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Questioning the Essence of Recognising African Continental Free Trade Area: What Developmental Prospects for Application

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ABSTRACT

Free trade has always been the fundamental pillar for an effective trade recognition and enforcement. African Continental Free Trade Area (AfCFTA) is a mile stone towards the consolidation of previous efforts for the creation of a continental-wide free trade area in Africa. The paper delves into the developmental prospects which Africa as a continent stands to gain from the AfCFTA. This article also looks at some possible factors which may stand as an impediment to the prospective gains of AfCFTA such as Geographical limitation, inadequate infrastructure, Huge Revenue Loses, irregular trade patterns and Cumbersome Formalities. The article used both the analytical and descriptive approaches on research documents focused on the AfCFTA. From the findings of this article, there is that opinion that free trade in Africa continue to be a nightmare marred with lots of barricades that hinders the effective recognition for the need to engage in trade dealings. However, the author's own study concludes that the Achievement of any continental wide development though dependent on massive ratification of the AfCFTA agreement, needs a concerted effort by African nations to oversee the implementation of the AfCFTA agreement to the later.

Keywords: Examining, Questioning, Free Trade, Developments, African, Prospects

I. BACKGROUND TO THE STUDY

For decades, African nations have culminated efforts towards the achievement of better trade relationships amongst themselves. These, they realized by forming Regional Economic Communities (RECs) with the aim of cordially enjoying certain trade benefits. One of such benefits is Unrestricted trade. The creation of RECs in Africa was a milestone towards “consolidating the economic space of a particular region to harness potential benefits of such integration”.³ In line with Agenda 2063⁴, Regional Economic Communities purport to be the

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³ UNCTAD, (2016)“African continental free trade Area: Policy and negotiation options for trade in Goods”

building blocks of a prospective united Africa. Agenda 2063 is “a shared framework for inclusive growth and sustainable development for Africa to be realized in the next fifty years.”⁵

Principally, RECs are operational in Africa, namely, Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), the Economic Community of Central African States (ECCAS), East African Community (EAC), Economic Community of West African States (ECOWAS)⁶ Arab Maghreb Union (AMU) , Intergovernmental Authority on Development (IGAD) and Community of Sahel-Saharan States (CEN-SAD).⁷ These blocs have made tremendous efforts to foster better trade relationships with member states even though with all their efforts, economic growth continues to limp and intra-African trade has not recorded much advancement. This slow rate of progress has triggered a more robust action towards transitioning from sub regional blocs to a continental-wide body with the sole aim of broadening economic relations and trade in particular. An example of such conglomerate African Trade bloc is the Tripartite Free Trade Area⁸. In 2008, members of SADC, COMESA and EAC came together to form a Tripartite Free Trade Area (TFTA)⁹ with the purpose of minimizing trade protectionism by cutting down import and export duties.¹⁰ In 2012, the quest to get an all-inclusive Free Trade Zone in Africa became an even stronger desire in the minds of African leaders. This aspiration was

Available at https://unctad.org/en/PublicationsLibrary/webditc2016d7_en.pdf. Accessed: 16&18/11/2019.

⁴ Agenda 2063 is a document of the African Union which carries the aspiration of Africans. The document outlines the blue print of Africa which Africans Want by the year 2063. It was adopted in the 24th Ordinary Assembly of the Heads of States of the African Union, held in Addis Ababa, Ethiopia, from the 30-31 of January 2015. This Agenda contains seven Aspirations notably: (1). A prosperous Africa based on inclusive growth and sustainable development (2). An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance (3). An Africa of good governance, democracy, respect for human rights, justice and the rule of law (4). A peaceful and secure Africa (5). An Africa with a strong cultural identity, common heritage, shared values and ethics (6). An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children (7). Africa as a strong, united and influential global player and partner

⁵ African Union. (2015, January) *Background Notes of Agenda 2063*. Available at https://au.int/sites/default/files/documents/33126-doc-01_background_note.pdf Accessed: 13/11/2019

⁶ Lovells, H. (2016, 9th August). *Building Blocks to Free Trade in Africa*. Retrieved <https://www.hoganlovells.com/en/blogs/the-a-perspective/building-blocks-to-free-trade-in-africa> Access:13/11/2019

⁷ Abrego, Alejandro *et al*, (2019). *The African Continental Free Trade Agreement: Welfare Gain Estimates from a General Equilibrium Model* IMF Working Paper No. 19/124. Pp. 8. Available at <https://www.imf.org/en/Publications/WP/Issues/2019/06/07/The-African-Continental-Free-Trade-Agreement-Welfare-Gains-Estimates-from-a-General-46881>.

⁸ Soamiely Anariamajara. (June, 2015) *Understanding the importance of the Tripartite Free Trade Area*. Retrieved from brookings.edu. Assessed 19/12/19.

⁹The Tripartite Free Trade Area was created in June 2015. It’s an integration of three different African RECs, which are, the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the East African Community (EAC). These three RECs which form the building blocks of the TFTA consist of 26 African Countries out of the 55 African Countries thereby accounting for about 57% of the total population of the African Union.

¹⁰ Ibid, Note 7.

formalized during the African Union 18th Ordinary Session of the Assembly of Heads of States and Government¹¹— where the different representatives decided and prospected on forming an African Continental Free Trade Area by the year 2017.¹² AfCFTA is a “single continent-wide market for goods and services and to promote the movement of capital and natural persons”¹³ in Africa. It is one of the key priorities of Africa’s Agenda 2063.”¹⁴ On the 21st of March 2018, the AfCFTA Agreement was signed by over 40 AU Member States. The operational phase of the AfCFTA was launched on the 7th of July during the 12th Extra-Ordinary Session of the Assembly of the African Union.¹⁵

(A) Establishing and Profounding a Legal Nomenclature on Trade Trends in Africa

The legal basis of the AfCFTA is the AfCFTA Agreement.¹⁶ Notably, the normative scope of AfCFTA, like other Free Trade Areas (FTA) is informed by the World Trade Organization (WTO) rules relating to FTAs. Article 24(4) of the General Agreement on Tariffs and Trade gives the leeway for Member States to liberalize trade through the creation of agreements aimed at fostering closer integration.¹⁷ To this effect, the AfCFTA Agreement was signed as an enabling text to materialize the FTA in Africa. The AfCFTA Agreement covers the trade in goods and services, investment, intellectual property and competition policy. It is built on eight main objectives pursuant to article 3 which can be summarized as follows:

1. The creation of a single market for goods and service
2. The liberalization of trade in goods and services
3. To enhance the movement of capital and natural persons and facilitate investment within Africa countries
4. To prepare the groundwork for the establishment of a prospective Continental Customs Union.
5. For the promotion and attainment of sustainable development and an inclusive social and economic development including gender equality and structural transformation of member states

¹¹ This meeting took place in Addis Ababa, in Ethiopia.

¹² Trade Law Centre. *African Continental Free Trade Area (AfCFTA) Legal texts and policy documents*. <https://www.tralac.org/resources/our-resources/6730-continental-free-trade-area-cfta.html>, Access: 13/11/2019.

¹³ Trudi Hartzenberg. *The African Continental Free Trade Area Agreement – what is expected of LDCs in terms of trade liberalization?* Available at <https://www.un.org/ldcportal/afcfta-what-is-expected-of-ldcs-in-terms-of-trade-liberalisation-by-trudi-hartzenberg/> Accessed on 12/11/2019 and 12/12/2019.

¹⁴ European Commission. *International Corporation and Development*. Accessed: 13/11/2019

¹⁵ Decisions and Declaration of the 12th Extra Ordinary session of the Assembly, 7 July 2019, Niamey, Niger.

¹⁶ African Union. (2018). *Agreement Establishing the African Continental Free Trade Area*. Available at https://au.int/sites/default/files/treaties/36437-treaty-consolidated_text_on_cfta_-_en.pdf

¹⁷ General Agreement on Tariffs and Trade, Article 24(4).

6. To boost up the economies of scale of member states and put them a strong competitive force within and without the African Market
7. To foster the development of African industries by way of diversification and value chain development, agricultural development and food security
8. To provide solutions to the problems of Trade in Africa including the numerous and overlapping memberships in different RECs.

Truly the essence here is all about putting in place laws that can really encourage free trade among states in Africa should be encouraged and enforced, but the problem we all facing now is at the level of enforcing the objective of the trade zone within the African States. One thing is to stipulate objective beautiful, another is to ensure its applicability. How do we encourage free trade within states where the said states concerned are not ready to trade. There is always that discrepancies in the application of policies and laws within given framework and establishment. African States need to understand that it is their responsibility to ensure the application of principles and objectives laid down by them in establishing free trade within the continent. The question one need to be posing now is verifying the essence of signing an agreement which will not be respected to the latter. We all know that once State has signed it ratified an agreement, such state must respect all the rules and principles of such agreement without any violations. It is therefore important in seeing whether there is a need of ratification of agreement of this nature.

(B) Placing and Crosschecking the Place of Ratification in a Free Trade Agreement

Pursuant to Article 23(1) of the AfCFTA Agreement, the later shall enter “into force thirty (30) days after the deposit of the twenty second (22nd) instrument of ratification”¹⁸ Ratification has been defined in the by the Vienna Convention on the Law of Treaties to mean “...the international act so named whereby a state establishes on the international plane its consent to be bound by a treaty.”¹⁹

The threshold for the ratification of the AfCFTA was met on the 30th of April 2019 and consequently, the AfCFTA went operational 30 days after, which was on the 30th of May 2019 with a total number of 24 ratifications as of then. That notwithstanding, over 50% of AU Member States have yet to ratify the agreement. As of the 5^h of December 2020, only 34 nations have ratified the agreement. However, almost all the countries have expressed interest in the AfCFTA by signing the Agreement. To date, with the exception of Eritrea, 54 of the 55

¹⁸ Agreement Establishing the AfCFTA, Article 23 (1).

¹⁹ Vienna Convention on the Law of Treaties, Article 2 (1) (b).

nations have signed the treaty.²⁰

Countries which have successfully ratified include, Angola, Burkina Faso, Cameroon, Central African Republic, Chad, Cote D'Ivoire, Congo, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Mali, Mauritania, Namibia, Nigeria, Niger, Rwanda, South Africa, Sahrawi Arab Democratic Republic, Senegal, Sierra Leone, Somalia, Sao Tome & Principe, Eswatini, Togo, Tunisia, Uganda and Zimbabwe.

The above ratifications illustrate the growing commitment by African States to bring a lasting change in their economic and trade landscape. By signing the AfCFTA AU Member States decide to: (1) "Eliminate Tariffs on most goods"²¹, (2) "liberalize trade in services"²² and (3) address obstacles to trade between Africans"²³ In this respect, trade in goods between the signatory states to the AfCFTA will commence from the 1st of July 2020.

On a good note and explanation, ratification is always considered as an antecedent requirement for the validity of a trade and agreement. That once parties signed and ratified an agreement they must respect the clause of this agreement, and in case of breach, the said country will be sanctioned accordingly. The situation is not the case with free trade in Africa, there is a continuous violation of the terms of the trade initiated and put in place by the same African State who saw the need to encourage free trade among themselves so as to promote fair hearing and promotion. There is no need again for the establishment of the objective put in place, these objectives initiating and promoting free trade in Africa is more of a window dressing with no expectations of survival, it is now more of a procrastination object with object of ridicule and mockery. Of what essence was there that initiative of creating a free trade zone when the principles of establishment will not be respected by the so African countries in question? It really propens some doubts as to whether in the beginning these African States really understand the meaning of free trade or the aspect of harmonisation in the side of trade. This is really a board of hallucinations which need to be revived and revisited by the so called African States. The question is in determining for how long will these African States continue to stay in the dark ages when the pandemonium of change need to be visited so that they grade themselves with the current developmental trends palping the trade zone with huge emphasis on trade promotion and encouragement.

²⁰ List of Countries which have signed, ratified/Accessed to The Agreement Establishing The African Continental Free Trade Area Available at: [agreementestablishingtheafricancontinentalfreetradearea3.pdf](#) (au.int) Accessed on: 22/04/2020.

²¹ Ibid.

²² Ibid.

²³ Ibid.

II. EXAMINING AND ANALYSING THE POSSIBLE IMPEDIMENTS VICIATING FREE TRADE IN AFRICA

AfCFTA is a notable turnaround in the African Trade – from the African Union to RECS and now a Continental free Trade Area which is going to serve as a Continental-wide market for trade in both goods and services. That notwithstanding, a collective and continental-wide effort is needed to ensure an effective implementation of AfCFTA. Trade in Africa is normally faced by uncountable barriers which takes many forms. Some of these barriers are geographical limitation, inadequate infrastructure, huge revenue Cost, irregular trade patterns and poor policy implementation.

(A) Potraying an Impedious Geographical Limitations.

The geographical configuration of Africa is a natural impediment to trade. A number of geographical reasons may stand as a stumbling block to the effective implementation of the AfCFTA. In their article “Why has Africa Grown slowly?” Collier and Gunning estimate the population of sub-Saharan Africa to be far smaller than that of countries like India. To them, the small sizes of African Economies is a result of their small terrestrial dimensions and their low-income levels. According to Trudi Hartzenberg, African economies have great disparity in sizes which causes them to face collective developmental problem as a result of difficulties in the creation of jobs, industrialization and diversification in production.

Ambassador Chihombori-quo attributes blame on the small sizes of African Economies to their colonial past, that is, the improper partition of Africa in 1884 into tiny little fractions which are incapable of surviving independently. According to the World Bank, apart from Nigeria, South Africa and Angola, the home market sizes (HMS) of majority of the Countries in Sub-Saharan Africa are the smallest in the world.

Apart from the small sizes of African economies, these same countries are sparsely located which stands as a hindrance to Intra-African Trade as a result of high transport costs. In addition, about fifteen African countries, are landlocked.”

(B) The Presence of Inadequate Infrastructure

One of the main determining factors to cross-border trade in goods is transportation which could either be by road, rail, air or water. However, it is noted that Infrastructure is a chief limitation to Inter-African Trade. Africa faces infrastructural deficits which are unhealthy for intra-African Trade. The United Nations Economic Commission for Africa quoted the African Development Bank to have estimated Africa’s annual infrastructural requirements at

US\$ 130-170 billion and a financing gap which ranges from US\$ 68-US\$ 108 billion. This is the case in all the different modes of transport in Africa including road, rail, air and water transport. [Continue]

(C) Huge Revenue Loss

The removal of tariff in the Intra-African Trade is the most conspicuous implications that accrue from the AfCFTA Agreement. AfCFTA Countries engage by the AfCFTA Agreement to eliminate 90% of tariffs for trade in goods. This though having long term positive effects, has the tendency to incur huge Financial losses for some governments especially for countries whose Budget depend largely on import charges. Studies have it that “despite low levels of intra-Africa trade, tariff revenue is still an important source of government revenue, and the tariff remains an important measure to reduce import competition and so protect domestic industry” Some financial Institutions have to this effect made some efforts to mitigate the negative financial effects of tariffs removal. An example is the Affrexim Bank which approved a \$1billion CFT adjustment facility to cover up fiscal revenue losses by some countries during the implementation of the AfCFTA.

(D) The Presence of an Irregular Trade Patterns

Africa’s trade pattern can be characterized in two cycles; trade within the continent (TWC) which is between African states and trade between African states and states out of Africa. However, it has sadly been noted that Africa carries out more trade transactions with the rest of the world than it does with nations within the continent. In a survey sampled by Bruegel Researchers from 2007-2016 as cited by Dabrowski and Myachenkova, more than 80% of total imports and exports from Africa and the Middle East is as a result of trade with other regions. While this abnormal trade situation may be caused by poor trade policies, other factors like poor trade facilities such as transport network and special preference for non-African commodities and services entrench these patterns.

(E) The Cumbersome Customs Formalities

Customs Formalities have a pivotal role to play in international trade. Their role and effectiveness do not only determine the state of domestic trade but it has the capacity of affecting trade within an entire region. Even though tariffs have for the purposes of the AfCFTA been ambitiously reduced by 90% in order to boost intra-African trade, more is still expected to be done. This is because, tariff reduction or elimination without curing the plight of cumbersome customs formalities in Africa is as good as trade with all its facets of Protectionism. Research has it that, even though some countries tend to reduce or eliminate

tariffs in the course of their trade, the cumbersome and lengthy process of customs tends to be more expensive than the charges (amount) that would have been paid had tariffs not been eliminated in the first place. Arguably, these bureaucratic constraints are caused by factors such as poor policy, institutions hazards and Corruption. With regards to corruption, it is a global phenomenon among Customs administrators in the world. The most obvious corruption practices among customs officers are practiced in the course of “cargo examination; the administration of concessions, suspense, exemption and drawback schemes; post clearance audit; transit operations; passenger processing; the issuing of various licenses and approvals; and in recent times, access to authorized or preferred trader schemes which confer special privileges to selected traders.” These practices according to studies are a major factor in the deflection of Foreign and Domestic investments in a country. With practices such as this, the visionary Merits of the AfCFTA stands defeated *ab initio*. Strong policy reforms by all the customs Unions in Africa could however help to curb the illicit practices amongst the customs which will make Trans-border trade in Africa more effective.

(F) The African Free Trade System, A Mere Aspiration than a Realisation

The signing, ratification and implementation of the AfCFTA agreement are very important determinants for the operation of the AfCFTA. In Africa, the gap between these three concepts is too wide. Signing of most African treaties are often followed by few ratifications and little or no implementation by countries who ratify these treaties. Signing of an agreement is an indication by the signatory of its intention to deal with the signed agreement according to its domestic procedures. It doesn't in any way create any binding obligation on the part of the nation signing the treaty. Signing most likely shows a green light for ratification even though not a guarantee. Ratification is a demonstration of a state's willingness to allow itself to be bound by the terms of an agreement. Implementation, for the most part is the bone of contention. One is therefore tempted to ask if the terms of the agreement be practicalized or remain a mere aspiration?

A survey on the ratification status of the AfCFTA is therefore important to ascertain the above consideration. With regards to the AfCFTA, it has been signed by 54 out of the 55 African countries, an indication that 54 African Countries have declared their intentions to examine the AfCFTA Agreement domestically in their respective countries. However, of these 54 countries, only 27 ratifications have been made which imply, the AfCFTA Agreement is technically enforceable only in these 27 countries. The slow rate of ratification of the AfCFTA is indeed problematic to its success. Some Business men in Africa as well as

some Regional and international institutions have expressed some worries as to the success of the AfCFTA.

Aliko Dangote, for instance, expresses skepticism on the implementation of the AfCFTA. He disclosed to Mo Ibrahim in an interview that Africans are good at signing agreements but fall short of the implementation. In response to the question if the Regional trade Integration is happening in reality? his response was to the negative.

According to the Economic Commission for Africa (ECA), African Initiatives have a history of failures in implementations and have not lived up to their expectations. Notably, there has been a call for the AfCFTA to be corroborated by strong implementation in order to achieve adequate results. Studies have shown a long line of ambitious international agreements in Africa which have been neglected by the lack of implementation. Some typical examples include the follow:

African Charter on Democracy, Elections and Governance: This is one of the treaties in Africa which even though having been signed by 46 states and ratified by 34 states, its implementation right up to date still remains a sham. Even with the above number of signatures and ratifications, compliance has proven to be a major challenge. This is clear when a survey is done on different index such as respect of Human rights, freedom of speech, information, and freedom of association African Nations for as a matter of fact champion the list of Counties with electoral malpractices such as rigging of elections. The African Charter on Human and Peoples' Rights (African Charter) has been signed by 45 states and ratified by 54. All have ratified apart from Morocco. Notwithstanding the above number of ratifications compliance to the former is still a great issue. An example is Cameroon, where there has been consistent killings of Civilians and the burning of houses of villagers which has left many displaced internally and externally.

III. FUTURE PERSPECTIVE AND THE NEED FOR AN INSTRUMENTAL TRADE DEVELOPMENT IN AFRICA

The AfCFTA is a landmark instrument with far-reaching implications for Africa's developmental prospects.²⁴ It is the largest free trade agreement ever entered into since the creation of the World Trade Organization (WTO)²⁵. The implications that arise from such an

²⁴ "The African Continental Free Trade Area agreement: a game changer for Africa" available at: <https://www.designbuild-network.com/comment/africa-economic-integration-2019/> Accessed: 16/11/2019.

²⁵ Mo Ibrahim Foundation, "The African Continental Free Trade Area (AfCFTA): What is in it for African Youths?" Available at <http://mo.ibrahim.foundation/news/2019/african-continental-free-trade-area-afcfta-whats-africas-youth>. Accessed 16/11/2019.

agreement are manifold but of utmost importance is the Liberalization of Trade. “The full implementation of AfCFTA would eliminate all tariffs, likely to generate welfare gains for Africa estimated at around \$16.1 billion even greater after deducting tariff revenue losses.”²⁶ As a matter of fact, “the AfCFTA can support the realization of the continent’s economic promise. It has the potential to raise Africa’s low productivity and promote higher investment, thereby helping to increase income levels and reducing poverty.”²⁷ In a nutshell, with an effective implementation of the AfCFTA the following Developmental prospects would be envisaged:

1. Creation of new Transport Infrastructure

Trade is not trade without transportation. For goods and services to leave the destination of the seller to that of the buyer, it must be transported through one or two or all of the transport modes which exist namely, Road, Sea, Air and rail Transport. The coming of the AfCFTA will mean the creation of new infrastructure to enable mobility of goods and persons from one place to another. As a matter of fact, this will bring in new “opportunities for SMEs and young people by expanding their horizons Africa-wide.”²⁸

According to aspiration number two of Agenda 2063, by 2063, Africa will have world class Integrative infrastructure that crisscrosses the continent.²⁹ In the same vein, “Africa shall be a continent where the free movement of people, capital, goods and services will result in significant increases in trade and investments amongst African countries rising to unprecedented levels, and in the strengthening of Africa’s place in global trade.”³⁰ “By 2063, the necessary infrastructure will be in place to support Africa’s accelerated integration and growth, technological transformation, trade and development. This will include high-speed railway networks, roads, shipping lines, sea and air transport, as well as well-developed ICT and the digital economy. A Pan-African High-Speed Train Network will connect all the major cities/capitals of the continent, with adjacent highways and pipelines for gas, oil, water, as well as ICT Broadband cables and other infrastructure. This will be a catalyst for manufacturing, skills development, technology, research and development, integration and intra-African trade, investments and tourism”³¹

²⁶ Ibid.

²⁷ Abrego, Alejandra *et al* Op. Cit. 3.

²⁸ Africa Openness Report 2018, Pp.19.

²⁹ Agenda 2063, aspiration N° 2.

³⁰ Ibid.

³¹ Ibid.

2. Creation of a large Market.

In terms of population, Africa is the second largest Continent in the world with a population of over 1.2 billion people. Additionally, with the total of 55 prospective countries, the AfCFTA ranks as the largest single market in the whole world.³² A large market size for Africa will mean creation of new businesses, increase in the production and hence economies of scale. The AfCFTA has “high potential with a growing population that is projected to double by 2050 and comprising over a quarter of the expected global labour force during this period.”³³ The growth expectancy ratio (GER) to accrue from the Intra-African Trade network is 33%³⁴ and aggregate GDP is expected at US\$ 2.1 trillion to US\$ 3.5 trillion.³⁵ The AfCFTA is a market for the sale of not only goods but services. Online marketing is envisaged to rise to its optimum. The growth rate for online sales by 2025 is estimated at US\$ 75 billion annually.³⁶

3. Establishing more jobs for a better Trade assessment

According to the UNCTAD, Africa’s trade and output growth has not brought about any major job creation opportunities.³⁷ However, there is high hope for more employment opportunities with the AfCFTA. This is because, AfCFTA will not only come with the creation of new companies and businesses, but it will “enhanced opportunities for joint ventures with foreign companies looking for reliable partners in Africa”³⁸ Like every other trade integration in the world, AfCFTA will enhance specialization in African Countries in the production of goods and services which they have a comparative cost advantage in.³⁹ The advantages of specialization are obvious – increase in production capacity and the enjoyment of economies of scale.⁴⁰ All the above mentioned aspirations cannot be possible without human capital. Africa has a ready work force needed to push the AfCFTA a successful end. The total employment opportunities expected from the AfCFTA is 1.2%.⁴¹ AfCFTA

³² Program for the TICAD7 Official Side Event under the theme: “Promoting Africa’s structural transformation and economic diversification in the context of AfCFTA/IDDAIII/TICAD7: Partnering for Africa’s future” Available at: https://www.unido.org/sites/default/files/files/2019-08/TICAD7_Side_Programme_0.pdf.

³³ Ibid.

³⁴ Mo Ibrahim Foundation, Op. Cit.

³⁵ Kumar. A.B. The AfCFTA: Its’ Potential Benefits and Impact. Available at: https://unctad.org/meetings/en/Presentation/tdb65_2d_pres_AUBramdeo_en.pdf

³⁶ Ibid.

³⁷ UNCTAD. (2018, 10 April). UNCTAD and African experts: Diversifying exports can create jobs. Available at: <https://unctad.org/fr/pages/newsdetails.aspx?OriginalVersionID=1711>

³⁸ Kumar, Loc. Cit.

³⁹ Regional Economic Outlook: Sub-Saharan Africa. Chapter 3: “Is the African Continental Free Trade Area a Game Changer for the Continent?” Available at: <https://www.imf.org/en/Publications/REO/SSA/Issues/2019/04/01/sreo0419#ch3>.

⁴⁰ Ibid.

⁴¹ UNCTAD. (2018) The African Continental Free Trade Area: The Day After Kigali (Policy Brief 67).

“multiplies economic opportunities for young Africans, and offers a conducive environment for reaching further towards mobilization of investments, enhancing Africa’s productivity, and spreading business-mindedness among Africa’s youth.”⁴²

4. Increase in Service Trade.

The AfCFTA does not only valorize Trade in goods but also trade in services. As suggested by Xavier Keller, the role of trade in services in Africa is a very pivotal one.⁴³ He estimates that “Services account for 54% of African Gross Domestic Product (GDP) and for 75% of Greenfield Foreign Direct Investment (FDI).”⁴⁴ According to the World Bank, services refer to any activity which is neither under agriculture, industry or manufacturing.⁴⁵ The increase in the trade in services in Africa has been highlighted by the international Trade Center. It esteems that “services are increasing as a share of total employment and GDP, driving value addition and providing critical inputs to boost other economic activities.”⁴⁶ The Service Trade Growth Prospect (STGP) can further be explained by AfCFTA decision to make five out of the twelve WTO service sectors tariff-free.⁴⁷ These five services include business, communication, financial, tourism and travel Services. The Liberalization of travel services for example is consistent with the Kigali Declaration’s Protocol on the Free Movement of Persons, Right to Residence, and Right to Establishment which lays down rules for the free movement within and across member states.

IV. CONCLUSION

The aspirations of the AfCFTA Agreement entered into force on 30 March 2019 with far-reaching implications for trade and regional integration in Africa. The idea of a single continental-wide trade market for the free trade in goods and services is a worthy initiative which is consistent with the spirit of the General Agreement on Tariffs and Trade on the liberalization of trade through the creation of agreements aimed at fostering closer integration between the economies of the countries who agree to integrate.

Available at: https://unctad.org/en/PublicationsLibrary/presspb2018d4_en.pdf

⁴² Faki Moussa. Messages from Co-organizers and Country Co-chair (TICAD 7: Advancing Africa's development through people, technology and innovation). Available at

⁴³ Xavier Keller. (2019) The role of services for economic development in Africa. (Discussion Paper), Pp.2.

⁴⁴ Ibid.

⁴⁵ International Trade Centre. (2018). *A Business Guide to the African Continental Free Trade Area*. ITC, Geneva. Pp. 27. Retrieved from <https://academicanswers.waldenu.edu/faq/73164>

⁴⁶ Ibid.

⁴⁷ Chijioke Odo. (2019). The African Continental Free Trade Area: Unfolding Changes. *Deloitte*, Pp. 2. Available at <https://www2.deloitte.com/ng/en/pages/tax/articles/african-continental-free-trade-area-unfolding-changes.html>

Even though many factors, such as Geographical limitation, inadequate infrastructure, Huge Revenue Loses, irregular trade patterns and Cumbersome Formalities, stand as an impediment to the realization of the goals of the AfCFTA, eminent developmental benefits can still emerge from the intra-African trade initiative. These benefits range from the creation of new transport infrastructures, creation of a larger market, more Jobs and the increase in service Trade.

Notwithstanding the ambitious prospects of the AfCFTA, a lot of discipline and concerted efforts as well as political will is required in order to ensure the effective implementation of the AfCFTA. The slow rate of ratifications of the agreement by African States already stands as an inherent constraint to implementation. The presence of a strong institutional mechanism under the auspices of the AU is not enough to ensure the implementation of the AfCFTA. To this effect, strong political will of individual states will go a long way is required to the AfCFTA to become a reality.
