and self-reliant African economy (IMF, 2022). Moreover, fostering greater solidarity and cooperation among African nations is essential for navigating the complexities of global trade and geopolitical competition (AU, 2012). Strengthening regional institutions and mechanisms for conflict resolution will be vital for ensuring the long-term success of the AfCFTA and safeguarding African interests in a rapidly changing world.

Finally, the AfCFTA is not a panacea for Africa's economic challenges, but it represents a significant opportunity for the continent to forge its own path towards sustainable development and shared prosperity. By acknowledging the complexities, addressing the challenges, and



fostering genuine regional cooperation, African nations can harness the transformative potential of the AfCFTA to create a more equitable and prosperous future for all.

References

- African Union Commission. (2021). *African Integration Report: Report on the State of African Integration in Africa*.
- African Development Bank Group. (2023). *African Economic Outlook 2023: Sustainable debt management for a resilient Africa*
- Afreximbank. (2023). *African Continental Free Trade Area: Towards a single market for goods and services in Africa*.
- African Union (AU). (2012). *Boosting Intra-African Trade: Implementation of the Action Plan for Boosting Intra-African Trade (BIAT)*.
- African Union. (2023). *Agreement Establishing the African Continental Free Trade Area*.
- Amin, S. (1972). *Accumulation on a world scale: A critique of the theory of underdevelopment*. Monthly Review Press.
- AUC. (2021). *African Union Handbook 2021*. African Union Commission.
- ECA. (2023). *Economic Report on Africa 2023: Accelerating the AfCFTA's Implementation*. United Nations Economic Commission for Africa.
- IMF. (2022). *Regional Economic Outlook: Sub-Saharan Africa*.
- Mkandawire, T. (2015). *Thinking about developmental states in Africa*. *Cambridge Journal of Economics*, 39(3), 673-693.
- Mohamed, S. (2023). *The Impact of AfCFTA on Egyptian Economy*. Cairo University.
- Moyo, D. (2009). *Dead aid: Why aid is not working and how there is a better way for Africa*. Farrar, Straus and Giroux.
- Mubasher. (2023, December 11). *Report: Intra-African trade increased by 7.2% in 2023*.
- Qobo, M. (2007). *The challenges of regional integration in Africa*. ISS Paper 145.
- Statista Research Department. (2024, November 29). *GDP of African countries in 2024, by country*. Statista. <https://www.statista.com/statistics/1120999/gdp-of-african-countries-by-country/>¹
- UNCTAD. (2021). *Economic Development in Africa Report 2021: Addressing the Africa's debt challenges*.
- UNCTAD. (2023). *Economic Development in Africa Report 2023: The AfCFTA, Industrialization and the Free Movement of People*. United Nations Conference on Trade and Development.
- UNCTAD. (2024). *World Investment Report 2024*. <https://unctad.org/publication/world-investment-report-2024>
- UNECA. (2019). *Assessing Regional Integration in Africa IX: Free Trade Area for a Transformed and Prosperous Africa*.
- World Bank. (2020). *The African Continental Free Trade Area: Economic and distributional effects*.
- World Bank. (2022). *Boosting Intra-African Trade In The Context Of COVID-19: The Role Of The African Continental Free Trade Area*.



DRAFT
Do not cite without permission
SMAIAS-ASN SUMMER SCHOOL
Harare, 3–7 February 2025



World Bank. (2024). *Africa's Pulse, No. 30, October 2024: Transforming Education for Inclusive Growth*. <https://www.worldbank.org/en/publication/africa-pulse>

The Sharq Forum. (2024, November 4). مستقبل العلاقات الأمريكية الأفريقية. <https://research.sharqforum.org/ar/2024/11/04/%d9%85%d8%b3%d8%aa%d9%82%d8%a8%d9%84-%d8%a7%d9%84%d8%b9%d9%84%d8%a7%d9%82%d8%a7%d8%aa-%d8%a7%d9%84%d8%a3%d9%85%d9%8a%d8%b1%d9%83%d9%8a%d8%a9-%d8%a7%d9%84%d8%a3%d9%81%d8%b1%d9%8a%d9%82%d9%8a%d8%a9/>