

《Africa aims for continental free trade area》

An ambitious vision for a continental free trade area that forms a single market across Africa may still be a long way off. A deal to create such a market to ultimately link all of Africa's 54 states and allow for easier trade and the free movement of goods, capital, and people, is in the early stages of negotiation.

Dermacell is a South African-based manufacturing company which produces beauty and healthcare products. The skincare range is made to suit darker skin and protect against the harsh African climate...

"The aloe that we are using has those got those healing and protective effects for the climatic condition that we find on Africa which is mainly damage due to the sun heat," said Lovey Talana, CEO, Dermacell.

Dermacell exports around 15% of its products to other African countries, most of them in the Southern African Development Community. With growing demand, the company wants to expand outside the SADC bloc but regulatory hurdles makes it difficult.

"We went to DRC and even in Nigeria you find that there are people who are willing to come to distribute your products there. The trade agreements are there. They are in place yes, but for your products to be recognised or to be allowed to be sold in bulk in those respective countries, you need to have some kind of a licence," Talana said.

A free trade agreement signed last year, linking 26 countries was meant to address issues that companies like Dermacell are facing, by making trading between different blocs easier.

But the process towards achieving regional integration has been slow...

"In terms of the negotiations there hasn't been any progress. Remember the real negotiations they are more technical," said Azwimpheleli Langalanga, research associate, South Africa Institute of Int'l Affairs.

"The teams among the countries have to come up with a template and each country has to present a tariff schedule and how it wants to negotiate those barriers lower."

The CFTA will make trade easier among the 54 African states and open up a market of a billion people. But it's unlikely to be finalised by next year...

"The conclusion maybe in the next 5-10 years and we'll see maybe some real changes on the ground reflecting these agreements maybe in the next 20-30 years," Langalanga said.

The combined GDP of the African continent is around \$3.4tn. But inter-regional trade is just 12%. A more conducive trading environment between African countries is expected to lift that to more than 52%. But this dream may only be realised once the continental free trade agreement takes affect.