



The challenges for North Africa Regional Integration

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Director

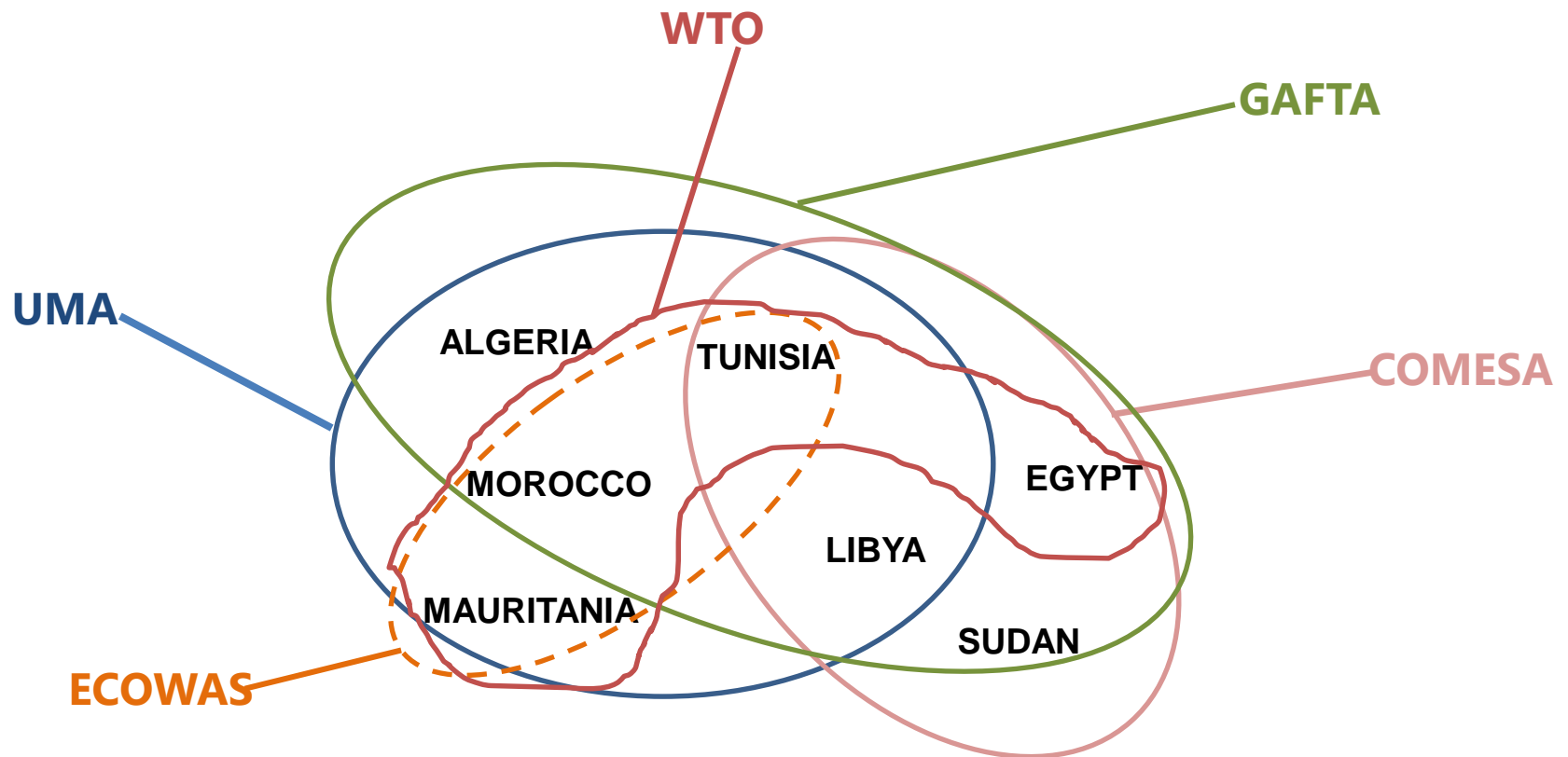
Sub-Regional Office Northern Africa

ESCWA workshop on monitoring and evaluating trade integration

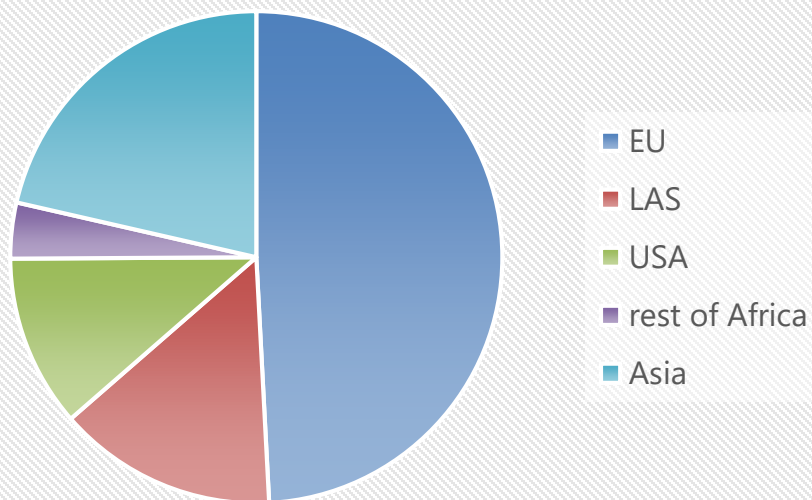
Beirut, 10 July 2018



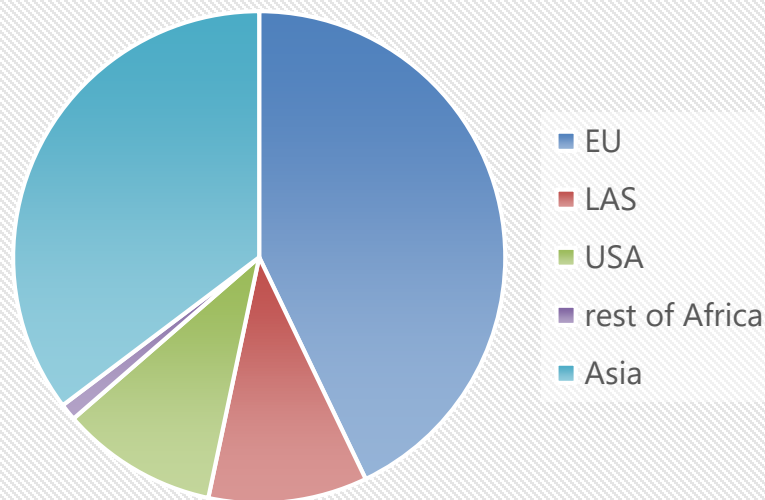
Indicators	2015
Real GDP growth (%)	3.9
GDP per capita (current, USD)	3,493
Inflation (annual, %)	10.8
Gen. govt. net lend/borrow (% of GDP)	-12.3
Total investment (% of GDP)	27.0
Gross national saving (% of GDP)	19.8
Current account balance (% of GDP)	-9.3

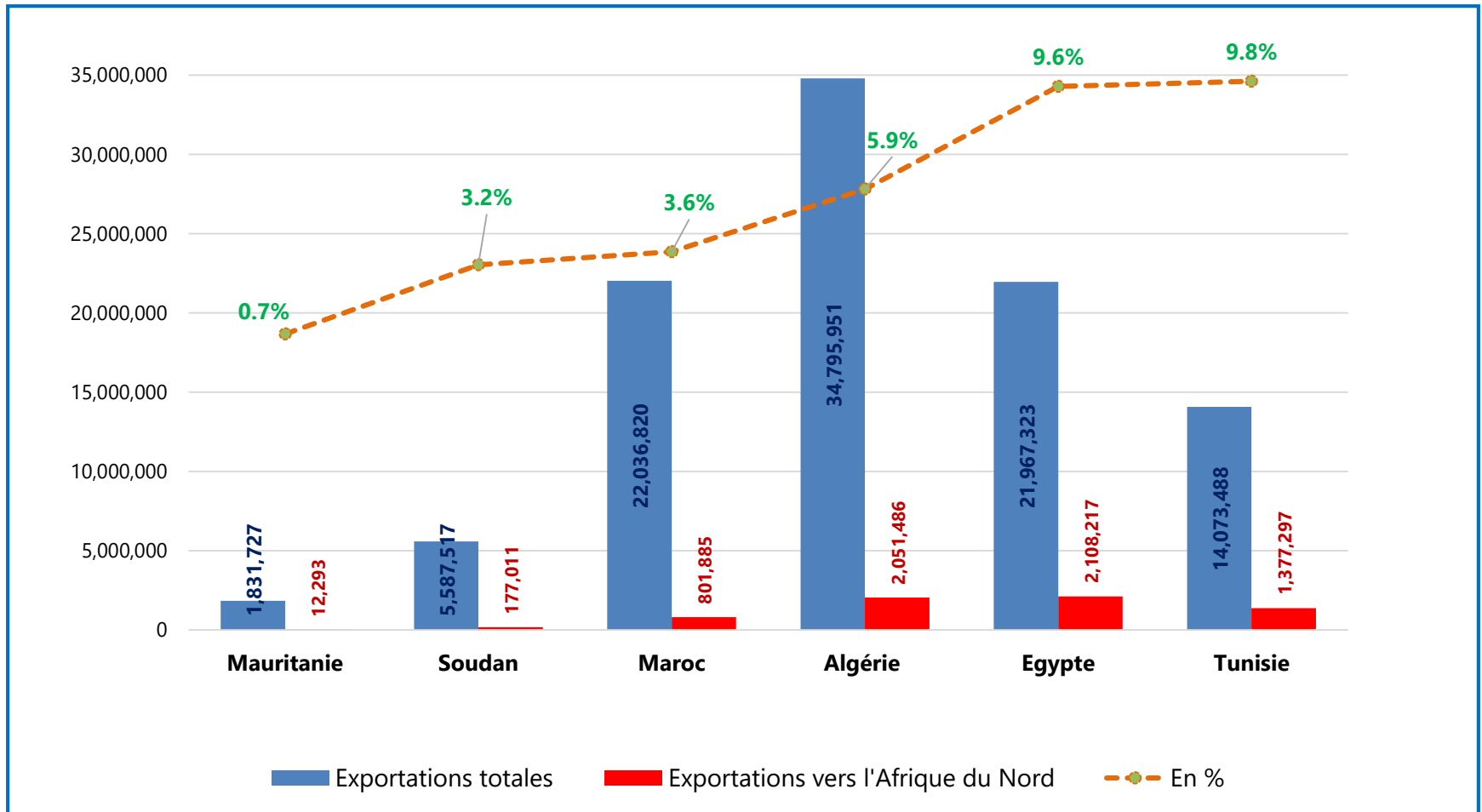


North Africa Exports (2016)



North Africa Imports (2016)

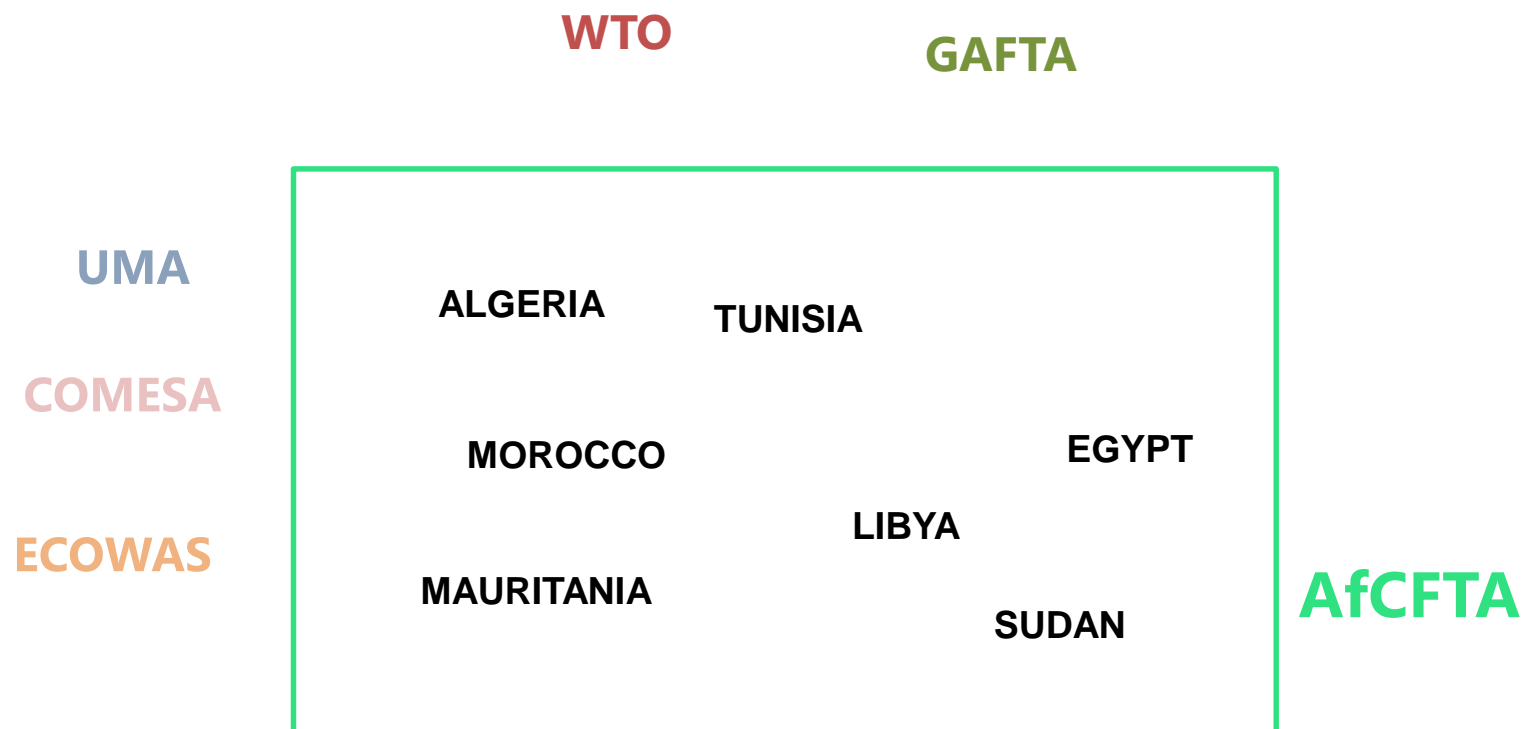




- North Africa weak integration within itself and with the Arab and African countries is due to
 - Trade agreements are not operationalized
 - Parallel and overlapping agreements create confusion
- Research shows that impediments to trade development and integration are related to :
 - Pervasive trade obstacles and non-tariff measures due to inefficiencies, lack of transparency, excessive procedures and protectionist attitude
 - Weak infrastructure that result in weak links and high transportation costs

UNCTAD: Regulatory convergence has the potential of reducing NTMs costs by 30-40%

- Population:
 - Arab region: 300 mil.
 - Sub-Saharan Africa: 1.2 billion
 - % of youth
- Growth
 - Sub-Saharan Africa groups some of the fastest growing economies
- Revenues
 - Arab region: mid to high level income
 - Africa: increasing active population and middle class proportion
 - Africa: by 2050 will group 26% of world active population

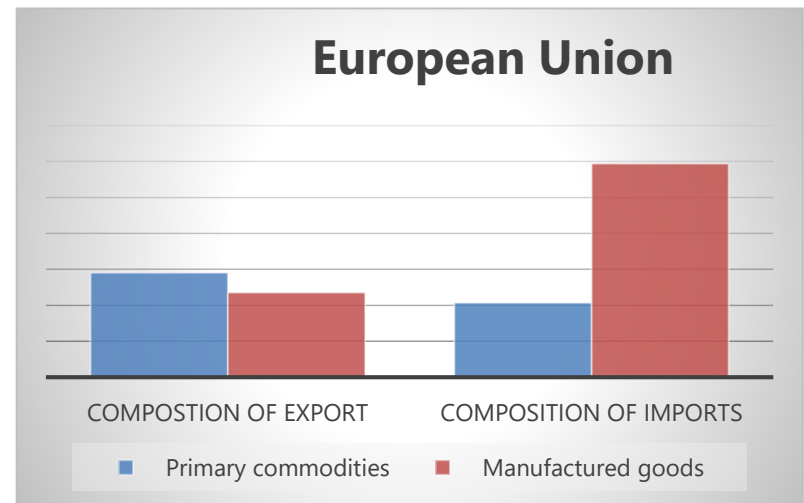
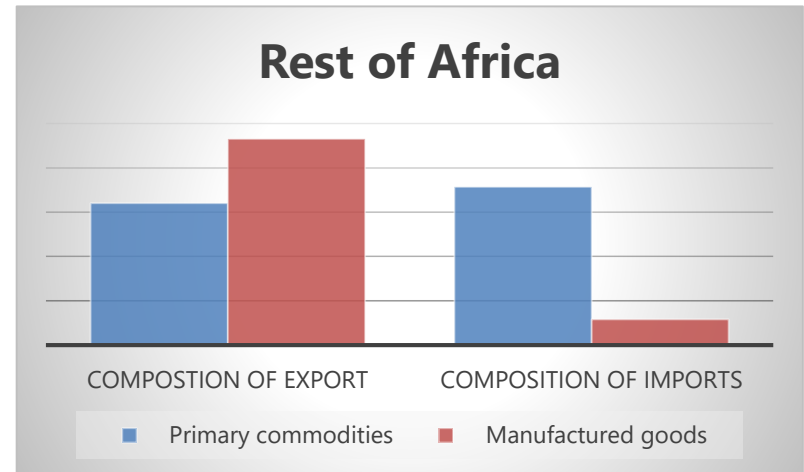


Why Africa matters

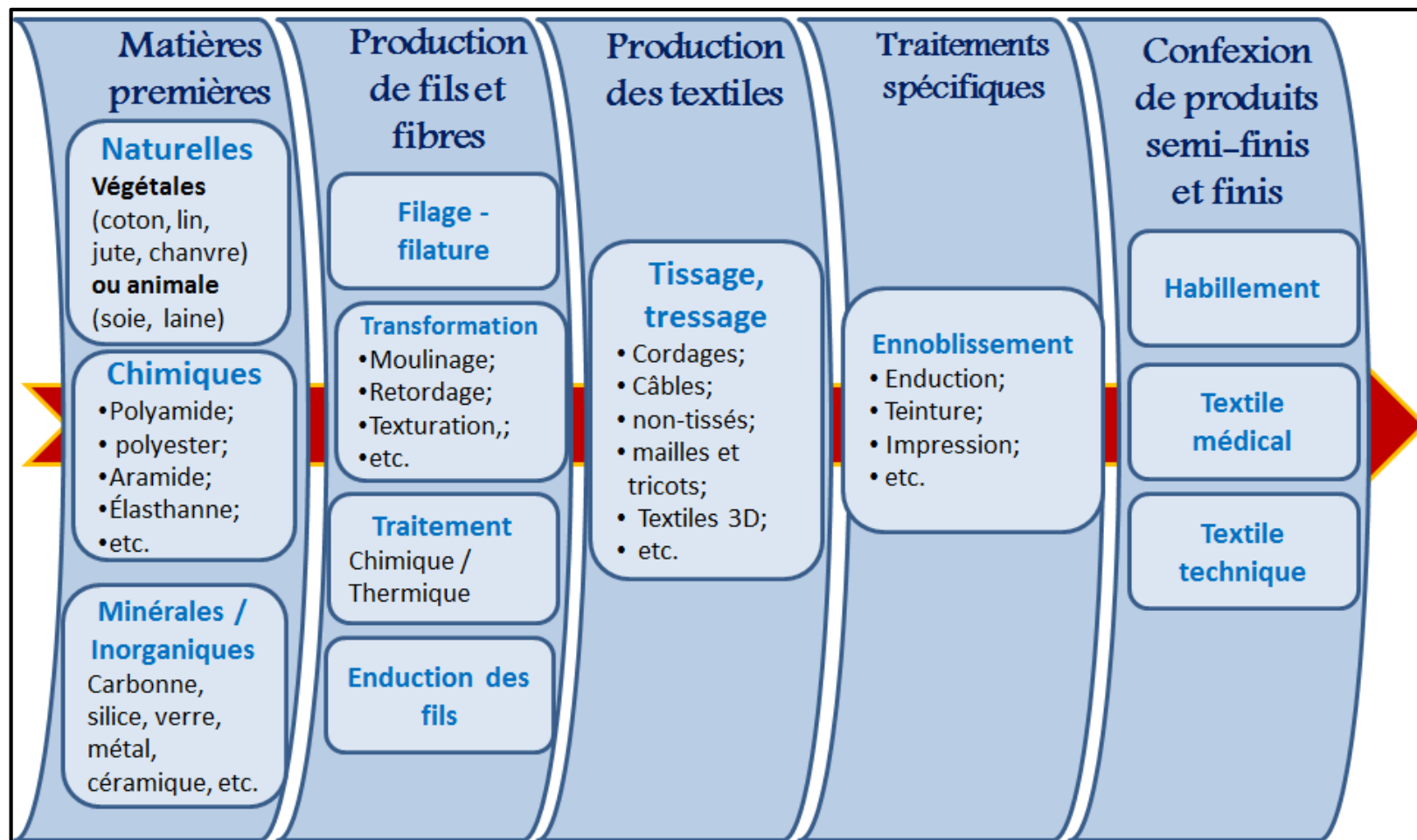
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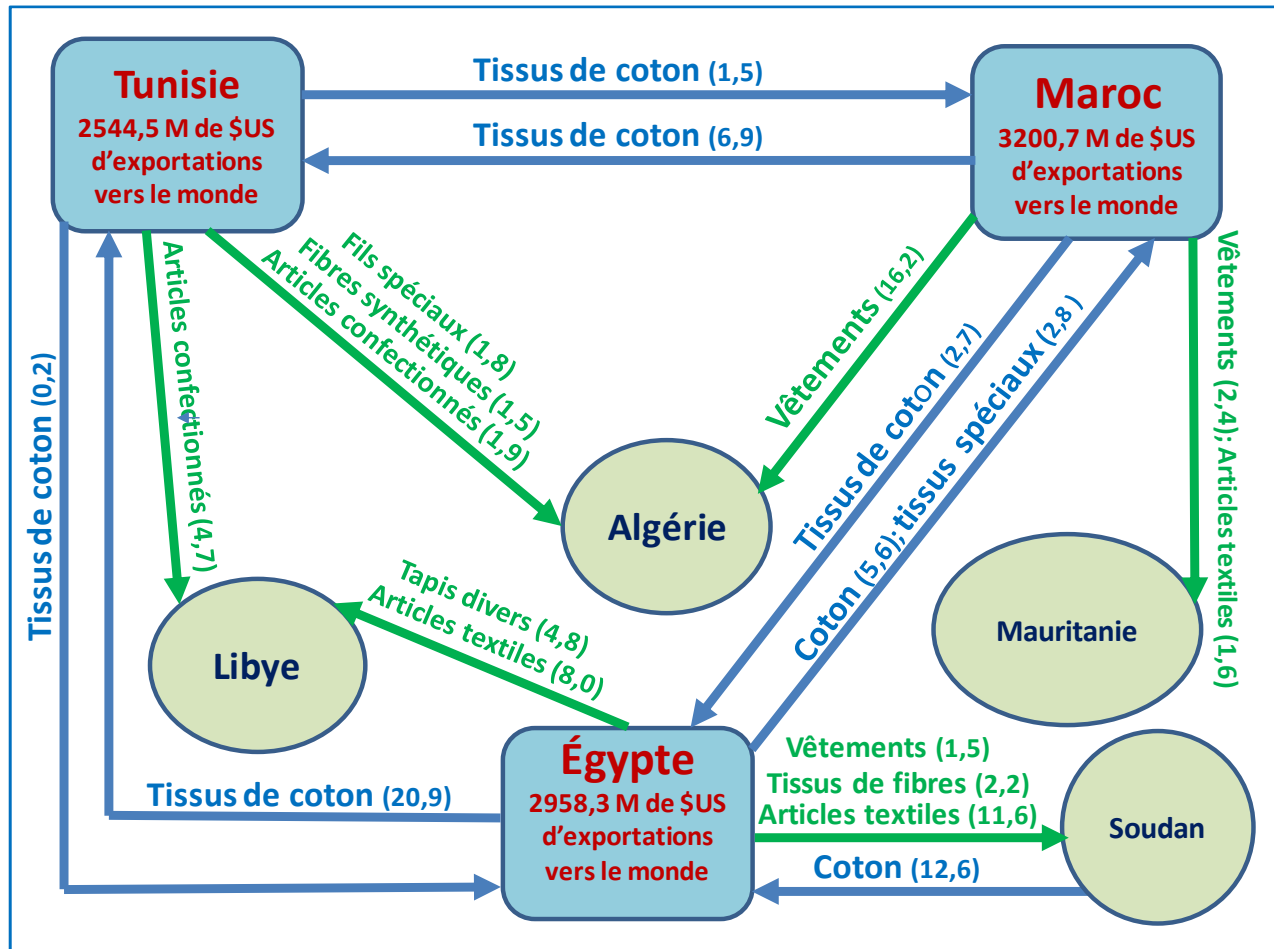


- Intra-african trade represents 16% only of total trade, UNCTAD estimates that with AfCFTA that percentage could go up to 52% by 2022, if non tariff barriers are eliminated.
- Thanks to AfCFTA, SMEs in North Africa could capture 20% of the 70 billions of potential intra-African market.
- Based on UNECA study, North Africa being more industrially advanced, it could capture a large part of the increased demand for manufactured products (estimated at \$42,7 billion)
- higher value added products will generate employment, innovation and new dynamics in NA



The Textile Value Chain





- Additional sectors with potential
 - Mining
 - Oil and gaz
 - Renewable energy
 - Essential oils
 - Agro-processing of fruits and vegetables
 - Cereals and sugar
 - Fishing industry
 - Automotive
 - Aeronautic

Thank you
Merci