

The background of the cover is an aerial photograph of a large port facility. The foreground and middle ground are filled with rows of colorful shipping containers in shades of blue, red, green, and yellow. In the background, several large gantry cranes are visible, and the port extends towards a body of water under a clear sky.

AFRICAN CONTINENTAL FREE TRADE AGREEMENT

Current State Of Affairs

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The Current State Of Affairs

AFRICAN CONTINENTAL FREE TRADE AGREEMENT

The AfCFTA was established in 2018, with 54 participating African countries out of the 55 African countries, with Eritrea being the only country that did not sign the Agreement. The AfCFTA is a trade agreement that creates a single continental market for goods and services, free movement of business persons, investments and expands intra-African trade.

On January 1, 2021, trade officially commenced, with the African Free-Trade Area having a combined Gross Domestic Product (GDP) valued at US\$3.4million and the largest in the world in terms of the number of participating countries.

Following the emergence of the COVID-19 pandemic, which has adversely affected the current socio-economic situation globally, there is no gainsaying that the AfCFTA is one of the best things that has happened to the African region, specifically Nigeria. The reason is that the implementation of the AfCFTA would undoubtedly help stabilize our economy, promote international trade, increase employments, investments and provide an overall positive macroeconomic outlook for Nigeria if adequately checked.

Through its relevant stakeholders, the Nigerian government has been working to provide necessary guidelines to be adopted when trading under the AfCFTA. According to the Nigerian Office for Trade Negotiations

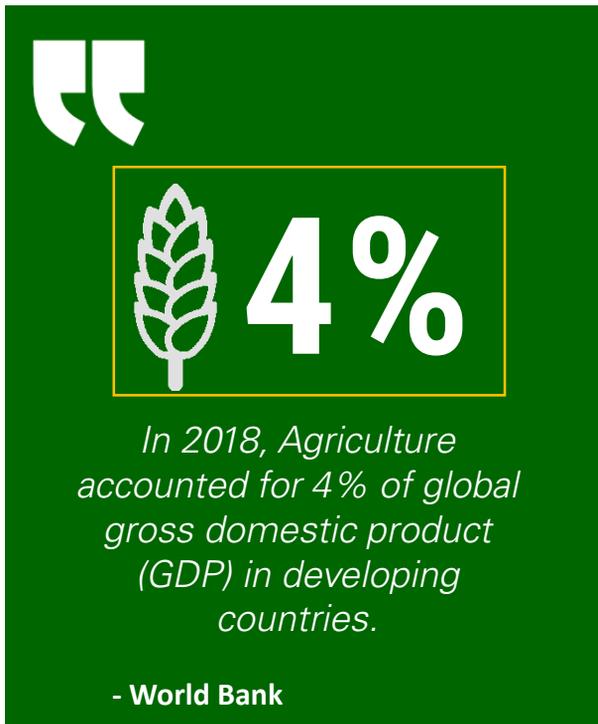
(NOTN), measures are in place to domesticate the Agreement as required by the Nigerian constitution to validate any trade under the Agreement.

To fully explore the potentials of the AfCFTA, the Nigerian government must address two underlying issues. These are;

- The Rule of origin and
- The Export incentives

The Rule of origin refers to the Rule that attributes a country to a product; that is, it determines a product's actual "state of origin." The Rule is a way to determine the percentage of locally manufactured contents of a commodity that must be satisfied to pass as a local good from a particular country. Adequate measures must be put in place by the Nigerian government through the Nigerian Customs Service to protect the Nigerian borders from allowing other Countries from leveraging on the AfCFTA to move goods originating from non-African Countries into Africa by repackaging same to enjoy the benefits of a locally manufactured African commodity under the Free Trade Zone

The other issue is the export incentive, the Export Expansion Grant (EEG) Scheme, is one of the current incentives available to exporters of non-oil products in Nigeria by the Nigeria Export Promotion Council (NEPC). The NEPC, through the export incentives, has sought to make the non-oil



export a significant contributor to Nigeria's GDP by facilitating exports to promote sustainable economic development.

Over the years, the Scheme has positively impacted the growth of non-oil exports in Nigeria. The sustenance of the Scheme is a challenge to most exporters who have been grossly affected by backlogs of debts owed by the federal government from 2007-2016 due to various suspensions, and another new debt accumulation since the Export Credit Certificate (ECC) in 2017 till date because of the low funding of the Scheme by the Federal government in its budgets.

One wonders how the current government's revenue, majorly funded by external debts, can sustain and maintain the significant increase in trading under the AfCFTA. The NEPC, in a recent circular dated February 10, 2021, has set up a forum for the review of the Scheme, requesting stakeholders' inputs to ensure continuity and sustainability of the Scheme.

The government must ensure stringent measures are put in place to seal all

loopholes that might be exploitable to prevent transferred origin trading malpractices through the Nigeria Customs Service and the Joint Border Task Force. While the AfCFTA is a welcoming development, the government must ensure consistent and sustainable policies and measures to attract foreign investments and promote international trade.

Agribusiness is any business entity that is involved in agriculture directly or indirectly to make a profit. It comprises all the activities and disciplines involved in modern food production. Agribusiness is fundamental to the economic growth of developing countries. It is a sector that experienced growth, based on the fact that the government are investing more in this sector.

Agriculture is the economic sector that employs most people globally and the primary source of food and income for many people living in rural areas. According to Food and Agriculture Organization (FAO), agriculture remains the foundation of the Nigerian economy, despite the current position of oil in the country.

Also, in 2018, according to the World Bank, agriculture accounted for 4% of global gross domestic product (GDP) in developing countries. It accounted for about 25% of the GDP In Nigeria, even during the recession.

Despite technological advances, the climate is a critical factor in agricultural and fisheries productivity, soil properties, and natural communities. The impact of climate change brings about conflict, fragility, and locust invasions in Africa, taking a toll on the continent's effort to tackle food insecurity.

The 21st-century economy is characterized by four key goals: job creation, food security, standardization, and internal revenue generation.

Agribusiness in Nigeria consists of four major sectors, and they are interrelated to each other. these include:

- Agricultural input
- Agricultural production
- Agricultural processing and manufacturing
- Agricultural marketing and distribution sector

Investing in agribusiness is not only one of the most effective strategies to promote sustainability and improve food security. It is also essential to many countries' economic development. Agribusiness has many business opportunities and gives room for

both the educated and uneducated people in the country

Financing agribusiness can increase the value of raw materials, food security, and nutrition, strengthen local rural economies, and improve the quality of life in many homes at risk of exclusion and vulnerability in the urban area. Incentives, policies, and regulatory frameworks that safeguard and promote agro-industries have proven highly effective at lifting rural populations out of poverty in many countries. Thus, investing in the agriculture sector is affordable and contribute greatly to society.





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