

Potential Impacts of Africa
Continental Free Trade Agreement
(AfCFTA) on Agri-food Sectors
and Food Security in Ghana

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Motivation and main objectives of the study

- Ghana has ratified the African Continental Free Trade Agreement (AfCFTA) whose implementation is gradually gaining momentum.
- By opening the entire economy to the Africa region through AfCFTA, the protection in the food sub-sector will be removed for the sub-sector to face competition from other African countries.
- The implementation of the agreement will remove tariffs for 97% of all tariff lines and not less than 90% of all intra-African trade.

Motivation and main objectives of the study

- However, just like any trade liberalization scheme, there will be winners and losers on different sectors of the economy.
- Given that the economies of most African countries including Ghana are agro-based, a key research and policy issue is about how the agricultural sectors of these countries will be shaped following the implementation of AfCFTA and consequences for food security.

Envisioned Scenarios

- Several import tariff reductions scenarios of agri-food products for Ghana and other AU members states:
 - Full trade liberalization among AfCFTA members
 - 90 percent of all agricultural commodities
 - 50 percent of agricultural commodities with 10% of sensitive agricultural products

Envisioned Scenarios

- The harmonization of rules and regulations in several areas of trade among partners will reduce costs of trading within member states and other trading partners.
 - Scenarios of the intensity of reduction in non-tariff measures, including long waiting times at borders; cumbersome formalities; and inadequate or unclear rules and regulations, will be assumed and their potential effects.
 - With information on Ad valorem Equivalent (AVE), various scenarios including 50 percent and 30 percent will be explored

Key Variables of Interest

- Agricultural and Food Production
- Food importation and exports
- Food consumption
- Food prices
- Income of farmers with focus on distributional effects