

Intra-African trade critical for economic growth

The increased participation of women in intra-African trade is critical to sustainable growth on the continent. Today, intra-African trade stands at about 13% of the total trade in Africa. This is extremely low when compared to intra-Asia trade, which sits at about 40% of total trade. Clearly, we are not tapping into the full opportunities our continent has to offer to each other's growth.

By [Deepa Vallabh](#) 8 Sep 2017



Deepa Vallabh

According to the African Economic Outlook 2017, trade between African countries has significant potential for building sustainable economic development and integration. Furthermore, intra-African trade is also far more resilient than trading with other regions. Since 2011, exports to United States fell by a staggering 65% while exports to China dropped by 48% during the same period. Therefore increased intra-Africa trade makes global market shifts having a lesser negative impact on a particular countries growth.

In this regard, integration and in particularly regional integration in Africa, appears to be the key to freeing up bottlenecks in Africa's economic potential and developments.

Initiatives such as the Continental Free Trade Area (CFTA) with all 54 African Union states, as well as the Tripartite Trade Agreement Africa, are likely to strengthen the continent's appeal as a global trading partner not just an Intra-African trading partner.

However, an often overlooked opportunity to foster increased intra-Africa trade is by harnessing the potential of the women of the continent.

'Womenomics'

In this regard, there are lessons that can be learned from Japan. With its ageing population, there is a dire need to get more skilled people into the labour market. To do this, Japan introduced a policy called "Womenomics", which hinges on the belief that the more women are advanced in society, the higher the growth rate of the country. In just four years after the policy was implemented, Japan's female labour market has surpassed that of the United States.

From an African perspective, women constitute the largest sphere of informal traders - roughly 70% in Southern Africa and around 50% in the rest of the continent. Yet we have not managed to properly harness this potential at all. We need to prioritise the formalisation of the informal cross-border trade which is at the heart of what a lot of women in Africa are doing.

The access to a formal trading economy also requires us to unlock potential and give women access to market training, financial support and guidance in terms of formalising their businesses.

Just imagine what can be achieved and unlocked if these women become visible and a priority in policy making- not a side issue that needs to be integrated on some level but the core of what will drive growth. This will significantly change the landscape of the rate of economic growth on the continent.

ABOUT THE AUTHOR

Deepa Vallabh is head: cross-border mergers and acquisitions: Africa and Asia at Cliffe Dekker Hofmeyr

For more, visit: <https://www.bizcommunity.com>