

Information Brief on AfCFTA

Third World Network-Africa

23rd September 2020

Outstanding work remains to be done within ECOWAS before AfCFTA can be operationalised, says Mr Tiemtore, Director of Customs, ECOWAS Commission

Some three months to the official date of January 1, 2021, for the trading of goods under Africa's Continental Free Trade Area (AfCFTA), work still remains to be done within the Economic Community of West African States (ECOWAS) before the regional bloc can operationalize the trade pact. This borders on the rules of origin, the regional list for the market access offer as a customs union and building the productive capacities of the various stakeholders.

Mr Salifou Tiemtore, Director of Customs and Taxation, ECOWAS Commission, made these points in a webinar on the AfCFTA that took place on September 15, 2020 organised jointly by Third World Network-Africa and ENDA- Cacid.

The webinar, the second in the series, focused on ECOWAS Region as an economic space and discussed the Protocol on Trade in Goods of the AfCFTA and its implication for economic transformation, especially in the wake of the Covid-19 Pandemic that has exposed the domestic and regional economic realities confronting the regional economic bloc.

Updating the participants on the state of negotiations, the Director of Customs mentioned that all 15 ECOWAS Member States have signed the AfCFTA, 10 of which have gone further to ratify. Benin, Cape Verde, Guinea-Bissau, Liberia and Nigeria are those yet to do so.

On the main issues that remain to be dealt with before the implementation of AfCFTA , first of all, the rules of origin remain a sticking point. The rules of origin define the conditions under which a product is deemed as originating from ECOWAS or the rest of Africa and therefore suitable for trading under the AfCFTA. They determine the 'nationality' of the product. These, necessarily, have to be agreed upon before the AfCFTA can be operationalized.

Each Free Trade Agreement (FTA) has its own set of rules of origin to define the conditions under which a product is deemed as originating from the area and therefore suitable for preferential treatment. ECOWAS has a Free Trade Area with the establishment of the ECOWAS Trade Liberalization Scheme (ETLS).

However, according to Mr Tiemtore, a couple of months to the official trading date, there is still 10 percent of issues remaining to be agreed upon. The outstanding issues in relation to the rules of origin are: i) definition of vessels and factory vessels, ii) regulations on modalities of admission to the preferential treatment to be developed on products from Special Economic Zones and iii) finally, products such as edible oil, textile, cigarettes, milk, oil, sugar are still contested.

On vessels, the disagreements lie in the requirements for vessel registration and the flag nationality of the vessel, and the percentage of the locals on the crew. Initially the negotiators agreed on, at least 50 percent of locals, but some states appealed for the lowering of the local content to 40 percent. Some other countries are opposed to lowering the local content arguing that the Agreement is subject to review every 5 years and any concerns during implementation could be attended to.

Mr Tiemtore made the point that products such as textiles and garments are important for ECOWAS region due to the historic capacity of the region in cotton production. Countries such as Burkina Faso, Chad, Mali and Benin have pushed for the issues of cotton in most trade-contested arenas such as the World Trade Organisation and Regional FTAs.

Secondly, on the issue of the regional list under market access because ECOWAS is a customs Union it has to offer a unified list to the other regional blocs/countries. Some countries are still raising objections according to the Director of Customs.

Lastly, to ensure real benefits through value creation under the AfCFTA in the region, domestic and regional manufacturers and producers must be sensitized and trained adequately on the Africa's free trade area; the Director reiterated.