



Free Trade Agreement (AfCFTA) for goods and services was signed at the 12th Summit of the African Union (AU), held at Niamey, the capital of the Niger Republic. The African Union was founded as

Recently, the African Continental

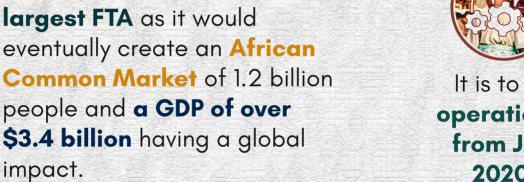
AfCFTA

About

in 1963. 54 member states out of 55 signed the AfCFTA, while 27 countries

the Organisation

of African Unity



ratified it.

The AfCFTA would be world's



countries.

AfCFTA will bring the much-needed formalisation in the African economy with other benefits, such as improved quality and quantity of employment, increase in fiscal revenue and overall

services among one another,

compared to 65% with European

improvement in quality of life. It will help African-owned companies to enter new market, increase their customer base and leads to new products and services, making investing in innovation viable



Hurdles POLITICAL, ORGANISATIONAL AND LOGISTICAL CHALLENGES with AfCFTA National economies in Africa are generally weak with

mutual complementarity.



as security challenges and internal issues like decolonisation, underdevelopment, Islamic terrorism and the Arab Spring have stunted the integration and growth so far, and needs to be addressed in a more

concerted manner.

a low manufacturing base, lack of competitiveness and





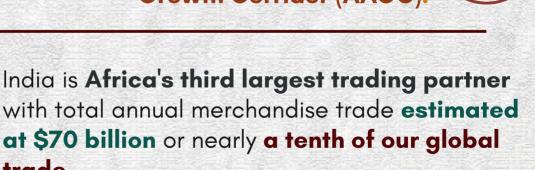
The western countries especially the US are trying to

catch up by containing China and possibly Russia through

Japan, the biggest ODA provider, is also keen to expand and work with India both in private and public sector projects under the aegis of Asia Africa **Growth Corridor (AAGC).**

trade.

a 'containment of influence' strategy.



Impact on India

After African economies become more formalised and transparent, local manufactured items and services may ultimately compete with Indian exports, Indian firms can co-produce them in Africa.

The AfCFTA may open new opportunities for Indian

stakeholders in fast-moving consumer goods manufacturing, connectivity projects and in framing policies for/like competition policy, intellectual property rights, common external tariffs etc

