

Assessing the Implication of African Continental Free Trade Area (AfCFTA) for Ghanaian Women and Youth Entrepreneurs

Kutortse K. Divine^{1,*}

¹Ghana National AfCFTA Coordination Office, Ghana

*Corresponding author: Ghana National AfCFTA Coordination Office, Ghana

Received: April 18, 2025 Accepted: May 2, 2025 Published: June 12, 2025

doi: 10.5296/rae.v17i1.22799 URL: <https://doi.org/10.5296/rae.v17i1.22799>

Abstract

The African Continental Free Trade Area (AfCFTA) offers a significant opportunity for Ghanaian women and youth entrepreneurs by broadening market access, improving economic involvement, and promoting regional value chains. Women and youth constitute a substantial segment of Ghana's entrepreneurial ecosystem; yet, institutional impediments—such as elevated tariffs, non-tariff barriers, insufficient access to trade finance, and restricted regulatory compliance—persistently hinder their comprehensive involvement in cross-border commerce. This paper examines how the AfCFTA can act as a catalyst for tackling these difficulties, providing possible benefits in export expansion, job creation, and poverty alleviation.

The results suggest that AfCFTA may elevate Ghana's exports by 21% by 2035, while intra-African trade is anticipated to expand by 94%. Women-led enterprises are projected to have a 10.5% gain in salaries, surpassing the 9.9% growth anticipated for men. Women are projected to benefit from approximately 57,000 new jobs, and wage gains for both unskilled labor and women are expected to be driven largely by expanded opportunities in agriculture. Additionally, AfCFTA is projected to reduce iceberg trade costs and customs processing times in Ghana by 4.3%, enhancing trade efficiency and competitiveness. The Protocol on Women and Youth in Trade promotes gender-sensitive trade policies, facilitating enhanced inclusion in value chains and the formalization of informal trade. The efficacy of these initiatives relies on intentional policy measures, such as enhanced market information, trade facilitation, and financial inclusion strategies specifically designed for women and youth.

This study contends that although AfCFTA known to have large positive effects on trade creation between member countries, Ghana must provide women and youth Micro, Small and Medium Enterprises (MSMEs) with effective ways for easier utilization of the agreement by

confronting challenges like insufficient gender-disaggregated trade data, Non-Tariff Barriers, feeble trade associations, and deficient trade infrastructure. Recommendations encompass bolstering the support mechanisms of the National AfCFTA Coordination Office, reducing administrative costs, streamlining customs procedures, and improving financing access for firms run by women and youth. Through the implementation of targeted policies and capacity-building activities, Ghana can optimize the AfCFTA's potential to foster inclusive economic growth and empower women and youth entrepreneurs in regional commerce.

Keywords: AfCFTA, Women and Youth MSMEs, Trade Facilitation, Ghana MSMEs, Intra-African Trade, Poverty, Gender Trade

1. Introduction

Trade has long been recognized as a powerful driver of economic development, particularly for developing countries striving to improve living standards and reduce poverty. Contemporary literature overwhelmingly supports the view that intra-continental trade and regional free trade agreements offer significant advantages for developing regions, especially Africa (Makhubela, 2018). Despite Africa's longstanding pursuit of political and economic integration, progress in enhancing intra-African trade has remained relatively modest. International institutions such as the World Bank, United Nations Conference on Trade and Development (UNCTAD), and the African Export-Import Bank have consistently expressed concern over Africa's persistently low levels of intra-regional trade compared to other continents. In 2023, intra-African trade reached 15%, marking a slight increase from 13.6% in 2022, yet far below intercontinental benchmarks (AFREXIM, 2024). The African Continental Free Trade Area (AfCFTA), launched in 2018, represents a landmark initiative aimed at achieving the economic aspirations of the Abuja Treaty of 1991 (OAU, 1991). As of March 2025, 54 African Union Member States have signed the AfCFTA, with 49 having ratified it. Beyond trade liberalization, the Agreement is strategically aligned with broader development goals—emphasizing inclusive and sustainable trade, gender equality, and the empowerment of youth and women through expanded access to cross-border markets and value chains (AU, 2024; Ogo, 2020). This commitment was further demonstrated by the adoption of the Protocol on Women and Youth in Trade during the 37th African Union Summit in Addis Ababa in 2024.

Nonetheless, the anticipated benefits of AfCFTA for women and youth are not guaranteed. Realizing the transformative potential of the Agreement requires intentional efforts to integrate gender and youth considerations into national and regional trade policies. These include bolstering support for women-led businesses, improving access to finance, and providing targeted capacity-building programs that equip women and youth with skills necessary for meaningful participation in regional and global value chains. It is argued that the historical economic marginalization of these groups has significantly impeded Africa's broader development trajectory (Thusi et al., 2022).

In Ghana, the significance of women in cross-border trade cannot be overstated. Women-led businesses contribute meaningfully to national and regional economies, foster financial

independence, support household livelihoods, and reinvest a significant portion of their income into education and healthcare for their families (IOM, 2024). Consequently, efforts to alleviate non-tariff and technical trade barriers are essential for creating more inclusive and equitable trade environments. Ghana's demographic profile further underscores the importance of focusing on youth and women. Based on the 2021 Population and Housing Census, young people aged 15–35 constitute approximately 38% of the population, while children (0–14 years) make up 35% (GSS, 2021). Overall, about 60% of the population falls within the working-age bracket. Unemployment remains a pressing challenge, with an average rate of 13.77% recorded between 2022 and Q3 of 2023. Notably, youth (15–35 years) accounted for over 71% of the unemployed population during this period, while female unemployment averaged 16.2% compared to 10.8% among males (GSS, 2022; 2023). This demographic trend presents significant implications for sustainable development and labor market dynamics in Ghana. Women and youth also dominate employment in the private sector, comprising 72% and 68% of the workforce in the informal and formal sectors, respectively. Additionally, women own 51% of Micro, Small and Medium Enterprises (MSMEs) in Ghana, while youth (aged 15–34) own 44%, jointly contributing nearly 70% of the country's GDP (Adjabeng & Osei, 2022). Women play a particularly prominent role in informal cross-border trade, accounting for more than half of such activities along corridors like Lagos–Abidjan (UNECA, 2021). However, their entrepreneurial potential is frequently undermined by persistent constraints such as non-tariff barriers, high transport costs, limited access to trade finance, and bureaucratic inefficiencies (Willie & Chikabwi, 2018; Banaeianjahromi & Smolander, 2016; Ackah et al., 2013).

Economic reforms and structural transformations in Africa have historically yielded uneven outcomes across gender lines. Women are often pushed into informal entrepreneurship as a survival strategy, particularly in trade-related sectors, while men tend to dominate higher-income formal sectors (Ilesanmi, 2018). In Ghana, entrenched inequalities persist: women perform more unpaid labor than men and have comparatively limited access to education and training opportunities (Orkoh et al., 2022; World Bank; Cheteni et al., 2019). High poverty levels among women reduce their productivity and purchasing power, further restricting access to basic services (Mukaila et al., 2022). Eradicating poverty and enhancing gender equality must therefore remain central to Ghana's development agenda and Africa's broader "Agenda 2063: The Africa We Want."

Given these dynamics, it is evident that women and youth—particularly those engaged in entrepreneurial activities—constitute a critical yet underrepresented segment of Ghana's economy. Women's economic empowerment directly translates into increased household incomes, enhanced national productivity, and more resilient communities. This paper is thus guided by the central research question: *How can the African Continental Free Trade Area Agreement (AfCFTA) expand economic opportunities for women- and youth-led MSMEs in Ghana, while addressing the structural challenges they face?* To answer the question, the paper adopted a qualitative approach based on secondary data sources (through literature review) relevant to the AfCFTA and Free Trade Agreements and its possible benefits for women and youth cross border traders was consulted. This study examines the potential of AfCFTA to

promote gender-responsive trade and inclusive economic development. It aims to fill a critical gap in existing literature by exploring the Agreement's implications for one of Ghana's most economically active yet marginalized constituencies—women and youth in trade.

The remainder of the article is organized as follows. Section 2 provides the theoretical and empirical literature review of Free Trade Agreements on economic growth and development as basis for the study and the methodology adopted. Section 3 traces the historical and political development of the AfCFTA, including the adoption of the Protocol on Women and Youth in Trade. Section 4 discusses Ghana's distinctive leadership and strategic contributions to the formation and implementation of the AfCFTA. Section 5 presents a detailed analysis of the macroeconomic benefits that AfCFTA offers to Ghana. Section 6 explores the specific opportunities that the AfCFTA presents for Ghanaian women and youth-led MSMEs, alongside the structural and operational barriers that hinder their participation. Section 7 outlines Ghana's national AfCFTA implementation strategy, highlighting institutional frameworks and policy interventions aimed at supporting MSMEs. Finally, Section 8 offers a set of policy recommendations and concludes with reflections on how Ghana can position women and youth as key drivers of inclusive growth under the AfCFTA framework.

2. Literature Review

The foundation of trade liberalization theories can be traced back to classical economic thinkers such as Adam Smith (1776) and David Ricardo (1817), who suggested that international trade is beneficial when countries specialize in producing goods where they hold comparative advantages. This idea underpins much of modern trade theory and the rationale for trade liberalization through mechanisms such as Free Trade Agreements (FTAs).

According to neoclassical and dynamic trade theories, liberalizing trade by reducing tariff and non-tariff barriers results in welfare-enhancing outcomes, driven by specialization and increased exchange. These outcomes are projected to result in higher national income levels, improved productivity, and more efficient allocation of resources (WTO, 2002; Krugman, 1986). As economies become more open, forward and backward linkages in export sectors strengthen, creating an environment that facilitates increased output and accumulation of productive resources over time.

According to the World Trade Organization (WTO), FTAs have witnessed a significant increase over the past three decades. As of 2020, there were 336 FTAs in force globally, marking an increase of over 1,000% since 1990 (Note 1). This surge has paralleled a fivefold increase in global trade volumes, suggesting a strong correlation between trade liberalization through FTAs and increased international trade (Hayakawa & Kimura, 2016; Johnson & Noguera, 2017). This body of literature underlines the central role of FTAs in fostering trade creation among member countries.

2.1 Trade Agreement and Economic Development

Trade agreements have also been linked to various aspects of economic development in broader

contexts. Smith & Johnson (2017) conducted a panel data analysis over ten years, evaluating the relationship between trade agreements and economic development indicators in developing countries. The study revealed that trade agreements correlated positively with increased exports and Gross Domestic Product (GDP) growth, reinforcing the argument that FTAs are potent tools for promoting economic expansion.

Garcia & Torres (2019) expanded the analysis by focusing on the institutional dimensions of trade agreements. Analyzing data from 120 countries between 1995 and 2015, they concluded that FTAs with institutional provisions significantly improved institutional quality and human development, although they found limited evidence linking such agreements directly to economic growth. Their work underscores the heterogeneity in FTA outcomes depending on institutional content, country development levels, and regional contexts.

Wang & Liu (2018) examined the relationship between FTAs and income inequality using panel data from 94 developing countries over the period 1980–2014. Employing a fixed-effects model, the study found that FTAs were associated with a statistically significant reduction in income inequality, particularly in lower-income countries and those with higher baseline inequality levels. This suggests that FTAs can contribute to inclusive growth and poverty reduction by enhancing market access and productivity.

Similarly, Rodriguez & Martinez (2017) analyzed the impacts of both regional and bilateral trade agreements on economic development across 120 developing countries. Their findings indicate that regional FTAs have a consistently positive and significant effect on GDP per capita, trade openness, and the Human Development Index (HDI), while bilateral agreements showed mixed results. The study advocates for the prioritization of regional integration as a more effective strategy for development.

2.2 Free Trade Agreement and Economic Growth

Beyond firm-specific outcomes, studies explored the macroeconomic links between trade openness, economic growth, and inequality. Gries & Redlin (2012) analyzed the long-term and short-term causality between trade openness and GDP per capita for 158 countries from 1970 to 2009. Their findings revealed bi-directional causality, confirming that trade openness and growth reinforce each other over time.

Son Le (2014) provided micro-level insights by assessing the combined impact of trade openness and institutional reforms on rural household welfare in Vietnam. Using household survey data, the study concluded that welfare improvements were significant in provinces characterized by both high levels of trade openness and robust institutional reforms. This finding reinforces the view that trade liberalization must be complemented by institutional strengthening to maximize development outcomes.

Huchet-Bourdon et al. (2011), however cautioned on interpreting the growth impact of trade openness. They proposed enhanced metrics of trade openness that account for the quality and diversity of exports, demonstrating that countries exporting higher-quality and more diverse products experienced faster growth than countries which have specialized in low-quality products

2.3 Free Trade Agreement and Economic Growth

While much of the existing literature has focused on the aggregate impact of FTAs, relatively few studies have disaggregated the analysis to examine differential impacts on enterprises based on size. This gap is particularly important given the distinct structural and resource-based differences between MSMEs and Large enterprises. Melitz (2003) heterogeneous firm model introduces a critical nuance by emphasizing that trade liberalization does not benefit all firms equally. According to this model, larger, more productive enterprises are more likely to expand and export under free trade conditions, while smaller, less productive MSMEs may struggle due to intensified competition. Yet, this disadvantage may be mitigated if FTAs reduce fixed export costs (e.g., by lowering non-tariff barriers), which disproportionately burden MSMEs.

Empirical studies examining the size-specific impact of FTAs provide insights into how different types of firms leverage trade liberalization. Hayakawa (2015) examined FTA utilization and its export effects based on a survey of Japanese firms in the ASEAN, India, and Oceania regions. The study found that larger firms not only exhibited higher rates of FTA utilization but also recorded larger export volumes to FTA partner countries. This suggests that firm size significantly influences the ability to leverage the benefits of FTAs.

Koo et al. (2021) found that Korean FTA policies have significantly increased Small Scale Enterprises' (SME) direct exports to FTA partner countries between 2005 and 2017, although the effects were as much as a half of those for large enterprises (LE), which indicates a LEs' premium in the direct export effects of FTAs. We further find that the FTAs also significantly increased the indirect exports of Korean firms, i.e., the domestic input supplies through industrial input-output linkage, and that SMEs have benefited more from the indirect export effects of FTAs than LE.

Park (2016) also found more promising outcomes for SMEs in Korea. The study analyzed trade data from Korean SMEs between 2005 and 2012 at the product level (6-digit HS code) to assess the impact of FTAs. The study found that FTAs significantly boosted SME exports, largely driven by an increase in the extensive margin, i.e. the number of SMEs engaging in export activities—rather than the intensive margin, which measures average exports per SME. This finding suggests that FTAs have the potential to broaden market access for SMEs, even if the average export volumes remain modest.

3. Methodology

This study employed a desktop research approach, drawing primarily on secondary data to assess the impact of the African Continental Free Trade Area (AfCFTA) on Ghanaian women- and youth-led Micro, Small, and Medium Enterprises (MSMEs). Desktop research, as a method, involves the systematic review and analysis of existing data sources, including academic literature, policy documents, trade protocols, institutional reports, and publicly available statistics. This approach was selected due to its cost-effectiveness, ease of access, and the breadth of information it provides across multiple thematic areas.

The research was structured in four analytical stages: policy contextualization -this included a review of the AfCFTA Agreement, the Protocol on Women and Youth in Trade; macroeconomic impact analysis, which focused on assessing the broader impact of the AfCFTA on key socioeconomic sectors Ghana's economy; micro-level implications for women and youth-Led MSMEs; and assessment of national readiness. All data for this study were sourced from credible publications, including academic journals, reports by the World Bank, African Union, United Nations agencies and Ghanaian government institutions

4. How AfCFTA Started

The idea of regional integration in Africa dates back several decades, embedded in the broader vision of Pan-Africanism and economic self-reliance. While numerous Regional Economic Communities (RECs) have been established since independence, recent years have seen renewed commitment by African leaders to advance the continent's economic integration through deeper intra-African trade. This renewed momentum culminated in the African Continental Free Trade Area (AfCFTA), which is now regarded as a transformative pathway to achieving the economic aspirations of Agenda 2063— "The Africa We Want." Africa's limited integration into global trade remains a critical challenge. The continent contributes only about 3% to global trade, and intra-African trade represents just 15% of total African exports, far below intra-regional trade levels in Europe (68%) and ASEAN+3 countries (45%) (AFREXIM Bank, 2024). Several structural barriers explain this low trade volume, including: Historical factors such as colonial-era infrastructure that prioritized extraction over regional connectivity; Institutional weaknesses, including fragmented trade regimes and overlapping memberships in RECs; and Informational deficits, where lack of reliable market data and awareness limits trade participation (Olney, 2022).

In this context, the AfCFTA emerges as an ambitious and strategic intervention to remedy these historical imbalances. Conceived in the Abuja Treaty of 1991 (OAU, 1991), the AfCFTA was launched as a flagship initiative of the African Union's Agenda 2063. It seeks to create a single continental market for goods and services, facilitated by the free movement of persons and capital. At its core, the AfCFTA aims to boost competitiveness at the firm and industry levels, foster industrialization through economies of scale, and enhance resource allocation efficiency across African markets. According to the World Bank (2020), the AfCFTA is projected to increase intra-African trade by 15–25% by 2040, contingent upon the successful implementation of tariff reductions and trade facilitation measures. The Agreement covers a market of over 1.3 billion people with a combined GDP exceeding US\$3 trillion, positioning it as the world's largest free trade area by population and geographic coverage. Unlike earlier efforts, the AfCFTA is structured as a comprehensive framework agreement. It encompasses not only trade in goods and services but also protocols on investment, competition policy, intellectual property rights, dispute resolution, and—more recently—digital trade and women and youth in trade. This holistic approach underscores the continent's recognition that trade liberalization must be inclusive, sustainable, and adaptive to the continent's developmental realities.

The process of operationalizing the AfCFTA began with the African Union's adoption of the Action Plan for Boosting Intra-African Trade in 2011. This was followed by a historic decision at the 18th African Union (AU) Summit in Addis Ababa in January 2012 to establish a continental free trade area. Momentum accelerated at the 10th Extraordinary AU Summit held in Kigali, Rwanda, where nearly 50 Member States signed the agreement on 21 March 2018. As of July 2024, 54 out of 55 AU Member States—Eritrea being the exception—have signed the AfCFTA, and 49 have deposited their instruments of ratification, signaling unprecedented political support and commitment. The Agreement officially entered into force on 30 May 2019, after 24 ratifications, and the AfCFTA Secretariat, hosted in Accra, Ghana, was established to coordinate implementation. Commercial trading under AfCFTA rules began in January 2021, marking the start of a new era in Africa's pursuit of economic transformation through trade.

4.1 AfCFTA's Protocol on Women and Youth

A notable milestone in AfCFTA's evolution is the adoption of the Protocol on Women and Youth in Trade during the 37th Ordinary Session of the African Union Summit in Addis Ababa. This Protocol marks a paradigm shift in how African trade agreements incorporate equity and inclusion, explicitly acknowledging the indispensable roles of women and youth in advancing sustainable economic growth. The Protocol on Women and Youth is not merely symbolic. It establishes legally binding commitments for Member States to integrate gender and youth considerations into national and regional trade policies. This move is in line with AfCFTA's broader goals of inclusive development, and it recognizes the disproportionate barriers faced by women and youth in accessing formal trade channels. According to Parshotam (2019), women and youth entrepreneurs are often excluded from the full benefits of trade liberalization due to regulatory complexity, limited access to finance, and informal trade environments. Addressing these barriers requires not only inclusive policy design but also effective institutional frameworks and national monitoring systems that capture the gendered and generational dimensions of trade.

The Protocol outlines six core objectives (AU, 2024):

1. Enhance participation of women and youth in intra-African trade;
2. Promote inclusion of women and youth in AfCFTA implementation to stimulate sustainable economic development;
3. Build capacity and improve access to trade opportunities for women and youth;
4. Encourage innovation and value addition, supporting expansion into new markets;
5. Integrate women and youth into regional and continental value chains; and
6. Support formalization of trade activities, offering pathways from informal to formal economies.

This Protocol moves beyond rhetorical commitments and provides an actionable framework for Member States to implement gender-responsive trade reforms. Moreover, it aligns with global calls under the Sustainable Development Goals (SDGs)—particularly SDG 5 (Gender

Equality) and SDG 8 (Decent Work and Economic Growth)—which emphasize inclusive economic participation as a prerequisite for sustainable development.

4.2 Ghana's Role/Contribution to Continental Integration and the Formation of the AfCFTA

Ghana has long occupied a central place in Africa's collective pursuit of political and economic unification. From the dawn of its independence, the nation positioned itself as a vanguard of Pan-Africanism, linking national liberation to a broader continental vision of economic sovereignty. At the ideological core of Ghana's leadership stands the enduring legacy of Dr. Kwame Nkrumah. His seminal work, *Africa Must Unite* (1963), articulates a vision wherein African nations must transcend colonial partitions and build economic interdependence as a strategy for sustainable development. Nkrumah's proclamation that "Africa must unite and trade among itself to harness its full potential for development" captured the spirit of the 1963 founding of the Organization of African Unity (OAU) and remains a foundational premise of continental trade aspirations today. In his view, Ghana's independence was not merely a sovereign milestone, but a beacon for continental liberation. This sentiment was famously encapsulated in his declaration: "*The independence of Ghana is meaningless unless it is linked up with the total liberation of Africa.*"

This vision has continued to shape Ghana's domestic and foreign policy. As a founding member of the Economic Community of West African States (ECOWAS) and a leading voice in African Union economic strategies, Ghana has persistently championed the necessity of intra-African trade and institutional harmonization. The country's sustained advocacy for trade-driven integration has helped galvanize momentum for the establishment and operationalization of the African Continental Free Trade Area (AfCFTA).

Indeed, Ghana's leadership in the AfCFTA process reflects both its historical ethos and its contemporary strategic posture. According to the Ministry of Trade and Industry (2022), Ghana has been instrumental in the milestones leading to the actualization of the AfCFTA:

- In 2012, during the 19th Ordinary Session of the AU Assembly in Addis Ababa, then-President the late Prof. John Evans Atta Mills moved a motion endorsing the AfCFTA, affirming that "a united Africa is not just a dream—it is an imperative for our collective economic survival and prosperity."
- Ghana was the first nation to sign and ratify the AfCFTA agreement in 2018
- Ghana's commitment to the AfCFTA was further demonstrated by its successful bid to host the AfCFTA Secretariat, beating competitors from Egypt, Senegal, Kenya, and others.
- Ghana's operational initiatives facilitated the inaugural trade under the AfCFTA on January 1, 2021—with transactions involving Ghandour Cosmetics and Kasapreko Company Ltd.
- Ghana was among the few countries including Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, and Tanzania that participated in the groundbreaking AfCFTA Guided Trade Initiative (GTI) in 2022.

- Ghana’s proactive investment in the AfCFTA infrastructure—evidenced by its provision of \$10 million in seed capital and the allocation of a building to house the Secretariat in Accra.
- Ghana was the first country to establish a National AfCFTA Coordination Office
- Ghana was the first country to develop a National AfCFTA Policy Framework on AfCFTA implementation.

5. Benefits of the AfCFTA to Ghana’s Economy

a. Real Income Implications

The AfCFTA is poised to reshape Ghana’s economic trajectory by catalyzing real income growth and trade competitiveness. According to World Bank estimates, the full implementation of AfCFTA could increase real income across the continent by 7% by 2035, equating to approximately USD 445 billion in gains (constant 2014 prices), with a global spillover effect amounting to USD 76 billion (Maliszewska et al., 2020). For Ghana, however, the magnitude of income gains is contingent upon the depth of implementation.

In a tariff-only liberalization scenario, Ghana’s projected real income gain is marginal—approximately 0.2%—reflecting the limitations of tariff reduction in isolation. This modest impact underscores the persistent drag of non-tariff barriers (NTBs), regulatory fragmentation, and infrastructural deficits that inflate trade costs and undermine competitiveness.

Conversely, under a full implementation scenario—which includes tariff liberalization, trade facilitation, and harmonized regulatory reforms—Ghana’s real income gains are projected to reach 6% by 2035 (Maliszewska et al., 2020). This significant improvement highlights the need for a holistic approach that extends beyond tariffs to address systemic trade frictions and unlock Ghana’s latent economic potential.

b. Trade Implications: Export and Import Dynamics

AfCFTA is expected to reorient Ghana’s trade profile towards intra-African markets. Total intra-African exports across the continent are projected to rise by 109% by 2035, while global exports may increase by 154% (Echandi et al., 2022). For Ghana, intra-African exports could grow from USD 3.6 billion under the baseline to USD 7 billion under AfCFTA—a 94% increase. This exponential growth underscores Ghana’s strategic role in regional value chains, particularly in sectors such as agro-processing, light manufacturing, and pharmaceuticals. In terms of global export, Ghana’s total export could increase by 21% due to AfCFTA by 2035. In absolute terms, without the AfCFTA, Ghana’s total exports are projected to reach USD 30 billion. However, with AfCFTA fully operational, the additional total export revenues boost is estimated at USD 36.3 billion by 2035. This affirms Ghana’s competitiveness within the African market the potential benefits of the AfCFTA to global trade (Standard Chartered Trade Report, 2024).

Imports are also projected to expand significantly under AfCFTA. Africa’s total import volume

is expected to increase by 41% by 2035, with intra-African imports growing by 102%. In absolute terms, the value of Africa's imports is projected to rise from USD 310 billion in the baseline scenario to USD 627 billion under AfCFTA. Ghana's total imports could experience an additional 25% boost beyond the baseline scenario, reaching USD 33.75 billion under AfCFTA implementation compared to the USD 27 billion projected under a non-AfCFTA scenario. Intra-African imports alone could grow by 79%, from USD 1.9 billion to USD 3.4 billion (Maliszewska et al., 2020). This increase, while indicative of growing demand, presents a critical challenge: ensuring import expansion translates into industrial growth rather than exacerbating trade imbalances.

c. Regional Value Chain Implications

AfCFTA provides Ghana with a unique opportunity to integrate into regional value chains. By 2035, Ghana's exports to Africa could rise from 1% to 16% of total exports, while intra-African imports may grow from 11% to 40% of total imports (Boakye et al., 2022). These shifts are largely attributed to stronger manufacturing linkages, particularly in energy-intensive sectors and textile and apparel industries, where imports could grow by 147% to 170%.

In monetary terms, manufacturing imports are projected to grow by USD 13 billion, agricultural imports by USD 283 million, and services imports by USD 1 billion (Boakye et al., 2022). Such trends underscore the importance of leveraging AfCFTA to deepen backward and forward linkages in Ghana's industrial ecosystem.

d. Output Implications

According to (Maliszewska et al. (2020), AfCFTA is expected to increase Africa's regional output by approximately USD 211 billion by 2035. For Ghana, output growth will be concentrated in manufacturing and agriculture. The country's manufacturing output is projected to grow by USD 2.9 billion, driven by increases in energy-intensive manufacturing such as mineral products, ferrous metals, and metals. Agriculture is also expected to expand by USD 1.7 billion, driven by improved market access and lower production costs (Boakye et al., 2022). These gains reflect the structural transformation underway in Ghana's economy, with rising domestic demand, input availability, and competitiveness reinforcing sectoral resilience.

e. Effect on Poverty

The full implementation of AfCFTA presents a substantial opportunity for poverty alleviation across the continent. According to the World Bank, by 2035, an estimated 30 million Africans—equivalent to 1.5 percent of the continent's population—could escape extreme poverty (defined as individuals living on less than PPP \$1.90 per day) (Maliszewska et al., 2020). In the case of Ghana, under the AfCFTA full implementation, extreme poverty headcount ratio could reduce to 9.3% compared to 10.9% without AfCFTA by 2035. This equal to, over 200,000 people lifted out of poverty by 2035. The same analogy works for moderate poverty where almost 1.8 million Ghanaians are lifted out of moderate poverty with a headcount ratio of about 47.3% under the AfCFTA compared to 51% headcount ratio without the AfCFTA by 2035 (Maliszewska et al., 2020).

f. Employment Effects

The AfCFTA is also projected to generate substantial employment gains. In Ghana, employment in wholesale and retail trade, public services, and agriculture is expected to constitute 55.7% of total jobs by 2035. Trade alone will account for 22% of employment, making it the single largest job-creating sector. Other sectors such as transport (12%), construction (11.1%), and processed food manufacturing (4.1%) will also experience notable job growth.

Importantly, the agreement has strong gender implications. Women are projected to gain approximately 57,000 new jobs in energy-intensive manufacturing—signaling AfCFTA’s potential to catalyze inclusive and gender-responsive employment outcomes. (Maliszewska et al., 2020).

g. Wages Implication

AfCFTA is expected to narrow wage disparities across Africa. Unskilled labor will particularly benefit, with wage growth for this group outpacing that of skilled workers. In Ghana, wages for unskilled labor and women are projected to rise significantly, supported by rising job opportunities in agriculture—a key employer for this group (Maliszewska et. al, 2020). These wage improvements represent a pathway toward reducing income inequality and improving household welfare across multiple dimensions.

h. Trade Facilitation and Competitiveness

Beyond tariff reductions, AfCFTA holds the promise of enhanced trade facilitation—an area critical for Ghana’s competitiveness. By simplifying customs procedures and reducing delays at borders, the Agreement is expected to decrease iceberg trade costs by 4.3% and shorten customs processing times by an equal margin in Ghana (Maliszewska et al., 2020). Trade facilitation reforms, aligned with the WTO Trade Facilitation Agreement and supported by the AfCFTA Secretariat, will be essential in reducing Ghana’s transaction costs and integrating its firms into competitive regional supply chains. These gains, while incremental, are catalytic in expanding market access and supporting export-led growth.

6. Analyzing The Opportunities for Ghanaian Women and Youth-Led/Owned Entrepreneurs in the AfCFTA Context

Anchored in the African Union’s Agenda 2063, the Agreement emphasizes social and economic transformation, with Article 3(e) explicitly affirming the importance of ensuring equal opportunities for women and men in cross-border trade. For Ghana—a country that has consistently demonstrated political commitment to gender-responsive trade policy—AfCFTA presents a strategic platform to mainstream women and youth into formal trade channels and regional value chains (Parshotam, 2019).

a. Increased Market Size and Access to New Demand

The AfCFTA opens up a single market of 1.27 billion people, projected to reach 1.7 billion by

2030, including an emerging middle class of approximately 600 million consumers (ITC, 2018). This massive market expansion, especially in the middle class presents new and diversified demand opportunities for Ghanaian MSMEs, particularly those led by women and youth, in high-growth sectors such as agro-processing, textiles, apparel, construction materials, and fast-moving consumer goods and potential higher returns. Ghana's domestic market, estimated at around 33 million people (GSS, 2021), is insufficient to sustain scale-intensive business models. The AfCFTA's regional integration enables women and youth-led enterprises to overcome this limitation by tapping into a wider customer base and accessing niche, under-served regional markets. The World Bank notes that with full AfCFTA implementation, Ghana's manufacturing could grow by 219% relative to the baseline—driven by subsectors like textiles and apparel (644%), and manufactures not elsewhere specified (403%). The agricultural sector is also expected to grow by 71%. These are sectors most Ghanaian MSMEs are found (GCB Bank PLC, 2023). For Ghanaian women and youth entrepreneurs, this means increased profitability through scale, reduced market saturation risks, and access to high-value regional customers. Intra-African trade also creates opportunities to form new supply contracts, share market intelligence, reduce risk of low demand, and build transnational business partnerships—capacities that are critical for transitioning from informal to formal business operations (Songwe, Macleod, & Karingi, 2021).

b. The Deepening of Regional Value Chains

A core structural benefit of AfCFTA for Ghana lies in the integration of women, youth, and MSMEs into regional value chains. Women and youth represent over 70% of informal cross-border traders (WICBT), while MSMEs comprise more than 90% of registered businesses in Ghana (GCB Bank PLC, 2023). Yet, these groups remain marginalized due to their concentration in informal trade and limited access to legal protections, and vulnerability to harassment at borders. The progressive reduction of tariffs under the AfCFTA Protocol on Trade in Goods encourages informal traders to transition into formal economic systems. This transition is supported by better access to information, legal safeguards, and business development services. Furthermore, the Protocol on Rules of Origin enhances the ability of women-led enterprises in agro-processing and light manufacturing to competitively source intermediate goods and benefit from preferential market access. These developments lower entry barriers for women and youth-led businesses and offer pathways to integrate into formal value chains with improved productivity and reduced costs. As Ogo (2020) asserts, trade facilitation reforms specifically tailored to gender dynamics can unlock inclusive economic participation and resilience.

c. Access to cheaper raw materials

The deepening of regional value chains in manufacturing is characterized by strong increases in Ghana's imports, both as total imports and imports from AfCFTA members (Boakye et al, 2022). The major international trade activities in the value chain relates to importation of raw materials by MSMEs into processed and semi processed goods such as plastics, pharmaceuticals, finished electronic products and retail consumer goods. A lot of Ghana MSMEs receive several raw materials and many of its products from both domestic and foreign

producers and suppliers (GCB Bank PLC, 2023). Majority of these foreign supplies come from China, the EU and USA (GSS, 2025). However, many of these supplies are also obtained domestically especially from those SMEs into agro-processing of agricultural produce.

The AfCFTA Protocol on Rules of Origin makes provisions permitting access to cheaper raw materials and intermediate inputs. This means that women participating in value chains have an opportunity to produce goods and services with significant African content in terms of raw materials and value addition in response to the preferential trade regime of the AfCFTA. Similarly, Ghanaian women and youth entrepreneurs particularly in the agro-processing and manufacturing sectors, participating in value chains will gain comparative advantage under the Protocol on Rules of Origin in terms of cheap raw materials and value additions. Additionally, accessing multiple suppliers across the continent also reduces the risk of supply chain disruptions. This substitution effect enhances the competitiveness of women- and youth-led businesses in both regional and global markets, making them more adaptable and sustainable.

d. Simplification of Customs Processes and Enhanced Regulatory Compliance

Although informal cross-border trade (ICBT) is not directly referenced in the AfCFTA Agreement or the African Union Protocol on the Free Movement of Persons (African Union, 2018), the implementation of the AfCFTA holds significant potential to facilitate and formalize such trade activities—particularly for women and youth, who constitute the majority of small-scale cross-border traders in Ghana and across the continent (IOM, 2024). One of the critical pillars of this facilitation is the simplification and harmonization of customs procedures under the AfCFTA Protocol on Trade in Goods and its associated annexes. Under the AfCFTA agreement, these issues can be addressed through the successful implementation of tariff provisions that will facilitate trade for small-scale traders through formalizing it. Such provisions could either entail the progressive elimination of tariffs and import duties for commodities mostly traded by WICBT, as well as a common list of low-value exports for duty-free market access, with a focus on products of particular importance to women traders.

The streamlining of customs processes—through risk-based clearance mechanisms, decentralization of testing and certification services, and digitalization of customs data systems—lowers the transaction costs associated with formal trade, particularly for micro and small consignments. Additional interventions, such as expanding product eligibility under the Simplified Trade Regime (STR), progressive elimination of tariffs and import duties for commodities mostly traded by WICBT, as well as a common list of low-value exports for duty-free market access, with a focus on products of particular importance to women and youth traders (African Union, 2018). Ghanaian women and youth traders frequently report encountering bureaucratic inefficiencies, protracted clearance times, and administrative harassment at border crossings (IOM, 2024). The AfCFTA's annexes on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Measures provide a framework for mutual recognition of conformity assessments, licensing, and certification across State Parties. For small-scale exporters in Ghana, this mutual recognition removes the need to undertake redundant compliance procedures in multiple jurisdictions, thereby reducing delays, costs, and the risk of penalties due to non-recognition of home country certifications. According to

Maliszewska et al. (2020), the removal of tariffs alone could raise Ghana's intra-African exports by 32%. When combined with the elimination of non-tariff barriers (NTBs), this figure rises to 64%, and could reach as high as 94% with full implementation of trade facilitation measures. Underscoring the impact of AfCFTA on women and youth MSMEs.

e. Trade-Induced Gains in Employment and Poverty Reduction

AfCFTA implementation is expected to deliver tangible welfare gains, particularly for marginalized groups such as women, youth, and unskilled workers. Empirical simulations suggest that real income across Africa could increase by approximately 10% over the long term, with the distributional effects favouring those traditionally marginalized in labour markets. By 2035, an estimated 200,000 Ghanaians could be lifted out of extreme poverty, with 1.8 million escaping moderate poverty. Much of this gain is attributed to increased employment and earnings among unskilled labor, especially in agriculture—the largest employer of low-skilled labor in Ghana (Maliszewska et al., 2020). Importantly, women stand to benefit disproportionately from AfCFTA-induced growth. Increases in output and wages in sectors where women are overrepresented—such as hospitality, education, and small-scale manufacturing—will lead to inclusive economic gains. Gender-sensitive trade facilitation, combined with access to credit and market information, can further improve livelihood outcomes for women and youth entrepreneurs (Apiko, Woolfrey, & Byiers, 2020).

f. National Prioritization of Ghanaian Women and Youth in Trade

The AfCFTA Protocol on Women and Youth marks a pivotal moment in gender-responsive trade policymaking. Article 8 obliges State Parties to identify and eliminate discriminatory laws and practices that constrain women and youth in trade. It also mandates the development of simplified documentation and procedures tailored to small-scale cross-border trade.

For Ghana, this legal framework supports the mainstreaming of women and youth in national AfCFTA implementation. It provides clear pathways for:

- Inclusive policy design,
- Access to market intelligence,
- Enhanced access to finance and digital tools,
- Participation in monitoring and decision-making processes.

These provisions elevate women and youth MSMEs from passive beneficiaries to empowered stakeholders in AfCFTA governance. They are now legally entitled to shape trade outcomes and derive equitable benefits from continental integration.

7. Informality and Challenges of Women and Youth Cross Border MSMEs in Ghana

Informal cross-border trade (ICBT) remains the dominant operational model for women and youth-led enterprises in Ghana. According to the World Bank (2020), informal cross-border traders—predominantly women and youth—are five times more likely to engage in export

activities outside of formal documentation channels. Alarming, over 90% of these traders are unaware of regional or continental trade agreements such as AfCFTA or the ECOWAS Trade Liberalization Scheme (ETLS), denying them critical protections and trade preferences. The persistence of informality is driven by several interrelated structural constraints; High registration and regulatory compliance costs; Non-transparent and bureaucratic administrative procedures; Low levels of financial and digital literacy; Perceived and actual benefits of tax avoidance (IOM, 2024; UN DESA, 2018; Matsongoni & Mutambara, 2018). These systemic challenges deter formalization, stifle enterprise expansion, and perpetuate a cycle of low productivity and vulnerability. In 2023, Ghana's informal sector alone contributed 27.4% to national GDP (GSS, 2024), emphasizing the scale and importance of this often-overlooked segment.

The Government of Ghana has introduced several reforms to incentivize the transition of informal businesses into the formal economy. Key among these is the Ghana Enterprises Agency Act, 2020 (Act 1043), which empowers the Ghana Enterprises Agency (GEA) to facilitate MSME development and formalization. Additional legislative instruments—such as the Companies Act, 2019 (Act 992), the Revenue Administration Act, 2016 (Act 915), and the Business Names Act, 1962 (Act 151)—provide the legal architecture for business registration, tax compliance, and governance. Digitalization efforts have included the Ghana.gov portal, mobile money interoperability, and electronic company registration systems, intended to reduce the time and cost of formalization.

However, despite these innovations, MSMEs continue to experience significant information asymmetries and cost barriers. A 2023 study by the Ghana Statistical Service (GSS) and the World Bank found that many informal MSMEs remain unaware of these reforms, and that high costs associated with intermediary agents remain a key deterrent to formalization (Ghana Statistical Service, 2024). Some challenges within the women and youth MSME sector includes;

a. Trade Awareness Deficits and Protocol Invisibility

A critical challenge facing women and youth cross-border traders is their limited awareness of trade agreements and related trade facilitation provisions. Despite eligibility for duty exemptions and simplified customs procedures under protocols like AfCFTA and ETLS, many traders continue to pay unnecessary charges at borders due to lack of information (IOM, 2024). This is exacerbated by the absence of institutionalized trade sensitization programs.

An ETLS gap analysis conducted by ECOWAS and USAID West Africa Trade Hub (2012) found that even legal professionals face “exceptional difficulty” in accessing accurate information on national trade rules (OECD, n.d.). This knowledge gap not only results in unnecessary costs but also reinforces the marginalization of women and youth traders from formal trade channels.

b. Capacity Deficits and Entrepreneurial Constraints

Beyond regulatory barriers, Ghanaian women and youth-led MSMEs face severe capacity deficits in enterprise management, marketing, and operational efficiency. According to the

International Labour Organization (2020), these deficiencies—exacerbated by the high cost of professional services—are leading contributors to early-stage business failure among informal firms. Studies such as Lutfi et al. (2016) have confirmed that inadequate entrepreneurial competencies—particularly in finance, strategy, and compliance—further isolate MSMEs from accessing regional value chains and limit their ability to take advantage of preferential trade regimes.

c. Non-Tariff Measures and Procedural Bottlenecks

A significant proportion of Ghanaian exporters—especially those engaging with other African markets—report difficulties with non-tariff measures (NTMs). These include challenges related to export inspections, rules of origin compliance, conformity assessments, and documentation requirements. Johnson, Nketia, and Quaye (2015) note that 50% of Ghanaian exporters face NTM-related hurdles, particularly in ECOWAS markets where 27% of trade barriers occur, despite those markets accounting for only 12% of Ghana's export volume. Cumbersome customs processes, high processing fees, and unofficial payments (e.g., bribes) further exacerbate trade costs and reduce competitiveness. These challenges are particularly severe for small-scale exporters who lack the logistical sophistication and financial resources to navigate such barriers.

d. Logistical Challenges and the Burden of Fragmented Transport Routes

Logistics inefficiencies present a formidable barrier to competitive trade for Ghanaian MSMEs. Due to limited direct shipping routes, many intra-African exports are rerouted through European ports, resulting in higher shipping costs, longer lead times, and inventory uncertainty. Goods destined for African markets may remain in Europe for extended periods before being re-exported to the continent, undermining both cost competitiveness and market responsiveness (Doagbodzi, 2024; Containerlift, 2024). Inadequate port infrastructure, fragmented regulatory regimes, and customs bottlenecks further constrain the ability of Ghanaian women and youth entrepreneurs to engage profitably in regional trade. These logistical challenges underscore the urgent need for infrastructure investments, harmonized customs procedures, and direct trade corridors under the AfCFTA framework.

e. Weak Organizational Ecosystems and Policy Representation

Women and youth cross-border traders often lack access to effective trade associations or support networks. Existing associations are frequently unregistered, loosely structured, and underfunded, serving primarily as platforms for social interaction or savings mobilization rather than policy advocacy or technical support (IOM, 2024). Consequently, they are ill-equipped to assist members in areas such as: compliance with sanitary and phytosanitary (SPS) standards, understanding of technical barriers to trade (TBT), access to credit and business development services, engagement with policy formulation and negotiation processes. The absence of strong, representative institutions limits the ability of women and youth-led MSMEs to shape trade policy or demand accountability from regulatory authorities.

f. Information Gaps and Market Intelligence Deficiencies

Access to accurate and timely market information remains a critical barrier for Ghanaian MSMEs, especially those led by women and youth. Unlike developed regions where trade data is systematically available, African market intelligence is often fragmented, inconsistent, or entirely inaccessible. Many Ghanaian traders depend on anecdotal sources or physical market exploration to gather insights, resulting in duplicated efforts, market saturation, and poor strategic positioning (Attrams & Tshela, 2022). This lack of data hampers the ability of MSMEs to identify profitable markets, understand competitor dynamics, and innovate their product offerings. Without access to structured trade intelligence, women and youth entrepreneurs are unable to fully capitalize on AfCFTA's trade liberalization.

g. Structural Gaps in Export Readiness

Most women and youth-led cross-border MSMEs lack the organizational structures, quality control mechanisms, and product standardization needed to meet export requirements. Weak documentation, poor packaging, and non-compliance with international standards could prevent these enterprises from accessing higher-value markets and from taking advantage of AfCFTA's preferential trade provisions (Doagbodzi, 2024; Ghana NCO, 2023). Without significant investment in capacity building, digital infrastructure, and quality assurance systems, these MSMEs will remain at the margins of the continental trade agenda.

h. Absence of Gender-Disaggregated Trade Data

A critical systemic gap in Ghana's trade ecosystem is the absence of gender- and age-disaggregated data on informal trade. This invisibility undermines policy formulation, resource targeting, and impact evaluation. Even for this study, it was difficult getting gender disaggregated trade data on Ghana. Without concrete statistics on the volumes, product types, or destinations of goods traded by women and youth, policy responses remain generic, underfunded, or misaligned. This data gap weakens the ability of both the government and development partners to design evidence-based interventions that support women and youth-led MSMEs under AfCFTA.

8. Ghana's AfCFTA Implementation Strategy for Supporting Women and Youth MSMEs In Cross-Border Trade

As the host nation of the African Continental Free Trade Area (AfCFTA) Secretariat, Ghana occupies a uniquely strategic position in shaping the trajectory of Africa's continental trade integration. Beyond its geopolitical symbolism, Ghana has demonstrated an active commitment to ensuring that AfCFTA implementation translates into broad-based, inclusive economic gains. Central to this vision is the imperative to mainstream women and youth-led Micro, Small, and Medium Enterprises (MSMEs) in cross-border trade, recognizing their disproportionate contributions to employment, informal enterprise development, and poverty reduction. Women own over 70% of MSMEs in Ghana, while the youth (defined as 15–35 years) account for over 44% of ownership, particularly in the informal and agro-processing sectors (Adjabeng & Osei, 2022; GSS, 2023).

The Government of Ghana, through the Ministry of Trade, Agribusiness and Industry (MoTAI), has developed a multi-faceted national strategy to embed inclusivity at the heart of AfCFTA execution including the following;

8.1 Institutional Framework for Inclusive Trade

Ghana has developed a robust institutional architecture to govern AfCFTA implementation, ensuring effective policy coordination and stakeholder engagement:

- **Inter-Ministerial Facilitation Committee (IMFC):** This apex body comprises strategic ministries—including Trade and Industry, Finance, Foreign Affairs, National Security, and Gender and Social Protection. It provides high-level oversight to align AfCFTA implementation with Ghana’s broader development and industrialization agenda. The IMFC ensures that policy coherence across sectors supports the empowerment of women and youth in trade.
- **National AfCFTA Coordination Office (NCO):** Established under MoTAI, the NCO serves as the lead institution for coordinating AfCFTA-related activities. It facilitates engagement with the AfCFTA Secretariat and works closely with development partners, private sector actors, and civil society organizations. The NCO has prioritized support to MSMEs, particularly those led by women and youth, through awareness campaigns, capacity building, and facilitation of market access.
- **National AfCFTA Steering Committee:** Reflecting Ghana’s inclusive governance approach, the Steering Committee integrates representatives from ministries, private sector associations, academia, trade unions, and gender-focused NGOs. It serves as a forum for multi-stakeholder dialogue, enabling the incorporation of grassroots perspectives—especially those of informal women traders and youth entrepreneurs—into national AfCFTA strategies.

8.2 Policy Framework and Action Plan

Ghana’s National AfCFTA Policy Framework and Action Plan, launched in 2021, provides a strategic roadmap for maximizing the benefits of AfCFTA, particularly among marginalized economic actors. Its core pillars include:

- **Trade Policy Alignment:** Ghana has initiated reforms to harmonize domestic trade policies with AfCFTA protocols. This includes the simplification of customs procedures, digitization of export documentation, and alignment with AfCFTA’s Rules of Origin—all of which lower entry barriers for MSMEs and reduce transaction costs for women and youth-led exporters.
- **Trade Facilitation and Digitalization -** The expansion of the Integrated Customs Management System (ICUMS) and the Ghana National Single Window are critical interventions. These platforms have been enhanced to reduce border processing times and improve transparency. Women and youth-led businesses, often disproportionately affected by delays and bureaucratic inefficiencies, benefit from reduced procedural friction and faster cargo clearance.

- **Infrastructure Development:** Ghana's commitment to addressing logistics bottlenecks includes investments in Special Economic Zones (SEZs), inland dry ports, and the rehabilitation of key trade corridors. These interventions aim to bridge the infrastructure divide that currently disadvantages rural women and youth entrepreneurs.
- **Productive Capacity Enhancement -** Supporting local industries through Special Economic Zones (SEZs), Export Trade Houses, and targeted programs like the Women in Export initiative, which provides skills training and market linkages.
- **Trade Information and Market Intelligence -** Developing the Ghana Trade Information Repository, a digital platform offering comprehensive data on market opportunities and export procedures across AfCFTA member states.
- **Development Finance and Payment Solutions -** Collaborating with financial institutions to integrate local banks into the Pan-African Payment and Settlement System (PAPSS), and developing financial products tailored for women and youth traders.
- **Factor Market Integration -** Harmonizing qualifications and standards to facilitate the movement of goods, services, and people, including mutual recognition agreements for professional qualifications.

8.3 Market Expansion Programme (MEP)

Launched in 2021, the MEP aims to bolster the competitiveness of Ghanaian businesses within the AfCFTA framework, with a focus on women and youth-led MSMEs. Key components include:

- **Enterprise Audits and Capacity Building -** This includes evaluating export readiness of local MSMEs, and enhancing their productive capacity, followed by tailored training on AfCFTA protocols and market access strategies.
- **Sensitization and Outreach -** Conducting regional workshops in local languages to educate traders on trade procedures, compliance requirements, and opportunities under the AfCFTA. This is being implemented to secondary and tertiary academic institutions.
- **Market Entry Expeditions -** Facilitating business missions to AfCFTA member states, enabling Ghanaian enterprises to establish commercial linkages and navigate regulatory landscapes.

8.4 Establishment of AfCFTA Focal Desks

To ensure cohesive implementation across various government agencies, Ghana has instituted AfCFTA Focal Desks within Ministries, Departments, and Agencies (MDAs). These desks serve as liaison points between the NCO and respective MDAs, ensuring that AfCFTA-related issues are integrated into internal policies and operational strategies. Decentralized desks have also been established through Regional Coordination Councils, Business Resource Centres, and selected Business Advisory Centres to enhance accessibility.

8.5 Rules of Origin (RoO) Compliance

Recognizing the importance of RoO in facilitating preferential trade under the AfCFTA, Ghana has established the National Rules of Origin Committee. This multi-stakeholder body, comprising institutions like the Ghana Revenue Authority and the Ministry of Trade, Agribusiness and Industry, oversees the implementation of RoO frameworks. Efforts are underway to decentralize certification processes, making them more accessible to women and youth traders, particularly those in the informal sector.

9. Recommendations

To fully harness the potential of the African Continental Free Trade Area (AfCFTA) for inclusive development, Ghana must adopt a multidimensional approach that addresses structural constraints while creating a facilitative ecosystem for women and youth-led Micro, Small, and Medium Enterprises (MSMEs).

9.1 Enhancing Domestic Competitiveness of Women and Youth-Led MSMEs

Ghana's transition from an extractive, raw-material-dominated export model toward a more diversified, value-added economy is central to its AfCFTA strategy. For women and youth-led MSMEs to thrive in this evolving landscape, the focus must shift toward scaling high-potential sectors that align with continental demand, while ensuring resilience and competitiveness.

a. Product Prioritization, Value Addition, and Strategic Market Intelligence

To compete effectively under AfCFTA and secure sustainable gains, Ghana must:

- Develop a National MSME Export Diversification Strategy that emphasizes processed and value-added goods in sectors where Ghana holds comparative and competitive advantages—such as agro-processing (e.g., cocoa derivatives, cassava starch, shea butter), textiles and apparel (e.g., African print garments), pharmaceuticals (e.g., generic drugs), and cosmetics (e.g., personal care products).
- Conduct targeted market intelligence across AfCFTA member states to identify underserved or niche markets with high potential for Ghanaian products. This should include demand pattern analysis, competitor benchmarking, price elasticity studies, and sector-specific import gaps across regions. By understanding what products are in demand in East, Central, North, and Southern Africa—and matching them with Ghana's productive capacity—Ghana can reduce export concentration risks, improve trade resilience, and support MSMEs in developing tailored product offerings.
- Establish a dedicated Market Intelligence and Export Opportunity Unit under the Ghana Export Promotion Authority (GEPA), in collaboration with the AfCFTA NCO and private sector associations, to regularly publish market briefs, business opportunity reports, and product profiles accessible to women and youth entrepreneurs.

- Leverage regional trade data and AfCFTA's online tariff and trade facilitation portals to guide MSMEs in making informed decisions about which products to export, where, and under what regulatory conditions.
- Support clustering and product standardization initiatives within export-oriented MSME value chains to align with regional certification and consumer preferences. Women and youth-led enterprises should be trained in regional labeling, packaging, and branding norms to make their products more competitive across borders.

b. Streamlining Trade Processes through Digitalization

High transaction costs and bureaucratic delays in trade procedures deter MSME participation. To alleviate these bottlenecks:

- Accelerate implementation of the National Single Window System (NSWS) across all ports and border posts, integrating customs, trade, and port clearance systems into a unified platform.
- Introduce e-permits and blockchain-based trade documentation systems to reduce corruption, shorten processing times, and enhance transparency.
- Conduct regional digital literacy campaigns tailored for MSMEs, with an emphasis on teaching digital documentation, traceability tools, and mobile customs clearance.

c. Strengthening Trade Financing Mechanisms

Access to finance is a persistent bottleneck, with many women and youth-led MSMEs lacking collateral or credit history:

- Establish an AfCFTA MSME Support Fund to provide a blend of grant financing, concessional loans, and partial credit guarantees for export-linked investments.
- Expand the Ghana EXIM Bank Export Credit Scheme to include tailored financing instruments for smaller enterprises, such as trade insurance, invoice discounting, and working capital loans.
- Promote partnerships with fintech platforms and mobile money providers to deliver inclusive trade finance solutions targeting underserved MSMEs.

9.2 Strengthening ECOWAS Integration for Women and Youth MSMEs

While AfCFTA envisions continental integration, Ghana's most immediate trade potential lies within the ECOWAS sub-region. Intra-regional trade offers lower entry barriers and cultural proximity for Ghanaian MSMEs, particularly those in peri-urban and rural areas. Strengthening ECOWAS market engagement can serve as a launchpad for scaling into broader AfCFTA markets.

a. Implementing a One-Stop Border Post (OSBP) Strategy

To reduce delays and border-related informal costs:

- Operationalize One-Stop Border Posts at key crossing points—Aflao (Ghana–Togo), Elubo and Sampa (Ghana–Côte d’Ivoire)—to integrate customs and immigration formalities and enable joint inspections.
- Integrate gender-responsive design into OSBP procedures by establishing fast-track lanes and simplified documentation for women in small-scale cross-border trade (WICBT).
- Ensure digital interconnectivity across ECOWAS customs platforms to facilitate seamless processing of AfCFTA trade documents and reduce duplicative procedures.

b. Regional Market Intelligence and Trade Information Hubs

Information asymmetry remains a major deterrent to intra-African trade:

- Establish an ECOWAS-AfCFTA Trade Intelligence Portal, offering MSMEs real-time information on tariffs, product demand, standards requirements, and distributor databases across West African markets.
- Partner with regional chambers of commerce, ECOWAS Commission, and UN agencies to organize business forums, market expos, and B2B events focused on women and youth entrepreneurs.
- Disseminate trade bulletins in local languages to extend outreach to informal women and youth-led MSMEs operating outside capital cities.

9.3 Establishing a Trade Defense Mechanism for MSMEs

Trade liberalization, while beneficial, also exposes MSMEs to heightened competitive pressures. Without adequate safeguards, small firms may be vulnerable to unfair practices such as dumping, counterfeit imports, and transshipment fraud.

To protect Ghanaian MSMEs under AfCFTA:

- Create a Trade Defense Authority (TDA) under the Ministry of Trade, Agribusiness and Industry to monitor anti-competitive practices and initiate investigations into suspected dumping or market distortions.
- Develop and operationalize an Anti-Dumping and Countervailing Measures Policy, harmonized with AfCFTA provisions and WTO norms, to enable Ghana to impose temporary safeguards or tariffs on imports that cause material injury to domestic MSMEs.
- Establish an AfCFTA Trade Dispute Resolution Desk within the NCO, tasked with assisting MSMEs in lodging complaints, navigating arbitration processes, and seeking legal redress under the AfCFTA Dispute Settlement Mechanism.

9.4 Automatic AfCFTA Compliance for Women and Youth MSMEs

The complexity of AfCFTA’s Rules of Origin (RoO) and technical documentation requirements poses a significant barrier to market entry for many small exporters. Women

and youth-led MSMEs, in particular, often lack the administrative capacity to fulfill compliance protocols—undermining their ability to access tariff preferences.

To address this challenge, Ghana should pioneer a streamlined, inclusive compliance system:

- Introduce an automatic AfCFTA compliance designation for all MSMEs—owned by women or youth—that meet national export certification standards. Once approved by domestic regulators, such businesses should be granted AfCFTA-compliant status without further bureaucratic hurdles.
- Harmonize the roles of the Ghana Standards Authority (GSA), Food and Drugs Authority (FDA), and Ghana Revenue Authority (GRA) to create a centralized export compliance platform that integrates domestic and AfCFTA RoO protocols.
- Issue a Fast-Track AfCFTA Compliance Certificate via a digitized portal, available through Business Advisory Centres and Regional Coordination Councils. This certificate should automatically register qualifying products in the AfCFTA Product Registry, ensuring immediate eligibility for continental trade.

This reform would dramatically improve the ease of doing business for MSMEs and increase Ghana’s volume of AfCFTA-compliant exports. It would also enhance the credibility of Ghanaian products in regional value chains and incentivize formalization among informal traders seeking to enter new markets.

10. Conclusion

By and large, FTAs have been known to have large positive effects on trade creation between member countries. The implementation of the African Continental Free Trade Area (AfCFTA) agreement represents a pivotal opportunity for Ghana to accelerate inclusive economic transformation. With its mandate to eliminate tariffs, reduce non-tariff barriers (NTBs), and liberalize services, investment, and the movement of persons, the AfCFTA offers a pathway toward a more integrated, efficient, and equitable African market. However, the AfCFTA is relatively unexplored how much of impact it has on MSMEs by unlocking the untapped potential of its micro, small, and medium-sized enterprises (MSMEs), particularly those led by women and youth. Ghana, as the host of the AfCFTA Secretariat and an early signatory and ratifier of the Agreement, is well-positioned to lead the charge in operationalizing this continental ambition.

Women and youth play an outsized role in Ghana’s entrepreneurial ecosystem. Women account for nearly 70% of informal cross-border traders in Africa, while youth comprise approximately 60% of Ghana’s total population. Together, they dominate the informal sector, constitute a large proportion of MSME owners, and contribute significantly to value addition in key economic sectors such as agriculture, agro-processing, fashion and apparel, cosmetics, and food retail. Yet, prior to AfCFTA, their participation in regional and continental trade remained

constrained by systemic challenges: limited access to finance, inadequate trade information, regulatory complexity, gender-based discrimination, and a lack of institutional support.

In this context, the AfCFTA's inclusive design—embodied in instruments such as the Protocols on Trade in Goods, Trade in Services, and most recently, the Protocol on Women and Youth in Trade—offers a strategic mechanism to dismantle these barriers. The liberalization of tariffs reduces the cost of entry into formal markets, while streamlined customs procedures and trade facilitation reforms mitigate border-related risks such as harassment, unofficial charges, and procedural delays. These provisions are particularly salient for small-scale traders, the majority of whom are women operating along Ghana's land borders.

Further, the harmonization of Rules of Origin (RoO), mutual recognition of standards, and convergence of certification regimes lower the compliance burden for MSMEs, making it easier for Ghanaian enterprises to export to other African markets. For women in agribusiness and young entrepreneurs in light manufacturing and services, this creates new frontiers for scaling production, diversifying product lines, and participating in regional value chains. Additionally, sectoral opportunities in digital services, creative industries, tourism, and e-commerce—many of which are youth-driven—are amplified under the Protocol on Trade in Services, which promotes mobility, innovation, and cross-border collaboration.

Critically, the AfCFTA also serves as a policy lever for addressing structural youth unemployment and underemployment, which remain major development challenges in Ghana. The expansion of regional markets offers an incentive for formalization, encourages skill development, and catalyzes job creation across export-oriented value chains. As Ghana's youth population is projected to exceed 20 million by 2030, and as women continue to dominate informal trade, the strategic mainstreaming of these groups into AfCFTA implementation is not merely an equity imperative—it is a developmental necessity.

However, the realization of these benefits is contingent on deliberate and sustained action. Ghana must continue to invest in:

- Productive capacity building, particularly in sectors where the country has comparative advantage;
- Trade facilitation infrastructure, including one-stop border posts and logistics hubs;
- Inclusive financial instruments, tailored for women and youth-led MSMEs;
- Comprehensive trade intelligence systems, to guide market entry and diversification strategies; and
- Simplified, automatic compliance mechanisms, that ease MSME access to preferential AfCFTA protocols.

The integration of women and youth into the continental trade architecture also requires robust institutional frameworks, data disaggregation to inform targeted policymaking, and stakeholder engagement platforms that amplify the voices of marginalized entrepreneurs. Ghana's National AfCFTA Strategy, institutional arrangements, and decentralized implementation structures provide a strong foundation. What remains essential is the continuous alignment of these

mechanisms with the lived realities of women and youth in trade. For Ghana, its full promise will only be realized when the country's women and youth-led MSMEs are not only participants in but co-creators of the new continental market.

References

- Ackah, C., Turkson, F. E., & Opoku, K. (2013). Measuring trade costs in Economic Community of West African States (ECOWAS). *Modern Economy*, 4(1), 56-65. <https://doi.org/10.4236/me.2013.41007>
- Adjabeng, F. N., & Osei, F. (2022). The development of small medium enterprises and their impact on the Ghanaian economy. *Open Journal of Business and Management*, 10(6), 2939-2958. <https://doi.org/10.4236/ojbm.2022.106145>
- AfCFTA Secretariat. (n.d.). *Draft 3.0 of the Protocol on Women and Youth in Trade to the Agreement Establishing the African Continental Free Trade Area*
- African Export-Import Bank. (2024). *African trade report 2024: Climate implications of the AfCFTA implementation*. Afreximbank. Retrieved from https://media.afreximbank.com/afrexim/African-Trade-Report_2024.pdf
- African Union. (2018). *Compiled annexes to the establishment of the Continental Free Trade Area (legally scrubbed version signed 16 May 2018)*. Retrieved from <https://www.tralac.org/documents/resources/african-union/2163-compiled-annexes-to-the-afcfta-agreement-legally-scrubbed-version-signed-16-may-2018/file.html>
- African Union. (2018). *Protocol to the Treaty Establishing the African Economic Community relating to the free movement of persons, right of residence and right of establishment*. Retrieved from https://au.int/sites/default/files/treaties/36403-treaty-protocol_on_free_movement_of_persons_in_africa_e.pdf
- Agreement Establishing the African Continental Free Trade Area, Part II, Article 3. (2018). Retrieved from <https://www.tralac.org/documents/resources/african-union/2162-afcfta-agreement-legally-scrubbed-version-signed-16-may-2018/file.html>
- Apiko, P., Woolfrey, S., & Byiers, B. (2020). *The promise of the African Continental Free Trade Area (AfCFTA)* (Discussion Paper No. 287). ECDPM.
- Attrams, A. S., & Tshela, M. (2022). Challenges of services sector SMEs in a developing country: A case of Ghana. *Journal of the International Council for Small Business*, 3(3), 228-236. <https://doi.org/10.1080/26437015.2021.1982369>
- Baah-Boateng, W. (2016). The youth unemployment challenge in Africa: What are the drivers? *The Economic and Labour Relations Review*, 27(4), 413-431. <https://doi.org/10.1177/1035304616645030>
- Banaeianjahromi, N., & Smolander, K. (2016). Understanding obstacles in enterprise architecture development. In *European Conference on Information Systems*.

- Boakye, D. K., Maur, J.-C., Maliszewska, M., & Vnukova, Y. (2022). *Ghana trade competitiveness diagnostic: Strengthening Ghana's trade competitiveness in the context of AfCFTA*. World Bank. Retrieved from <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099320106292238191/idu0993dd1c10c1da04e0c097dd0a6ec5f6e41b0>
- Cheteni, P., Khamfula, Y., & Mah, G. (2019). Gender and poverty in South African rural areas. *Cogent Social Sciences*, 5(1). <https://doi.org/10.1080/23311886.2019.1586080>
- Containerlift. (2024, December 8). Container shipping to Africa: Challenge or opportunity? *Containerlift*. Retrieved from <https://www.containerlift.co.uk/container-shipping-to-africa/>
- Doagbodzi, R. (2024). Ghanaian small and medium-scale enterprises (SMEs') readiness for African Continental Free Trade Area (AfCFTA) implementation. *Journal of Business and Enterprise Development (JOBED)*, 12(1). <https://doi.org/10.47963/jobed.v12i.1508>
- Echandi, R., Maliszewska, M., & Steenbergen, V. (2022). *Making the most of the African Continental Free Trade Area*. World Bank.
- Garcia, L., & Torres, E. (2019). Institutional aspects of trade agreements and economic development in developing countries. *World Development*, 63(4), 98-115.
- GCB Bank PLC. (2023). *SME sector in Ghana 2023 (Version 1)*. Retrieved from <https://www.gcbbank.com.gh/research-reports/sector-industry-reports/361-sme-sector-in-ghana-2023-v1/file>
- Ghana National AfCFTA Coordination Office. (2023). *Assessment of the export readiness of Ghanaian MSMEs under AfCFTA*. Ministry of Trade and Industry.
- Ghana Statistical Service. (2021). *Ghana 2021 population and housing census*. Ghana Statistical Service.
- Ghana Statistical Service. (2024). *Productivity, employment and growth: National report 2023*. Ghana Statistical Service.
- Ghana Statistical Service. (2024, March). *Ghana Business Tracker - Results from Wave 4*. Retrieved from https://statsghana.gov.gh/gssmain/fileUpload/pressrelease/GSS_Update_Business%20Tracker%20Brief%20Report%20Wave%204.pdf
- Ghana Statistical Service. (2025, February). *2024 annual trade statistics report*. Retrieved from https://statsghana.gov.gh/gssmain/fileUpload/Trade/2024_Trade_Full_Year_Report-_25-02-2025_Final_Print.pdf
- Gries, T., & Redlin, M. (2012, June). Trade openness and economic growth: A panel causality analysis. In *International Conferences of RCIE, KIET, and APEA, March* (pp. 16-18).

- Hayakawa, K. (2015). Does firm size matter in exporting and using FTA schemes? *The Journal of International Trade & Economic Development*, 24(7), 883-905. <https://doi.org/10.1080/09638199.2014.967282>
- Hayakawa, K., Ito, T., & Kimura, F. (2016). Trade creation effects of regional trade agreements: Tariff reduction versus non-tariff barrier removal. *Review of Development Economics*, 20, 317-326. <https://doi.org/10.1111/rode.12208>
- Huchet-Bourdon, M., Le Mouël, C. L. M., & Vijil, M. (2011). The relationship between trade openness and economic growth: Some new insights on the openness measurement issue. In *XIIIème Congrès de l'Association Européenne des Economistes Agricoles (EAAE)*.
- International Labour Organization. (2020). *The transition of informal enterprises to formal ones: Evidence from Ghana*. Retrieved from https://www.ilo.org/africa/information-resources/publications/WCMS_754984/lang--en/index.htm
- International Organization for Migration. (2024). *Study on women in small-scale cross-border trade - Benin, Ghana and Togo*. IOM.
- International Trade Centre. (2018). *A business guide to the African Continental Free Trade Area Agreement*. Geneva: ITC.
- Johnson, P.-N. T., Nketia, S., & Quaye, W. (2015). Appraisal of logistics management issues in the agro-food industry sector in Ghana. *Journal of Agricultural Science*, 7(3), 164-174. <https://doi.org/10.5539/jas.v7n3p164>
- Johnson, R. C., & Noguera, G. (2017). A portrait of trade in value-added over four decades. *Review of Economics and Statistics*, 99(5), 896-911. https://doi.org/10.1162/REST_a_00665
- Koo, K. H. (2021). The effects of free trade agreements on SMEs' direct and indirect exports. *KIEP Research Paper, World Economy Brief*, 21(08). <https://doi.org/10.2139/ssrn.3820215>
- Krugman, P. R. (1986). *Strategic trade policy and the new international economics*. MIT Press.
- Le, M. S. (2014). Trade openness and household welfare within a country: A microeconomic analysis of Vietnamese households. *Journal of Asian Economics*, 33, 56-70. <https://doi.org/10.1016/j.asieco.2014.05.005>
- Lutfi, A. A., Idris, K. M., & Mohammed, R. (2016). The influence of technological, organisational and environmental factors on accounting information system usage among Jordanian small and medium-sized enterprises. *Economics and Financial Issues*, 6(S7), 240-248. Retrieved from <https://core.ac.uk/download/pdf/78487635.pdf>
- Makhubela, K. (2018). Africa's greatest economic opportunity: Trading with itself. In *World Economic Forum* (Vol. 16).
- Maliszewska, M., van der Mensbrugge, D., Pereira, M. F. S., Osorio Rodarte, I., & Ruta, M. (2020). *African continental free trade area: Economic and distributional effects*. World

Bank.

- Matsongoni, H., & Mutambara, E. (2018). An assessment of informal SMEs' potential in an African economy - Theoretical and conceptual framework. *Public and Municipal Finance*, 7(2), 1-13. [https://doi.org/10.21511/pmf.07\(2\).2018.01](https://doi.org/10.21511/pmf.07(2).2018.01)
- Melitz, M. J. (2003). The impact of trade on intra-industry reallocations and aggregate industry productivity. *Econometrica*, 71(6), 1695-1725. <https://doi.org/10.1111/1468-0262.00467>
- Ministry of Trade and Industry. (2022). *National AfCFTA Policy Framework and Action Plan for Boosting Ghana's Trade with Africa*. Retrieved from <https://amchamghana.org/wp-content/uploads/2018/03/Nationalpolicyframework.pdf>
- Nkrumah, K., Arrigoni, R., & Napolitano, G. (1963). *Africa must unite*. International Publishers.
- Ogo, I. (2020). *AfCFTA policy toolbox*. In *Making the AfCFTA work* (p. 84).
- Olney, W. W. (2022). Intra-African trade. *Review of World Economics*, 158(1), 25-51. <https://doi.org/10.1007/s10290-021-00421-6>
- Organisation for Economic Co-operation and Development. (n.d.). *Gap analysis of the ECOWAS Trade Liberalization Scheme (ETLS)*. OECD.
- Orkoh, E., Claassen, C., & Blaauw, D. (2022). Poverty and intrahousehold gender inequality in time use in Ghana. *Feminist Economics*, 28(4), 221-253. <https://doi.org/10.1080/13545701.2022.2080854>
- Park, S. (2016). The impacts of FTAs on exports of SMEs: Analysis on extensive and intensive margins of exports. *Journal of International Trade and Industry Studies*.
- Parshotam, A. (2019). *Policy considerations for gender equality and the AfCFTA*. South African Institute of International Affairs.
- Ricardo, D. (1951). *Principles of political economy* (P. Sraffa, Ed.). In *The works and correspondence of David Ricardo* (Vol. 1). Cambridge University Press. (Original work published 1817).
- Rodriguez, J., & Martinez, E. (2017). Regional versus bilateral trade agreements: A comparative analysis of economic development effects in developing countries. *Journal of International Trade*, 39(4), 512-529.
- Smith, A. (1961). *An inquiry into the nature and causes of the wealth of nations* (E. Cannan, Ed.). Methuen. (Original work published 1776). <https://doi.org/10.1093/oseo/instance.00043218>
- Smith, A., & Johnson, B. (2017). Trade agreements and economic development: Empirical evidence from developing countries. *World Development*, 45, 256-271.
- Wang, Y., & Liu, H. (2018). Trade agreements and income inequality in developing countries. *Review of Development Economics*, 43(6), 845-864. <https://doi.org/10.1111/rode.12432>

World Trade Organization. (2002). *Annual report*. Retrieved from https://www.wto.org/english/res_e/booksp_e/anrep_e/anrep02_e.pdf

Note

Note 1. <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx> (accessed on June 12, 2025)

Acknowledgments

Not applicable

Authors contributions

Not applicable

Funding

Not applicable

Competing interests

The author declares that there is no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Macrothink Institute.

The journal's policies adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

Open access

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.