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Get the right market intelligence with the



African Trade
Observatory

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18 October 2024



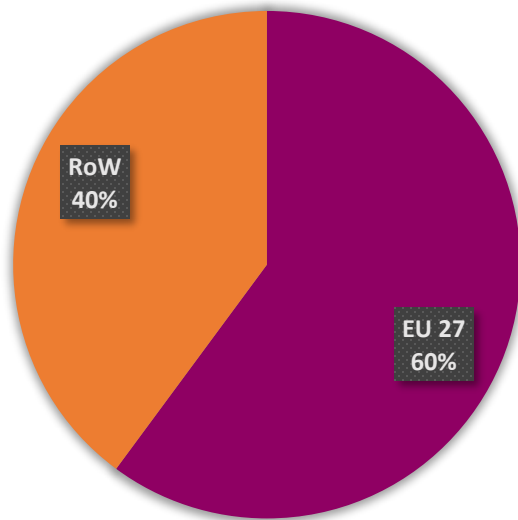
AGENDA

- I. Short Introduction to the African Trade Observatory project
- II. Case study and live demonstration
- III. Q&A Session
- IV. Practical exercises

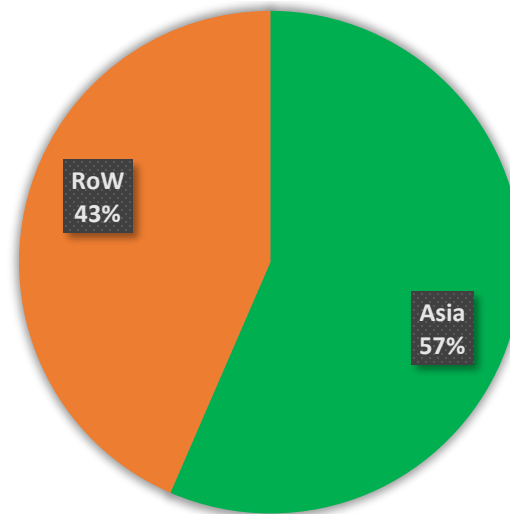
Despite concerted efforts towards regional integration, intra-African trade remains relatively low when compared to trade within other regions.

Share of intra-regional vs. extra-regional exports in 2023 (Rest of the World - RoW)

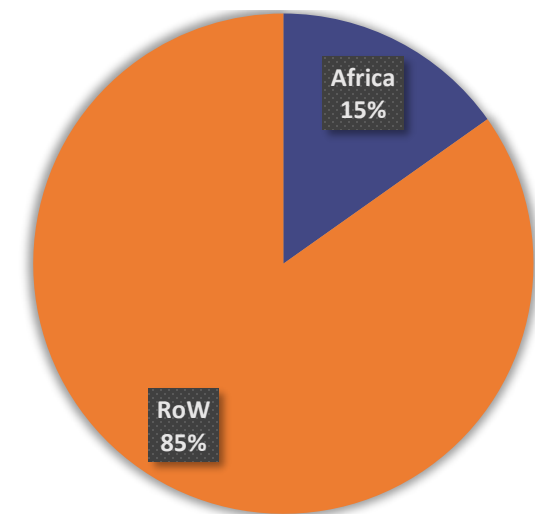
6 out of 10 products exported by EU entered the EU market



5 out of 10 products exported by Asia entered the Asian market

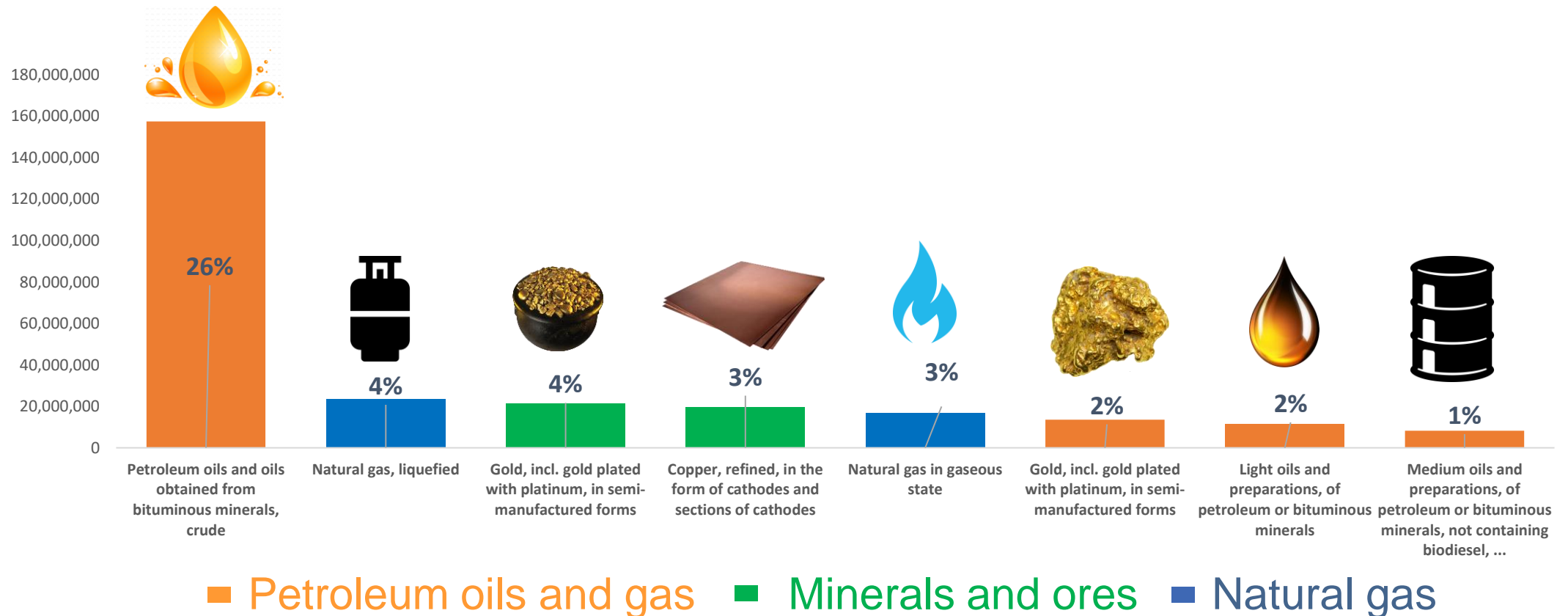


1 out of 10 products exported by Africa entered the African market



Concentration of African exports: over-reliance on natural resources and limited market diversification

Top 8 products exported by Africa to the world in 2023 (accounting for 45% of total exports)

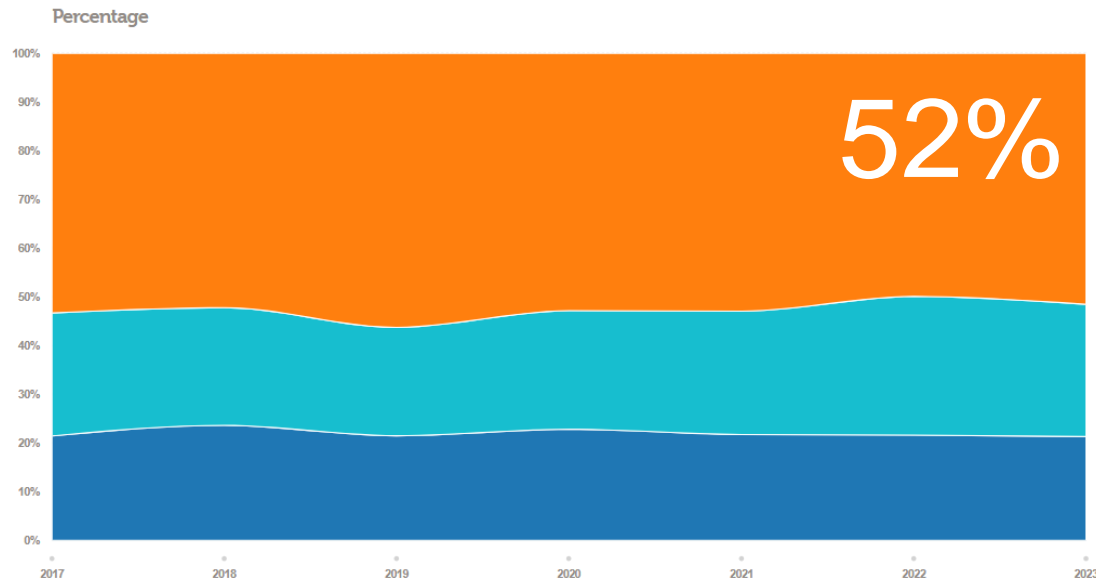


Intra-trade is different: More processed goods

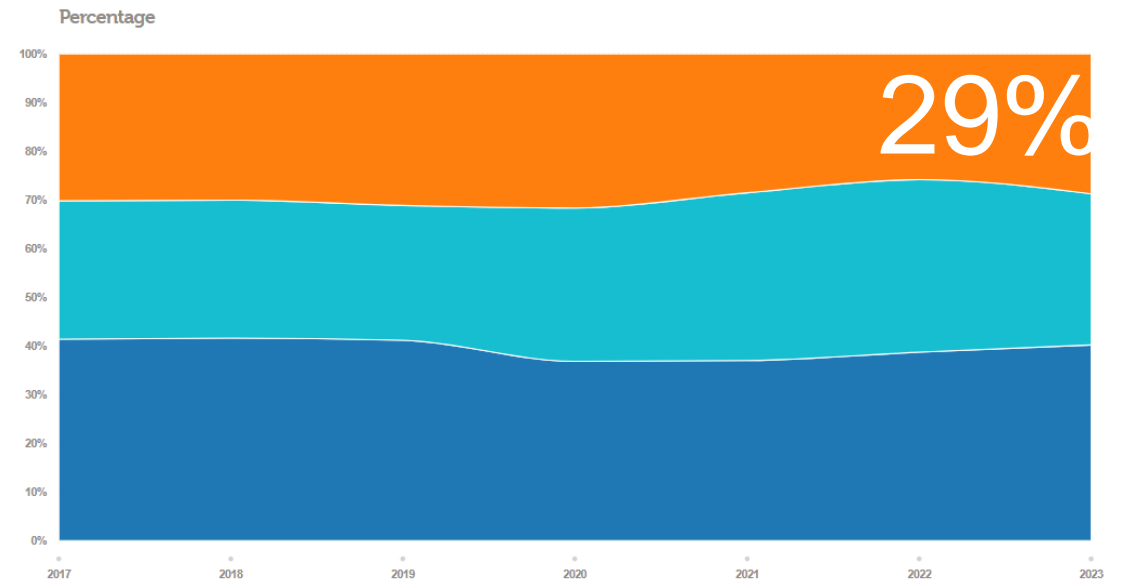
→ The share of processed products in intra-African trade is 52% compared to 29% in exports to the rest of the world.

→ A promising viable route for realizing Africa's aspirations towards industrialization and economic transformation "AU Agenda 2063, BIAT Plan"

● Processed ● Semi-Processed ● Raw



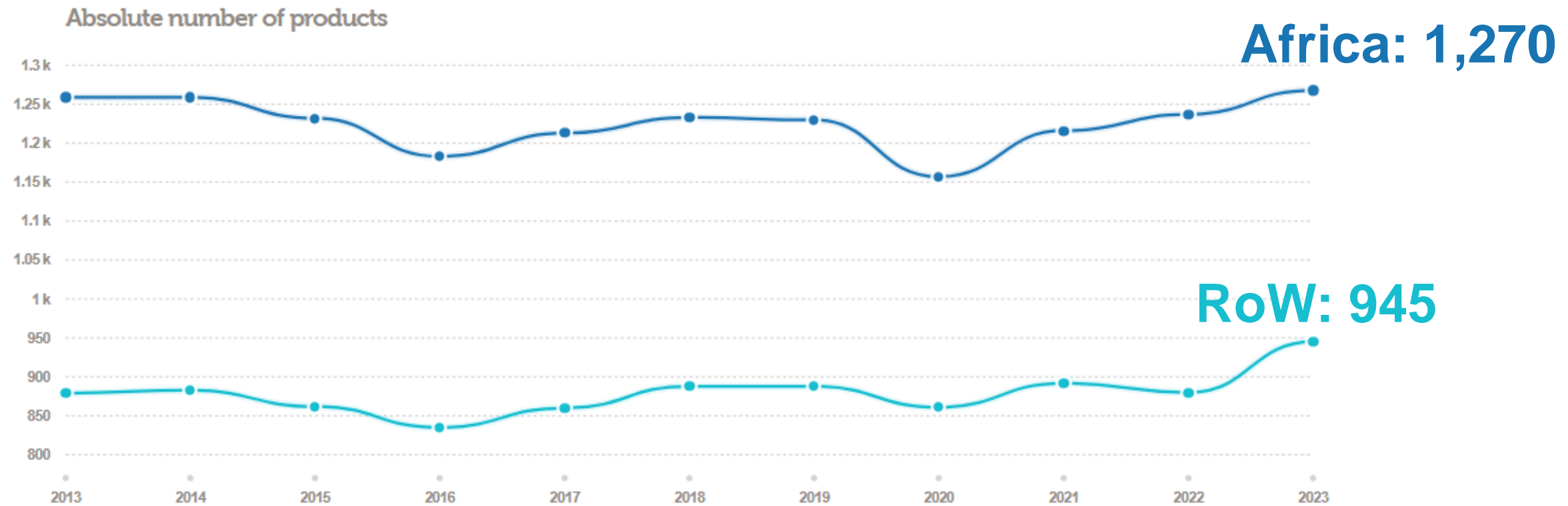
Intra-trade



Africa to rest of the world

and greater diversification

Number of products exported H6-digit level



The absolute number represents the count of products based on HS6 codes traded by the region with a value exceeding \$500 during a given period

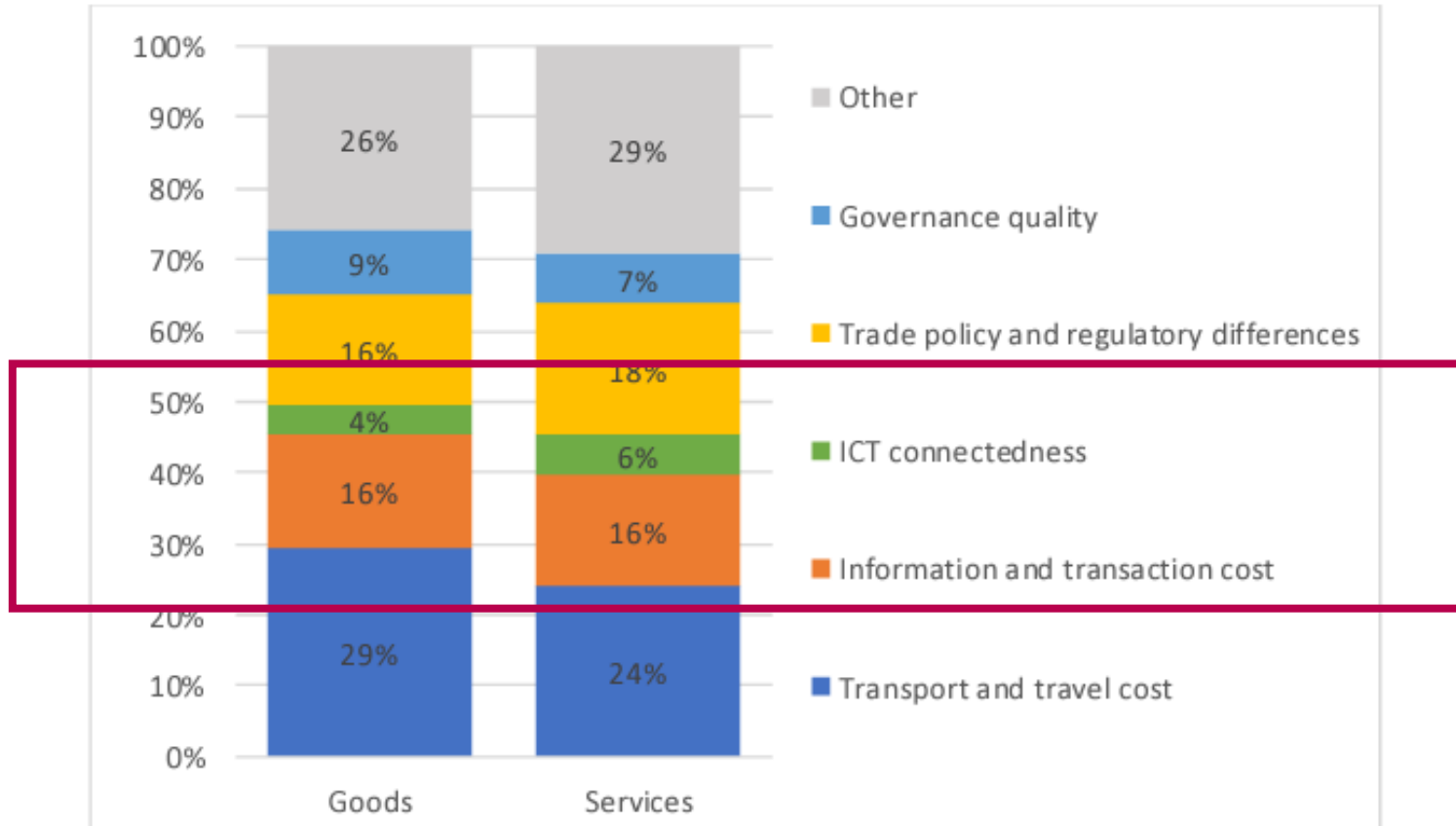
With the right policy choices, African countries can unlock significant export opportunities

ITC estimates over \$33 billion dollars of room for intra-African export growth by 2028



To unlock African potential, various barriers to trade must be reduced

One 3rd of trade costs comes from lack of information and policy/regulation divergence



Source: The WTO trade cost index and its determinants, 2021

The evidence from the ground suggests: Suppliers and producers on the continent often do not know each other...



We need information on the available offer in African countries. There should be more African suppliers participating in our national trade fairs, but also those in Europe.



Sourcing inputs from Africa? For us, this is the future. Yet to date, we have no knowledge about fabrics supplied by African countries.



I don't know any African company which supplies the inputs that we would need.

Case study:

What are the necessary information they should consider to facilitate the export process?



Naturex," a company founded by a group of friends last year, produces refined sugar and has a store in Egypt. The company aims to expand its market to Kenya, Namibia, and Ghana among others.



How can businesses adapt and take advantage of emerging opportunities?



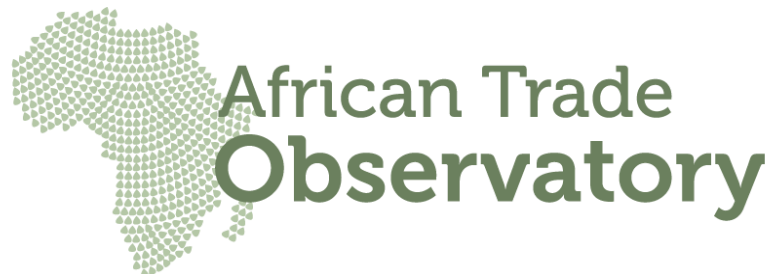
Stay informed
about new
opportunities

Diversify
market risks

Our recommendation...



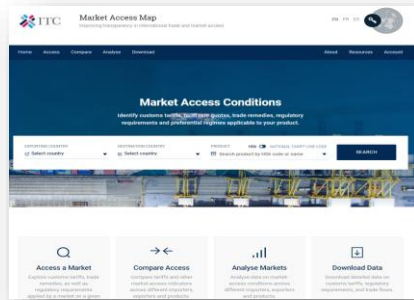
Start with...



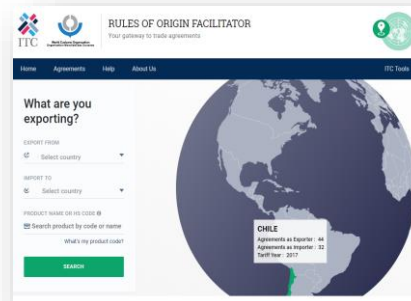
To complement your analysis



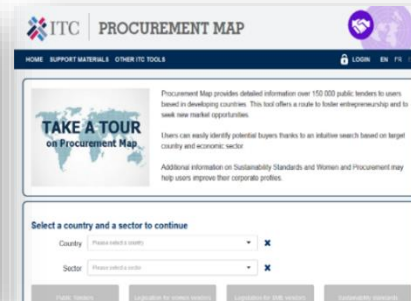
Analyse Global Trade Flows



Market access conditions



Rules of Origin requirements



Public tender opportunities



Track regulatory requirements



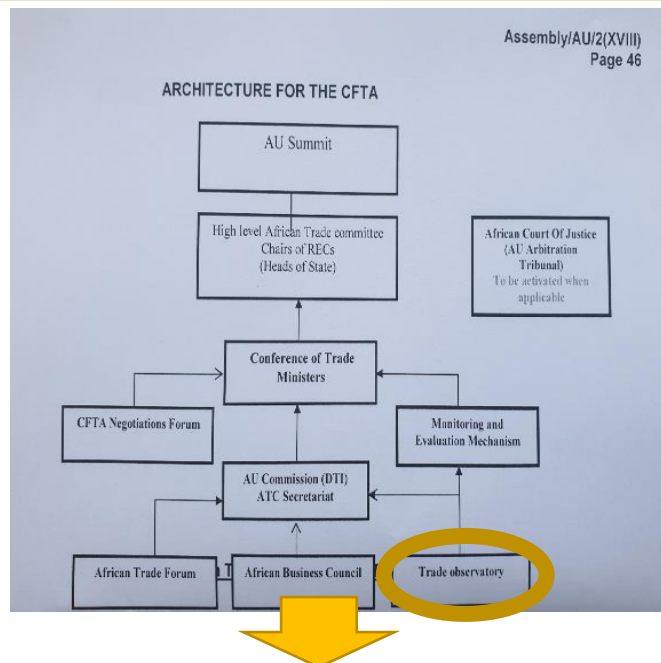
Exploring opportunities outside the African continent

Why is the ATO crucial for African trade?

AU Heads of State and Governments agreed to establish continental free trade area

Decision Assembly/AU/2 (XVIII) to establish a Continental Free Trade Area (CFTA) and endorse the Boosting Intra-Africa Trade (BIAT) Action Plan

18 January 2012



Main functions:

- 1) **Collect trade and trade-related information** from Member States and other sources
- 2) **Analyse** this information, focusing on emerging issues such as regional value chains and e-commerce.
- 3) **Monitor and evaluate** the implementation process and impact of the AfCFTA and the BIAT.
- 4) Provide relevant trade-related information to the **private sector**.
- 5) **Establish a database** for African trade and market access that is used to publish and disseminate information on intra-African trade.

AU Heads of State and Governments adopted and opened AfCFTA for signature

21 March 2018

AU Heads of State and Governments launched the AfCFTA and five operational instruments, including the ATO

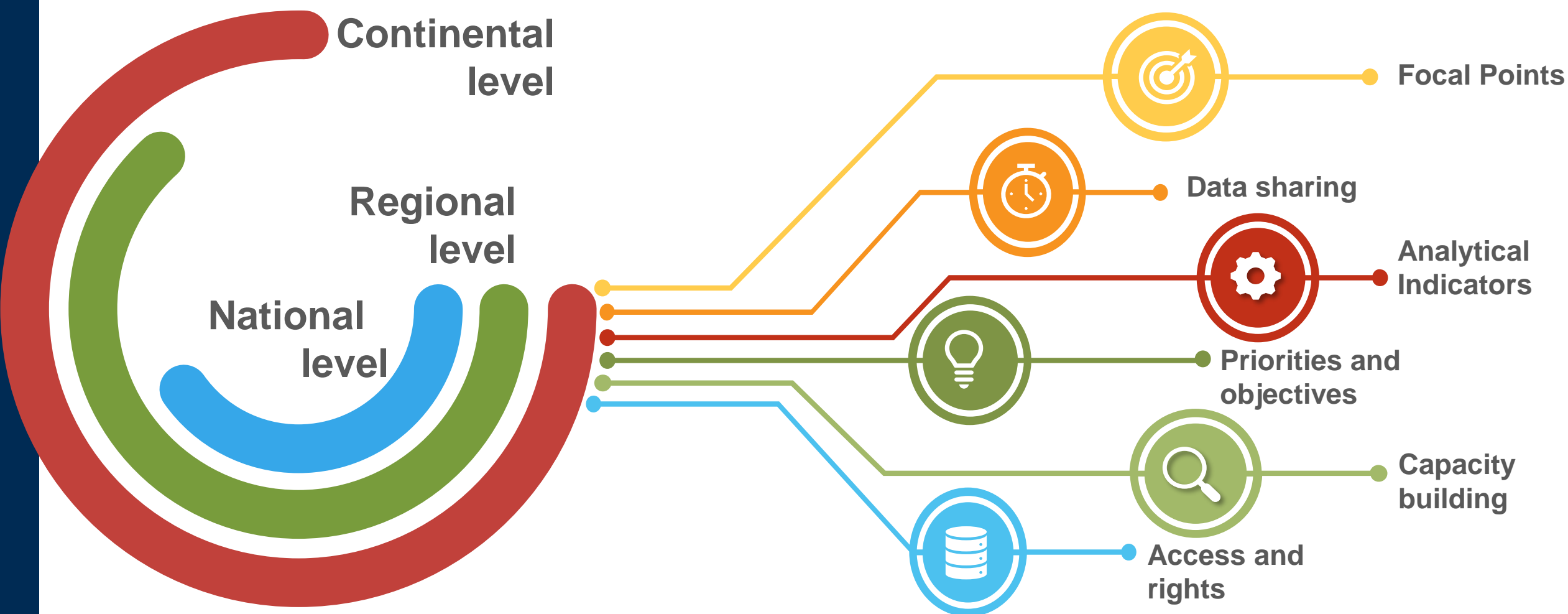
7 July 2019

The African Trade Observatory (ATO)

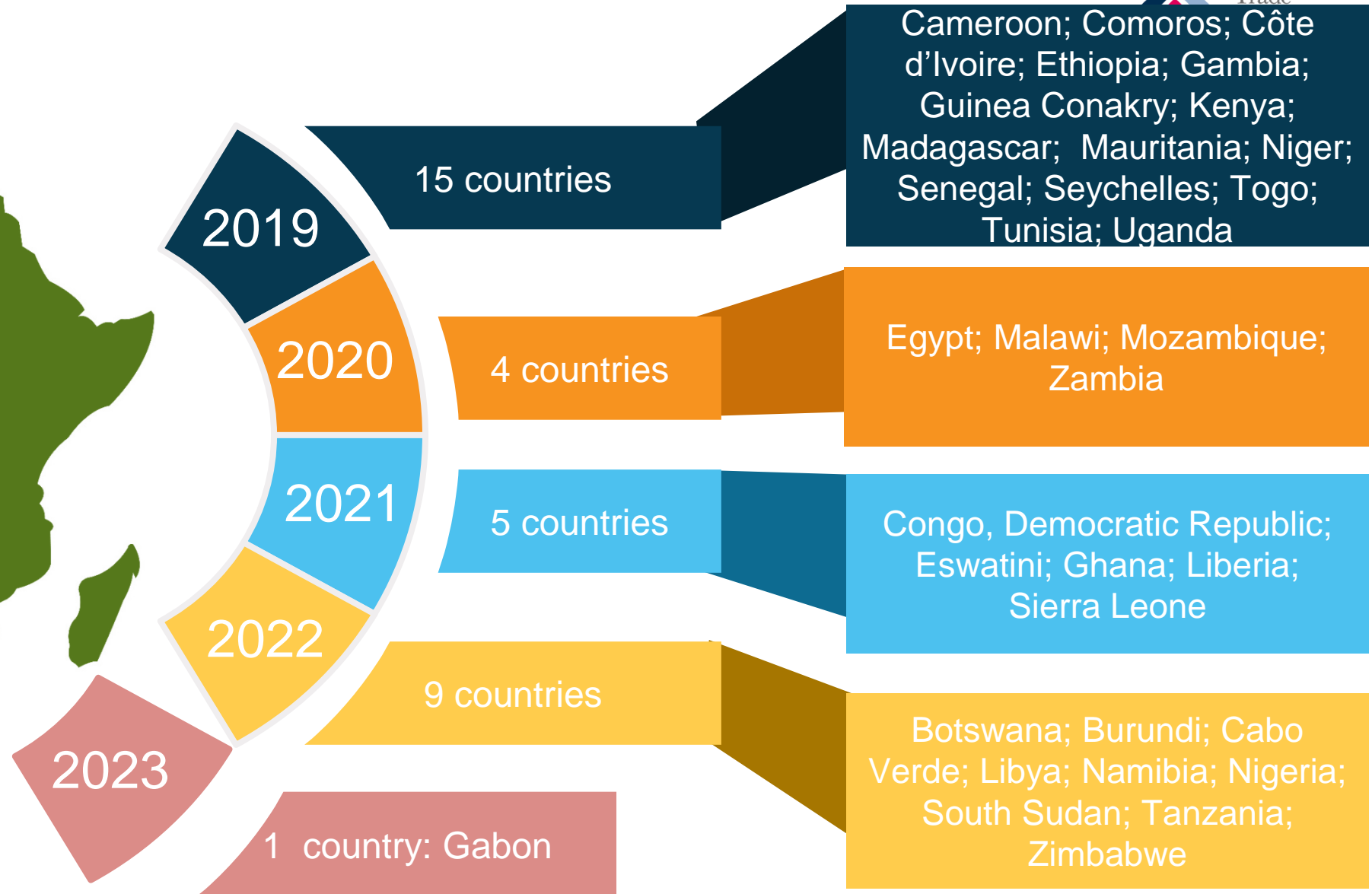
→ enhancing data to support business and policy decision



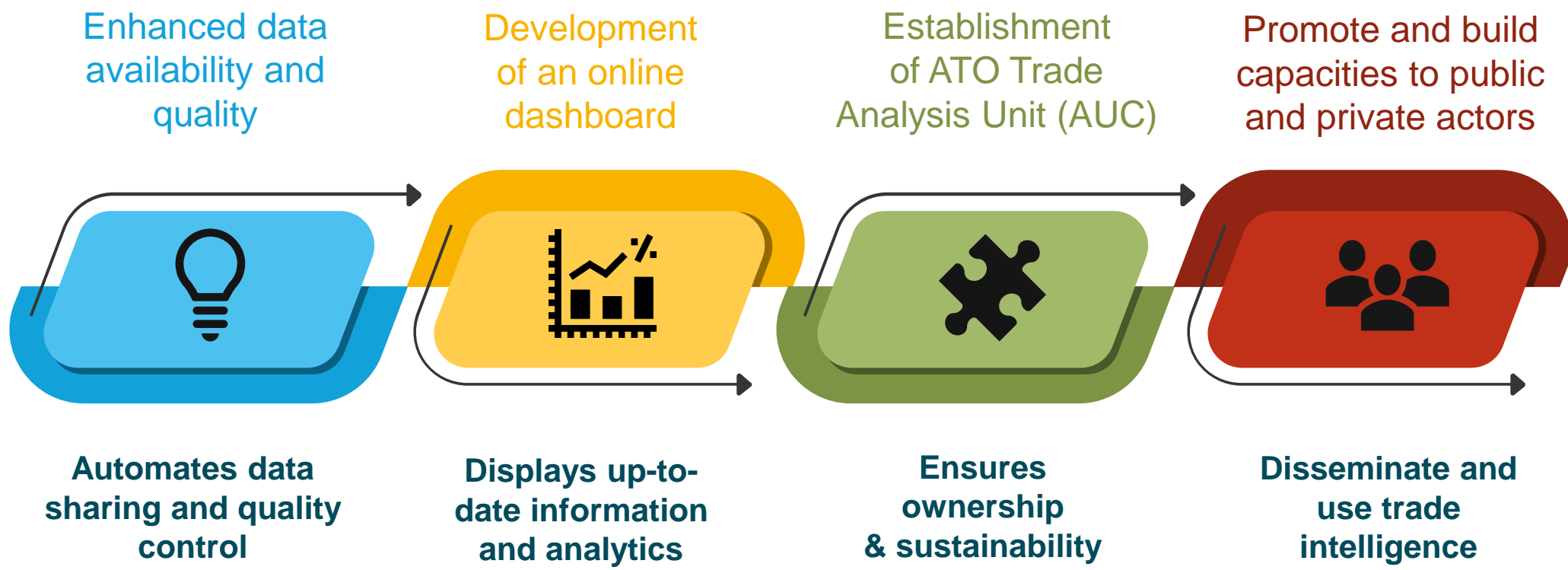
A collaborative effort: aligning national, regional, and continental trade policies



Adopted by more than 30 countries



The ATO project is built around 4 main pillars

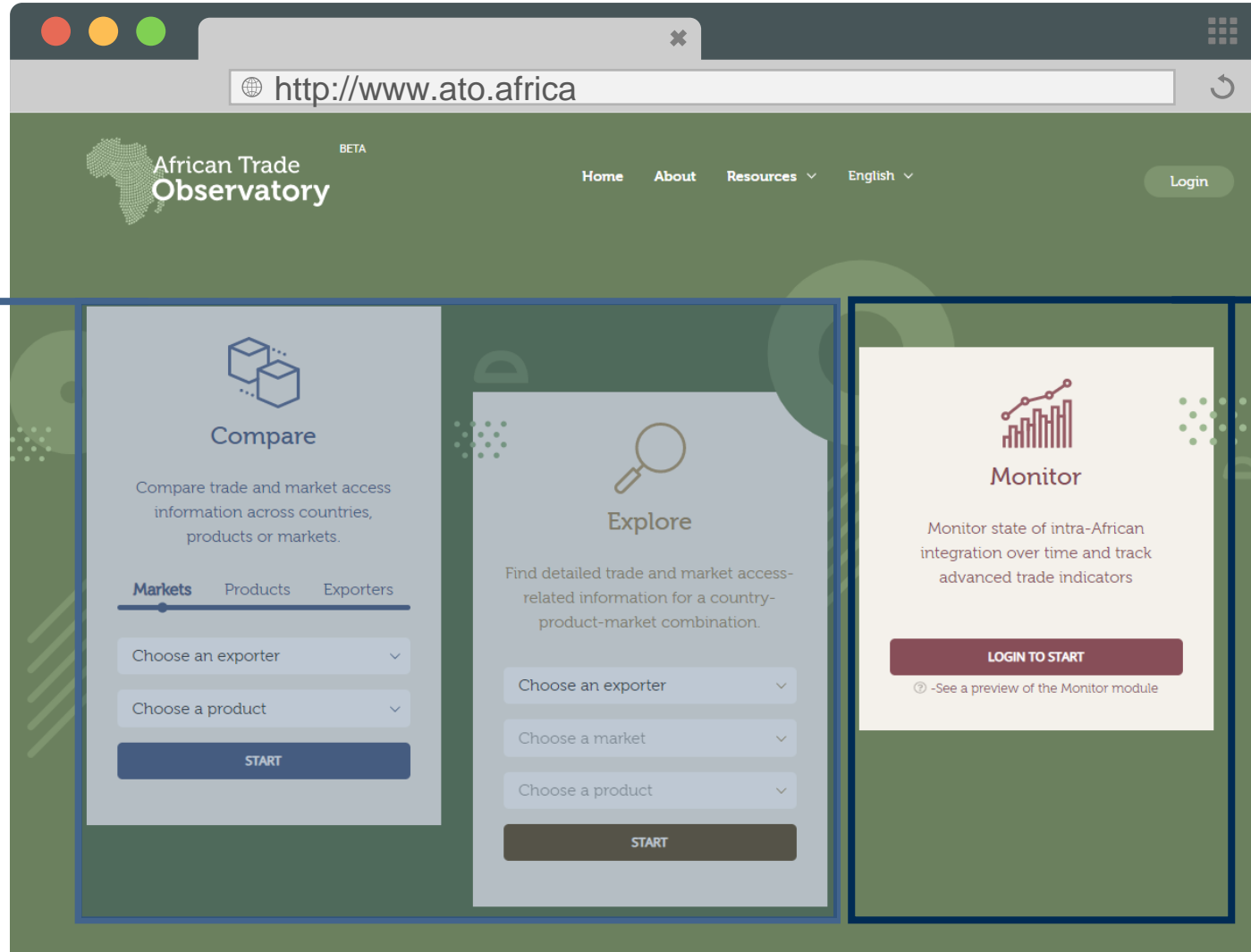


2019 — 2020 — 2021 — 2022 — 2023 — 2024 — 2025 — 2026

A single entry-point for customized trade intelligence for Africa



Free trade intelligence for businesses & BSOs



Trade analytics for government officials, policymakers and trade experts

Available in 6 AU languages

In these two modules, will find information about...

Market access conditions



and more...

Navigating the full market analysis process



COMPARE

African entrepreneurs can compare markets for their products to identify promising opportunities.


Identify product, evaluate demand & export potential

Compare market access via tariffs

Identify regulatory requirements & procedures

Consider market niches

Put together market entry strategy

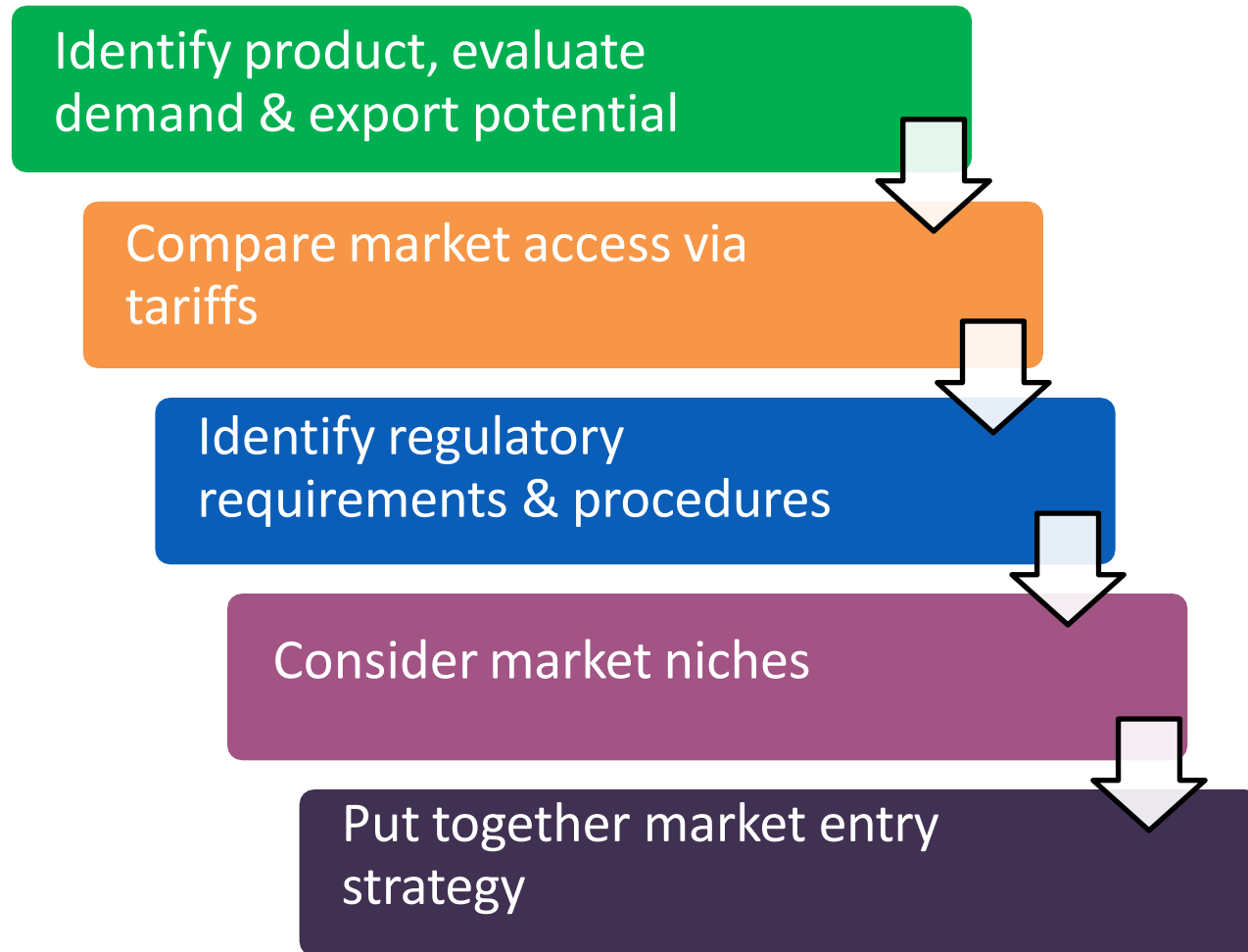


EXPLORE

Businesses can dig deeper to find detailed trade and market access information for an identified opportunity.

How can we use ATO information?

Related concepts:



- Harmonized system nomenclature
- Trade data
- Export potential
- Tariffs
- Rules of origin
- Non-tariff measures
- Taxes
- Voluntary standards

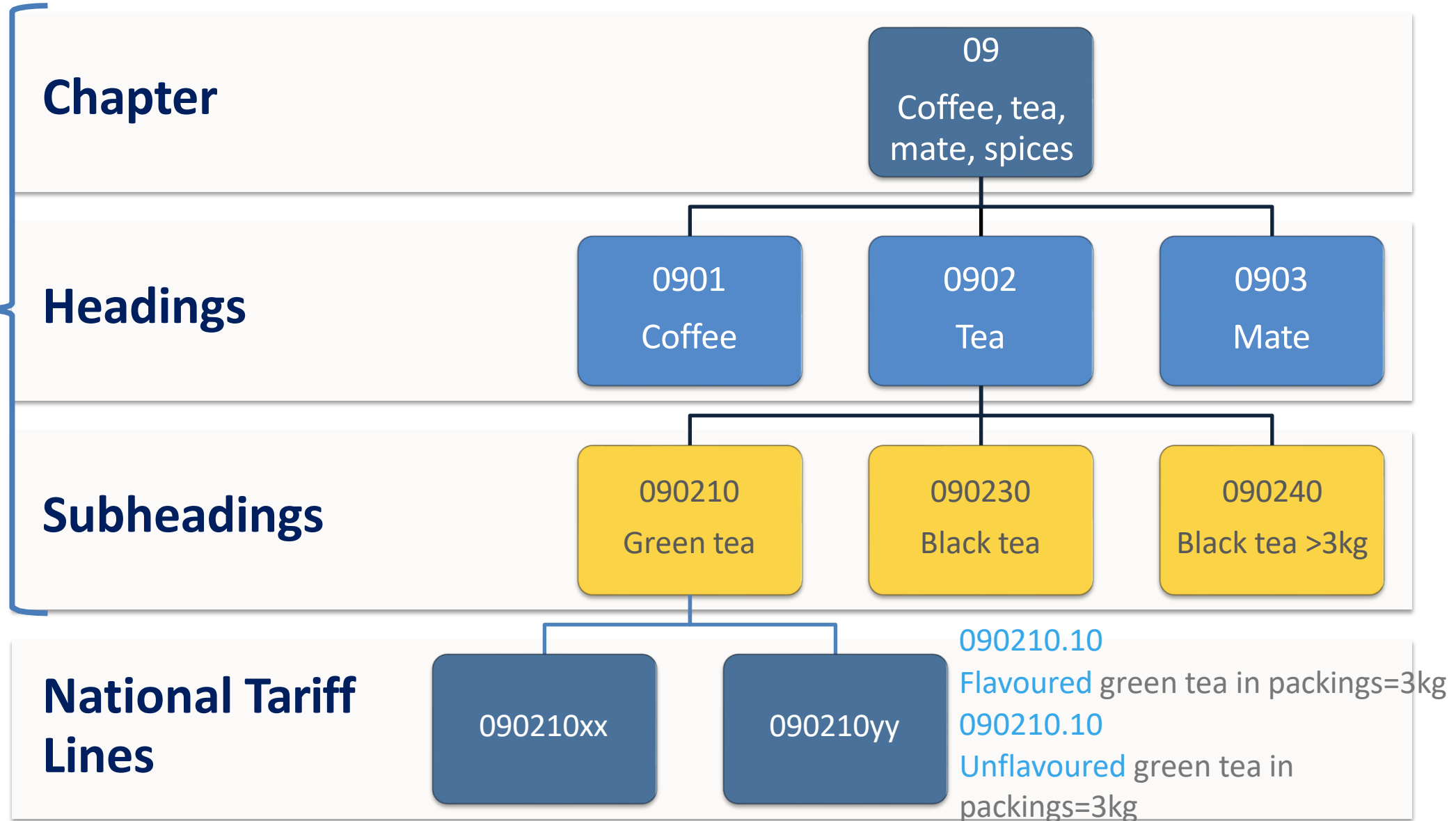
Case study: ATO Compare and Explore Modules

Are you ready to broaden your knowledge and get to know the new ATO Business Intelligence Dashboard?



Structure of the HS code

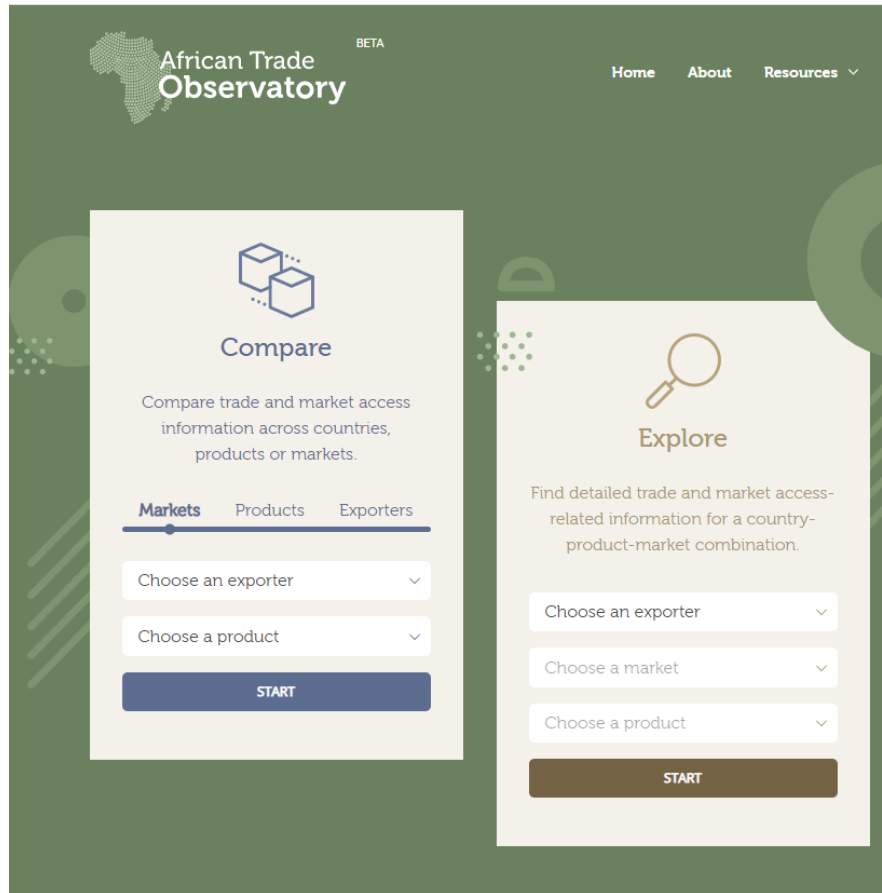
HS /
Harmonized
system /
International
standard



Let's have a quick look together!



African Trade
Observatory



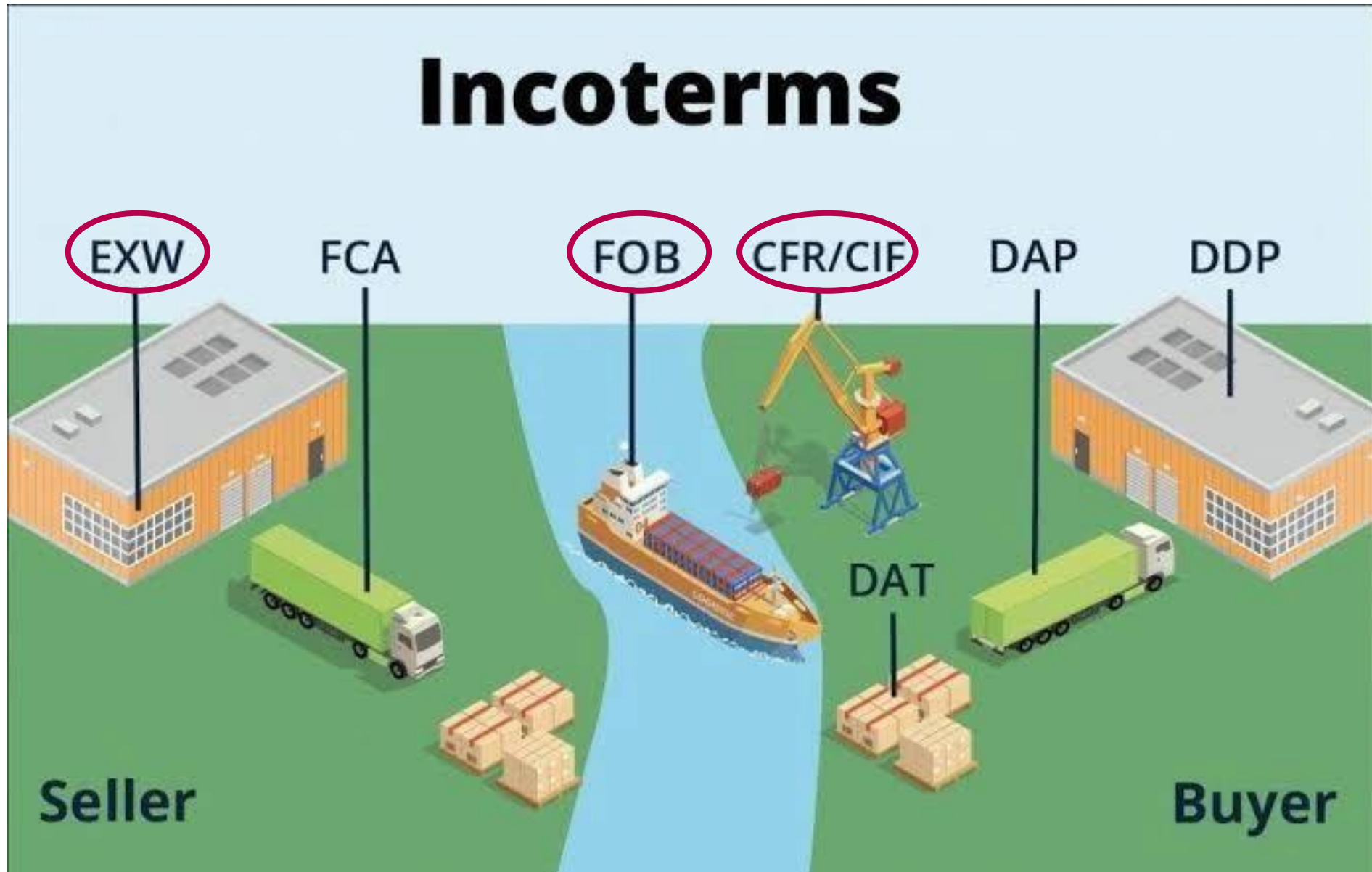
Example:

I am a Kenyan producer of make up and skin care preparations (HS 330499) and would like to expand in the African market. Any suggestions?



<https://ato.africa>

Importance of Incoterms in Trade Statistics



Example: Compliance with rules of origin

Raw material	HS Code	Origin	Value (Ex works)	Value (CIF)
Organic Argan Oil	330129	Egypt	\$4,500	\$5,000
Jojoba Oil	330129	Kenya	\$2,700	\$3,000
Shea butter	330499	Uganda	\$2,250	\$2,500
Labels and Packaging Boxes	481910	Kenya	\$1,350	\$1,500
Plastic Bottles	392330	China	\$1,800	\$2,000
Total			\$12,600	\$14,000

EAC

1

Manufacturing from materials of any heading, except that of the product



Allowance of up to 20% of the ex-works price is permitted

$\$2,250 / \$12,600 = 18\%$ of ex-works price

2

The value of all the non-originating materials does not exceed 70% of the ex-works price of the product



$\$1,800 + \$4,500 / \$12,600 = 50\%$ of ex-works price

COMESA

1

Wholly produced



2

Manufacture from materials classified in a heading other than that of the product



3

CIF value does not exceed 60 percent of the total cost of the materials

$\$2,000 / \$14,000 = 14\%$ of total CIF value



4

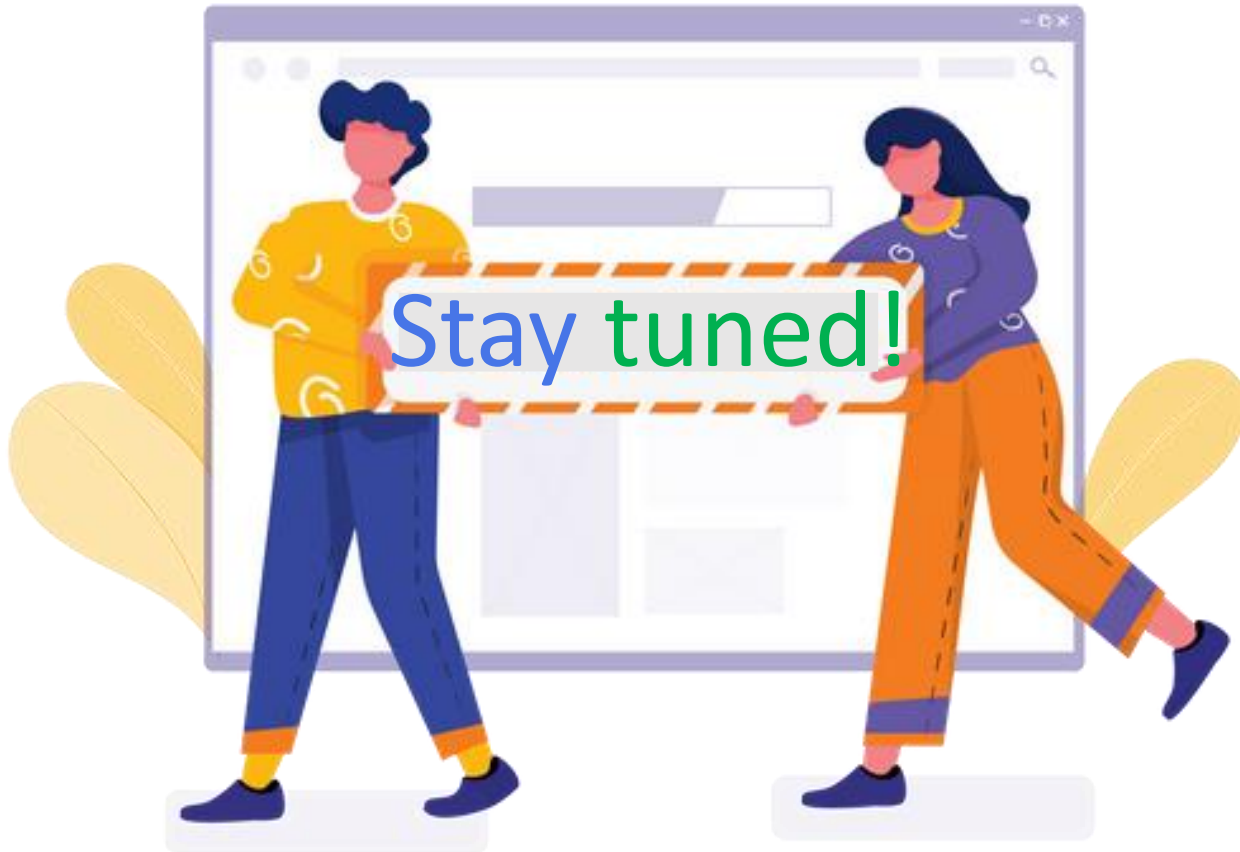
The value-added accounts for at least 35% of the ex-factory cost





Let the ATO Business Intelligence tool do the heavy lifting whenever possible.

What is coming in the next months?

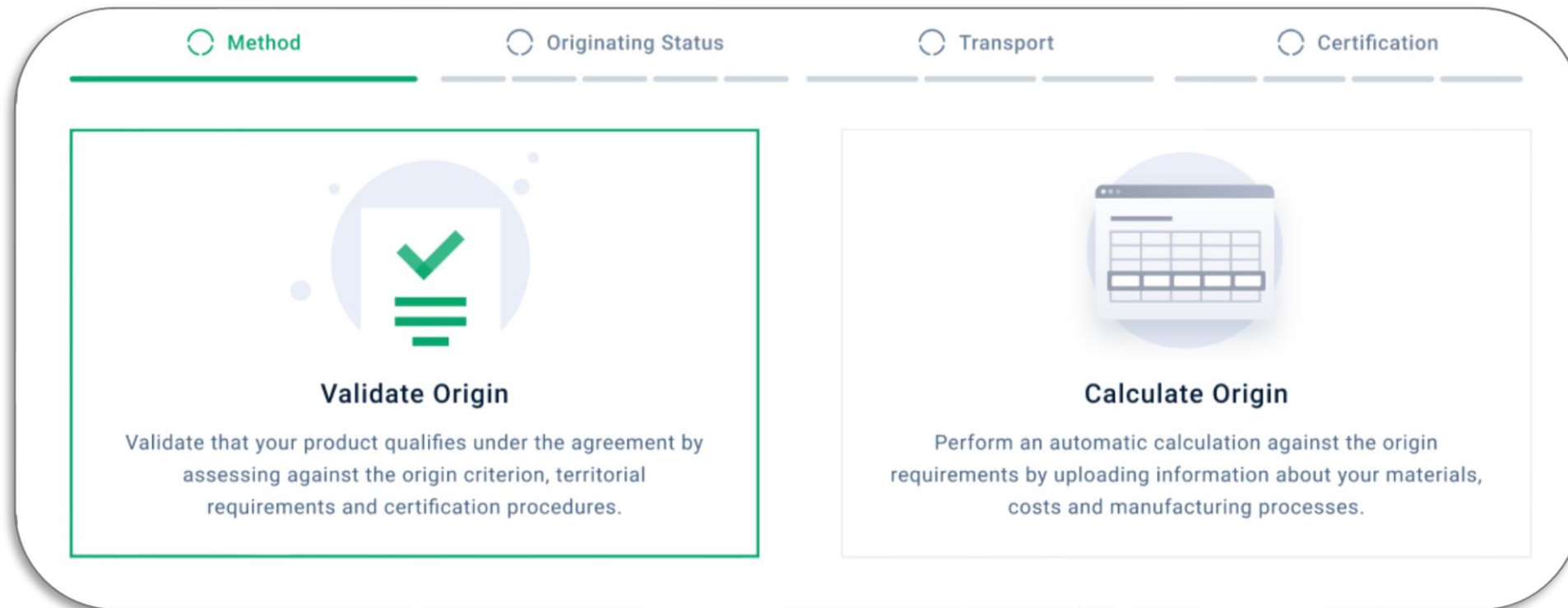


- Expand data coverage:
- trade in services
 - Trade Alert Obstacles Mechanism (TOAM)
 - rules of origin self assessment tool
 - taxes and other fees

Coming soon: Rules of Origin Self-Assessment Tool

1st Intra-African platform to apply AfCFTA rules of origin

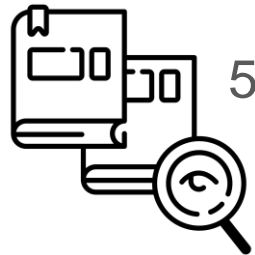
- 📖 Web-based repository of intra-African agreements and rules of origin
- 🕒 User-friendly application of rules of origin with the help of validation and calculation modules
- 🔗 Overall improvement of compliance and trust among intra-African traders



ATO e-learning course targeting the private sector



1st e-learning course on market analysis focused on ATO and promoting intra-African trade



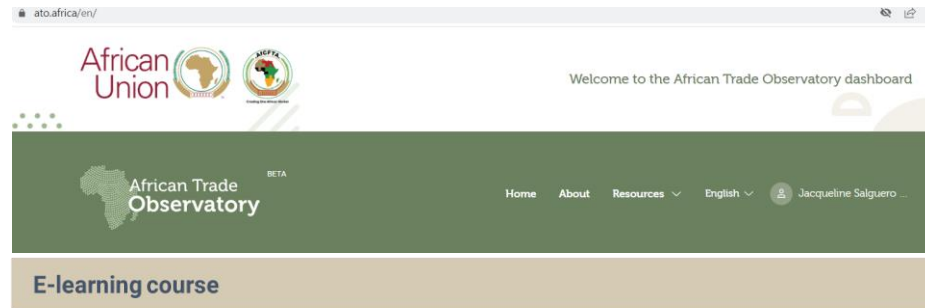
5 Modules



Certificate of competition

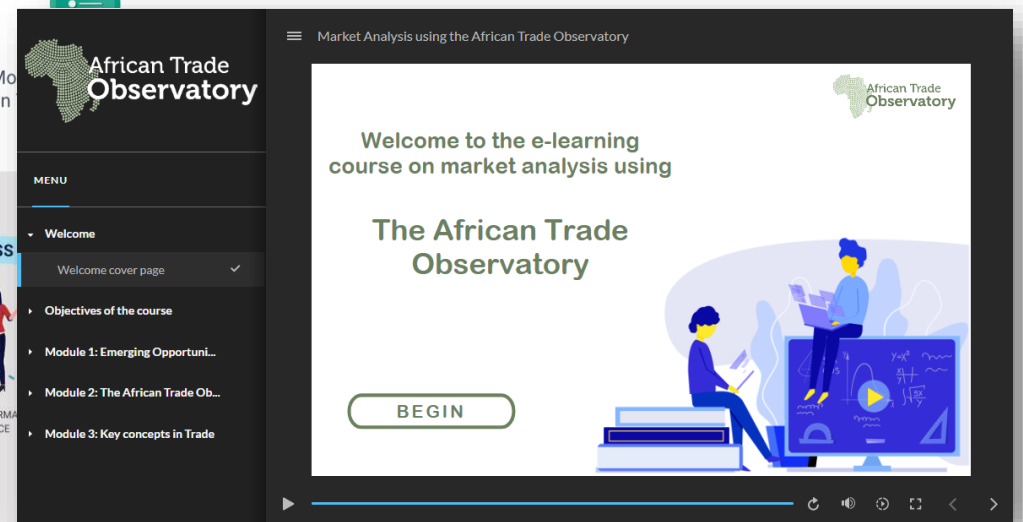
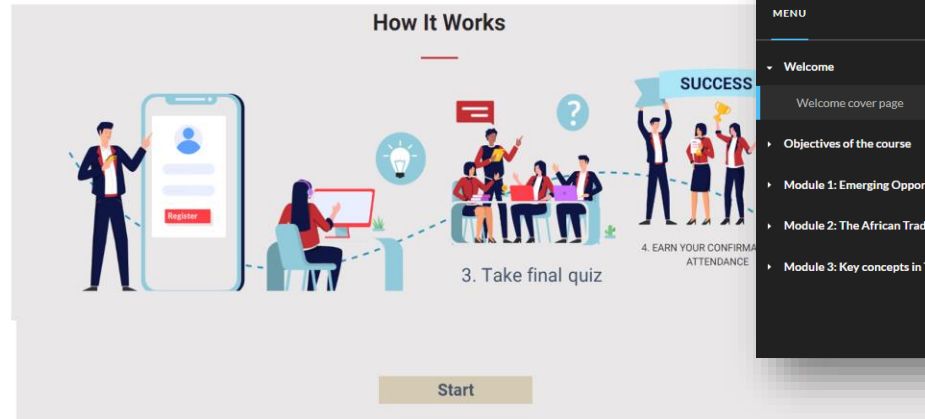
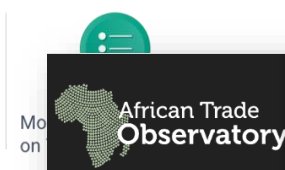


Self-paced learning (approx. 3 hours)



Learn at your own pace with our short e-learning course, including interactive exercises and quizzes to help you check your understanding

Sections build on each other to enable comprehensive understanding of the ATO.



**Do you have any
questions?**



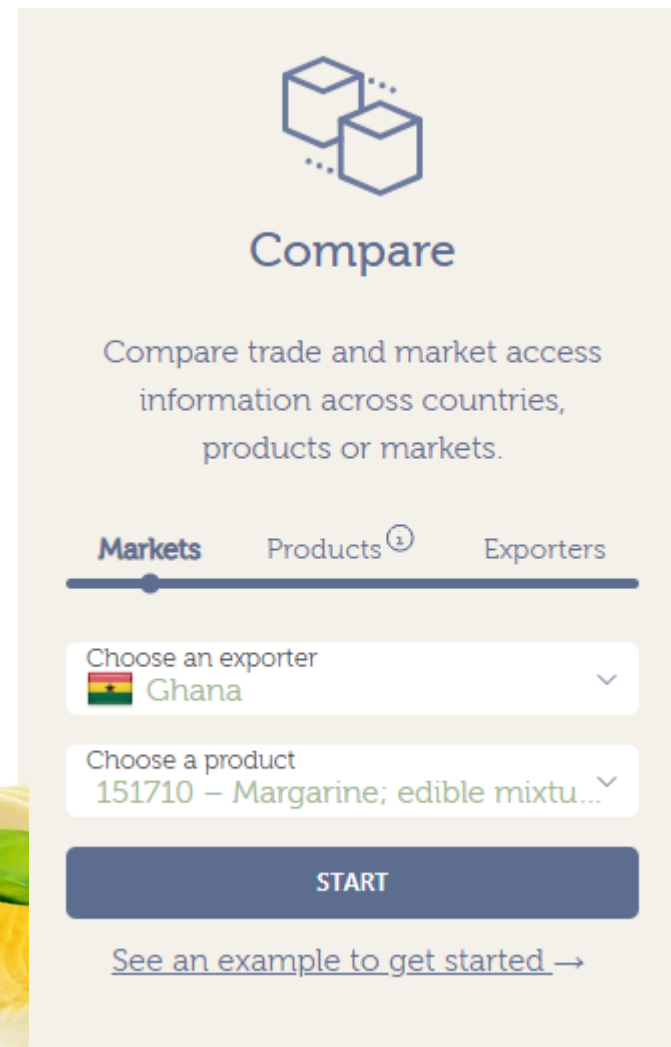
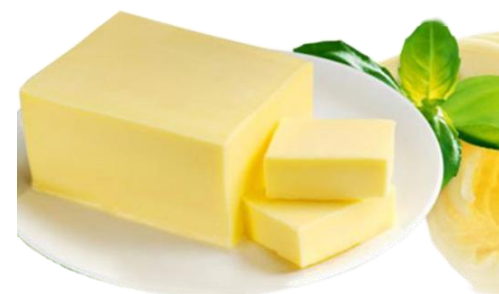



Now, it is
time to
practice...



→ <https://ato.africa>


Where to export margarine in
solid form (HS 151710) to
Africa?




Compare

Compare trade and market access information across countries, products or markets.

Markets Products ⓘ Exporters

Choose an exporter
 Ghana

Choose a product
151710 – Margarine; edible mixtu...

START

[See an example to get started →](#)

Quiz – margarine in solid form (HS 151710)

1. What is the African market with the greatest unrealized potential for Ghana ?

a) Nigeria

b) Mali

c) Côte d'Ivoire

2. What is the total demand (import) of Côte d'Ivoire?

a) \$ 3mn

b) \$ 3,85mn

c) \$ 3.15mn

3. What is the average MFN tariff imposed on imports into Côte d'Ivoire?

a) 15%

b) 20%

c) 35%

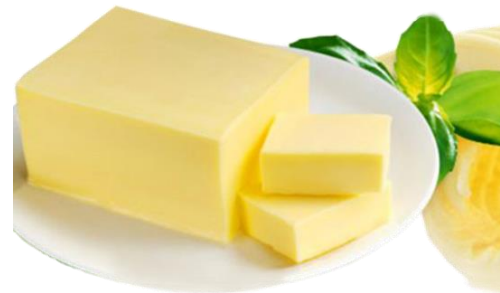
4. Is there a preferential tariff on imports into Côte d'Ivoire?


a) Yes

b) No


→ <https://ato.africa>


Explore the conditions of access to the **Yvorian market** for the **margarine in solid form (151710)**




Explore

Find detailed trade and market access-related information for a country-product-market combination.

Choose an exporter
 Ghana

Choose a market
 Côte d'Ivoire

Choose a product
151710 – Margarine; edible mixt...

START

[See an example to get started](#) →

Quiz – margarine in solid form (HS 151710)

5. What is the share of Côte d'Ivoire in Ghanaian exports?
a) 43% b) 79% c) 92%
6. What is the growth in Côte d'Ivoire's imports of Ghanaian margarine?
 a) 10% b) 11% c) 12%
7. What is the preferential rate applied in the agreement with ECOWAS countries?
 a) 0% b) 3% c) 8%
8. Are there any domestic requirements applied to exports?
 a) Yes b) No



BY **Market** | Product ⓘ | Exporter |
 FROM Côte d'Ivoire |
 PRODUCT 210410 – Soups and ... | >

The table below features essential trade indicators and market access indicators. Use this information to spot the most attractive African market for your product.

Show results by

Untapped potential |
 Actual trade

Show top 5 countries

Customize indicators

Markets with untapped potential for 21.04.10 (Soups and broths and preparations therefor; homogenised composite food preparations : Soups and broths and preparations therefor)

MALI \$41 mn	BURKINA FASO \$21 mn	GHANA \$20 mn	NIGER \$17 mn	GUINEA \$9 mn
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Markets	Trade			Market Access		More details on Explore Module
	Actual trade ⓘ in \$ mn	Market imports ⓘ in \$ mn	Ease of trade ⓘ	MFN tariff ⓘ	Effectively applied tariff ⓘ	
Mali	8.6 ⓘ ↗	89.42		20%	0%	
Burkina Faso	13.61 ↗	16.74		20%	0%	
Ghana	4.15 ↘	5.98		20%	0%	
Niger	3.66 ↘	10.07		20%	0%	
Guinea	9.13 ⓘ ↗	27.78		20%	0%	

If you need to advise an Ivorian producer of soups and broths preparations (HS 252329), which one of these markets would you recommend?



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Thank you for your attention!



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For more information, please do not
hesitate to contact us:

ato@intracen.org

