



AFRICAN CONTINENTAL FREE TRADE AGREEMENT (AFCFTA) VIS-À-VIS
ECOWAS TRADE LIBERALISATION SCHEME (ETLS): RIGHTS AND
OBLIGATIONS

On Friday 26th January 2021, ACIOE Associates held a webinar on African continental free trade agreement (AFCFTA) vis-à-vis ECOWAS trade liberalisation scheme (ETLS): rights and obligations. The webinar had two main sessions; the first session was a dialogue session with the panelists and a question-and-answer session.

**1. PRINCIPAL CHIEF TRADE NEGOTIATOR, NIGERIAN OFFICE OF TRADE
NEGOTIATIONS: MRS WINIFRED OFILI**

First panelist

The Nigerian principal chief negotiator's focus area during the webinar was on exporters' rights and obligations under both agreements and the agreements' impact.

She noted that the AfCFTA is the African Continental Free Trade Area, a free trade area founded in 2018. She stated that the agreement was created among 54 of the 55 African Union nations.

According to Mrs. Ofili, The AfCFTA is a breakthrough in Africa's regional integration history and is expected to generate significant gains. But it is the rules of origin that will determine whether preferential trade liberalization under the AfCFTA can be a game-changer for Africa's industrialization.

She emphasized the importance of information dissemination to all and sundry on the basics of AfCFTA because a majority of exporters and other stakeholders have little knowledge of the agreement.

She also mentioned that trade liberalisation is critical in the AfCFTA. According to her, Trade liberalization promotes free trade, which allows countries to trade goods without regulatory barriers or their associated costs.

She concluded that AfCFTA doesn't invalidate ETLS. She stated the African Continental Free Trade Agreement would open countries to potentials of economic development.

2. DIRECTOR-GENERAL MANUFACTURERS ASSOCIATION OF NIGERIA (MAN): MR SEGUN AJAYI-KADIR

Second Panelist

The Director-General Manufacturers Association of Nigeria (MAN), who was represented by the Director of Research and Advocacy, Dr. Oluwasegun Osidipe, spoke extensively on the state of play for exporters: concerns, understanding, and reservations on both agreements.

He started his remarks by commending the organizers' effort of the webinar, which came at a critical time when the concept of the African Continental Free Trade Agreement is not well understood.

He encouraged exporters to take advantage of this agreement which has enormous positive potentials. However, he expressed his dissatisfaction that the readiness requirement is not fully addressed. He noted that the African Continental Free Trade Agreement's readiness and impact assessments are essential for a seamless implementation. He stated that the private sector should be carried along at every process of implementation.

He emphasized that adequate structures and information should accompany the rule of origin for trade to kick-start under AfCFTA,

He highlighted some challenges, which include;

- Barriers to the movement of goods;
- Bribery and corruption;
- Rejection of admitted goods;
- Non-compliance;
- Political Instability;
- Inadequate information dissemination;
- Poor implementation of previous trade agreements;
- Trade malpractice;
- Trust deficit.



He concluded by highlighting some expectations of the private companies and exporters in the AfCFTA. He mentioned that modalities should be clearly spelt out to prevent trade malpractices, customs must be well trained to facilitate the proper implementation of the rules of origin. The African government should allocate more resources for the trade agreement.

**3. DIRECTOR OF CUSTOMS UNION AND TAXATION ECOWAS
SECRETARIATE: SALIFOU TIEMTORE**

Third Panelist

Mr. Salifou Tiemfore presentation focused on the supporting role of ECOWAS in implementing the AfCFTA and the correlation of the existence of the ETLS and AfCFTA. According to him, the ECOWAS is working closely to make the AfCFTA possible. He noted that AfCFTA is a fantastic initiative with potential challenges that could be experienced during implementation. He expressed dissatisfaction with countries implementation of the agreement. He mentioned that at the date of the launch, 27 states had ratified the agreement; South Africa, Sierra Leone, Namibia, Lesotho and Burundi have since signed the AfCFTA during the 31st African Union Summit in Nouakchott. As of July 2019, 54 states have signed the agreement.

He noted that ETLS would remain regardless of the new trade agreement. He also highlighted the gains recorded on the ETLS agreements, which have over 2000 companies and over 7800 products.

He mentioned that ECOWAS has the in-depth experience to aid the implementation process of AfCFTA. He stated that the ECOWAS could assist chief negotiators across all African countries.

He concluded his presentation by stating the poor state of infrastructure and inadequate dissemination of information which are fundamental challenges of the agreement.

**4. DEVELOPMENT ECONOMIST AND FORMER CBN GOVERNOR: DR
OBADIAH MAILAFIA**

Fourth Panelist

Dr. Obadiah Mailafia, the former Governor of the Central Bank of Nigeria, shared his insights on trade's socio-political impact under the AfCFTA and ETLS.



He sighted the expected benefits and challenges of the AfCFTA. He aligned his views with Dr. Oluwasegun Osidipe, that the private sector should be carried along in the implementation.

He noted that according to a World Bank report, The AfCFTA could increase employment opportunities and incomes, expanding intra-African trade. The AfCFTA is expected to lift around 68 million people out of moderate poverty and make African countries more competitive.

He lighted three expected challenges around the AfCFTA, which include;

- Technical Challenge;
- Economic Challenge;
- Political Challenge.

Dr Obadiah Mailafia listed out some recommendation which includes:

- Policy coherence across various sister trade agreements;
- Political transparency;
- Enactment of national security policies;
- Adequate technical standards;
- Efficient customs unions.

He concluded that the AfCFTA is a fantastic opportunity for African nations to harness effective economic growth and development.

After the panel discussion and Q&A sessions, the Managing Partner of ACIOE Associates, Mr. Ekenem Isichei, gave a vote of thanks to panelists, participants, and the ACIOE Team as part of the closing remarks to end the webinar.