

# bauma CONEXPO AFRICA

## **PRESS RELEASE:**

### **AfCFTA delay presents new opportunities for construction, manufacturing**

The delay in the implementation of the African Continental Free Trade Agreement (AfCFTA), which was scheduled to launch in July this year, could provide much-needed breathing room for Africa's manufacturing and construction sectors.

This is according to Duncan Bonnett, Director Market Access & Research at Africa House – a research partner of the bauma CONEXPO AFRICA trade exhibition, organised by Messe Muenchen South Africa. Bonnett says several sectors now have an opportunity to better prepare for the implementation of the AfCFTA.

The implementation, pushed out until 2021 because of the impact of Covid-19, could have the potential to increase growth, raise welfare and stimulate industrial development, according to studies by the likes of the International Monetary Fund (IMF), the UN Economic Commission for Africa (UNECA). However, there have also been concerns that some countries could suffer revenue losses and other negative effects from premature liberalisation.

Speaking ahead of the bauma CONEXPO AFRICA trade show, Bonnett says: "This gives companies and countries a bit of breathing space, even though changes brought about by the agreement would not have been immediate, and certain duties are already zero or near zero. The delay in implementing the agreement, along with the pandemic down time, allows companies to reinforce what they have been doing to get systems in place, and better prepare to take advantage of emerging opportunities. At a strategic level, it allows them time to assess the impact of the Covid-19 pandemic on the sector, and on companies in the global north. In countries badly affected by the pandemic, a lot of the industrial capacity is in small to medium sized companies which have been incredibly badly impacted, so this may present new opportunities for African companies to look at where they can take space in that market."

Bonnett notes that the pandemic highlighted supply chain issues, which continental free trade could help to mitigate. Across Africa, there were disruptions in the supply of goods and services out of Europe and elsewhere in the global north. "There were impacts on the cost of building materials, for example. When China shut down, the cost of building materials in Kenya rose by 5 – 10%. This may not have a major impact on a residential project, but it becomes prohibitive in a billion dollar infrastructure project. This reinforces need for better intra-regional trade linkages."

African companies – particularly in key east and west African markets – now have a real opportunity to position themselves to compete globally and build resilience into the pan-African supply chain, he says.

Suzette Scheepers, CEO of bauma CONEXPO AFRICA organisers Messe Muenchen South Africa, says there is optimism across the construction sector that enhanced pan-African trade will help the industry overcome recent challenges. "We believe collaboration and the application of new models and technologies will help the sector capitalise on emerging opportunities across the continent," she

says. “bauma CONEXPO AFRICA, traditionally bringing together key decision-makers from across Africa, will focus on highlighting opportunities and boosting collaboration among stakeholders.”

bauma CONEXPO AFRICA, sub-Saharan Africa's Leading Trade Fair for Construction, Building Material, Mining, Agriculture & Forestry Machines, Machinery and Vehicles, will be staged in Johannesburg from October 13 – 16, 2021. For more information, go to

<https://www.bcafrica.com/en/>

Ends

Issued by ITP Communications on behalf of Messe Muenchen South Africa For further information please contact Leigh Angelo or Kabelo Phalane at [leigh@tradeprojects.co.za](mailto:leigh@tradeprojects.co.za) or [kabelo@tradeprojects.co.za](mailto:kabelo@tradeprojects.co.za) or Tel: (011) 869 9153.