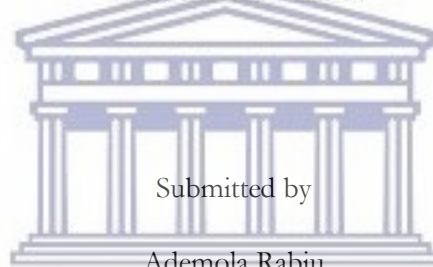


# The need to recalibrate the Africa trade facilitation legal framework to achieve an enduring intra-African trade

MPhil Mini-Thesis



UNIVERSITY *of the*  
WESTERN CAPE



Submitted by

Ademola Rabi

Student Number 3275743

Department of Mercantile and Labour Law

UNIVERSITY *of the*  
WESTERN CAPE

Supervisor:  
Prof. Patricia Lenaghan

A mini-thesis submitted to the Faculty of Law, University of the Western Cape in partial fulfilment  
of the requirement for the degree of Master of Philosophy (MPhil) in International Trade,  
Investment and Business Law

May 2018

## Abstract

It is necessary to improve on Africa poor and stagnated share of the global trade and to attract bigger share of the global investments funds to meet the growing developmental challenges. The bottlenecks at the borders of most countries have made Africa the continent with the highest cost of trade. This has worsened the competitiveness of the continent's economy thereby imparting its ability to draw full benefits from the global trading system. The introduction of simpler trade procedures is expected to lower trade costs and boosts flows of goods among African countries and with the global community. It is imperative then to explore frameworks for innovative trade facilitating instruments within the ambits of the multilateral trading system to enhance intra-African trade. The idea is to evolve an Afrocentric framework that will not precipitate retaliatory measures from the trading partners.

This study encourages African countries policy makers to avail themselves of the concessionary provisions in the WTO agreement to design a targeted trade facilitation framework. It is posited that an Afrocentric trade facilitation legal and regulatory policies are necessary to improve African countries capabilities to trade more with each other and with other countries at similar stage of development. This must be structured to specifically facilitate intra-Africa trade via the development of regional or sectoral competitive advantages rather than the multilateral trade facilitation protocols that is targeted to boost African trade with the international partners.

A mega-regional trade agreement that will facilitate intra-African trade in the specific sectors and then use the bigger economies of scale to develop competitiveness on the global stage, is proposed. Based on the continent abundant agricultural and natural resources, and the huge and growing young populations, it is found that investments in value creating manufacturing industries in the agricultural, power and the transport sectors as well as the service sectors were found to hold the biggest potentials. This is necessary to generate large jobs and employment opportunities and diversify exports. In these sectors, region-owned companies in each sub-region to be complemented with private investors are being proposed. This is necessary due to the huge resources outlay and the poor margin that will not encourage private investors to commit into this sector.

To protect the companies being proposed without precipitating retaliatory actions by the trading partners, Article XXIV, the Enabling Clause and the contingent trade protection measures as contained in Article XIX of the GATT Agreement (the safeguard measures and the subsidies and countervailing measures) were presented to be sufficient.

## **Keywords**

International Trade Law, Trade Facilitation, Intra-African Trade, Doha Development Agenda, Trade Facilitation Agreement (TFA), Special and Differential Treatment (SDT) Provisions, Global System of Trade Preferences (GSP), Aids-for-Trade, Afrocentric Policy Instruments, Technical Assistance & Capacity Building (TA & CB).



UNIVERSITY *of the*  
WESTERN CAPE

## Acronyms

AfT	Aid for Trade
AU	African Union
COMESA	Common Market for East and Southern Africa
DDA	Doha Development Agenda
EAC	East African Community
EATTF	East African Trade and Transport Facilitation Project
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FIATA	International Federation of Freight Forwarders Associations
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences
GATT	General Agreement on Tariffs and Trade
ICC	International Chamber of Commerce
ICAO	The International Civil Aviation Organisation
IGO	Inter-Governmental Organisation
IMF	International Monetary Fund
ITC	International Trade Centre
MFN	Most Favoured Nation
LCD	Least Developed Countries
NEPAD	New Partnership for Africa's Development
NTB	Non-Tariff Barriers
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PTA	Preferential Trade Agreement
RECs	Regional Economic Communities
RTA	Regional Trade Agreement
SAARC	South Asian Association for Regional Cooperation
SACU	Southern African Custom Union
SADC	Southern African Development Community
SDT	Special and Differential Treatment

SPS	Sanitary and Phytosanitary
SSA	Sub-Saharan Africa
TDCA	Trade Development and Cooperation Agreement
TFA	Trade Facilitation Agreement
TFAF	Trade Facilitation Agreement Facility
UN	United Nations
UNCEFACT	United Nation Centre for Trade Facilitation and Electronic Business
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
WB	World Bank
WCO	World Customs Organisation
WTO	World Trade Organisation

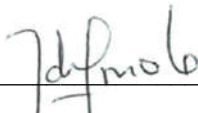


UNIVERSITY *of the*  
WESTERN CAPE

## Declaration

I, Ademola Rabi, declare that “**The need to Recalibrate Africa Trade Facilitation Legal Framework to achieve an Enduring Intra-African Trade**” is my own work and that it has not been submitted before for any degree or examination in any other university, and that all sources I have used or quoted have been indicated and acknowledged as complete references.

Signed:

  
\_\_\_\_\_  
**Ademola Rabi**

May 2018

Signed:

  
\_\_\_\_\_  
**Professor Patricia Lenaghan**

  
**UNIVERSITY of the  
WESTERN CAPE**

May 2018

## Dedications

. . . those working towards an enduring trade in Africa (and among Africans) and for  
prosperity of Mother Africa



UNIVERSITY *of the*  
WESTERN CAPE

## Acknowledgements

The Almighty God for His grace for the completion of this study despite the many obstacles.

The sacrifices of all my family for those endless hours I have to be absent. They bore it with fortitude and understanding: the Rabiush patriarch; the Matriarchs, my ageless Mamas; Toyibbah, Halimah, Sa'id, Sa'idah, Shakirah, Abdus-Shakuur, Mimi, Uncle Mido and Habib; Seyi and Khadijah Akanbi, Esther and others. Big brothers El Hadj Sikiru, Miftau, Abdul-Latif and Mikhail Rabiuh; Sarafa, big sister Busrah, Salmah 'Selimo', Bimbo, Hauwa 'Aolah' and others.

My supervisor Professor Patricia Lenaghan for the uncommon understanding and patience.

My class mates for the guidance and mentoring in grasping the legal field: Leon Fieties, Boris Meye, Lovertt Esambe, Ada Okoye, Frank Mulder and others.

Much Thanks.





# Table of Contents

Abstract.....	i
Acronyms.....	iii
Declaration.....	v
Dedications.....	vi
Acknowledgements .....	vii
Table of Contents.....	viii
<b>Chapter 1: Introduction .....</b>	<b>1</b>
1.1. Backgrounds .....	1
1.2. Statements of research problem.....	5
1.3 Research aims and objectives .....	6
1.4 Research questions .....	7
1.5 Significance of the problem .....	7
1.6 Research methodology .....	9
1.7 Chapters outline .....	10
<b>Chapter 2: Trade facilitation legal frameworks .....</b>	<b>12</b>
2.1 Introduction .....	12
2.2 General overview of trade facilitation.....	13
2.3 Definitions and scope of trade facilitation .....	16
2.4 Legal framework of trade facilitation in the WTO.....	19
2.5 Trade facilitation instruments.....	20
2.5.1 Conventions .....	20
2.5.2 Recommendations and Standards.....	21
2.5.3 Guidelines and Guides.....	22
2.6 Trade facilitation diagnostic tools .....	23
2.7 Bali Package .....	24
2.7.1 Trade Facilitation Agreement .....	25
2.7.2 Trade Facilitation Agreement Facility.....	27
2.7.3 Special and Differential Treatment (SDT).....	29
2.8 Chapter Conclusions.....	30
<b>Chapter 3: Africa trade performance and legal form of selected trade initiatives .....</b>	<b>32</b>
3.1 Introduction .....	32
3.2 Africa international trade performance .....	33

3.3	Intra-regional trade in Africa .....	36
3.4	Aids for trade facilitation.....	38
3.5	Aid for Trade Trust Funds for Africa .....	41
3.6	Trade concessions programs for Africa .....	42
	3.6.1 African Growth and Opportunity (AGOA) Act.....	43
	3.6.2 Everything but Arms (EBA) .....	48
	3.6.3 Cotonou Agreement .....	49
3.7	Chapter Conclusions.....	51
	<b>Chapter 4: Framework for an Afrocentric trade facilitation .....</b>	<b>53</b>
4.1	Introduction .....	53
4.2	Strategic sectors with potentials for exports diversification .....	54
	4.2.1 Agriculture.....	56
	4.2.2 Power .....	58
	4.2.2.1 Southern Africa .....	62
	4.2.2.2 West Africa .....	62
	4.2.2.3 East and Central Africa .....	63
	4.2.2.4 North Africa.....	63
	4.2.3 Transportation Sector.....	63
4.3	Legal Framework.....	70
	4.3.1 Article XXIV of GATT 1994.....	71
	4.3.2 Enabling Clause.....	72
	4.3.3 Agreement on Safeguards .....	72
	4.3.4 Subsidies and Countervailing Measures (SCM) .....	73
4.4	Chapter Conclusions.....	74
	<b>Chapter 5: General conclusions and recommendations.....</b>	<b>75</b>
	<b>References .....</b>	<b>96</b>

## Introduction

*'removing barriers to trade and cutting red tape in half, which is what a multilateral Trade Facilitation Agreement could deliver, could stimulate the US\$22 trillion world economy by more than \$1 trillion'*

- Pascal Lamy, *WTO Director-General*, 2013

### 1.1. Backgrounds

It is generally accepted that trade is an essential tool for growth and the overall economic well-being of a nation.<sup>1</sup> A number of empirical studies<sup>2,3</sup> have shown how increased in trade had resulted into faster economic growth and development. Integration into the global economy is expected to afford countries the opportunity to exploit their comparative advantage and a larger economy of scale.<sup>4,5</sup> These benefits are however only realisable if and when the trading partner's national trade laws and policies are standardise and harmonised to be mutually beneficial.<sup>6</sup> It is therefore imperative that the legal and regulatory protocols that govern trades across international borders are consistent, predictable, and transparent.<sup>7</sup> Moreso that the nexus between the volume of trade and the ease of flow of goods and service across international boundaries have been established.<sup>8,9</sup>

<sup>1</sup>Jita B & Mousum B 'International trade offers nations services and goods that are not available within its territories and provide access to a bigger market' (2012) **3** (1) *IIMS Journal of Management Science* 48.

<sup>2</sup>Segerstrom P S 'Trade and economic growth' in *Palgrave handbook of international trade* Bernhofen D, Falvey R E, Greenaway D, *et al.* ed (2011) 1.

<sup>3</sup>Singh T 'Does international trade cause economic growth? A survey' (2010) **33** (11) *The World Economy* 1519.

<sup>4</sup>Rippel B 'Why trade facilitation is important for Africa' 2011 *Policy Note* 27 available at [http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/trade\\_facilitation\\_note\\_nov11.pdf](http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/trade_facilitation_note_nov11.pdf).

<sup>5</sup>Seyoum B 'Revealed comparative advantage and competitiveness in services: A study with special emphasis on developing countries' (2007) **34** (5) *Journal of Economic Studies* 377.

<sup>6</sup>Bernal T P & Ernst R 'A framework for transparency in international trade' (2015) **21** (1) *Investigaciones Europeas de Dirección y Economía de la Empresa* 2.

<sup>7</sup>WTO 'Principles of the trading system' 2016a *Understanding the WTO: Basic* available at [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm).

<sup>8</sup>IMF (International Monetary Fund) 'Global trade liberalization and the developing countries' available at [http://www.imf.org/external/np/exr/ib/2001/110801.htm#P37\\_4958](http://www.imf.org/external/np/exr/ib/2001/110801.htm#P37_4958) (accessed 13 April 2017).

<sup>9</sup>Wacziarg R & Welch K H 'Trade liberalization and growth: New evidence' (2008) **22** (2) *The World Bank Economic Review* 190.

Since its inception, the World Trade Organisation (WTO) has been championing a smooth international trade. The WTO Agreements<sup>10</sup> instituted a uniform legal framework for a predictable and transparent global trading regime to enable freer trade among member states. The organisation activities and the various rounds of talk are therefore aimed to facilitate an unhindered flow of goods and services across international boundaries at minimal cost and delay.<sup>11</sup> This is expected to eventually result in a more integrated and interdependent global economy for the benefits of all.<sup>12</sup>

Succinctly captured by Grainger<sup>13</sup> as the simplification, harmonisation, standardisation and modernisation of trade procedures, trade facilitation seeks to promote a less restrictive flow of goods across borders to result in lowered trade cost and increase inflow of foreign investment.<sup>14</sup> Trade facilitation as championed by the WTO seek to institutionalise legal and regulatory mechanisms that will improve administrative efficiency at each stage of the international trade chain<sup>15</sup> and eventually lead to globalised efficient trading procedures.<sup>16</sup> The measures in essence revolved around efficient custom procedures<sup>17</sup> and other trade-cost reducing policies.<sup>18</sup> It should be appreciated that, there are no specific legal and regulatory provisions in the WTO Agreement that governs member countries customs procedures and trade documentations.<sup>19</sup>

It is believed that developing countries importance as the engine for growth of the world economy is on the rise.<sup>20,21</sup> The European Commission reported that their combined output



UNIVERSITY of the

<sup>10</sup>Legally known as “The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts”.

<sup>11</sup>WTO 'Briefing note: Trade facilitation - cutting “red tape” at the border' available at [http://wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/brief\\_tradfa\\_e.htm](http://wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm) (accessed 8 June 2014).

<sup>12</sup>Hufbauer G C 'Multilateralism and regionalism from an american perspective: Parallels and contrasts with the langhammer vision' (2013) **7** *Economics: The Open-Access, Open-Assessment E-Journal* 10.

<sup>13</sup>Grainger A 'Customs and trade facilitation: From concepts to implementation' (2008) **2** (1) *World Customs Journal* 18.

<sup>14</sup>Menyah K, Nazlioglu S & Wolde-Rufael Y 'Financial development, trade openness and economic growth in african countries: New insights from a panel causality approach' (2014) **37** (0) *Economic Modelling* 387.

<sup>15</sup>Evdokia M, Thomas O & Peter M 'Trade facilitation indicators: The impact on trade costs' 2011 *OECD Trade Policy Papers* 118 20 available at <http://ideas.repec.org/p/oec/traaab/118-en.html>.

<sup>16</sup>Zaki C 'How does trade facilitation affect international trade?' (2015) **27** (1) *European Journal of Development Research* 157.

<sup>17</sup>Evdokia M, Thomas O & Peter M (2011) 7.

<sup>18</sup>Hoekman B & Nicita A 'Assessing the Doha round: Market access, transactions costs and aid for trade facilitation' (2010) **19** *Journal of International Trade and Economic Development* 67.

<sup>19</sup>WTO 'Briefing note: Trade facilitation - cutting “red tape” at the border' 9<sup>th</sup> WTO Ministerial Conference, Bali, 2013 WTO available at [http://wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/brief\\_tradfa\\_e.htm](http://wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm) (accessed 8 June 2017).

<sup>20</sup>Syrquin M 'Resources industrial transformation and the structure of the world economy' in *Resources, production and structural dynamics* Baranzini M L, Rotondi C & Scazzieri R ed (2015) 325.

<sup>21</sup>World Bank 'Developing countries face tough transition in 2015 with higher borrowing costs and lower prices for oil & other commodities' available at <http://www.worldbank.org/en/news/press-release/2015/06/10/developing-countries-face-tough-transition-in-2015-with-higher-borrowing-costs-and-lower-prices-for-oil-other-commodities> (accessed 20 March 2016).

accounts for more than half of world trade in 2012.<sup>22</sup> Despite this, the important trade issues of interest to these countries ranging from easier access to the developed economies market, to increase investments in manufacturing and infrastructures are yet to be adequately addressed.<sup>23</sup> The various trade reform policies and measures so far implemented by African states have not yielded the expected developmental benefits.<sup>24</sup> While these efforts have resulted into an aggregate increase in trade volumes of the participating Africa countries,<sup>25</sup> the overall Africa share of the global trade has not changed, hovering around three per cent,<sup>26</sup> nor is the intended exports diversification achieved.

Worse still, Africa combined share of the global trade has been declining. It fell from eight per cent before the advent of WTO to the current three per cent.<sup>27</sup> Between 1948 and 2014, Africa's share of global exports declined by 50 per cent.<sup>28</sup> The World Bank reported a contraction of 60 per cent in Africa exports between 1970 and 2007 (an average income loss of \$70 billion annually) and by 34 per cent in 2015.<sup>29</sup> It has been a case of different strategies but common and persistent weaknesses. Though it may be too early to assess the effectiveness of the Bali package<sup>30</sup> in increasing African countries share of the global trade, one is tempted to argue that a shift in strategy might be necessary. Moreso, the majority of sub-Saharan African (SSA) exports are still largely dominated by primary commodities.<sup>31</sup>

This much is recognised by the WTO and informed the Doha Development Agenda (DDA). However, significant potentials to improve on the trading profile of African countries have



---

<sup>22</sup>European Commission 'Trade, growth and development - tailoring trade and investment policy for those countries most in need' 2012 *Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee* available at [http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc\\_148992.EN.pdf](http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc_148992.EN.pdf).

<sup>23</sup>Armijo L 'The brics countries as analytical category: Insight or mirage?' (2007) **31** (4) *Asian Perspective*.

<sup>24</sup>Menyah K, Nazlioglu S & Wolde-Rufael Y (2014) 388.

<sup>25</sup>Cali M & te Velde D W 'Does aid for trade really improve trade performance?' (2011) **39** (5) *World Development* 726.

<sup>26</sup>UNCTAD 'Unlocking the potential of Africa's services trade for growth and development' 2015 *Economic Development in Africa Report 2015* 23 available at [http://unctad.org/en/PublicationsLibrary/aldcafrica2015\\_en.pdf](http://unctad.org/en/PublicationsLibrary/aldcafrica2015_en.pdf).

<sup>27</sup>UNECA 'Industrializing through trade' 2015 32 available at [http://www.uneca.org/sites/default/files/PublicationFiles/era2015\\_eng\\_fin.pdf](http://www.uneca.org/sites/default/files/PublicationFiles/era2015_eng_fin.pdf).

<sup>28</sup>WTO 'World trade developments in 2015' available at [https://www.wto.org/english/res\\_e/statis\\_e/its2015\\_e/its15\\_world\\_trade\\_dev\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2015_e/its15_world_trade_dev_e.pdf) (accessed 24 October 2016).

<sup>29</sup>Clark D P, Lima L R & Sawyer W C 'Stages of diversification in Africa' (2016) **144** *Economics Letters* 69.

<sup>30</sup>The trade agreement signed by all members of the WTO on the 7 December 2013 at the 9<sup>th</sup> Ministerial Conference in Bali, Indonesia. The first comprehensive agreement on the Doha Round of Negotiations, the Bali Package forms part of the Doha Development Round, which started in 2001.

<sup>31</sup>Ancharaz V, Mbekeani K & Brixiova Z 'Impediments to regional trade integration in Africa' 2011 *Africa Economic Brief* 2 available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEB%20VOL%202%20Issue%2011\\_AEB%20VOL%202%20Issue%2011.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEB%20VOL%202%20Issue%2011_AEB%20VOL%202%20Issue%2011.pdf).



been reported<sup>32,33</sup> if the high trade cost prevailing on the continent is lowered. Moise and Sorescu<sup>34</sup> argued that timely availability of trade-related information, simplification and harmonisation of documents, streamlining of procedures and the use of automated processes will result in significant boost in trade in Africa. The strong relationship between trade facilitation and trade flows suggests that the implementation of trade facilitation policy instruments will increase trade in Africa.<sup>35</sup> It was reported that investment in transport infrastructure in SSA will half the cost and time required to export goods.<sup>36,37</sup> The International Trade Centre reported that by 2025, improved transportation will boost the SSA trade by up to 51 per cent and around US\$ 20 billion annual increase in GDP.<sup>38</sup>

This mini-thesis highlights the inadequacy of the present trade facilitation instruments to increase Africa countries share of the global market and argue for a need to recalibrate the strategies. The propose legal framework shift the focus from securing greater share of the developed economies domestic market, to policies and strategies that will preferentially facilitate deeper integration of the Africa national economies to boost intra-African trade. It as well present arguments for the need to harmonise African countries trade facilitation policy instruments to transform the continent's trading environment. The idea is to evolve an integrated, Afrocentric<sup>39</sup> and efficient-trade procedure, and in such a way that will not precipitate trade dispute or retaliatory measures from the trading partners. The forms and scope of this tactical and selective trade facilitation policy instruments and how this can be achieved within the framework of the multi-lateral trade agreement to which African states are signatories is the thrust of this study.

UNIVERSITY of the  
WESTERN CAPE

<sup>32</sup>ITC 'Africa's trade potential: Export opportunities in growth markets' 2012 MAR-12-226.E 23 available at <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=0CD0QFjAE&url=http%3A%2F%2Fwww.intracen.org%2FWEDF-African-trade-for-web%F&ei=f52rVOL0Kov4UtnygKAL&usg=AFQjCNERwAoWqkKS2VvG020rKWJWpKQR-A&bum=bu.82001339,d.d24>.

<sup>33</sup>DFID 'Regional integration and trade in sub-saharan Africa' 2011 *Trade and Investment Analytical Papers* Topic 7 of 18 available at <http://www.bis.gov.uk/Policies/trade-policy-unit>.

<sup>34</sup>Moisé E & Sorescu S 'Trade facilitation indicators: The potential impact of trade facilitation on developing countries' trade' 2013 *OECD Trade Policy Papers* 144 7 available at [http://www.oecd-library.org/trade/trade-facilitation-indicators\\_5k4bw6kg6ws2-en.jsessionid=7m4jgd6q3dhoq.x-oecd-live-01](http://www.oecd-library.org/trade/trade-facilitation-indicators_5k4bw6kg6ws2-en.jsessionid=7m4jgd6q3dhoq.x-oecd-live-01).

<sup>35</sup>Djankov S, Freund C L & Pham C S 'Trading on time' 2006 *World Bank Policy Research Working Paper* 3909 available at [http://papers.ssrn.com/sol3/Delivery.cfm/SSRN\\_ID894927\\_code167828.pdf?abstractid=894927&mirid=1](http://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID894927_code167828.pdf?abstractid=894927&mirid=1).

<sup>36</sup>Hoekman B & Shepherd B 'Who profits from trade facilitation initiatives? Implications for african countries' (2015) 2 (1-2) *Journal of African Trade* 51.

<sup>37</sup>Cirera X & Winters L 'Aid for trade and structural transformation in sub-Saharan Africa' 2015 *Commonwealth Trade Policy Discussion Papers, No. 2015/01* 9 available at <http://dx.doi.org/10.14217/5js6b1lp69ms-en>.

<sup>38</sup>ITC (2012) 23.

<sup>39</sup>Afrocentric trade facilitating measures will be specifically design to redress the poor contributions of Africa countries to the global trade by primarily promoting intra-African trade and boost exports preferentially. These are premised on the understanding that Africa countries engagement in the international trade system is poor because of historical poor trading capabilities.

## 1.2. Statements of research problem

It is necessary to improve on Africa poor and stagnated share of the global trade<sup>40</sup> and to attract bigger share of the global investments funds to meet the growing developmental challenges. The bottlenecks at the borders of most countries have made the cost of trade highest in Africa. This has worsened the competitiveness of the continent's economy thereby imparting its ability to draw full benefits from the global trading system. However, it has been reported that an introduction of simpler trade procedures and greater transparency will boost trade flows among African countries and with the global community.<sup>41,42</sup>

The implementation of efficient trade procedures that will lower trade cost on the continent has therefore been suggested. This much is recognised by the WTO and as mentioned in the previous section informed the inclusion of trade facilitation as one of the issues for negotiation in the DDA; and the eventual sign into law of the Trade Facilitation Agreement. This is particularly imperative considering the fact that out of the 48 countries on the United Nations (UN) list of the least developed countries, 33 are in Africa.<sup>43</sup> Towards this end, various approaches have been proposed or implemented to institutionalise trade facilitation policy instruments on the continent. While these approaches have led to an increase in aggregate trade volumes of participating Africa countries, the share of Africa trade has not changed, nor is the intended trade diversification achieved.

The existing trade facilitation measures are predicated on the doctrine of multilateralism and geared towards integrating African into the global trade. Such have failed to take full cognisance of the prevailing socio-economic factors on the continent and hence are inadequate and sometime inappropriate. Arguably, this may be responsible for the non-realisation of the expected benefits. This study argues for a selective Afrocentric, sector targeted and strategic trade facilitation framework. This should focus on boosting intra-Africa trade via the development of regional or sectoral competitive advantages rather than the multilateral trade facilitation protocols that is targeted to boost Africa trade with the international partners. This is predicated on the premise that such an approach while promoting intra-African trade will lead eventually to the development of competitive advantage on the continent (in the long term) to trade more with the global communities.

---

<sup>40</sup>DFID (2011)

<sup>41</sup>Moisé E & Sorescu S (2013) 13.

<sup>42</sup>World Bank *Doing business 2015 - going beyond efficiency* ed (2014)

<sup>43</sup>UNCTAD 'UN list of least developed countries' available at <http://unctad.org/en/pages/aldc/Least%20Developed%20Countries/UN-list-of-Least-Developed-Countries.aspx> (accessed 2 June 2017).

The mini-thesis submits that an integrated and targeted implementation of trade facilitation policies across the continent should foster rapid integration of Africa markets faster than the current institutions-led move toward creation of Africa economic community.

### **1.3 Research aims and objectives**

It needs not be over-stressed that transparent, consistent and uniform trade facilitation measures that will ensure cheaper flow of goods and services across Africa is important. This will boost intra-African trade and Africa trade with the global community. This study presents an argument for the need to recalibrate African countries current trade facilitating protocols that are essentially prescriptions of the multilateral trade system, and driven by obligations and commitments to the WTO core principles. It posits rather for a unilateral trade facilitation policy reform by African countries, to formulate a legal framework for policy instruments that will improve African countries capabilities to trade more with each other. It seeks to encourage Africa policy makers to avail themselves of the preferential and concessionary provisions in the WTO agreement in designing such a targeted trade facilitation framework.

Arguments backed with relevant data are presented for the necessity of specific and sectoral, regional or continental reforms that will improve on the capabilities of African states to trade better with each other. The framework proposed are structured to specifically facilitate the development of regional competitiveness in the short to medium run, with potential to evolve in the long run to global competitive edges in selected industries. These champion industries will assist to boost Africa trade in the international market.

To achieve this aim, the mini-thesis specifically:

- a) critique the evolution of the legal framework and legislative history of trade facilitation in the WTO to highlight the rationales and scope of the various measures.
- b) appraise the preferential and concessionary provisions in the WTO Agreements and legal texts for appropriate legal backing for the design and implementation of selective and targeted trade facilitation measures. This will be used to frame the Afrocentric framework and process being proposed and a clear timeline.
- c) highlight the current trade statistics of African countries and relate this to the effectiveness of the various Aid for Trade programs in place.
- d) identify the sectors (in specific sub-regions) with the high potentials to promote African countries trading capability in the global market.



## 1.4 Research questions

To realise the aim and objectives set out, the mini-thesis will provide answers to these two main questions:

- a) Which legal provision(s) in the WTO Agreement permit Africa countries to legally design and implement Afrocentric trade facilitation to selectively boost intra-African trade?
- b) Which Africa economic sectors (and in which regions) offers best comparative advantage and opportunity cost for the implementation of the targeted trade facilitation measures to promote intra-African trade?

In the course of advancing arguments to answer the main questions, the following sub-questions will be as well addressed:

- (a) Has the implementation of trade facilitation policies in African countries resulted in increase in trade with the global community and in exports diversification?
- (b) What are the key institutional factors mitigating against the implementation of efficient trade procedures in Africa?
- (c) Are the preferential provisions in the WTO Agreements enough for the special needs of Africa countries, most of which are in the periphery of global trade as developing, least developed countries (LDCs) or small, vulnerable economies (SVE)?

## 1.5 Significance of the problem

There is a consensus that a significant improvement in Africa share of the global trade currently at a meagre three per cent<sup>44</sup> is needed for the continent to trade itself out of poverty. It is recognised that an increase in intra-African trade will provide the income required to combat the worsening poverty on the continent and to meet other developmental challenges. That there are significant barriers to achieve this and to diversify exports within the existing multilateral trade protocols is unarguable. The high cost of trade due to the absence of trade enabling infrastructures and institutions and cumbersome and inefficient custom processes among other reasons,<sup>45</sup> have been identified to be the major factor hindering a deeper integration of the continent economies into the global trading system. In most African countries, the required trade enabling infrastructures and institutions are either under-developed<sup>46</sup> or non-existent. The potential benefits accruable from more efficient trade regime

---

<sup>44</sup>DFID (2011)

<sup>45</sup>Limão N & Tovar P 'Policy choice: Theory and evidence from commitment via international trade agreements' (2011) 85 (2) *Journal of International Economics* 186.

<sup>46</sup>Limão N & Tovar P (2011) 24.

in Africa were highlighted by a study carried out by the ITC in 2012.<sup>47</sup> It found that targeted investment in trade-related infrastructure alone will result in a 51 per cent increase in African exports translating into an annual Gross Domestic Product (GDP) gain of around US\$ 20 billion by 2025.

Trade volume and trade facilitation have been reported to be mutually interdependent.<sup>48,49</sup> Efficient trade processes will boost trade which in turn will motivate deeper trade facilitation protocols and vice versa. It is therefore expected that the increase in (intra-African) trade will provide the incentives and resources to implement more trade facilitation policies which will in the long term boost trading capabilities. The fact that Africa is the least integrated region in the world with the lowest intra-regional trade,<sup>50,51</sup> and with most of the imports consisting of manufactured goods indicate a potential for a value-adding and manufacturing-enhancing policy directions in regional economic development.

There is therefore the need for a shift of strategy towards the establishment of legal and regulatory instruments for a limited and Afrocentric trade facilitative policies that will primarily drive intra-African trade. The approach is to identify the sectors where the comparative advantages exist and formulate trade facilitation measures and legal instruments to promote the establishment of and protect regional manufacturing or service entity in those sectors as trading champions across the continent. These entities will benefit from the bigger economy of scale to competitively produce goods being currently imported, a kind of recalibrated import substitution but at regional level.

This has the potential to facilitate the development of regional industrial cohorts that will eventually become competitive on the global scale. It will present opportunities to grow and diversified African countries exports by protecting the budding industries in the identified sectors from unfair competitions, for instance from cheaper imports. Interestingly, this approach is fully within the limits of the various concessionary and preferential provisions in the WTO agreements. It is critical that this is done within the WTO framework not to precipitate trade dispute with the developed countries and other trading partners to forestall adverse counter and retaliatory measures.

---

<sup>47</sup>ITC (2012) 23.

<sup>48</sup>Djankov S, Freund C L & Pham C S (2006) 2.

<sup>49</sup>Portugal-Perez A & Wilson J S 'Export performance and trade facilitation reform: Hard and soft infrastructure' (2012) 40 (7) *World Development* 1298.

<sup>50</sup>Geda A & Kebret H 'Regional economic integration in Africa: A review of problems and prospects with a case study of comesa' (2008) 17 (3) *Journal of African Economies* 358.

<sup>51</sup>Longo R & Sekkat K 'Economic obstacles to expanding intra-african trade' (2004) 32 (8) *World Development* 1310.

## 1.6 Research methodology

The primary aim of this mini-thesis is to encourage Africa countries policy makers to avail themselves of the SDT provisions in the WTO legal texts to design targeted and limited trade facilitation protocols. The main approach is to appraise these provisions to highlight legal premises for implementation of the selective trade facilitation policies. This is important since such an effort will result into a limited derogation of the non-discrimination principle of the WTO and may provokes trade disputes or retaliatory actions from non-African trading partners.

To achieve this, the study employs a qualitative descriptive research methodology, which essentially employs analyses of documentary sources from the WTO and relevant trade-related international agencies and institutions. This approach is appropriate since it describes the current African states trade performance vis-a-vis the expected benefits of the trade facilitation policies so far implemented. It involves a detail critique of the relevant legal texts, conventions, decisions and rulings. Generally, both primary and secondary sources including legal texts, reports, working papers, policy briefs, trade data, surveys and other publications from the WTO and the other relevant international trade agencies and institutions as well as African trade groupings, are used. The main primary source is the WTO agreements,<sup>52</sup> specifically the relevant aspect of the Multilateral Agreements on Trade in Goods<sup>53</sup>, Bali Package, trade policy review mechanism and the relevant annexes, as well as relevant ministerial decisions and declarations.

The other sources of primary information include the reports, policy briefs, fact books, economic survey and decisions of relevant international trade agencies and organisations. These include the OECD, AU Commission, African Development Bank Group, SADC, ECOWAS, EAC, COMESA, AGOA, and UN trade commissions and specialised agencies, including the United Nations Economic Commission for Africa (UNECA), United Nations Conference on Trade and Development (UNCTAD), United Nations Industrial Development Organisation (UNIDO), International Fund for Agricultural Development (IFAD), Food and Agriculture Organisation (FAO), International Monetary Fund (IMF) and the World Bank Group.<sup>54</sup>

---

<sup>52</sup>Legally known as 'The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts'.

<sup>53</sup>The Multilateral Agreements on Trade in Good include the GATT 1994 and other relevant agreements for instance agreements on Agriculture, Sanitary and Phytosanitary measures, Technical Barriers to Trade, Trade-Related Investment Measures (TRIMs), Preshipment Inspection, Rules of Origin, Subsidies and Countervailing Measures and Safeguards.

<sup>54</sup>Bretton Wood Institution, that is, the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), International Development Association (IDA) and Multilateral Investment Guarantee Agency (MIGA).

The study draws as well from secondary sources as necessary, including relevant texts on international trade law, review articles on African countries trade facilitation policy instruments, as well as relevant working papers. The OECD African Economic Outlook series of working papers feature prominently; particularly the works of Draper<sup>55</sup> which presented an excellent scholarly and in-depth analysis arguing against the current form of economic integration in Africa heavily patterned after the European Union framework. The findings and policy direction argument in World Bank study authored by Rippel<sup>56</sup> is well critiqued as well. These documentary sources were obtained from the different electronic databases of the organisations and agencies where available or by directly contact the publisher as the case may be.

The development of the limited and Afrocentric trade facilitation being proposed was backed up with an in-depth perusal and analyses of the legal history, the subsequent evolvments of the WTO trade facilitation Agreement. The WTO Agreements<sup>57</sup> were used to analyse and identify the legally permissible limits for selected facilitation by African countries within the multilateral trade system. This is necessary for the design of the legal framework, process and time frame for the limited Afrocentric trade facilitation being proposed.

## 1.7 Chapters outline

The general overview of the trade facilitation in the context of the multilateral trade arrangement and the various activities of the WTO to assist the developing countries and Africa in particular to lower the cost of trade is presented in **Chapter 1**. The poor states of African countries trade performance in the global system are highlighted. Chapter 1 also outline the aim and objectives of the study, the pertinent questions to which the study seeks to provide answers, the expected contributions to knowledge and the approach to the study. The introductory chapter closed with the structure of the thesis.

In **Chapter 2**, the rationales and the underlying principles of trade facilitation, its forms and substances and the legal and regulatory framework as therein contained in the agreements and conventions of the relevant organisations are presented. Also included in the chapter, is the trade facilitation instruments and diagnostic tools. The chapter further review the Doha Development Agenda and the Bali Package. The relevant provision of the Trade Facilitation

---

<sup>55</sup>Draper P 'Rethinking the (european) foundations of sub-saharan african regional economic integration: A political economy essay' 2010 *OECD Development Centre Working Paper No 293*, available at <http://www.oecd.org/countries/angola/46013902.pdf>.

<sup>56</sup>Rippel B (2011)

<sup>57</sup>WTO 'Marrakesh agreement establishing the world trade organization' available at [http://www.wto.org/english/docs\\_e/legal\\_e/04-wto\\_e.htm](http://www.wto.org/english/docs_e/legal_e/04-wto_e.htm) (accessed 5 June 2017).

Agreement that recognises and provided for concessionary and preferential treatments for developing and least developed countries are as well highlighted.

The volume and nature of African countries trade with the world and within is the focus of **Chapter 3**, wherein a quantitative assessment of the level of trade participation of African countries in the global trade, from the pre-WTO era to the present and intra-African trade is presented. These include trade statistics after the implementation of successive trade facilitation measures. To address the various barriers to trade faced by Africa countries to trade with each other and with the developed nations, various concessions and work programs have been instituted or proposed. This is reviewed in this chapter, wherein a summary of the rationale, form and scope of selected trade capacity building and trade concessions for sub-Saharan Africa countries are discussed.

In **Chapter 4**, potentials of the sub-continent to boost its trade profile by developing competitive advantage in certain sectors where it has comparative advantages are discussed. The sectors that offered highest incentive for a common trade facilitation measure and intra-African trade were identified. The second part then identified the provisions in the WTO rules that can be used to design the legal framework for the Afrocentric trade facilitation measures.

The mini-thesis is concluded with policy recommendations and conclusions in **Chapter 5**.



## Trade Facilitation Legal Frameworks

*'Bali was a first for the WTO. Not just because it represented our first multilaterally negotiated outcomes — or our first real step towards the conclusion of the Doha Developmental Agreement. It was also a first because the Trade Facilitation Agreement [TFA] broke new ground for developing countries in the way it will be implemented ...'*<sup>58</sup>

- Roberto Azevêdo, WTO Director-General, 2014

---

### 2.1 Introduction

In this chapter the definition and scope, the core principles and rationales of trade facilitation in the context of the multilateral trading system is first presented and contextualised within the developing countries and LDCs developmental agenda. Secondly, the legal, regulatory and institutional framework of trade facilitation in the context of the multilateral trading system are discussed as well as its forms and substances. Thirdly, the various legal and policy instruments that have been developed to guide the design, formulation and implementation of trade facilitations measures as well as the diagnostic tools to assess the performance thereof are highlighted. Fourthly, the chapter present the legislative history and overview of the Trade Facilitation Agreement of the Bali Package. The relevant provisions that recognise and provided for concessionary treatments for developing countries are highlighted.

The chapter concluded by highlighting the legal and regulatory provision(s) in the WTO Agreement that are available to Africa countries to rationalise the design and implementation of Afrocentric trade facilitation policies; and which of these provide the best opportunity to primarily and selectively boost intra-African trade.

---

<sup>58</sup>WTO 'Azevêdo says effective support "critical" in implementing trade facilitation agreement' available at [http://www.wto.org/english/news\\_e/spra\\_e/spra23\\_e.htm](http://www.wto.org/english/news_e/spra_e/spra23_e.htm) (accessed 23 June 2017).



## 2.2 General overview of trade facilitation

The international trade environment is complex with numerous and sometime overlapping procedures and processes regulating the international flow of goods and services.<sup>59</sup> Grainger<sup>60</sup> reported that for goods to move across national borders, more than 60 distinct control processes and a number of regulatory oversights are involved. Some of these were to protect legitimate interests of the inbound nations for instance to maximise revenue collection and to safeguard public health.<sup>61</sup> The rationales also include protection of national security, consumers' rights and safety as well as for implementation of trade policy measures. It was reported by United Nations Conference on Trade and Development (UNCTAD) that an average trade transaction across borders goes through 27 to 30 parties, requiring at least 40 documents.<sup>62</sup> And of the more than 200 data elements requested '60 to 70 per cent are re-keyed at least once while 15 per cent are re-typed up to 30 times'.<sup>63</sup>

In majority of the developing countries, the number of required documentations and border processes is not only increasing, but vary substantially from country to country as well.<sup>64,65</sup> According to the WTO, the 'documentation requirements often lack transparency and are vastly duplicated in many places, a problem often compounded by a lack of cooperation between traders and official agencies'.<sup>66</sup> These undoubtedly impose heavy burden on traders thereby constituting trade barriers. Compliance with the customs formalities and trade procedures results in cost to the trading parties.<sup>67</sup> It includes cost due to trade-related services, procedural delays, lost business opportunity and costs related to lack of predictability. These were grouped by Spulber<sup>68</sup> as transaction, tariff, transport and time costs, referred to as the Four Ts of international trade.

Trade transaction costs will result from the measures put in place to comply with the trading formalities and regulatory procedures at the borders. Aside from the compliance costs, extra cost will result from long border clearance time which may be due to port congestion, cumbersome documentations, conflicting information and inadequate port infrastructures. Time cost will result from time loss due to uncertainty about procedures and requirements

---

<sup>59</sup>Zhang J, Cui Z & Zu L 'The evolution of free trade networks' (2014) 38 *Journal of Economic Dynamics and Control* 72.

<sup>60</sup>Grainger A 'Trade facilitation: A conceptual review' (2011) 45 (1) *Journal of World Trade* 39.

<sup>61</sup>Grainger A (2008) 18.

<sup>62</sup>OECD 'Business benefits of trade facilitation' (2002) Working Party of the Trade Committee TD/TC/WP/2001/21/FINAL 8

<sup>63</sup>OECD (2002) 8.

<sup>64</sup>Grainger A (2008) 17.

<sup>65</sup>OECD (2002) 4.

<sup>66</sup>WTO 'Briefing note: Trade facilitation - cutting "red tape" at the border' 9<sup>th</sup> WTO Ministerial Conference, Bali, 2013 WTO available at [http://wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/brief\\_tradfa\\_e.htm](http://wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm) (accessed 8 June 2017).

<sup>67</sup>OECD (2002) 5.

<sup>68</sup>Spulber D F *Global competitive strategy* ed (2011) 6.

and other unforeseen factors.<sup>69</sup> The transaction cost of trade has been identified as a deterrent to international trading<sup>70</sup> and hence a major determinant of international trade efficiency. Moreso, since it is business entities and corporations and not nations that trades, the associated cost of transacting trade in a country or region will to a large extent affect the volume of goods and services that flow across respective nation's border.<sup>71</sup>

Significant successes have been recorded with tariffs, which is now at an historic low, however, other trade costs remains high particularly in the developing countries.<sup>72</sup> Iwanow<sup>73</sup> argued that the level of benefits derived from the increasingly globalised economy is dependent on the costs of transacting trades in respective countries. Therefore, reducing unnecessary border delays will lower trade costs and hence boost trade, attracts investments and supports economic growth and job creation. This is critical in many developing countries where cumbersome and restrictive regulatory trading environment has resulted into prohibitive trade transaction costs. This in turn has adversely affected the respective countries capability to export goods and to attract investments and consequently economic growth and development.

The World Bank in a recent report<sup>74</sup> claimed that it takes three times as many days, twice as many documents and six times as many signatures to export goods in developing countries compared to the developed countries. A number of studies have clearly demonstrated the large gains accruable from a more predictable and efficient trade environment. The OECD estimated that one per cent saving in transaction costs will yield a worldwide benefit of US\$ 43 billion.<sup>75</sup> Wilson and Portugal-Peres<sup>76</sup> found that developing countries would gain more from fast and transparent border procedures. Just a standard deviation improvement in trade logistics according to Behar et al<sup>77</sup> would result in 46 per cent increase in export for developing countries. A similar conclusion was reached by Rodrigues<sup>78</sup> who estimated that a

---

<sup>69</sup>Spulber D F (2011) 6.

<sup>70</sup>Vijil M 'Aid for trade effectiveness: Complementarities with economic integration' (2014) 37 (4) *The World Economy* 555.

<sup>71</sup>Behar A & Venables A J 'Transport costs and international trade' in *A handbook of transport economics* de Palma A, Lindsey R, Quinet E, et al. ed (2011) 98.

<sup>72</sup>World Bank 'Developing countries face higher trade costs' 2013a *Press Release* 2013/242/PREM available at <http://www.worldbank.org/en/news/press-release/2013/02/06/developing-countries-face-higher-trade-costs>.

<sup>73</sup>Iwanow T & Kirkpatrick C 'Trade facilitation and manufactured exports: Is Africa different?' (2009) 37 (6) *World Development* 735.

<sup>74</sup>WTO 'Briefing note: Trade facilitation - cutting "red tape" at the border' 9<sup>th</sup> WTO Ministerial Conference, Bali, 2013 WTO available at [http://wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/brief\\_tradfa\\_e.htm](http://wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm) (accessed 8 June 2017).

<sup>75</sup>OECD 'The impact of trade liberalisation on jobs and growth: Technical note' 2011 *Trade Policy Papers* 107 available at [http://www.oecd-ilibrary.org/trade/the-impact-of-trade-liberalisation-on-jobs-and-growth\\_5kgj4ifj1nq2-en](http://www.oecd-ilibrary.org/trade/the-impact-of-trade-liberalisation-on-jobs-and-growth_5kgj4ifj1nq2-en).

<sup>76</sup>Portugal-Perez A & Wilson J S 'Why trade facilitation matters to Africa' (2009) 8 *World Trade Review* 381.

<sup>77</sup>Behar A & Venables A J (2011) 99.

<sup>78</sup>Rodrigue J P, Comtois C & Slack B *The geography of transport systems* ed (2013) 161.



ten per cent reduction in transportation cost will result in about 20 per cent growth in international and domestic trade in the developing countries.

Potentially, trade facilitation reforms will assist to improve export performance of African countries.<sup>79</sup> A United Nations Economic Commission for Africa (UNECA) recent study<sup>80</sup> concluded that the only way for African countries to improve on its poor trading profile in the global market is to lower the cost of trading on the continent. As far back as 2007, the Business Action for Improving Customs Administration in Africa (BAFICAA) reported the key trade facilitation issues that are of interest to the African private sector. Among others, these issues that are still relevant today ranges from an efficient customs services, a consultative customs administration, automation of all customs processes and procedures to removal of duplication and bureaucracy in post clearance audits and valuation processes.<sup>81</sup>

Trade facilitation measure seeks to improve the trade environment by reducing the trade transaction cost among and between businesses and governments.<sup>82</sup> It is geared towards reducing trade formalities to make movement of goods across borders more predictable, secured, faster and cheaper.<sup>83</sup> This involves “simplifying and harmonising formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain”.<sup>84</sup> Trade facilitation policy is predicated on the notion that measures that will lower transaction costs will essentially result in increased trade, export diversification<sup>85</sup> and inflow of foreign investment<sup>86</sup> among others. It will be of greater benefits to developing countries,<sup>87</sup> where inefficient trade formalities and border delays have resulted into high trade cost, and in some cases even higher than tariffs.

UNIVERSITY of the  
WESTERN CAPE

<sup>79</sup>Elbeshbishi A N 'Trade facilitation in Africa: Challenges, opportunities and progress' (2013) Paper presented at the *Organization of Islamic Cooperation (OIC) High Level Forum on Trade Facilitation and Single Window for Enhanced Regional Economic Cooperation* Casablanca, Morocco 25-26 February 2013 available at [https://www.academia.edu/attachments/31126954/download\\_file?s=regpath](https://www.academia.edu/attachments/31126954/download_file?s=regpath) (accessed 26 June 2017).

<sup>80</sup>UNECA 'Eca urges countries to cut high cost of trading to grow share of global business' 2013 available at <http://www.uneca.org/media-centre/stories/eca-urges-countries-cut-high-cost-trading-grow-share-global-business#.U71yHPmSxo8>.

<sup>81</sup>ITC 'WTO trade facilitation agreement - a business guide for developing countries' 2013 BTP-13-239.E 8 available at <http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/C-UsersadeagboDesktopFACILITATIONENGLISHWTO%20.pdf>.

<sup>82</sup>Bolhöfer C E 'Trade facilitation – WTO law and its revision to facilitate global trade in goods' (2008) 2 (1) *World Customs Journal* 2.

<sup>83</sup>Shashank P 'Trade facilitation: A brief negotiating history' 2007 *Working Papers* 919 4 available at <http://ideas.repec.org/p/ess/wpaper/id919.html>.

<sup>84</sup>UNECE (United Nations Economic Commission for Europe) 'Trade facilitation - principles and benefits' available at <http://tfig.unece.org/details.html> (accessed 14 October 2017).

<sup>85</sup>Yoshino Y 'Domestic constraints, firm characteristics, and geographical diversification of firm-level manufacturing exports in Africa' (2008) Policy Research Working Paper Series WPS4575 4

<sup>86</sup>Dennis A & Shepherd B 'Trade facilitation and export diversification' (2011) 34 (1) *The World Economy* 102.

<sup>87</sup>Hoekman B & Nicita A 'Trade policy, trade costs, and developing country trade' (2011) 39 (12) *World Development* 2070.

With the realisation that an efficient border processes demands coordination between all the parties involved,<sup>88</sup> other international bodies concerned with trade have added trade facilitation to their agenda<sup>89</sup> and have been committing increasing resources into trade facilitation initiatives. This has led to a significant increase in investments towards trade facilitation, for instance from US \$101 million in 2000 to US \$391 million in 2006.<sup>90</sup> It was reported that between 2002 and 2005, an average of US \$21 billion per year was given as aid for efficient trade capacity development.<sup>91</sup> Helble indicated that one per cent increase in aid-for-trade will translate into US \$291 million increase in exports earnings of the receiving countries, that is, US\$ 1 of aid for trade gives US\$ 1.33 of export earnings for recipient countries.<sup>92</sup>

In the most countries, trade control procedures are performed by the customs or under customs supervision, therefore, the issues relating to trade processes have for long been viewed as customs related activities.<sup>93</sup> It is not surprising then that the World Custom Organisation (WCO) that had been in the forefront of trade facilitations initiatives. The WCO Revised Kyoto Convention contain provisions to facilitate efficient trade procedures.<sup>94</sup> Prominent among the inter-governmental and international organisations involved in trade facilitation activities are the WTO, WCO, UN, World Bank, OECD, International Civil Aviation Organisation (ICAO), International Maritime Organisation (IMO), International Trade Center (ITC) and International Islamic Trade Finance Corporation (IITFC).<sup>95</sup> The EU, International Chamber of Commerce (ICC), International labour Organisation (ILO) and the International Organisation for Standardisation (ISO) are also actively involved.

In all these efforts, the core issue is the need for a concerted efforts at the global level to institutionalise an efficient, transparent, and predictable trade formalities,<sup>96</sup> that will facilitate a minimally encumbered movement of goods and services among the trading nations.

### 2.3 Definitions and scope of trade facilitation

Despite the growing integration and interdependence of the world economy marked by an historic low tariff levels, the flow of goods is still encumbered by at-the-border and beyond-the-

---

<sup>88</sup>Wei L 'China customs' reform: Approaches to improving the professionalism of customs clearing agents to enhance trade facilitation' (2015) 9 (1) *World Customs Journal* 71.

<sup>89</sup>Wolfgang H M & Kafeero E 'Legal thoughts on how to merge trade facilitation and safety & security' (2014) 8 (1) *World Customs Journal* 4.

<sup>90</sup>OECD/WTO *Aid for trade at a glance 1st global review* ed (2007) 1.

<sup>91</sup>OECD/WTO *Aid for trade at a glance 2015: Reducing trade costs for inclusive, sustainable growth* ed 6.

<sup>92</sup>Helble M, Mann C L & Wilson J S 'Aid-for-trade facilitation' (2012) 148 (2) *Review of World Economics* 374.

<sup>93</sup>Wei L (2015) 71.

<sup>94</sup>The Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures entered into force in 2006.

<sup>95</sup>UNECE (United Nations Economic Commission for Europe) 'Trade facilitation organizations ' available at <http://tfig.unece.org/details.html> (accessed 15 Oct 2017).

<sup>96</sup>Elbeshbishi A N (2013)

border burdensome procedures and transit bottlenecks.<sup>97</sup> The need for efficient and predictable trade formalities need not be over-emphasised. As previously discussed, trade costs that will result from procedural delays, non-transparent or non-uniform rules, regulations, and redundant documentation<sup>98,99</sup> imposes greater barriers on trade than tariffs and quotas.<sup>100</sup> Wilson<sup>101</sup> referred to this as the ‘thickening of borders’. It is therefore necessary that measures be put in place that will ensure efficient, transparent, secure and predictable processes for flow of goods across borders.

As mentioned earlier, trade facilitation efforts are generally affianced towards an efficient trade processes accruable from the simplification of processes and formalities of moving goods across national borders to lower the trade costs burden. It seeks to improve the regulatory interface between government bodies and traders at national borders, whilst safeguarding the trading nation’s legitimate regulatory objectives.<sup>102</sup> Due to the diverse scope and the numbers of organisations involved, there is no standard definition of trade facilitation. The various definitions reflect the scope of the respective organisation involved. Common to the various definitions however is the focus on the need for administrative efficiency in the entire trade environment particularly in the formalities involved and in the enforcement of trade rules and regulations.

The International Chamber of Commerce (ICC) defined trade facilitation as the “improvements in the efficiency of the processes associated with trading in goods across national borders”.<sup>103</sup> The Chamber further argued that trade facilitation requires

‘the adoption of a comprehensive and integrated approach to simplifying and reducing the cost of international trade transactions, and ensuring that all relevant activities take place in an efficient, transparent, and predictable manner, based on internationally accepted norms, standards and best practices’.

Dwelling on its wider trade activities, the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) broadened the usage of the term to include trade finance and payment

---

<sup>97</sup>World Bank (2014)

<sup>98</sup>UNECE (United Nations Economic Commission for Europe) 'Trade facilitation - principles and benefits' Trade facilitation Impementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/details.html> (accessed 14 October 2017).

<sup>99</sup>OECD (2002) 8-9.

<sup>100</sup>Hoekman B & Nicita A (2011) 2069.

<sup>101</sup>Wilson N 'What a difference a day makes: An estimate of potential gains from trade facilitation' (2007) Annual Meeting of American Agricultural Economics Association (New Name 2008: Agricultural and Applied Economics Association) 2

<sup>102</sup>UNECE (United Nations Economic Commission for Europe) 'Trade facilitation - principles and benefits' Trade facilitation Impementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/details.html> (accessed 14 October 2017).

<sup>103</sup>ICC 'ICC recommendations for a WTO agreement on trade facilitation' 2003 *Policy Statement of Commission on Customs and Trade Regulations* 104/8 Final 1 available at [https://www.wto.org/english/forums\\_e/ngo\\_e/icc\\_tradefacilitation\\_e.pdf](https://www.wto.org/english/forums_e/ngo_e/icc_tradefacilitation_e.pdf).

systems. It defines trade facilitation as ‘the simplification, standardisation and harmonisation of procedures and associated information flows required to move goods from seller to buyer and to make payment’.<sup>104</sup> This definition particularly emphasised the importance of clear, timely and accessible information to all the stakeholders in the supply chain.

The Asia-Pacific Economic Cooperation (APEC) defined trade facilitation as ‘the use of technologies and techniques which will help members to build up expertise, reduce costs and lead to better movement of goods and services’.<sup>105</sup> The organisation further described trade facilitation as ‘the simplification, harmonisation, use of new technologies, and other measures to address procedural and administrative impediments to trade’.<sup>106</sup>

In related activities, the EU trade facilitation measures are directed towards

‘the facilitation of trade in goods through, inter alia, the agreed provisions regarding customs and related matters, standards, technical regulations and conformity assessment procedures, sanitary and phytosanitary measures and trade in wines and spirit drinks and aromatised drinks.’<sup>107</sup>

Trade facilitation according to the WTO refers to the measures put in place to minimise and where possible eliminate unnecessary trade restrictiveness. The organisation defined trade facilitation as ‘the simplification and harmonisation of international trade procedures [including import and export procedures]<sup>108</sup> where trade procedures are the ‘activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade’<sup>109</sup>

The involvement of other institutions has broadened the scope of trade facilitation. The discussions around the topic now encompass non-tariffs barriers to trade.<sup>110</sup> The definition has been broadening to include facilitating a deeper integration of the global economy. It now includes agenda for trade capacity development and aids for trade activities<sup>111</sup> and

---

<sup>104</sup>UNECE (United Nations Economic Commission for Europe) 'Trade facilitation - principles and benefits' Trade facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/details.html> (accessed 14 October 2017).

<sup>105</sup>Maur J C 'Trade facilitation' in *Preferential trade agreement policies for development: A handbook* Chauffour J P & Maur J C ed (2011) 328.

<sup>106</sup>Maur J C (2011) 328.

<sup>107</sup>Maur J C (2011) 329.

<sup>108</sup>European Commission 'Trade facilitation' available at [http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/trade\\_facilitation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm) (accessed 20 March 2017).

<sup>109</sup>Daughjerg C & Kay A 'A trade balance: Litigation and negotiation in the world trade organization's dispute settlement system' (2013) 68 (1) *Australian Journal of International Affairs*.

<sup>110</sup>Elbeshbishi A N (2013) 106.

<sup>111</sup>ICC (2003) 2.

harmonisation of the various national trade control instrument and standards.<sup>112</sup> Hence increasing attention and investment is being channelled into trade capacity building activities and measures, for instance transport and other trade-related infrastructure,<sup>113</sup> process automation, customs reforms, electronic documentations and export diversification among others.

From the definitions above it could be seen that trade facilitation is distinct from other trade issues. It is primarily aimed to put in place measures for an efficient implementation of trade formalities and improved border management<sup>114</sup> of exchange of goods and services. Trade facilitation therefore is concern more with the operational aspects of international trade rather than trade tariffs that has dominated trade negotiations.<sup>115</sup> The scope of trade facilitation protocols now encompasses port modernisation and beyond-the-border measures such as aids for trade, trade capacity building to policy standardisation. The Single Window concepts for instance promotes a *one stop* entity<sup>116</sup> to which a trader needs to relate to facilitate movements of goods across border which in turn will coordinate with other relevant agencies. In the sections that follows the forms and scope of trade facilitations legal framework in the WTO is briefly discussed.

## 2.4 Legal framework of trade facilitation in the WTO

The WTO has been instrumental in bringing about a more integrated and interdependent global economy. Through various rounds of talks, the organisation has succeeded in lowering and in some cases eliminate most tariff barriers to trade worldwide, thereby facilitated smoother international flow of goods and services.<sup>117</sup> It seeks to establish an international trade regime that is stable, transparent, predictable and non-discriminatory.<sup>118</sup> Hence WTO activities and the various rounds of talk are aimed to facilitate an unhindered international flow of goods and services at minimal cost.

Trade facilitation as a substantive issue was first added to the agenda at WTO Ministerial Declaration held in Singapore in December 1996.<sup>119</sup> Article 21 of the declaration 'direct the Council for Trade in Goods to undertake exploratory and analytical work, drawing on the work of other relevant international organisations, on the simplification of trade procedures in order

<sup>112</sup>Kassee D 'The WTO agreement on trade facilitation: Status of play in Southern African customs' (2014) 8 (1) *World Customs Journal* 102.

<sup>113</sup>Elbeshbishi A N (2013)

<sup>114</sup>ICC (2003) 3.

<sup>115</sup>Grainger A (2011) 40.

<sup>116</sup>Bolhöfer C E (2008) 32.

<sup>117</sup>Legally known as "The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts".

<sup>118</sup>WTO (2016a)

<sup>119</sup>WTO 'Trade facilitation - status report by the council for trade in goods' 1999 G/L/333 1 available at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/333.doc](https://www.wto.org/english/tratop_e/tradfa_e/333.doc).



to assess the scope for WTO rules in this area'.<sup>120</sup> At present, the trade facilitation protocols are primarily to clarify the relevant provisions in the GATT that address issues relating to an efficient trade formalities and supply chain security. These include Article V that deals with freedom of transit, Article VIII on fees and formalities and Article X on the publication and administration of trade regulations.<sup>121</sup>

However, it should be noted that though the negotiations are centered around the three articles, there are other provisions and agreements in the GATT and GATS that deals with other aspect of trade facilitation and to some extent influence the trade facilitation agenda.<sup>122</sup> These include Articles VII and IX of GATT, Agreement on Implementation of Article VII of the GATT, Agreement on Rules of Origin, Agreement on Import Licensing Procedures, Agreement on Pre-shipment Inspection, Agreement on Technical Barriers to Trade (on technical standards) and Agreement on the Application of Sanitary and Phytosanitary measures. At the conclusion of the WTO 9<sup>th</sup> Ministerial Conference in Bali in December 2013 the Agreement on Trade Facilitation (TFA) was concluded.<sup>123</sup> The agreement feature prominently the issue of aids-for-trade and trade capacity building initiatives.<sup>124</sup>

## 2.5 Trade facilitation instruments

A number of legal, regulatory and policy instruments have been developed to guide and drive the implementation of trade facilitations measures as well as to assess the performance thereof. These were categorised into conventions, recommendations and standards, guidelines and guides.<sup>125</sup>

### 2.5.1 Conventions

Trade facilitation conventions are codified as hard laws with legal binding force on members, thus providing a firm legal framework for trade facilitation measures.<sup>126</sup> The report listed the relevant international conventions as the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), 1975; International Convention on the Harmonisation of Frontier Controls of Goods, 1982; International Convention on the Harmonised System (HS Convention), 1988 and WTO Valuation Agreement, 1994.

---

<sup>120</sup>WTO (1999) 1.

<sup>121</sup>Maur J C (2011) 327.

<sup>122</sup>Portugal-Perez A & Wilson J S (2012) 1298.

<sup>123</sup>WTO 'Briefing note: Trade facilitation - cutting "red tape" at the border' 9<sup>th</sup> WTO Ministerial Conference, Bali, 2013 WTO available at [http://wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/brief\\_tradfa\\_e.htm](http://wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm) (accessed 8 June 2017).

<sup>124</sup>Grainger A (2011) 41.

<sup>125</sup>UNECE (United Nations Economic Commission for Europe) 'Trade facilitation instruments' available at <http://tfig.unece.org/instruments.html> (accessed 20 December 2015).

<sup>126</sup>UNECE (United Nations Economic Commission for Europe) 'Conventions' available at <http://tfig.unece.org/contents/conventions.htm> (accessed 20 December 2015).

The more recent conventions include the Convention for the Unification of Certain Rules for International Carriage by Air, (Montreal Convention), 1999; International Convention on the Simplification and Harmonisation of Customs Procedures (Kyoto Convention), 1999, the United Nations Convention on the Use of Electronic Communications in International Contracts (Electronic Communication Convention), 2005 and the WTO Agreement on Trade Facilitation, 2013 or the Bali package.

## 2.5.2 Recommendations and Standards

The trade facilitation recommendations and standards instruments are essentially soft law, that is with no legal binding force, but rather intentioned as guides on technical matter.<sup>127</sup> For instance the UNCITRAL Model Law on Electronic Commerce (MLEC) established a standard legal framework to facilitate and regulate electronic commerce.<sup>128</sup> It guarantee legal equality for computer-based information as paper documentations.<sup>129</sup> The UNCITRAL Model Law on Electronic Signatures (MLES) complements the MLEC<sup>130</sup> by harmonising the legal treatment of electronic signatures among members and give certainty to equivalence of electronic signatures to hand-written ones.<sup>131</sup>

The UNECE and UN/CEFACT recommendations are developed by UNECE and UN/CEFACT to facilitate easier and efficient movement of goods across national borders.<sup>132</sup> A summary of all UN/CEFACT recommendations to facilitate international trade has been published.<sup>133</sup> Other trade facilitation recommendations and standards instruments include the UN Core Component Library (CCL) and UN Core Component Technical Specifications (CCTS); UN/CEFACT XML Naming and Design Rules (NDR) and UN/CEFACT XML Messages; UN/CEFACT: Compendium of Trade Facilitation Recommendations and the UN Trade Data Element Directory (TD ED). The WCO contributed the WCO Data Model and WCO Framework of Standards to Secure and Facilitate Trade (SAFE).

---

<sup>127</sup>UNECE (United Nations Economic Commission for Europe) 'Recommendations and standards' available at <http://tfig.unece.org/contents/recommendations-and-standards.htm> (accessed 20 December 2015).

<sup>128</sup>UNCITRAL *Uncitral model law on electronic commerce with guide to enactment 1996* ed (2001) 16.

<sup>129</sup>UNCITRAL (2001) 19.

<sup>130</sup>UNCITRAL *Uncitral model law on electronic signatures with guide to enactment 2001* ed (2002) 8.

<sup>131</sup>UNCITRAL (2002) 9.

<sup>132</sup>UNECE (United Nations Economic Commission for Europe) 'Recommendations and standards' Trade Facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/contents/recommendations-and-standards.htm> (accessed 20 December 2015).

<sup>133</sup>UN/CEFACT 'Summary of un/cefact trade facilitation recommendations ' 2006 ECE/TRADE/346 available at [http://www.intracen.org/uploadedFiles/intracenorg/Content/About\\_ITC/Press/Press\\_releases/ITC%20publishes%20business%20guide%20on%20new%20WTO%20trade%20facilitation%20agreement\(1\).pdf](http://www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/Press/Press_releases/ITC%20publishes%20business%20guide%20on%20new%20WTO%20trade%20facilitation%20agreement(1).pdf).

### 2.5.3 Guidelines and Guides

These are guide issued by trade facilitation organisations to ‘provide practical material and information on processes, techniques and working methodologies affecting trade facilitation’.<sup>134</sup> Generally, these are to assist customs administrations, businesses and other government agencies in implementation of trade facilitation measures. Selected guidelines or guides relevant to the developing countries include the ITC Business Guide on WTO Trade Facilitation Agreement. Published by the International Trade Centre (ITC), the guide highlights the provisions of the TFA that will assist businesses and organisations to decrease trade transaction cost and exporting delay; the trade capacity building needs of the developing countries as well as provisions for special and differential treatment.<sup>135</sup>

The International Federation of Freight Forwarders Associations (FIATA) guidelines details international best practice for procedures for issuing and attesting certificates of origin, freight forwarding instructions and so on. The WCO Implementation Guidance released by the WCO summarises relevant WCO instruments and tools in the implementation of the TFA guidelines<sup>136</sup> for instance, the Secure and Facilitate Global Trade (SAFE) Framework of Standards, Immediate Release Guidelines and the Single Window Compendium.<sup>137</sup> The Designing and Implementing Trade Facilitation in Asia and the Pacific guide developed by Asian Development Bank (ADB) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), provides guidelines for the Asia and the Pacific to assess and improve the performance of trade facilitation measures and how to design and implement trade facilitation initiatives.<sup>138</sup>

Other guidelines or guides are the UNECE Evaluation Methodology – for analysing procedural and regulatory barriers to cross-border trade; UNCTAD Repository of National Trade Facilitation Committees; UNCTAD Technical Notes on trade facilitation measures; UNECE Trade Facilitation Implementation Guide and the ICC Uniform Customs and Practices for

<sup>134</sup>UNECE (United Nations Economic Commission for Europe) 'Guidelines and guides' available at <http://ftg.unece.org/contents/guidelines-and-guides.htm> (accessed 20 December 2015).

<sup>135</sup>ICC 'ITC business guide on WTO trade facilitation agreement' available at <http://www.iccwbo.org/Global-influence/World-trade-Agenda/Trade-Facilitation-Resources/Trade-Facilitation-Tools/ITC-Business-Guide-on-WTO-Trade-Facilitation-Agreement/> (accessed 20 December 2017).

<sup>136</sup>WCO 'Introduction to the implementation guidance' 2015 5 available at [http://www.wcoomd.org/en/topics/wco-implementing-the-wto-at/~/\\_/media/WCO/Public/Global/PDF/Topics/WTO%20ATF/INTRODUCTION%20to%20the%20Implementation%20Guidance%20Sept%202015%20EN.ashx](http://www.wcoomd.org/en/topics/wco-implementing-the-wto-at/~/_/media/WCO/Public/Global/PDF/Topics/WTO%20ATF/INTRODUCTION%20to%20the%20Implementation%20Guidance%20Sept%202015%20EN.ashx).

<sup>137</sup>ICC 'ITC business guide on WTO trade facilitation agreement' Trade Facilitation Resources International Chamber of Commerce available at <http://www.iccwbo.org/Global-influence/World-trade-Agenda/Trade-Facilitation-Resources/Trade-Facilitation-Tools/ITC-Business-Guide-on-WTO-Trade-Facilitation-Agreement/> (accessed 20 December 2017).

<sup>138</sup>UNESCAP/ADB (United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and Asia Development Bank) *Designing and implementing trade facilitation in asia and the pacific, 2013 update* ed (2013) ix.



Document Credits (UCP). The World Bank efforts along this line are the Trade and Transport Facilitation Assessment Guide and the Border Management Modernisation guidelines.

## 2.6 Trade facilitation diagnostic tools

To aid and assist with designing assistance programmes for trade facilitation and serve as performance measurement instruments, a number of diagnostic tools have been developed. The World Bank Trade and Transport Facilitation Assessment (TTFA) Toolkit aid in identifying and remedying the bottlenecks in international trade supply chains<sup>139</sup> that will constitute obstacles to efficient flow of goods. It is also used by Aids-for-Trade (AFT) donors to locate trade capacity building opportunities. This will assist to maximise the benefits of investments in trade-related infrastructure development and hence improve on trade facilitation performance.<sup>140</sup>

The ICC regulations include the ICC International Customs Guidelines, International Commercial Terms and Payment Instruments. The ICC International Customs Guidelines contains set of practices, guidelines and explanatory notes drawn from WCO documents and ICC policy statements.<sup>141</sup> These are developed by the ICC in conjunction with the WCO to facilitate a modern, efficient and effective customs administration. The guidelines underpin the ICC and World Bank cooperation in formulating trade policies that will drive global development, for instance in making aids-for-trade and trade capacity development programs more effective.<sup>142</sup>

The International Commercial Terms (or Incoterms) are globally recognised commercial terms developed and published by the ICC to provide uniform definitions and rules of interpretation for most common commercial terms used in international trade transactions.<sup>143</sup> The uses of incoterms make transfer of goods between traders transparent and predictable by clearly specifying each party obligations and risks.

Other tools available are the World Chambers Federation Trade Facilitation Tools, Global Facilitation Partnership (GFP) Trade and Transport Facilitation Toolkit, OECD Trade Facilitation Indicators, ISO Standards and IATA Conventions.

---

<sup>139</sup>World Bank *Trade and transport facilitation assessment - a practical toolkit for country implementation* (2010) 1 available at [http://siteresources.worldbank.org/EXTTLF/Resources/Trade&Transport\\_Facilitation\\_Assessment\\_Practical\\_Toolkit.pdf](http://siteresources.worldbank.org/EXTTLF/Resources/Trade&Transport_Facilitation_Assessment_Practical_Toolkit.pdf).

<sup>140</sup>World Bank (2010) 1.

<sup>141</sup>ICC 'ICC customs guidelines' 2012 *Policy Statement of Commission on Customs and Trade Regulations* 103-6/12 1 available at [http://www.iccwbo.org/Data/Policies/2012/ICC-Customs-Guidelines-\(revised-version\)/](http://www.iccwbo.org/Data/Policies/2012/ICC-Customs-Guidelines-(revised-version)/).

<sup>142</sup>ICC (2012) 1.

<sup>143</sup>ICC 'The new incoterms® 2010 rules' available at <http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/> (accessed 15 January 2018).

## 2.7 Bali Package

Trade facilitation as an issue for negotiation<sup>144</sup> was formally raised at the WTO for the first time by the EU in 1996 at the 9<sup>th</sup> Ministerial Meeting in Singapore<sup>145</sup> as one of the four Singapore issues.<sup>146</sup> But a consensus was only reached in November 2001 at the WTO's 4<sup>th</sup> Ministerial Conference in Doha, with the launch of the Doha Development Round.<sup>147</sup> Trade facilitation is one of the key issue of the DDA aimed at promoting international trade through easing of goods flow across borders. The measures include non-economic trade measures<sup>148</sup> particularly border and customs measures aimed to simplify international trade procedures<sup>149</sup> and hence further lower trade barriers.<sup>150</sup>

At the adoption of the DDA, the scope of the trade facilitation negotiation was practically a review of the three articles in the GATT agreement that deal with border measures.<sup>151</sup> However, in August 2004 consensus was reached to add trade facilitation to the negotiation mandate of the DDA<sup>152</sup> while dropping the other three contentious issues in the Doha work programme.<sup>153</sup> The Doha Development Agenda (DDA) is unique in that it elevated the needs and interests of the developing countries on developmental issues to a top agenda of the WTO work.<sup>154</sup> These include enhanced market access for exports from developing countries and duty-free quota-free access for the least-developed countries in the international markets<sup>155</sup> among others. It as well include technical assistance and capacity-building programmes to improve the trading capabilities and prospects of developing and least-developing countries.<sup>156</sup> The discussion and negotiations to conclude the DDA was expected to be

UNIVERSITY of the  
WESTERN CAPE

<sup>144</sup>WTO 'Trade facilitation: Background' available at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_intro\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_intro_e.htm) (accessed 9 May 2018).

<sup>145</sup>Wilkinson R, Hannah E & Scott J 'The WTO in Bali: What MC9 means for the Doha development agenda and why it matters' (2014) 35 (6) *Third World Quarterly* 1039.

<sup>146</sup>ICSTD 'Goods council debates trade facilitation' 2003 *Bridges* 3 available at <http://www.ictsd.org/bridges-news/bridges/news/goods-council-debates-trade-facilitation>.

<sup>147</sup>Grainger A (2011) 40.

<sup>148</sup>ICSTD (2003) 3.

<sup>149</sup>European Commission 'Trade facilitation' available at [http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/trade\\_facilitation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm) (accessed 20 March 2017).

<sup>150</sup>Hoekman B & Nicita A (2010) 67.

<sup>151</sup>ITC (2013) 4.

<sup>152</sup>European Commission 'Trade facilitation' available at [http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/trade\\_facilitation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm) (accessed 20 March 2017).

<sup>153</sup>ICTSD 'Trade facilitation' 2005 *Doha Round Breifing Series* 24 available at [http://www.ictsd.org/downloads/2013/08/6-tr\\_facilitation.pdf](http://www.ictsd.org/downloads/2013/08/6-tr_facilitation.pdf).

<sup>154</sup>Flentø D & Ponte S 'Least-developed countries in a world of global value chains: Are WTO trade negotiations helping?' (2017) 94 *World Development* 369.

<sup>155</sup>Para 2 Doha Ministerial Declaration WT/MIN(01)/DEC/1 available at [https://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.htm#organization](https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm#organization)

<sup>156</sup>ICC 'WTO trade facilitation agreement' available at <http://www.iccwbo.org/global-influence/world-trade-agenda/trade-facilitation-resources/wto-trade-facilitation-agreement/> (accessed 20 December 2017).

completed not later than 1 January 2005.<sup>157</sup> However, the negotiations deadlocked in July 2008 making it the longest in the history of WTO negotiations.<sup>158</sup>

The impasse resulted from the 'nothing is agreed until everything is agreed' approach where the DDA is treated as a single undertaking, an indivisible whole that cannot be agreed separately.<sup>159</sup> It has been argued that the deadlock is responsible for the proliferation of bilateral and plurilateral negotiations by WTO members in preference to multilateral negotiations.<sup>160,161,162</sup> Realizing the near impossibility of reaching consensus on all the issues in the DDA, a partial conclusion was reached in Bali at the 9<sup>th</sup> Ministerial Conference with the adoption of the Doha Lite<sup>163</sup> formally refer to as the Bali Package on 7 December 2013.<sup>164</sup> The package also refers to as the Bali Declaration is built around the least contentious issues (of trade facilitation, some elements of agriculture, and developmental issues for LDCs).<sup>165</sup>

### 2.7.1 Trade Facilitation Agreement

The highlight of the Bali package is the Trade Facilitation Agreement (TFA).<sup>166</sup> The agreement contains provisions for better border management and customs procedures. It also contains provisions for technical assistance and capacity building to develop trade efficiency and capability. The trade rules and custom practices of most WTO member states unarguably are impediments for a greater integration of the global economy resulting in high transaction cost of trading goods across international borders particularly in the developing countries.<sup>167</sup>

The TFA contains commitments on customs procedures and regulations reforms to which all WTO member states must abide.<sup>168</sup> The first section aim 'to clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 with a view to further expediting the

---

<sup>157</sup>Para 45 of the Doha Ministerial Declaration WT/MIN(01)/DEC/1 available at

[https://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.htm#organization](https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm#organization)

<sup>158</sup>Wolfe R 'First diagnose, then treat: What ails the Doha round?' (2015) 14 (1) *World Trade Review* 7.

<sup>159</sup>WTO 'The Doha round' available at [http://www.wto.org/english/tratop\\_e/dda\\_e/dda\\_e.htm](http://www.wto.org/english/tratop_e/dda_e/dda_e.htm) (accessed 4 June 2017).

<sup>160</sup>Bonciu F & Moldoveanu M 'The proliferation of free trade agreements in the post-Doha round period: The position of the european union' (2014) 8 *Procedia Economics and Finance* 103.

<sup>161</sup>Bhagwati J, Krishna P & Panagariya A 'Where is the world trade system heading?' (2014) 54 (450) *Adelphi Series* 19.

<sup>162</sup>Dickinson E M 'The Doha development dysfunction: Problems of the WTO multilateral trading system' (2013) 3 (2) *Global Business Law Review* 235.

<sup>163</sup>Wilkinson R, Hannah E & Scott J (2014) 1033.

<sup>164</sup>ICC 'WTO trade facilitation agreement' Trade Facilitation Resources International Chamber of Commerce available at <http://www.iccwbo.org/global-influence/world-trade-agenda/trade-facilitation-resources/wto-trade-facilitation-agreement/> (accessed 20 December 2015).

<sup>165</sup>WTO 'Bali package and november 2014 decisions' available at [https://www.wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/balipackage\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc9_e/balipackage_e.htm) (accessed 7 June 2017).

<sup>166</sup>Hoekman B 'Lowering trade costs: A key goal in the post-2015 sustainable development agenda' 2014 *Global Governance Programme EUI RSCAS Policy Brief* 2014/03 2 available at [http://cadmus.eui.eu/bitstream/handle/1814/34206/RSCAS\\_PB\\_2014\\_3.pdf?sequence=3](http://cadmus.eui.eu/bitstream/handle/1814/34206/RSCAS_PB_2014_3.pdf?sequence=3).

<sup>167</sup>Hoekman B & Shepherd B (2015) 52.

<sup>168</sup>ITC (2013) 4.

movement, release and clearance of goods, including goods in transit<sup>169</sup> to lower the trade cost of goods exchange between nations. The second section contains the Special and Differential Treatment (SDT) provisions for developing and least-developed countries, to assist with the implementation of the TFA commitments.<sup>170</sup> The provisions that establish a permanent committee on trade facilitation at the WTO and mandated the member states to have a national committee to coordinate the implementation of the provisions of the Agreement are as well encoded.<sup>171</sup>

The amendment protocol for the TFA to be incorporated it into the WTO's legal framework<sup>172</sup> was adopted and opened for acceptance by the General Council on 27 November 2014.<sup>173</sup> In the context of international trade law, the TFA will enter into force upon domestic ratification by two-thirds (a minimum of 108) of WTO member states and upon deposition of their instruments of acceptance with the WTO Secretariat.<sup>174</sup> On 22 February 2017, upon domestic ratification of the Protocol of Amendment and notification of the WTO of such by 108 WTO members, the TFA entered into force.<sup>175</sup> The first ten African countries that have ratified the agreement, Côte d'Ivoire, Mali, Mauritius, Botswana, Kenya, Lesotho, Niger, Togo, Seychelles and Zambia,<sup>176</sup> were joined by Madagascar, Senegal, Swaziland, Gabon, Ghana, Mozambique, Nigeria, Chad, Rwanda, Sierra Leone, Gambia, Malawi, Congo DRC, South Africa, Central African Republic, Namibia and Djibouti.

Czapnik<sup>177</sup> summarized the six unique characteristics of the TFA that makes it unique for developing countries. First, the implementation of its provisions is conditional on the acquisition of implementation capacity including through the provision of technical assistance. Secondly, developing countries are permitted to self-designate (rather than negotiate) the extent and the timing of their implementation of the provisions. Thirdly, developing countries will carry out the self-designation and categorization of the TFA provisions after its entry into force. Fourthly, developing countries are legally permitted to unilaterally alter their implementation dates after entry into force, and even introduce new conditionality regarding their technical assistance needs. Fifthly, the legal obligations of

---

<sup>169</sup>Daughbjerg C & Kay A (2013).

<sup>170</sup>ICC (2012)

<sup>171</sup>Daughbjerg C & Kay A (2013).

<sup>172</sup>Bizumuremyi, 2015 #487@33}

<sup>173</sup>WTO 'The WTO trade facilitation agreement ' 2015e 1 available at [https://www.wto.org/english/forums\\_e/parliamentarians\\_e/tfagreesheet\\_e.pdf](https://www.wto.org/english/forums_e/parliamentarians_e/tfagreesheet_e.pdf).

<sup>174</sup>Bizumuremyi E & Drobnjak I 'A look into the WTO trade facilitation agreement implementation status' (2015) 4 (9) *Bridges Africa* 34.

<sup>175</sup>WTO 'Trade facilitation agreement facility - ratifications list' available at <http://www.tfafacility.org/ratifications> (accessed 20 March 2018).

<sup>176</sup>WTO 'Statistics and charts' available at <http://www.tfafacility.org/updates> (accessed 9 May 2017).

<sup>177</sup>Czapnik B 'The unique features of the trade facilitation agreement: A revolutionary new approach to multilateral negotiations or the exception which proves the rule?' (2015) *Journal of International Economic Law* 3.



developing countries will be determined on a country-by-country and a measure-by-measure basis. Lastly, the self-committed self-designated provisions will be documented 'through a series of notifications, rather than a single, agreed-format schedule'.<sup>178</sup>

## 2.7.2 Trade Facilitation Agreement Facility

The TFA was formulated not only to expand trade but also to promote the broader goal of sustainable and broad-based economic growth.<sup>179</sup> It has been predicted that implementation of the TFA will result into a significant lowering of trade costs and hence boost international trade.<sup>180</sup> The WTO predicted a reduction of trade costs by an average of 14.3 per cent upon full implementation of the TFA.<sup>181</sup> The OECD figure was more optimistic, 16.5 per cent for low-income countries, 17.4 per cent for lower-middle-income countries, 14.6 per cent for upper-middle-income countries and 11.8 per cent for OECD countries upon implementation of the binding and best endeavour provisions of the agreement.<sup>182</sup> That is, the potential benefits of the TFA is greater for developing countries.

According to Hillberry and Zhang,<sup>183</sup> the TFA when fully implemented will reduce time to import by over a day and a half (a 47 per cent reduction) and to export by almost two days (a 91 per cent reduction). The cost of transacting trade costs is a significant determinant of the volume of global trade,<sup>184</sup> hence a full and accelerated implementation of the TFA is predicted to increase the global export by around three per cent a year,<sup>185</sup> resulting into an income of between US\$ 1.8 trillion and US \$3.6 trillion per annum.<sup>186</sup> Hufbauer and Schott<sup>187</sup> opined that trade facilitation will result into a GDP increase of approximately \$440 billion and \$520 billion for developed and developing countries respectively. The authors further reported a potential global trade expansion of \$960 billion annually upon full implementation of the TFA.

---

<sup>178</sup>Czapnik B (2015) 3.

<sup>179</sup>Rippel B (2011) 8.

<sup>180</sup>WTO (2015e) 1.

<sup>181</sup>WTO (2015e) 134.

<sup>182</sup>Bizumuremyi E & Drobnjak I (2015) 33.

<sup>183</sup>Hillberry R & Zhang X 'Policy and performance in customs: Evaluating the trade facilitation agreement' 2015 *Policy Research Paper 7211* Paper 7211 24 available at <http://poseidon01.ssrn.com/delivery.php?ID=765078021102094116097016099071113096024012093049062087109026032122011054044047016060119090101115084113085047005072092123070083096105096100091002066065099113065082124071081076006017003027119&EXT=pdf>.

<sup>184</sup>World Bank 'Developing countries face tough transition in 2015 with higher borrowing costs and lower prices for oil & other commodities' Press Release No 2015/486/DEC World Bank available at <http://www.worldbank.org/en/news/press-release/2015/06/10/developing-countries-face-tough-transition-in-2015-with-higher-borrowing-costs-and-lower-prices-for-oil-other-commodities> (accessed 20 March 2017).

<sup>185</sup>WTO 'World trade report 2015' 2015c 6 available at [https://www.wto.org/english/res\\_e/booksp\\_e/world\\_trade\\_report15\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf).

<sup>186</sup>WTO (2015c) 8.

<sup>187</sup>Hufbauer G & Schott J 'The payoff from the world trade agenda' 2013 11 available at [http://www.iccindiaonline.org/reports/Peterson\\_Report.pdf](http://www.iccindiaonline.org/reports/Peterson_Report.pdf).

However, lack of capacity and resources to implement the Agreement have been identified as a challenge to many developing countries,<sup>188</sup> a fact acknowledged by WTO members during the negotiations. Section three of the Agreement stipulates that trade facilitation related resources and support should be provided as required by some member states to develop the capacity to implement the TFA.<sup>189</sup> This has led to the increase investment in trade capacity building programs, which have evolved into the current Aid-for-Trade (AfT) agenda<sup>190</sup> (dealt with in more details in the next chapter).

Therefore, to ensure that the concerned countries receive the support required,<sup>191</sup> the negotiation for the creation of a facility to assist with the implementation of the provisions of the TFA was launched on 22 July 2014.<sup>192</sup> This was done at the bequest of the developing and least-developed countries (LDCs).<sup>193</sup> Adopted by the General Council on 27 November 2014, the WTO Trade Facilitation Agreement Facility (TFAF) aims to provide technical assistances for developing countries in implementing the TFA. The facility became operational together with the adoption of the Protocol of Amendment that is, entered into legal force on 22 February 2017.<sup>194</sup>

The TFAF will support developing countries to assess their specific needs and to identify possible development partners to help them meet those needs through a diverse number of activities.<sup>195</sup> As an innovative approach 'the new facility will complement existing efforts by regional and multilateral agencies, bilateral donors, and other stakeholders to provide Trade Facilitation-related technical assistance and capacity-building support and act as a focal point for implementation efforts'.<sup>196</sup> Towards this, the TFAF will primarily coordinate efforts of all stakeholders to meet the specific financial, trade, institutional and capacity needs of qualified member states specifically towards trade capacity building.<sup>197</sup> These include special and differential treatment request, development of guidelines, training materials, case studies and best practices.

---

<sup>188</sup>Hoekman B & Shepherd B (2015) 52.

<sup>189</sup>ITC (2013) ii.

<sup>190</sup>Rippel B (2011) 4.

<sup>191</sup>WTO (2015e) 4.

<sup>192</sup>WTO 'WTO launches dedicated website for new trade facilitation agreement facility' 2015d PRESS/744 available at [https://www.wto.org/english/news\\_e/pres15\\_e/pr744\\_e.htm](https://www.wto.org/english/news_e/pres15_e/pr744_e.htm).

<sup>193</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).

<sup>194</sup>OECD/WTO 'Aid for trade at a glance 2017: Promoting trade, inclusiveness and connectivity for sustainable development' 2017 28 available at [http://dx.doi.org/10.1787/aid\\_glance-2017-en](http://dx.doi.org/10.1787/aid_glance-2017-en).

<sup>195</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).

<sup>196</sup>Speech by Director-General Roberto Azevêdo available at [https://www.wto.org/english/news\\_e/news14\\_e/fac\\_22jul14\\_e.htm](https://www.wto.org/english/news_e/news14_e/fac_22jul14_e.htm)

<sup>197</sup>OECD/WTO (2017) 7.

### 2.7.3 Special and Differential Treatment (SDT)

It has been long realised that special considerations are needed for the developing and least developed countries to reap the benefits of global trade.<sup>198</sup> This much was acknowledged by the developed countries and the WTO. The preamble to the WTO agreement included in its mission statement the 'need for positive efforts designed to ensure that developing countries, and especially the least developed, secure a share in the growth in international trade commensurate with the needs of their economic development'.<sup>199</sup>

The WTO recognised the fact that developing countries have various impediments and challenges militating against their participation in the global trading system at a level commensurate to their population, size and developmental needs. Hence, the organisation included in its agreements, specific provisions, waivers and clauses for preferential treatment, concessionary trade relationship and market access. These policies generally termed as the Special and Differential Treatment (SDT) provisions are envisioned to assist the developing countries in bolstering their global competitiveness via export growth and diversification.<sup>200</sup> These waivers and provisions codified in the WTO agreements include the Enabling Clause<sup>201</sup> and Article XXIV.<sup>202</sup>

Realising the fact that most developing countries will be confronted with the high opportunity cost<sup>203</sup> for implementing trade facilitation commitments, the TFA contains SDT provisions to make its implementation practicable<sup>204</sup> and creates rights for the developing countries that choose to take advantage of them.<sup>205</sup> Central to these SDT provisions is a category system which permits the developing country member to self-determine when it will implement the respective provision and what it needs in terms of related capacity-building support.<sup>206</sup> The agreement features a framework where the provisions are grouped into two groups, the binding or mandatory provisions and the best-endeavour provisions.<sup>207</sup>

---

<sup>198</sup>Ndirangu N 'Special and differential treatment – continuing saga of stalled negotiations' in *Reflections from the frontline: Developing country negotiators in the WTO* P. S. Mehta A K, and R. S. Kaukab ed (2011) 178.

<sup>199</sup>WTO 'Marrakesh agreement establishing the world trade organization' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/04-wto\\_e.htm](http://www.wto.org/english/docs_e/legal_e/04-wto_e.htm) (accessed 5 June 2017).

<sup>200</sup>WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' available at [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2017).

<sup>201</sup>WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2017).

<sup>202</sup>Article XXIV GATT 1994

<sup>203</sup>Ndirangu N (2011) 178.

<sup>204</sup>ITC (2013) 5.

<sup>205</sup>Czapnik B (2015) 3.

<sup>206</sup>WTO (2015c) 43.

<sup>207</sup>WCO (2015) 14.

The SDT framework is based on the principle that WTO members should undertake commitments commensurate with their implementation capacity.<sup>208</sup> Developing countries are allowed to place each provision of the Agreement into one of category A, B or C,<sup>209</sup> which will determine the date of implementation and technical assistance required. Category A include provisions that a developing country designates for implementation upon entry into force of the Agreement (or within one year in the case of LDCs). The provisions that a developing country commits to implement after a transitional period after entry into force of the Agreement is classified as Category B. Grouped under Category C, are provisions that a developing country designates for implementation after a transitional period and which it has the implementation capacity upon the provision of assistance and support for capacity building.

The SDT provisions only require the developing countries to notify WTO of these categorisations in accordance with specific timelines outlined in the Agreement, 'as well as providing indicative, and later definitive, dates for implementation for the provisions that they have designated in categories B and C'.<sup>210</sup> Furthermore, developing countries are also permit to transfer provisions between Category B and Category C<sup>211</sup> and the right to delay implementing a provision in Category B or C for a maximum period of 18 months<sup>212</sup> as the member deems fit. There is also a grace period of two years<sup>213</sup> upon entry into force of the Agreement during which developing countries will not be subject to the Dispute Settlement Understanding for even the mandatory Category A provisions.

## 2.8 Chapter Conclusions

This chapter set out to critique the forms and substances of trade facilitation in the WTO to highlight the rationales and scope of the various provisions of the TFA. It appraised the SDT provisions to locate the appropriate legal caveats that can be invoked to design and implement a selective and calibrated trade facilitation measures in Africa. It could be posited that widespread implementation of trade facilitation measures is potentially an effective policy instrument to improve the trade performance of developing countries. The implementation of the TFA will reduce border inefficiencies in Africa by providing common standards for the trade facilitation measures and more importantly by reducing regulatory

---

<sup>208</sup>O'Keeffe J & Viilup E 'The WTO trade facilitation agreement: Reducing bureaucracy at the border' 2015 *Policy Department, Directorate General for External Policies Briefing* DG EXPO/B/PolDep/Note/2015\_197 8 available at [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/549046/EXPO\\_BRI%282015%29549046\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/549046/EXPO_BRI%282015%29549046_EN.pdf).

<sup>209</sup>WTO (2015e) 2.

<sup>210</sup>WCO (2015) 15.

<sup>211</sup>ITC (2013) 22.

<sup>212</sup>Czapnik B (2015) 7.

<sup>213</sup>WTO 'Trade facilitation: Background' Trade Topics WTO available at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_intro\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_intro_e.htm) (accessed 9 May 2017).



overlap across the continent. This is particularly of interest in Africa where concerns have been raised relating to the need for a greater transparent, efficient, and uniform custom procedures in cross-border movement of goods.<sup>214</sup>

The combination of the SDT and TA&CB provisions in the TFA suggests that the Bali package adequately addressed issues of interest to the developing nations. To move therefore from the periphery of world economy, a strategic implementation of the trade capability development provisions in the TFA for Africa countries will be appropriate. To boost trade, developing countries should take full advantage of the various waivers and SDT provisions codified in the WTO agreements including the Enabling Clause,<sup>215</sup> safeguard measures, Article XXIV<sup>216</sup> and the SDT provisions of the FTA to facilitate trade between and among each other. This is particular necessary in Africa where the level of intra-regional trading is lowest as mentioned earlier.

The TFA provisions of the Bali Package provides a flexible legal framework that permit African countries to evolve an Afrocentric trade facilitation measures that is predicated on the poor trading capabilities and contributions of Africa countries to the global trade. Such a trade facilitation framework must be selectively export orientated and Africa-centered to redress the poor trade capacity of most African countries to grow and diversify exports and become competitive in regional and international market. The measures must be fundamentally premised on the understanding that Africa countries engagement in the international trade system is poor and will be redress faster by implementing measures that will boost intra-Africa trade.

In the next chapter, the effectiveness of various concessions and work programs instituted to improve the SSA trading capacity is the focus. Trade performance pre-WTO and after the implementation of some trade facilitation measures were highlighted and the factors militating against the fully realisation of the intended benefits are highlighted.

---

<sup>214</sup>Iwanow T & Kirkpatrick C (2009) 1041.

<sup>215</sup>WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2017).

<sup>216</sup>Article XXIV GATT 1994

## Africa Trade Performance and Legal Form of Selected Trade Initiatives for Africa

*'... the result of these [trade] high costs is that Africa has integrated with the rest of the world faster than with itself. Because of this greater focus on extra- than intra-regional trade, recent export growth in Africa has been driven primarily by commodities, with limited impacts on employment and poverty. This is of particular concern now that traditional markets in Europe and North America are stagnating.'*<sup>217</sup>

- Anabel Gonzalez, 2015

---

### 3.1 Introduction

The motivations for implementation of trade facilitation protocols were discussed in the preceding chapters, as well as the supports mechanism in place. In the first part of this chapter, African countries international and regional trade performance from the pre-WTO era to the present is summarised. These include trade statistics after the implementation of some trade facilitation measures. The poor level of intra-Africa trade and challenges of a Africa integrated by trade are discussed. To address the various barriers faced by Africa countries to trade with each other and with the developed nations, various concessions and work programs were instituted as contained in the Bali Package. This form the second part of this chapter, wherein a summary of the rationale, legal framework and scope of the key trade concessions programmes that are relevant to trade facilitation and trade capacity building in sub-Saharan Africa (SSA) countries are discussed.

Reviewing available trade statistics, a critique of the effectiveness (or otherwise) of the selected programmes in enhancing the SSA global trade competitiveness, its aggregate export and share of the global trade from 2000 till date is presented. The chapter probes the question of whether the initiatives have impacted positively on the SSA total exports and

---

<sup>217</sup>'Deepening African Integration: Intra-Africa Trade for Development and Poverty Reduction', Speech delivered by Anabel Gonzalez at the Fourth China-WTO Accessions Roundtable, Nairobi, Kenya, December 14, 2015, available at <http://www.worldbank.org/en/news/speech/2015/12/14/deepening-african-integration-intra-africa-trade-for-development-and-poverty-reduction>.

export diversification and if all the countries in the region are benefiting. The legislative history and framework of the selected programs are briefly discussed. The key economic achievements since the inception of each, as well as the hindrances to the expected diversification of its export from the predominance of primary commodities were then investigated. Lastly, the factors militating against the fully realisation of the intended benefits are highlighted.

### 3.2 Africa international trade performance

With a progressive implementation of measures that promote free trade, Africa economic performance improved noticeably.<sup>218</sup> The continent from 2000 recorded a GDP growth of five per cent per annum on average and an about 30 per cent increase in GDP per capita,<sup>219</sup> bettered only by Asia economies.<sup>220</sup> Yet, the continent is still face with notable challenges that are hindering the growth rate from reaching the level required to bring an enduring development and prosperity. Actually in 2015, SSA economy posted the worst performance in 15 years.<sup>221</sup> The decline in the region economic total output from five per cent in 2014 to just around three per cent in 2015 was reported to be due to the sharp fall in commodities price.<sup>222</sup>

Across the sub-continent, the economy remains largely agrarian and undiversified, characterised by low productivity and poor competitiveness.<sup>223</sup> The much needed export diversification from predominance of natural resources has not occurred. The recorded economic growth has been attributed to the relatively high commodities prices. Crude oil and agricultural products still accounts for two thirds of the exports earnings.<sup>224</sup> Also, the growth recorded has not translated into poverty reduction and improved living standards due to poor income distribution.<sup>225</sup> Across the continent, the gap between rich and poor is widening.<sup>226</sup> With the lowest GDP per capita in the world, Africa is the poorest continent in the world,<sup>227</sup>

---

<sup>218</sup>Bah E M, Moyo J M, Verdier-Chouchane A, *et al.* 'Assessing africa's competitiveness: Opportunities and challenges to transforming africa's economies' in *The Africa competitiveness report 2015* (2015) 3.

<sup>219</sup>Conde C, Heinrigs P & O'Sullivan A 'Tapping the potential of global value chains for Africa' in *The Africa competitiveness report 2015* (2015) 70.

<sup>220</sup>Bah E M, Moyo J M, Verdier-Chouchane A, *et al.* (2015) 3.

<sup>221</sup>IMF 'Regional economic outlook: Sub-saharan Africa' 2016a *World Economic and Financial Surveys* 1 available at <https://www.imf.org/external/pubs/ft/reo/2016/afr/eng/pdf/sreo0416.pdf>.

<sup>222</sup>IMF (2016a) 4.

<sup>223</sup>Bah E M, Moyo J M, Verdier-Chouchane A, *et al.* (2015) 3.

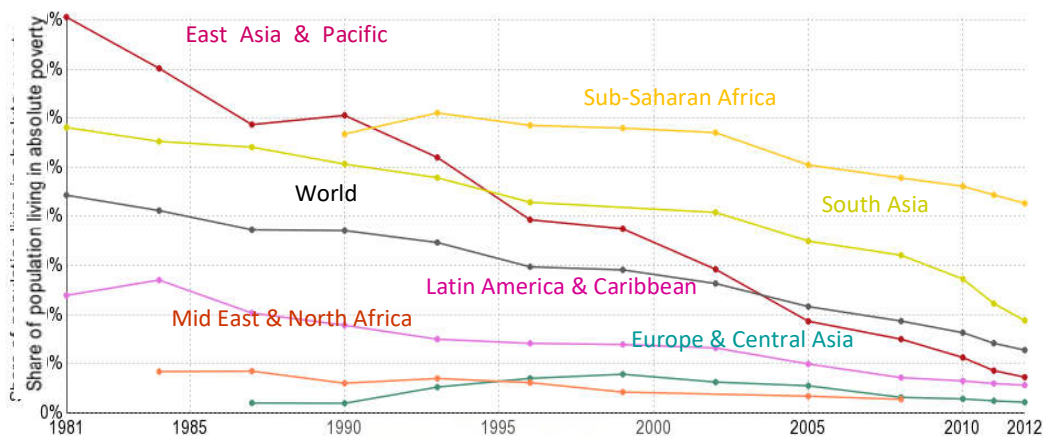
<sup>224</sup>UNECA (2015) 32.

<sup>225</sup>Clark D P, Lima L R & Sawyer W C (2016) 68.

<sup>226</sup>World Economic Forum 'The Africa competitiveness report 2015' 2015 22 available at [http://www3.weforum.org/docs/WEF\\_ACR\\_2015/Africa\\_Competitiveness\\_Report\\_2015.pdf](http://www3.weforum.org/docs/WEF_ACR_2015/Africa_Competitiveness_Report_2015.pdf).

<sup>227</sup>Le Goff M & Singh R J 'Does trade reduce poverty? A view from Africa' (2014) 1 (1) *Journal of African Trade* 5.

with the SSA accounting for 13 out of the world 15 poorest economies.<sup>228</sup> The World Bank's World Development Indicators show that in 2015 about 50 per cent of the region population live in extreme poverty subsisting on less than two dollars a day.<sup>229,230</sup> Figure 3.1 reveals that high poverty rate still persists in the region.



**Figure 3.1:** Share of population living in extreme poverty by world regions

Africa's low export figure has been argued to be a reflection of the continent minimal participation in global value chains (GVCs).<sup>231</sup> Hence, Africa share of global trade remains still very marginal, stuck at a very low three per cent.<sup>232</sup> Most economies are still generally undiversified, trading majorly in primary commodities and agricultural products. Africa trade performance has actually worsen compare to pre-independence time. An analysis of the contribution of the SSA region to global trade<sup>233</sup> (depicted in Figure 3.2) reveals a consistent decline since the post-colonial era.

<sup>228</sup>Kakwani N & Son H H 'Global poverty estimates based on 2011 purchasing power parity: Where should the new poverty line be drawn?' 2015 ECINEQ 2015 - 371 6 available at <http://www.ecineq.org/milano/WP/ECINEQ2015-371.pdf>.

<sup>229</sup>World Economic Forum (2015) viii.

<sup>230</sup>Roser M 'World poverty' 2016 available at <https://ourworldindata.org/world-poverty/>.

<sup>231</sup>UNECA (2015) 38.

<sup>232</sup>WTO 'International trade statistics 2015' 2015a 41 available at [https://www.wto.org/english/res\\_e/statis\\_e/its2015\\_e/its2015\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2015_e/its2015_e.pdf).

<sup>233</sup>WTO World trade statistical review 2016 (2016d) 12 available at [https://www.wto.org/english/res\\_e/statis\\_e/wts2016\\_e/wts2016\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2016_e/wts2016_e.pdf).

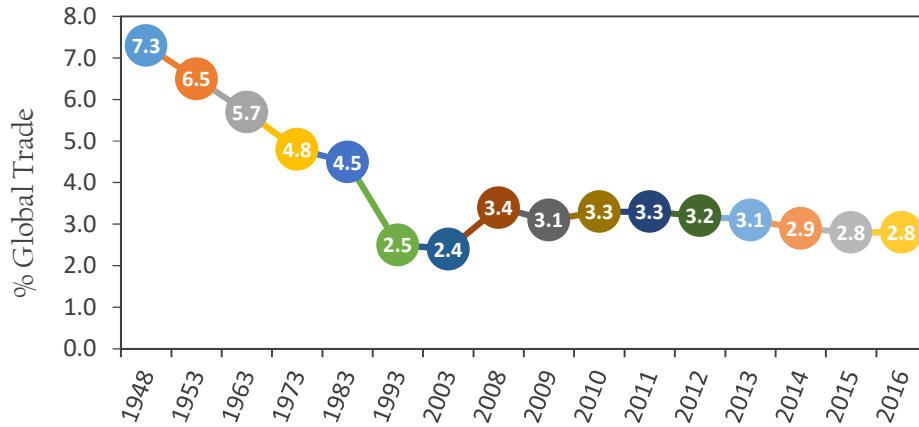


Figure 3.2: Sub-Saharan Africa Contribution to Global Trade (1948 – 2016)

In Figure 3.3, the world merchandise exports by region over the six decades as reported by the WTO<sup>234</sup> is presented showing negative growth for the SSA.

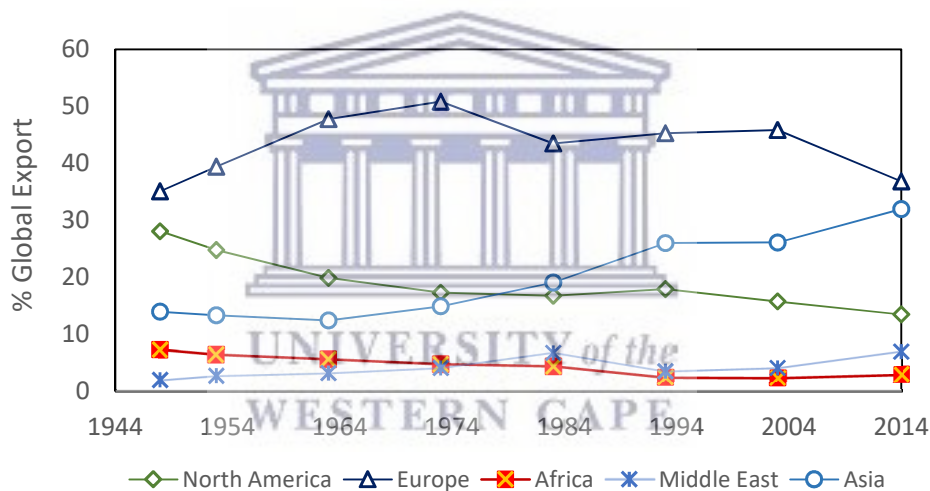


Figure 3.3: Percentage of Global Export by Regions (1948 - 2014)

Analysis of investments flow revealed that over the years, the continent has been attracting less than one per cent of global capital flows,<sup>235</sup> despite having about thirteen per cent of the world's population. In 2015, Africa share of foreign investment flow to developing countries stood at a low seven per cent.<sup>236</sup> This according to Bah et al revealed that the continent is not

<sup>234</sup>WTO 'World trade developments in 2015' available at [https://www.wto.org/english/res\\_e/statis\\_e/its2015\\_e/its15\\_world\\_trade\\_dev\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2015_e/its15_world_trade_dev_e.pdf) (accessed 24 October 2016).

<sup>235</sup>Bartels FL Alladina SN & Lederer S 'Foreign Direct Investment in Sub-Saharan Africa: Motivating Factors and Policy Issues' (2009) *10* (2) *Journal of African Business* 141-162.

<sup>236</sup>Cleeve E A, Debrah Y & Yiheyis Z 'Human capital and fdi inflow: An assessment of the african case' (2015) *74* *World Development* 1.



able to leverage the significant growth opportunities presented by a large consumer market and a huge and young labour force.<sup>237</sup> It was reported that by 2020 more than half of the continent's population will be below the age of 25.<sup>238</sup>

This poor overall trade performance has been partly attributed to the fact that in most Africa countries, the trade-enabling infrastructures to compete on the international markets are lacking.<sup>239</sup> The continent is still bedevilled by weak trade institutions and infrastructure<sup>240</sup> and a dearth of trade facilitation instruments.<sup>241</sup> Many studies<sup>242,243</sup> have argued that to yield expected benefits, trade liberalisation measures must be accompanied by appropriate trade facilitation policies. Trade facilitation measures that will promote investment inflow,<sup>244</sup> transparent and effective trade conflict resolution,<sup>245</sup> efficient transportation and communication<sup>246</sup> will allow the expected benefits of trade liberalisation to be realised.

### 3.3 Intra-regional trade in Africa

There are very little commercial interactions within the region as well, with trade among the SSA countries well below the average level in other regions of the world. Intra-Africa trade stood at 13 per cent of the region's total trade in 2015.<sup>247</sup> This is very low compared to 50 per cent in Asia, 21 per cent in Latin America and the Caribbean and 70 per cent in Europe.<sup>248</sup> The poor intra SSA trading has been attributed to inadequate modern trade infrastructure,<sup>249</sup> and overlapping sub-regional trade agreements.<sup>250</sup> There is also an argument that Africa

<sup>237</sup>Bah E M, Moyo J M, Verdier-Chouchane A, *et al.* (2015) 3.

<sup>238</sup>IMF 'Regional economic outlook: Sub-saharan Africa: Fostering durable and inclusive growth' 2014a available at <http://www.scribd.com/doc/220088938/IMF-Regional-EconomicOutlook-Sub-Saharan-Africa-FosteringDurable-and-Inclusive-Growth-April-2014>.

<sup>239</sup>Limão N and Tovar P 'Policy choice: theory and evidence from commitment via international trade agreements' (2011) 85 (2) *Journal of International Economics* 186.

<sup>240</sup>DFID 2011

<sup>241</sup>Brenton P, Dihel N, Gillson I & Hoppe M 'Regional trade agreements in sub-Saharan Africa: supporting export diversification' 2011 *Africa Trade Policy Notes* Note #15 available at <http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/15TradePolicyREDESIGN.pdf> (accessed 30 March 2013).

<sup>242</sup>McMillan M & Verduzco I 'New evidence on trade and employment: An overview' in *Trade and employment: From myths to facts* Jansen M, Peters R, Manuel J, *et al.* ed (2011) 24.

<sup>243</sup>Haltiwanger J 'Globalization and economic volatility' in *Making globalization socially sustainable* Bacchetta M & Jansen M ed (2011) 120.

<sup>244</sup>Newfarmer R & Sztajerowska M 'Trade and employment in a fast-changing world' in *Policy priorities for international trade and jobs* Lippoldt D ed (2012) 8.

<sup>245</sup>McMillan M & Verduzco I (2011) 28.

<sup>246</sup>Haltiwanger J (2011) 123.

<sup>247</sup>UNECA (2015) 34.

<sup>248</sup>UNCTAD 'Economic development in Africa report 2013: Intra-african trade: Unlocking private sector dynamism' 2013 *Economic Development in Africa Report* 2 available at [http://unctad.org/en/publicationslibrary/aldcafrica2013\\_en.pdf](http://unctad.org/en/publicationslibrary/aldcafrica2013_en.pdf).

<sup>249</sup>Conde C, Heinrigs P & O'Sullivan A (2015) 10.

<sup>250</sup>Paul Brenton, Nora Dihel, Ian Gillson, *et al.* 'Regional trade agreements in sub-saharan Africa: Supporting export diversification' 2011 *Africa Trade Policy Notes* 15 11 available at <http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/15TradePolicyREDESIGN.pdf>.

countries specialisation in resources where there is limited potential for intra-industry trade,<sup>251</sup> low trade complementarity among the countries and the prevailing high trade costs<sup>252</sup> are responsible. The reasons adduced also include low manufacturing and production capacity, small and segmented national economies, limited trade financing and investment opportunities and weak trade facilitation<sup>253</sup> across the region.

The low levels of industrialisation in Africa is reflected by the dominance of exports by primary commodities and natural resources.<sup>254</sup> Critical trade infrastructure needed for industrialisation and higher value-adding activities including adequate power supply, good road network and modern port facilities and efficient custom procedure are still lacking. Also, secure and affordable energy remains a persistent challenge which has been limiting the region participation in the GVCs.<sup>255</sup> For instance the combined power generation in Africa is roughly the same as in Spain, a country with a population of about 50 million compare to Africa's population of more than one billion.<sup>256</sup> UNECA identified similar production structures and relatively small size and fragmented nature of the market across the continent as further constraints to viable production networks.<sup>257</sup>

Barka<sup>258</sup> had opined that the core challenge is how to facilitate efficient movement of goods and services across national borders, by providing the hard and soft infrastructure.<sup>259</sup> These will facilitate efficient border and customs procedures. A better performance in the global market is not expected soon, with growth still forecasted to remain at a modest three per cent in 2016 and slightly increase by one per cent in 2017.<sup>260</sup> And worse still the prospect for growth has become less favorable for SSA with slump in commodity prices and tighter global financing conditions.<sup>261</sup>

An improvement in intra-regional trading within the SSA will offer a solution to the limitations of the small and segregated domestic markets, as well as the prevailing weak

---

<sup>251</sup>Edwards L & Rankin N 'Is Africa integrating? Evidence from product markets' (2016) 25 (2) *The Journal of International Trade & Economic Development* 1.

<sup>252</sup>Vermeire J A L & Bruton G D 'Entrepreneurial opportunities and poverty in sub-saharan Africa: A review & agenda for the future' (2016) 2 (3) *Africa Journal of Management* 259.

<sup>253</sup>Barka H B 'Border posts, checkpoints, and intra-african trade: Challenges and solutions' 2012 2 available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/INTRA%20AFRICAN%20TRADE\\_INTRA%20AFRICAN%20TRADE.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/INTRA%20AFRICAN%20TRADE_INTRA%20AFRICAN%20TRADE.pdf).

<sup>254</sup>United Nations Economic and Social Council *Intra-african trade and Africa regional integration index - progress report on intra-african trade* (2015) 4 available at

<sup>255</sup>World Economic Forum (2015) xvi.

<sup>256</sup>World Economic Forum 'The Africa competitiveness report 2013' 2013 5 available at <http://weforum.org/reports/africa-competitiveness-report-2013>.

<sup>257</sup>UNECA (2015) 109.

<sup>258</sup>Barka H B (2012) 2.

<sup>259</sup>Portugal-Perez A & Wilson J S (2012) 1297.

<sup>260</sup>IMF (2016a) 3.

<sup>261</sup>IMF 'World economic outlook: Subdued demand symptoms and remedies' 2016b *World Economic and Financial Surveys* 28 available at <https://www.imf.org/external/pubs/ft/weo/2016/02/pdf/text.pdf>.

productive structures in most countries.<sup>262</sup> It will as well offer synergies and complementarities of the economies such that where possible, raw materials and products could be sourced competitively from other African countries rather than been imported. A more integrated economy will provide better economies of scale and larger market and would increase intra-African trade by 54 per cent as well as promoting rapid industrialisation,<sup>263</sup> exports diversification and better growth potentials.

Ironically, an IMF study revealed that insufficient regulatory and capacity in many countries in the sub-region is the main constraints to investments into trade infrastructure development rather than lack of financings.<sup>264</sup> Nonetheless, the potentials of an improved intra-African trade need not be overemphasised. The increase from around two per cent to about three per cent in 2008 despite the global financial meltdown as mentioned in previous chapter was due to increase in intra-Africa trade.

### 3.4 Aids for trade facilitation

Trading between nations are typically a mutual arrangement based on the principle of reciprocity. A country will grant access to its market in return for trade concessions. As emphasised in previous chapter, most SSA countries face internal constraints and challenges that limit their capacity to benefit from the multilateral trade arrangement. The weak manufacturing capacity and low productivity for instance has led to poor trade diversification, while the poor export capability is due to inadequate infrastructure and inefficient customs procedure. It needs not be over-stressed then that for the SSA region to improve on its trade performance, special considerations are needed.

Within the ambits of the basic principle of non-discrimination between trading partners, the WTO agreed that developing countries require 'special and differential treatment commensurate with their comparative economic positions'.<sup>265</sup> The preferential trade treatment is expected to boost the total exports from these countries<sup>266</sup> and a beneficial balance of trade. Specific GSP measures ranging from preferential market access, tariff

---

<sup>262</sup>Ncube M, Brixiova Z & Meng Q 'Can intra-regional trade act as a global shock absorber in Africa?' 2014 *Working Paper Series* 108 18 available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working\\_Paper\\_198\\_-\\_Can\\_Intra-Regional\\_Trade\\_Act\\_as\\_a\\_Global\\_Shock\\_Absorber\\_in\\_Africa.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working_Paper_198_-_Can_Intra-Regional_Trade_Act_as_a_Global_Shock_Absorber_in_Africa.pdf).

<sup>263</sup>UNECA (2015) 142.

<sup>264</sup>IMF 'Regional economic outlook: Sub-Saharan Africa: Staying the course' 2014b available at <https://www.imf.org/external/pubs/ft/reo/2014/afr/eng/sreo1014.pdf>.

<sup>265</sup>Townsend I 'EU trade preferences for developing countries: the GSP & 'Everything But Arms' *UK House of Common Library, Standard Note*: SN/EP/33692 available at [www.parliament.uk/briefing-papers/SN03369](http://www.parliament.uk/briefing-papers/SN03369).pdf (accessed 5 April 2017).

<sup>266</sup>Boado LS 'Effects of the 'everything but arms' initiative on the sugar industries of the least developed countries' 2005 Available at [www.unctad.info/upload/Infocomm/Docs/.../ditccom20046\\_en.pdf](http://www.unctad.info/upload/Infocomm/Docs/.../ditccom20046_en.pdf) (accessed 8 April 2017).

exemptions, international development assistance to trade-capacity building aids have been proposed to assist in reversing the poor trade profile of the SSA.<sup>267</sup> It was acknowledged that while facilitating easier access to developed countries market is vital, it must be complemented with the capabilities to trade. Trade capacity building assistances are designed to enable members maximize the benefits of the GSP measures as well as the Special and Differential Treatment (SDT) arrangements.<sup>268</sup>

Aids for Trade (AfT) has been long posited as a concept in development policy.<sup>269</sup> At the Uruguay Round, developing countries requested for an increase in development aids from the developed economies.<sup>270</sup> These include aids as financial compensation and incentives for supporting trade liberalisation negotiations and the expected loss from tariffs elimination. The second category are aids to assist countries to develop trade capacities for better integration into the world trading system. The Marrakesh Declaration affirmed that implementation of trading commitments and rules is resource intensive posing a challenge to most developing countries.<sup>271</sup> It was stressed that it will be necessary to provide trade-related assistances to members grappling with implementation challenges.<sup>272</sup> These include supports toward the implementation costs, required skills and manpower, and with preparing and enacting the required legislations and regulations among others.<sup>273</sup>

Generally, AfTs are assistances in form of grants and concessionary loans targeted at trade-related programmes and projects to develop and expand the trade capacities of developing countries.<sup>274</sup> It is intentioned as supports to build the trade facilitation capacity and infrastructure needed to integrate better into the global trade system. These trade capacity building assistances and activities had evolved into the broader and comprehensive Aid for Trade initiative,<sup>275</sup> which are generally to assist developing countries to gain greater share of the world trade. The AfT initiative therefore 'seeks to mobilize resources to address the trade-related constraints faced by developing and least-developed countries'<sup>276</sup>.

---

<sup>267</sup>DTI 'Trade Agreements' available at [http://www.thedti.gov.za/trade\\_investment/ited\\_trade\\_agreement.jsp](http://www.thedti.gov.za/trade_investment/ited_trade_agreement.jsp) (accessed 28 March 2017).

<sup>268</sup>European Commission 'Aid for trade in a nutshell' available at <http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-for-trade/> (accessed 11 April 2017).

<sup>269</sup>Martínez-Zarzoso I, Nowak-Lehmann F & Rehwal K 'Is aid for trade effective? A panel quantile regression approach' (2016) 2.

<sup>270</sup>Martínez-Zarzoso I, Nowak-Lehmann F & Rehwal K (2016) 2.

<sup>271</sup>OECD 'Aid for trade: Making it effective' 2006 21 available at <http://www.oecd.org/trade/tradedev/37438309.pdf>.

<sup>272</sup>Leea H-H & Riesb J 'Aid for trade and international investment' 2014 2 available at <http://www.freit.org/WorkingPapers/Papers/ForeignInvestment/FREIT844.pdf>.

<sup>273</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).

<sup>274</sup>Economic Community of West African States (ECOWAS) 'What is aid for trade?' available at <http://www.aidfortrade.ecowas.int/specialfeature/what-is-aid-for-trade> (accessed 10 April 2017).

<sup>275</sup>Rippel B (2011) 1.

<sup>276</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).



It is recognised that AfT will assist with realising the objectives envisioned in the Doha Development Agenda.<sup>277</sup> However, it should be noted that this initiative is not a new development fund for trade, but to align the existing development strategies to ensure that more resources are committed to trade facilitation issues.<sup>278</sup> The driving force was the need to gain support of member states in concluding the stalled Doha negotiations.<sup>279</sup> Towards this, the AfT Task Force was created in July 2006 by the WTO as part of the Hong Kong Ministerial Declaration to drive the initiative separate from the Doha Round negotiations.<sup>280</sup> The task force is charge to provide technical assistance to developing countries in formulating trade policies, negotiate more effectively, and implement obligations.

This will ensure a better integration of the developing countries into the world trading system<sup>281</sup> and hence greater benefits from trade opening agreements.<sup>282</sup> It will be achieved by a structured and targeted investment to improve trading infrastructure, productivity and manufacturing capacity.<sup>283</sup> Together with the recommendations of the WTO Aid for Trade, the OECD Paris Declaration on Aid Effectiveness adopted in 2005 and reconfirmed in the Accra Agenda for Action (endorsed in 2008) are widely regarded as the internationally agreed guiding principles used in discussions on AfT.<sup>284</sup> However, AfT is broad and not easily defined.<sup>285</sup>

The OECD defined AfT as assistance provided to 'support partner countries efforts to develop and expand their trade as leverage for growth and poverty reduction'<sup>286</sup>. Aid for Trade is defined by the European Commission as assistance provided to support partner countries' efforts to develop and expand their trade as leverage for growth and poverty reduction.<sup>287</sup> It

---

<sup>277</sup>WTO 'Aid for trade fact sheet' available at

[https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/a4t\\_factsheet\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/a4t_factsheet_e.htm) (accessed 10 April 2017).

<sup>278</sup>European Commission 'Aid for trade in a nutshell' European Commission available at

<http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-for-trade/> (accessed 11 April 2017).

<sup>279</sup>De Melo J & Cadot O 'Aid for trade: What have we learnt? Which way ahead?' (2014) 1.

<sup>280</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).

<sup>281</sup>Martínez-Zarzoso I, Nowak-Lehmann F & Rehwald K (2016) 2.

<sup>282</sup>Economic Community of West African States (ECOWAS) available at

<http://www.aidfortrade.ecowas.int/specialfeature/what-is-aid-for-trade> (accessed 10 April 2017).

<sup>283</sup>Martínez-Zarzoso I, Nowak-Lehmann F & Rehwald K (2016) 2.

<sup>284</sup>Lui D 'Aid for trade agenda and accompanying measures for EPAs – current state of affairs' 2008 3 available at

[http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/EUROPE/Pdf%20et%20doc/ECDPM%2020-10-08%20State%20of%20play%20of%20the%20AFT%20Agenda\\_Draft%20for%20comments.pdf](http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/EUROPE/Pdf%20et%20doc/ECDPM%2020-10-08%20State%20of%20play%20of%20the%20AFT%20Agenda_Draft%20for%20comments.pdf).

<sup>285</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).

<sup>286</sup>OECD (2006)

<sup>287</sup>European Commission 'Aid for trade in a nutshell' European Commission available at

<http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-for-trade/> (accessed 11 April 2017).



include financial assistances composing of Oversea Development Aids (ODA) grants, loans and equity, and specifically targeted at helping developing countries to develop their capacity to trade. The IMF used the term AfT to refer to 'aid that finances trade-related technical assistance, trade-related infrastructure, and aid to develop productive capacity'.<sup>288</sup> The organisation went further to include development assistance that promotes international trade and a number of international initiatives to promote trade-related development assistance.

AfTs in the context of the WTO are 'activities identified as trade-related development priorities in the recipient country's national development strategies'<sup>289</sup> to assist developing countries to build the trade capacity and infrastructure needed to benefit from trade opening. The initiative includes six categories of interventions referred to as the wider AfTs viz:<sup>290</sup>

- Trade policy and regulations – technical and institutional supports to facilitate implementation of trade agreements and compliance with rules and standards
- Trade development aids - support in investment and trade promotion, market analysis, trade finance and developments.
- Trade-related infrastructure – intervention in trade infrastructures like roads, ports, and telecommunications to link domestic and global markets;
- Building productive capacity – investments to diversify production and exports and build on comparative advantages;
- Trade-related adjustment costs – complementary measures to assist with the costs associated with tariff reductions, preference erosion, and declining terms of trade, and
- Other trade-related needs.

### 3.5 Aid for Trade Trust Funds for Africa

The African Development Bank established the Aid for Trade Trust Fund to support Africa countries, private sectors and civil society organizations efforts to improve on intra-Africa trade and also their participation in the global trading systems.<sup>291</sup> It focus is on providing incentives and supports towards trade facilitation activities, particularly along transport and economic corridors and support for private sector development as a vehicle for trading regionally and in the global market.<sup>292</sup> It will support as well value addition to agricultural

<sup>288</sup>Dorsey T 'Imf survey: What is aid for trade?' available at

<http://www.imf.org/external/pubs/ft/survey/so/2007/POL0523A.htm> (accessed 10 April 2017).

<sup>289</sup>WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).

<sup>290</sup>Razzaque M A & te Velde D W *Assessing aid for trade: Effectiveness, current issues and future directions* ed (2013) 14.

<sup>291</sup>AfDB 'Aid for trade trust fund' available at <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/aid-for-trade-trust-fund/> (accessed 18 May 2017).

<sup>292</sup>AfDB African Development Bank available at <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/aid-for-trade-trust-fund/> (accessed 18 May 2017).

and primary commodities, market development for these value-added products, and to strengthen regional trade-support systems.<sup>293</sup>

The AfDB report further highlighted that the fund will give priority to investments in sectors identified to be critical to improve the continent's overall trading profile. These include infrastructure, governance, private sector development and agriculture.<sup>294</sup> Secondly, it will provide support to all the parties involved with coordinating and implementing AfT interventions across the continent to improve on the effectiveness of such commitments. Lastly, it will provide additional resources to institutionalise trade into country or regional strategies and programs.

### 3.6 Trade concessions programs for Africa

The European Commissions stressed that trade-related assistances will afford the trade partners greater opportunities to realise the objectives and benefits of unilateral, bilateral or multilateral trade openings.<sup>295</sup> Hence it is an important tool to facilitate trade reforms or adjustments. Of interest are the unilateral or non-reciprocal preferential trade agreements that are more concessionary rather than reciprocal.<sup>296</sup> These are unilateral preferences that are not legally binding upon the benefactors. Non-reciprocal trade agreements without doubt can lead to economic development of the African countries. However, the effectiveness of these agreements depends on how far it will result in an expansion and diversification of the sub-continent exports by enhancing their international competitiveness.

Prominent among these are the Everything but Arms (EBA), the Cotonou Accord, the African Growth and Opportunity Act (AGOA), Power Africa and so on, between SSA, the European Commission and the United States. An overview, legal basis, scope and performance of some of the trade capacity programs for Africa is presented in the following section.

---

<sup>293</sup>AfDB African Development Bank available at <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/aid-for-trade-trust-fund/> (accessed 18 May 2017).

<sup>294</sup>AfDB African Development Bank available at <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/aid-for-trade-trust-fund/> (accessed 18 May 2017).

<sup>295</sup>European Commission 'Aid for trade in a nutshell' European Commission available at <http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-for-trade/> (accessed 11 April 2017).

<sup>296</sup>Páez L Karingi S & Kimenyi M et al 'A decade (2000-2010) of African-U.S. trade under the African Growth Opportunities Act (AGOA): challenges, opportunities and a framework for post AGOA engagement' 2010 available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Session%20II.2.2.2.%20A%20decade%20\(2000-2010\)%20of%20African-US%20Trade%20under%20the%20AGOA.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Session%20II.2.2.2.%20A%20decade%20(2000-2010)%20of%20African-US%20Trade%20under%20the%20AGOA.pdf) (accessed 27 March 2017)

### 3.6.1 African Growth and Opportunity (AGOA) Act

In section 101, the TDA 2000 established the African Growth and Opportunity Act (AGOA) to serve as the cornerstone of the US trade relationship with the SSA.<sup>297</sup> Signed into law by President Clinton on May 18, 2000, the AGOA was to be in force till 2008, but legislative amendments extended its expiry to 2015 and further on 29 June 2015 by another 10 years till 2025.<sup>298</sup> The TDA empowers the President to grant duty-free and quota-free treatment to a wide range of exports from qualified SSA countries.<sup>299</sup>

The Act was conceived as a selective but progressive extension of the existing United States Generalised System of Preferences (GSP) for Africa countries<sup>300</sup> formulated to cause an expansion of US trade and investment in the sub-region, stimulate the region economic growth and deeper integration into the global economy.<sup>301</sup> It as well includes the provision of technical assistance to help countries qualify for ascension.<sup>302</sup> The Act significantly simplified market access in the US for specified items from qualifying SSA countries<sup>303</sup> by removing tariffs on approximately 6 800 items originating from the SSA.<sup>304</sup> However, to be eligible for AGOA, a country must demonstrate commitment to rule of law, human rights, and respect for core labour standards.<sup>305</sup>

The Africa Investment Incentive Act of 2006 gave birth to the AGOA IV and extend the third country fabric provision for an additional five years and allows Lesser Developed Beneficiary Country (LDBC) members of SSA to export certain textile articles to US market.<sup>306</sup> This was further extended in August 2012 until 2015.<sup>307</sup>



UNIVERSITY of the  
WESTERN CAPE

<sup>297</sup>US Congress 'Public law 106: Trade and development act of 2000' available at <https://www.congress.gov/106/plaws/publ200/PLAW-106publ200.pdf>.

<sup>298</sup>Loucif J and Rubin D 'U.S.-Sub-Saharan Africa Trade Profile 2010' 2011 U.S. Department of Commerce, International Trade Administration, Market Access & Compliance/Office of Africa 4 available at [www.agoa.gov/build/groups/public/.../agoa\\_main\\_003357.pdf](http://www.agoa.gov/build/groups/public/.../agoa_main_003357.pdf) (accessed on 27 March 2017).

<sup>299</sup>McCormick R (2006) 347

<sup>300</sup>Pigman G A 'AGOA-iv and the trade prospects of sub-saharan Africa' *Commonwealth Trade Hot Topics*, March 2016, Issue 127 1.

<sup>301</sup>Ismail F 'The AGOA extension and enhancement act of 2015, the sa-US AGOA negotiations and the future of AGOA' (2017) *World Trade Review* 3.

<sup>302</sup>Cook N P S & Jones J C 'The african growth and opportunity act (AGOA) and export diversification' (2015) 24 (7) *The Journal of International Trade & Economic Development* 948.

<sup>303</sup>Williams B R 'African growth and opportunity act (AGOA): Background and reauthorization' (2014) 7 (3) *Current Politics and Economics of Africa* 204.

<sup>304</sup>Zappile T M 'Nonreciprocal trade agreements and trade: Does the african growth and opportunity act (AGOA) increase trade?' (2011) 12 (1) *International Studies Perspectives* 47.

<sup>305</sup>AGOA 'About AGOA' available at <https://agoa.info/about-agoa.html> (accessed May 14 2017).

<sup>306</sup>Williams B R (2014) 204.

<sup>307</sup>United States Trade Representative (USTR) 'Africa' 2011 available at <http://www.ustr.gov/countries-regions/africa> (accessed 1 April 2017)

### 3.6.1.1 Countries and products eligibility criteria

Section 104 of the TDA 2000 authorises the President to designate countries eligible if deemed by the implementation committee to have 'established, or are making continual progress toward establishing' among others, a market-based economies, rule of law and political pluralism, right to due process and economic commitments to reduce poverty.<sup>308</sup> Also included are commitment to elimination of barriers to US trade and investment, protection of intellectual property; efforts to combat corruption and protection of international worker rights.<sup>309</sup> Generally, the eligibility for the existing US GSP measure is an eligibility for the AGOA.<sup>310</sup>

Pursuant to this, President Clinton on October 2, 2000 issued a proclamation designating 34 SSA countries as eligible for AGOA.<sup>311</sup> Since then more countries have been added to the list, currently standing at 43 countries.<sup>312</sup> The Act also empowers the President to remove any country from the AGOA list<sup>313</sup> based on which Central African Republic and Eritrea, effective January 1, 2004; Côte d'Ivoire, effective January 1, 2005 and Mauritania on January 1, 2006, and again on January 1, 2009 were removed from the list.<sup>314</sup>

The Act empowers the President to 'provide duty-free treatment under GSP for any article imported from African countries, after the U.S. Trade Representative and the U.S. International Trade Commission have determined that the article is not import sensitive'<sup>315</sup>. At its inception, the Act grants zero duty treatment for about 1 800 items (AGOA items), this is in addition to the more than 4 600 products already on the US standard GSP list.<sup>316</sup> The additional AGOA items include previously GSP excluded items such as footwear, luggage, handbags and watches.<sup>317</sup> Most agricultural products are included except dried garlic, certain canned and processed fruits, cotton, tobacco, sugar, peanuts, beef and some dairy products, as well as most manufactured products excluding certain iron and steel products.<sup>318</sup> Some items are given more concession. These include 'certain apparel; hand-loomed, handmade, and folklore articles; ethnic printed fabrics; textiles and made-up textile articles (for instance,

---

<sup>308</sup>AGOA AGOA available at <https://agoa.info/about-agoa.html> (accessed May 14 2017).

<sup>309</sup>Section 104 (a) of the TDA 2000

<sup>310</sup>Naumann E 'An overview of agoa's performance, beneficiaries, renewal provisions and the status of south Africa' (2015) 2

<sup>311</sup>TDA (2000)

<sup>312</sup>AGOA 'List of AGOA beneficiaries' available at <https://agoa.info/about-agoa/country-eligibility.html> (accessed 15 May 2017).

<sup>313</sup>Section 104 (b) of the TDA 2000

<sup>314</sup>AGOA 'About AGOA' AGOA available at <https://agoa.info/about-agoa.html> (accessed May 14 2017).

<sup>315</sup>'Summary of AGOA I' available at <http://www.agoa.gov/agoalegislation/index.asp> (accessed 30 March 2018)

<sup>316</sup>Ismail F (2017) 3.

<sup>317</sup>AGOA 'About AGOA' AGOA available at <https://agoa.info/about-agoa.html> (accessed May 14 2017).

<sup>318</sup>AGOA 'About AGOA' AGOA available at <https://agoa.info/about-agoa.html> (accessed May 14 2017).

towels, sheets, blankets, floor coverings) originating entirely in one or lesser developed AGOA beneficiary countries'.<sup>319</sup>

### 3.6.1.2 Sub-Saharan African trade performance post-AGOA

The trade data obtained from the U.S Department of Commerce show that the U.S. trade in goods with Africa have recorded significant improvement since the inception of AGOA.<sup>320</sup> In Figure 3.4, the two-way trade could be seen to have grown steadily from 2003, peaking at around \$104 billion in 2008.

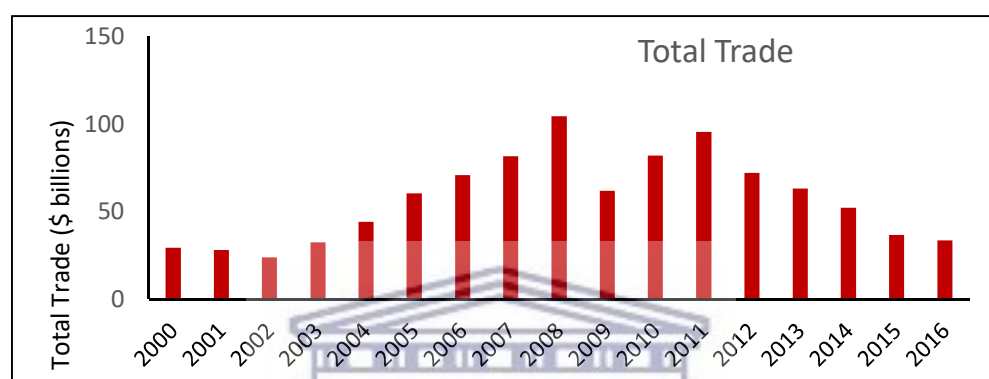


Figure 3.4: Value of US Trade with SSA Region (1985 – 2016)

The volume of trade traded increased four-folds between 2001 and 2011. The exception was in 2009 and 2013 due to the financial crisis that affected trade globally and the declined US crude import from Africa.<sup>321</sup> This get worse with the fall in crude price of 2015. The data on trade in goods between US and SSA region pre- and post-AGOA periods obtained from U.S. Bureau of the Census<sup>322</sup> is presented in Figure 3.5.

An increase in the volume of SSA export to the US in 2001 (the year AGOA started being implemented) peaking in 2008 at \$86.1 billion is noted. The steady yearly decline in export recorded from 2012 is mainly due to reduced petroleum exports to the U.S.<sup>323</sup> A comparative analysis of trade data for the pre- and post-AGOA periods, 1997 – 2000 and 2001 – 2012 revealed an increase of 210 per cent in US import from SSA. In 2009 a very sharp decline in

<sup>319</sup>McCormick R (2006) 347

<sup>320</sup>U.S. Bureau of the Census 'Trade in goods with Africa' available at <https://www.census.gov/foreign-trade/balance/c0013.html#questions> (accessed May 14 2017).

<sup>321</sup>Pigman G A (2016) 3.

<sup>322</sup>U.S. Bureau of the Census U.S. Department of Commerce, Foreign Trade available at <https://www.census.gov/foreign-trade/balance/c0013.html#questions> (accessed May 14 2017).

<sup>323</sup>Meltzer J P 'Deepening the United States-Africa trade and investment relationship' available at <https://www.brookings.edu/testimonies/deepening-the-united-states-africa-trade-and-investment-relationship/> (accessed 21 May 2017).



total US import from SSA is recorded, from \$86 billion to \$46 billion. This has been attributed to the financial crisis and economy depression in US and the possible impact of stimulus packages extended to US producers.<sup>324</sup> The same is noted in 2012.

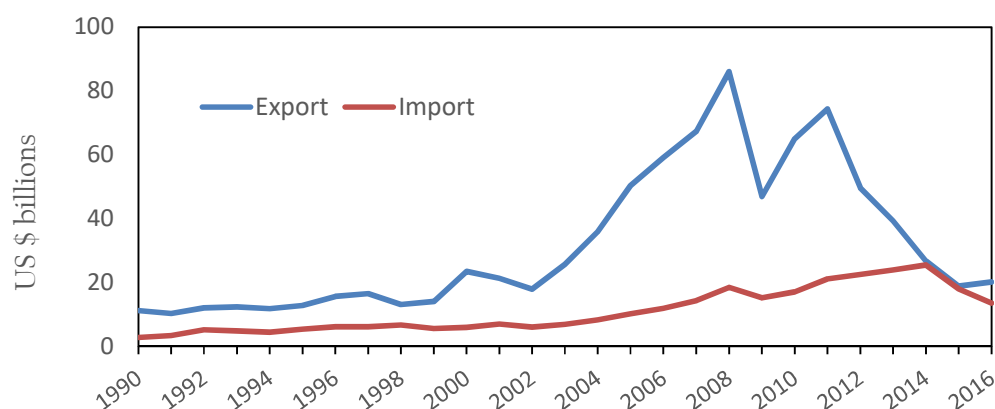


Figure 3.5: Value of SSA trade with US (1985 – 2016)

A further breakdown of the data for the post-AGOA period, that is 2000-2012, revealed that the top SSA exporter to U.S. were Nigeria (\$279.1 billion), Angola (\$115.7 billion), South Africa (\$88.7 billion), Gabon (\$28.4 billion) and Chad (\$19.8 billion). This is very interesting because the top exporting countries except South Africa are the region top crude oil exporter. In 2015, about 39 per cent of AGOA exports to the US were from South Africa (valued at \$7.3 billion) and 15% from Angola (\$2.8 billion).<sup>325</sup> The other big exporters are Nigeria (\$1.9 billion), Chad (\$1.3 billion), and Cote d' Ivoire (\$1.0 billion).

The bulk of the exported goods include mineral fuel (crude) (\$6.6 billion), precious stones (platinum and diamonds) (\$2.9 billion), agricultural products (\$2.3 billion), vehicles (\$1.5 billion), cocoa (\$1.2 billion), and iron and steel (\$662 million).<sup>326</sup> The agricultural products from SSA include cocoa beans (\$984 million), unroasted coffee (\$265 million), tree nuts (\$186 million), cocoa paste and cocoa butter (\$166 million), and spices (\$138 million).<sup>327</sup>

There is on the average a healthy balance of trade for the SSA countries from 2002 to 2013 (Figure 3.6) except for the sharp drop in 2009 within the period. The imports and exports for

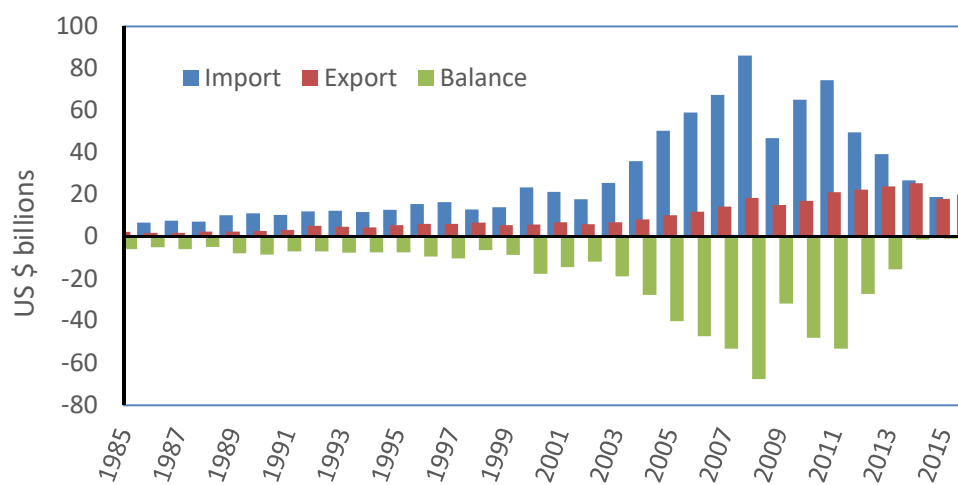
<sup>324</sup>Páez L et al. (2010)

<sup>325</sup>United States Trade Representative (USTR) 'Africa' available at <https://ustr.gov/countries-regions/africa> (accessed 21 May 2017).

<sup>326</sup>United States Trade Representative (USTR) United States Trade Representative available at <https://ustr.gov/countries-regions/africa> (accessed 21 May 2017).

<sup>327</sup>United States Trade Representative (USTR) United States Trade Representative available at <https://ustr.gov/countries-regions/africa> (accessed 21 May 2017).

the AGOA countries were generally balanced in 2014 and 2015. This is due to the drastic reduction in US crude oil import from the Africa top exporters.



**Figure 3.6:** Balance of Trade between U.S. and SSA under AGOA<sup>328</sup>

Overall, it could be concluded that AGOA program has created significant opportunities for exports from SSA countries to the US. However, much of the trade growth recorded in SSA has been driven by rising global demand for primary commodities.<sup>329</sup> However, the expected level of exports diversification has failed to materialise. Analyses of total exports to the U.S. under GSP and AGOA by product sectors revealed that the bulk of export to US market under AGOA is dominated by crude oil. In 2014, non-oil AGOA exports were at its highest ever<sup>330</sup> with apparel, footwear, vehicles and parts, and fruits and nuts experiencing increases with South Africa as the largest beneficiary.<sup>331</sup> Also, the AGOA countries share of US trade is still minimal. The SSA in 2015 accounted for a meagre one-half per cent of US imports and around one per cent of her exports.<sup>332</sup> Therefore, for the benefits of AGOA to be more lasting there is need to remove the uncertainty in respect of its extension. It will be more helpful to integrate the AGOA GSP into the WTO framework.

<sup>328</sup>U.S. Bureau of the Census U.S. Department of Commerce, Foreign Trade available at <https://www.census.gov/foreign-trade/balance/c0013.html#questions> (accessed May 14 2017).

<sup>329</sup> UNCTAD (2008)

<sup>330</sup>Naumann E (2015) 2.

<sup>331</sup>Pigman G A (2016) 3.

<sup>332</sup>Meltzer J P The Brookings Institution available at <https://www.brookings.edu/testimonies/deepening-the-untied-states-africa-trade-and-investment-relationship/> (accessed 21 May 2017).

### 3.6.2 Everything but Arms (EBA)

Further to the European Union efforts to assist the developing and the Least Developed Countries (LDC) to increase their participation in the multilateral trade arrangement, the European Commission in 2001 instituted the Everything But Arms (EBA) initiative.<sup>333</sup> The initiative grants full duty free and quota-free access to the common market for all products with the exception of arms and armaments from the LDCs.<sup>334</sup> At inception sugar, bananas and rice for an eight years period were given transition periods to be qualify for the duty free treatment, bananas (free entry from 2006), rice and sugar (free entry from 2009).<sup>335</sup>

The protocol of the EBA grants automatic qualification for the preferential status to all LDCs, and unlike other GSP arrangements has no expiration date.<sup>336</sup> This offers high degree of certainty for long-term decision making and investment options, thereby provides incentive to diversify the export structure and to invest in measures that will promote export-oriented industrialisation.<sup>337</sup> Hence the arrangement has been described as the most generous form of all preferential treatment available to LDCs.<sup>338</sup> There are currently 49 beneficiaries benefitting from the program out of which 33 are African countries.<sup>339</sup>

An amendment was made to the EBA legal regime in 2013 to ensure that the world most vulnerable economies benefitted most from the program. Effective from January 2014, qualification for the concessionary trade arrangement is now limited to the lower-income economies and LDCs. This is to improve on the program effectiveness as the fewer number of beneficiaries will reduce competitive pressure on the LDCs and provide better opportunity to boost their exports.<sup>340</sup> The new qualification protocol is predicated on the basis that a beneficiary of the EBA preference that are no longer considered a LDC by the UN do not need the concessionary arrangement any longer.

<sup>333</sup>Kopp T, Prehn S & Brümmer B 'Preference erosion—the case of everything but arms and sugar' (2016) **39** (9) *The World Economy* 1339.

<sup>334</sup>Young A R & Peterson J 'We care about you, but ...': The politics of EU trade policy and development' (2013) **26** (3) *Cambridge Review of International Affairs* 498.

<sup>335</sup>Persson M & Wilhelmsson F 'EU trade preferences and export diversification' (2016) **39** (1) *The World Economy* 21.

<sup>336</sup>Gradeva K & Martínez-Zarzoso I 'Are trade preferences more effective than aid in supporting exports? Evidence from the 'everything but arms' preference scheme' (2016) **39** (8) *The World Economy* 1149.

<sup>337</sup>Opoku Awuku E 'Developing and least-developed countries and mega-regional trade and investment agreements' in *European yearbook of international economic law 2016* Bungenberg M, Herrmann C, Krajewski M, et al. ed (2016) 619.

<sup>338</sup>European Commission 'Everything but arms (EBA) – who benefits?' 2013 1 available at [http://trade.ec.europa.eu/doclib/docs/2013/april/tradoc\\_150983.pdf](http://trade.ec.europa.eu/doclib/docs/2013/april/tradoc_150983.pdf).

<sup>339</sup>Ghimire S, Mukherjee D & Alvi E 'Aid-for-trade and export performance of developing countries' (2016) **16** (1) *Applied Econometrics and International Development* 23.

<sup>340</sup>East African Community (EAC) 'European Union everything but arms' available at <http://www.eac.int/initiatives/european-union-everything-arms> (accessed 29 June 2017).

The EBA was fashioned to boost industrialisation in the LDC particularly of the sectors where exportation to the EU market is granted duty waiver. However, analyses of the SSA exports have shown that the overall impacts of the EBA scheme is quite limited. Gradeva concluded that the concessionary arrangement had failed to significantly increase LDCs exports.<sup>341</sup> While Asian LDCs exports consisted of manufactured goods, African LDCs export is still dominated by primary products, which together with petroleum accounted for more than 90 per cent of total exports.<sup>342</sup> As argued earlier, supply constraints resulting from poor level of trade infrastructure and inefficient border procedures in the LDCs country is still mitigating exports performance.

Also of note is the EU's Common Agricultural Policy (CAP) that has been criticized for being protective and working at cross road with the EBA by blocking importation of some agricultural products deemed to be from sensitive sectors.<sup>343</sup> van den Hoven<sup>344</sup> argued that EBA has been transformed into Everything but Farms (EBF). The EBA rule of origin has also been criticised for been too restrictive<sup>345</sup> to the detriment of the developmental benefits of the initiative. Stiglitz and Charlton pointed out that just 80 products out of the EU's 10 200 tariff lines<sup>346</sup> is covered by EBA. At inception of the initiative, nearly all the EU imports from LDCs already qualified for preferences under either the Lomé Accord or other GSP scheme.<sup>347</sup> This support the view that aids towards capacity building for LDCs are needed to make non-reciprocal preference schemes effective.

### 3.6.3 Cotonou Agreement

The Lomé Convention and its subsequent revisions (Lomé I - Lomé IV bis) has been the pivotal framework for the trade relationship between the EU and the African, Caribbean and Pacific Group of States (ACP) members.<sup>348</sup> At Lomé IV, there was a consensus on the need for an overhaul of the existing framework.<sup>349</sup> It was agreed that the scope and structure needed to be recalibrated in line with the emerging trends and realities in the multilateral

<sup>341</sup>Gradeva K & Martínez-Zarzoso I (2016) 1165.

<sup>342</sup>Gradeva K & Martínez-Zarzoso I (2016) 1150.

<sup>343</sup>Stocchetti M 'A perfect post-2015 partner? Analysing eu's development and trade agendas for global development partnership' (2016) 83.

<sup>344</sup>Van den Hoven A 'Bureaucratic competition in EU trade policy' (2007) *European Union trade politics and development: 'Everything but Arms' unravelled*. London: Routledge 60.

<sup>345</sup>Author 'The effectiveness of EU and US unilateral trade preferences for ldcs' in *The effectiveness of EU and US unilateral trade preferences for LDCs* ed (2007) 132.

<sup>346</sup>Stocchetti M (2016) 83.

<sup>347</sup>Edwards S, Johnson S & Weil D N 'Introduction to" african successes: Modernization and development"' in *African successes: Modernization and development, volume 3* (2015) 24.

<sup>348</sup>Keijzer N & Bartels L 'Assessing the legal and political implications of the post-cotonou negotiations for the economic partnership agreements' 2017 *Discussion Paper 4/2017* 1 available at [https://www.die-gdi.de/uploads/media/DP\\_4.2017.pdf](https://www.die-gdi.de/uploads/media/DP_4.2017.pdf).

<sup>349</sup>ECDPM *The cotonou agreement: A user's guide for non-state actors* (2003) 3 available at <http://ecdpm.org/wp-content/uploads/NSA-Users-Guide-English-version.pdf>.

trade environment.<sup>350</sup> Mindful of the looming expiry of the Lomé agreement on 23 June 2000, the negotiation for the new EU-ACP agreement commenced in September 1998.<sup>351</sup>

A new cooperation agreement, the Cotonou Partnership Agreement (CPA) Act of 2000 also known as the Cotonou Agreement was concluded in early February 2000 between the EU and 77 ACP countries<sup>352</sup> and signed on 23 June 2000 in Cotonou, Benin.<sup>353</sup> It entered into force in April 2003 and will be bidding for a 20-year period, that is until 2020.<sup>354</sup> The agreement had been revised twice, in 2005 and 2010 as mandated by the revision clause in the legal text that the agreement must be re-examined every five years.<sup>355</sup>

Aptly touted as the most comprehensive partnership agreement between developing countries and the EU, the CPA has been described as a more encompassing agreement rather than a mere change of name of the Lomé convention.<sup>356</sup> It includes innovative measures to address the persistent developmental challenges of the ACP countries and represent a transition from trade preferences to economic cooperation.<sup>357</sup> For instance sections on trade and economic cooperation between the ACP and the EU<sup>358</sup> and measures to improve the overall impact of aid<sup>359</sup> and so on.

With clear emphasis on developmental aids, economic, trade and political cooperation as the pillars of the agendas,<sup>360</sup> the Cotonou Agreement provided legal framework for the negotiation and establishment of Economic Partnership Agreements (EPAs) that facilitate the creation of reciprocal free trade area between the EU and the seven ACP regions.<sup>361</sup> The EPA is in accordance with Article XXIV of the GATT and solve the issue of derogation of the WTO non-discriminatory provision by the Lomé accord.<sup>362</sup> The EPAs by facilitating the

<sup>350</sup>Heron T 'Trading in development: Norms and institutions in the making/unmaking of european union–african, caribbean and pacific trade and development cooperation' (2014) *20* (1) *Contemporary Politics* 11.

<sup>351</sup>del Cristo Monagas M, Herrera C D W & Corral S 'The challenges of regional integration in sub-saharan Africa: The role of economic partnership agreements' (2015) *Arethuse 2/2 2015: Scientific Journal of Economics and Business Management* 108.

<sup>352</sup>ECDPM (2003) 2.

<sup>353</sup>Heron T & Murray-Evans P 'Limits to market power: Strategic discourse and institutional path dependence in the European Union–African, Caribbean and Pacific economic partnership agreements' (2017) *23* (2) *European Journal of International Relations* 343.

<sup>354</sup>International Cooperation and Development 'Acp - the cotonou agreement' available at [https://ec.europa.eu/europeaid/regions/african-caribbean-and-pacific-acp-region/cotonou-agreement\\_en](https://ec.europa.eu/europeaid/regions/african-caribbean-and-pacific-acp-region/cotonou-agreement_en) (accessed 10 July 2017).

<sup>355</sup>Keijzer N & Bartels L (2017) 1.

<sup>356</sup>Heron T & Murray-Evans P (2017).

<sup>357</sup>ECDPM 'The EU commitment to deliver aid for trade in West Africa and support the EPA development programme (PAPED)' 2010 *Discussion Papers* 96 13 available at <http://ecdpm.org/wp-content/uploads/2013/11/DP-96-EU-Commitment-Deliver-Aid-for-Trade-West-Africa-EPA-PAPED-2010.pdf>.

<sup>358</sup>del Cristo Monagas M, Herrera C D W & Corral S (2015) 101.

<sup>359</sup>Whiteman K 'A history of the ACP-EU relationship: The origins and spirit of lomé' in *The ACP group and the EU development partnership* (2017) 32.

<sup>360</sup>Keijzer N & Bartels L (2017) 1.

<sup>361</sup>Heron T & Murray-Evans P (2017) 7.

<sup>362</sup>Whiteman K (2017) 33.



integration of the ACP countries into the global market are expected to serve as instruments for development.<sup>363</sup>

Article 2 of the CPA Act affirmed that the implementation of the agreement shall be guided 'by the internationally agreed aid effectiveness agenda regarding ownership, alignment, harmonisation, results-oriented aid management and mutual accountability'<sup>364</sup>. This will be guided by the four fundamental principles of 'equality of partners and ownership of development strategies; participation of governmental and non-governmental actors; dialogue, mutual obligations and accountability and differentiation and regionalization in terms of partners' developmental needs and priorities.'<sup>365</sup>

A performance appraisal of the CPA shown that EU trade with ACP countries increase by about 60 per cent between 2005 and 2015, representing around five per cent of EU exports and imports.<sup>366</sup> The EU is now the primary market for the ACP exports accounting for about 28 per cent of the total exports from the ACP countries. The ACP countries in turn sources about 24 per cent of their imports from the EU.<sup>367</sup> However, primary commodities and natural resources still represent a large share of ACP-EU trade which show that the expected level of export diversification and value addition through rapid industrialisation is not realised.

### 3.7 Chapter Conclusions

It can be concluded from the analyses of trade data since inception of the selected AFTs that the initiatives have created significant opportunities for exports from SSA countries to the US and EU. However, this is still dominated by natural and primary products.<sup>368</sup> A sharp increase in export of apparels and textiles from 2003 was recorded due to more concession granted by AGOA from certain SSA countries.<sup>369</sup>

Overall, it could be concluded that the expected level of exports diversification has failed to materialise. As pointed out, much of the trade growth recorded in SSA has been driven by rising global demand for primary commodities.<sup>370</sup> Due to the vagary of commodity price,

---

<sup>363</sup>del Cristo Monagas M, Herrera C D W & Corral S (2015) 101..

<sup>364</sup>European Commission 'The cotton agreement and multiannual financial framework 2014–20' 2014 11 available at [http://www.europarl.europa.eu/intcoop/acp/03\\_01/pdf/mn3012634\\_en.pdf](http://www.europarl.europa.eu/intcoop/acp/03_01/pdf/mn3012634_en.pdf).

<sup>365</sup>European Commission (2014) 12.

<sup>366</sup>European Commission 'Economic partnership agreements (EPAs)' available at [http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc\\_155300.pdf](http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc_155300.pdf) (accessed 11 July 2017).

<sup>367</sup>European Commission 'Economic partnership agreements (EPAs)' European-Commission available at [http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc\\_155300.pdf](http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc_155300.pdf) (accessed 11 July 2017).

<sup>368</sup>Naumann E (2015)

<sup>369</sup>Tuigong D R & Kipkurgat T K 'Challenges and opportunities facing textile industries in Kenya in the wake of Africa growth and opportunity act' (2015) 3 (9) *International Journal* 221.

<sup>370</sup>UNCTAD (2008)

sustain export growth and economic development require that export base be diversified.<sup>371</sup> With a clement weather, the SSA has comparative advantage in agriculture. However, the sector has not benefited as expected from the AfTs, with agricultural commodities accounting for less than one per cent of aggregate goods exports to US market for instance. The trade distortion caused by the subsidies, which make the markets inaccessible for SSA agricultural products for instance cotton needs to be reviewed.

In the next chapter, the sectors with the best potential to improve Africa trade performance and hence benefits from the target trade facilitation framework will be discussed. It will conclude with the provisions within the WTO Agreements that the continent can invoke for protection against any retaliatory measures from its trading partners.



---

<sup>371</sup>Brenton P et al (2011)

## Framework for an Afrocentric Trade Facilitation

*'Agriculture is everyone's business ... it is a driver of growth whose leverage is now acknowledged by economists and politicians; it is the sector offering the greatest potential for poverty and inequality reduction ...'*

-- Ibrahim Assane Mayaki, CEO NEPAD Agency

---

### 4.1 Introduction

The preceding chapters highlighted the prevailing poor performance of Africa countries in regional and global trade and the fact that a fast and efficient customs and port procedures are essential for improvement. Overlapping and complex processes and documentation raise trade transaction costs, which ultimately is to the detriment of businesses, economies and consumers. The limited successes recorded with the trade facilitation measures implemented so far and as well as the various trade concessions and partnership agreements as regards increasing Africa countries share of the global market were also reviewed. This led to the argument that there is a need to recalibrate these strategies to boost intra-Africa trade in the short-term and on the longer-term integration of Africa into the global trade.

In this chapter, the economic sectors that offer best comparative advantage and opportunity cost for the implementation of the targeted trade facilitation measures to selectively boost intra-African trade are identified. The second part then identified the provisions in the WTO rules that can be used to design the legal framework for the Afrocentric trade facilitation measures. These are to selectively protect the champion industries and companies as long as legally permissible in the context of the multilateral trade agreements to grow into regionally and preferably globally competitive participants in the global value chain. By so doing, these

champion industries will be in the vanguard of boosting Africa trade in the international market.

## 4.2 Strategic sectors with potentials for exports diversification

In the previous chapter, it was argued that significant potential exist to improve volume of intra-Africa trade, but that the realisation is being hampered by poor infrastructure, inefficient customs procedure across the region, immigration policies, limited trade financing and investment opportunities among others. These together with low productivity, segmented economies and poor export diversification are responsible for the weak export capability and hence performance of the continent in the global market. It is imperative that the challenges of export supply constraints, export competitiveness and diversification is addressed. There is the need therefore to focus resources to improve infrastructure, harmonise macroeconomic policies, enhances trade enabling institutions and trade-related capacities on sub-regional basis. Cost of trade transaction had been argued to be a more critical obstacle to trade development than trade policies.<sup>372</sup>

The imperativeness of a well-developed and adequate infrastructure across the continent needs not be overstressed. A good road network, for instance, will reduce time and costs of transportation of agricultural and mineral products and reduce wastages (of perishable products). Investment in energy infrastructure will solve the problem of recurring power outage and make power widely available and affordable which is essential for development of agriculture and agro-allied, manufacturing and other industries. Thus, there is the motivation to develop and institutionalise trade facilitation protocols that will lower cost of trading and rapidly boost Africa participation in the global value chain. This will be achieved by targeted investments in the development of regional infrastructure and to develop manufacturing competitiveness in selected industries with highest potential to evolve into global competitive edges.

Africa is second only to Asia as the world's most populous continent with the SSA population alone projected to tripled about four billion by 2100 from the current figure of 800 million.<sup>373</sup> The continent is at the same time undergoing a demographic transition,<sup>374</sup> with more than half of the population under 25 years, and projected to increase by half a million every year

---

<sup>372</sup>Geda A & Seid E H 'The potential for internal trade and regional integration in Africa' (2015) 2 (1) *Journal of African Trade* 1.

<sup>373</sup>IMF 'Regional economic outlook: Sub-saharan Africa: Navigating headwinds' 2015 *World Economic and Financial Surveys* 26 available at [https://www.imf.org/~media/Websites/IMF/imported-flagship-issues/external/pubs/ft/reo/2015/afr/eng/pdf/\\_sreo0415pdf.ashx](https://www.imf.org/~media/Websites/IMF/imported-flagship-issues/external/pubs/ft/reo/2015/afr/eng/pdf/_sreo0415pdf.ashx).

<sup>374</sup>IMF (2015) 26.

up till 2035.<sup>375</sup> IMF projected that by 2035, the SSA will be contributing the bulk of the global labour force, with the number of Africans joining the working age population exceeding that from the rest of the world combined by 2035.<sup>376</sup> This will require the creation of an average of 18 million jobs per year<sup>377</sup> not only to absorb this growing labour force but also to turn the demography into an asset. This demographic shift has been aptly described as an unprecedented opportunity, with the growing population becoming an asset as producers and consumers in the global market.<sup>378</sup> The approach this mini-thesis is suggesting will let the sub-region benefit from this significant demographic advantage. The trade reciprocity at sub-regionals level being proposed is actually an imports substitution strategy. This is to harness the relative comparative advantage of each sub-region or country that have the best potential to replace the current exporters to the continent and twinning with the importing countries/regions on a reciprocity basis.

A number of studies, for instance Geda and Seid have shown that there is a poor complementarity between the imports of Africa countries and the exports of the top Africa exporters.<sup>379</sup> It was argued that Egypt, South Africa, Cameroon, Nigeria, and Algeria have the potential to supply the imported products of majority of countries in the continent, that is, replace the foreign exporters. A large number of imported agricultural products are produced on the continent.<sup>380</sup> For instance, South Africa exports raw and processed non-tropical fruits while importing tropical and other fruits; West Africa countries in direct opposite exports tropical fruits while importing non-tropical fruits and vegetables. Therefore, the focus and scope of any industrialisation strategy must be the regional. Also, this should be limited (in the short to medium-term) to sectors that will add values to the primary products currently being exported raw for exports substitution to boost regional trading.

A 2015 IMF report identified the sectors that best potential to promote intra-African trade as the manufacturing, agriculture and agro-business, tourism, and transport sectors.<sup>381</sup> Based on this and similar conclusions by other authors, the sectors that were identified to be critical to the continents economy and which have the biggest potentials for value creations are identified as agriculture, power generation and transmission, transport networks and the energy and fuels sectors. In this mini-thesis, only a number of these sectors will be critique.

---

<sup>375</sup>Filmer D & Fox L *Youth employment in sub-saharan Africa* (2014) 2 available at <https://openknowledge.worldbank.org/bitstream/handle/10986/16608/9781464801075.pdf?sequence=1&isAllowed=y>.

<sup>376</sup>IMF (2015) 25.

<sup>377</sup>IMF (2015) 26.

<sup>378</sup>Filmer D & Fox L (2014) 2.

<sup>379</sup>Geda A & Seid E H (2015) 31.

<sup>380</sup>Viljoen W 'The face of african agriculture trade' available at <https://www.tralac.org/discussions/article/11629-the-face-of-african-agriculture-trade.html> (accessed 10 Januray 2018).

<sup>381</sup>IMF (2015) x.



### 4.2.1 Agriculture

The Africa continent is unarguably agriculture resources-rich. With a land mass of about 30 million square kilometer, Africa is the second largest continent.<sup>382</sup> The SSA alone account for 25 per cent of the world total of four billion hectares.<sup>383</sup> The sub-region also holds about 60 per cent of the world total uncultivated arable land.<sup>384</sup> The FAO reported that about 874 million hectares, that is more than 85 per cent of SSA surface area is fertile and suitable for crop farming.<sup>385</sup> With these vast arable lands, fresh water resources, and an overall good climate, together with the huge and growing population, the SSA has a substantial albeit untapped comparative advantage in agriculture.

Across the continent, there is generally very poor value addition and infact it declined from around 34 per cent in 1965 to 20 per cent in 2010, with the result that the share of Africa in world agricultural exports declined from eight per cent in 1980 to around three per cent in 2000.<sup>386</sup> Ironically, the continent recorded the highest growth in agricultural population, standing at two per cent compare to the global average rate of about 0.3 per cent in 2013.<sup>387</sup> While the agricultural population is declining in the developed world, in Africa the reverse is the case.<sup>388</sup> The figure which stood at 530 million in 2013 is expected to exceed 580 million by 2020.<sup>389</sup>

Also, productivity in the sector has generally stagnated due to the generally low technological input, poor storage and transport infrastructure and inadequate legal and regulatory framework in most Africa countries. The low productivity was also attributed to the high dependency on natural rains, with irrigated farmland accounting for just three per cent of all cultivated land,<sup>390</sup> compared to 14 and 37 per cent in Latin America and Asia respectively.<sup>391</sup> It is underlined in the background to the Comprehensive Africa Agriculture Development

---

<sup>382</sup>World Atlas 'The countries of Africa by size' available at <http://www.worldatlas.com/articles/the-countries-of-africa-by-size.html> (accessed 24 September 2017).

<sup>383</sup>Guillou M & Matheron G *The world's challenge: Feeding 9 billion people* ed (2011) 111.

<sup>384</sup>Jayne T S, Chapoto A, Sitko N, *et al.* 'Is the scramble for land in africa foreclosing a smallholder agricultural expansion strategy?' (2014) **67** (2) *Journal of International Affairs* 35.

<sup>385</sup>FAO 'Extending the area under sustainable land management and reliable water control systems' in New Partnership for Africa's Development (NEPAD) Comprehensive Africa Agriculture Development Programme (CAADP) (2002) 459 available at [http://www.fao.org/docrep/005/y6831e/y6831e-03.htm#P442\\_104688](http://www.fao.org/docrep/005/y6831e/y6831e-03.htm#P442_104688) (accessed 24 September 2017).

<sup>386</sup>NEPAD 'African agriculture, transformation and outlook' 2013 8 available at <http://www.nepad.org/download/file/fid/4967>.

<sup>387</sup>NEPAD (2013) 9.

<sup>388</sup>World Economic Forum (WEF) 'The Africa competitiveness report 2017: Addressing africa's demographic dividend.' 2017 47 available at [http://www3.weforum.org/docs/WEF\\_ACR\\_2017.pdf](http://www3.weforum.org/docs/WEF_ACR_2017.pdf).

<sup>389</sup>NEPAD (2013) 15.

<sup>390</sup>Amjath-Babu T, Krupnik T J, Kaechele H, *et al.* 'Transitioning to groundwater irrigated intensified agriculture in sub-saharan Africa: An indicator based assessment' (2016) **168** *Agricultural Water Management* 125.

<sup>391</sup>IFPRI 'Irrigating Africa - ifpri study examines the dimensions of africa's irrigation problem ' available at <http://www.ifpri.org/blog/irrigating-africa> (accessed 2 February 2017).

Programme (CAADP), that the expected economic growth in Africa could only be realised if there is a significant increase in farm production and productivity.<sup>392</sup> There is the need to lower the volume and hence cost of food imports and to provide raw materials for local industry.

Africa that used to be self-sufficient in the 1960s and even export food items has become a net importer of staple food items,<sup>393</sup> even of those that are produce locally. Expenditure on food items account for a disproportionate percentage of consumer expenditures in Africa.<sup>394</sup> This has caused a steady rise in expenditure on agricultural imports, from around US\$ 17 billion in 2001, the figure stood at US\$ 61 billion in 2016.<sup>395</sup> The cost of foods imports currently is nearly double the revenue obtained from agricultural of exports.<sup>396</sup> Therefore, a slight increase in food price in the global market will result in inflation on the continent.<sup>397</sup>

The persistent rise in global food price couple with the growing demand for food due to population and income growth present a growing domestic, regional and global market.<sup>398</sup> The global food demand was estimated at \$313 billion and is growing.<sup>399</sup> Recognizing this opportunity, the African Union 10 years ago decided to make agriculture one of the pillars of the New Partnership for African Development initiatives.<sup>400</sup> The continent is endowed with enough resources not only to produce enough food to eliminate food insecurity but to also become a net food exporter. The agricultural and allied sector undoubtedly presents a huge potential to develop a global competitiveness in production and export of processed foods. Hence, agriculture has been touted as a driver for economic transformation via industrialisation in Africa.<sup>401</sup> This is becoming increasingly important by the sustained rising price for agricultural commodities and food products globally.<sup>402</sup>

The agriculture sector offers a huge opportunity to drive sub-Saharan Africa's economic growth particularly to boost intra-Africa trade. The millions of tonnes of sugar being

---

<sup>392</sup>NEPAD 'Comprehensive Africa agriculture development programme (caadp)' available at <http://www.nepad.org/programme/comprehensive-africa-agriculture-development-programme-caadp> (accessed 2 February 2018).

<sup>393</sup>van Weezel S 'Food imports, international prices, and violence in Africa' (2016) **68** (3) *Oxford Economic Papers* 759.

<sup>394</sup>NEPAD (2013) 8.

<sup>395</sup>Viljoen W Trade Law Centre available at <https://www.tralac.org/discussions/article/11629-the-face-of-african-agriculture-trade.html> (accessed 10 Januray 2018).

<sup>396</sup>van Weezel S (2016) 759.

<sup>397</sup>van Weezel S (2016) 759.

<sup>398</sup>Filmer D & Fox L (2014) 11.

<sup>399</sup>NEPAD (2013) 19.

<sup>400</sup>NEPAD 'Comprehensive Africa agriculture development programme (caadp)' New Partnership for African Development (NEPAD) available at <http://www.nepad.org/programme/comprehensive-africa-agriculture-development-programme-caadp> (accessed 2 February 2018).

<sup>401</sup>NEPAD (2013) 15.

<sup>402</sup>Filmer D & Fox L (2014) 2.

imported by Africa countries from Europe present intra-Africa trade export markets potential for African exporters like Malawi, Zambia and Mozambique.<sup>403</sup> There is a need therefore to put in place legal and policy measures to stop importation of primary products that can be supplied by African countries. Also, the low level of value addition must be corrected by discouraging exportation of primary products while frameworks are in place to incentivise processing of agricultural products for exportation.

It is necessary therefore to develop more commercial farms and products processing industries. For instance, industries should be set-up to be processing of raw cocoa beans into cocoa powder and butter for exportation instead of exporting raw cocoa; fruit juice and concentrate instead of raw fruits and so on. These are items currently being imported into Africa. South Africa companies should meet the market in West and East Africa for apples and non-tropical fruits and vegetables. Tea and coffee demand should be met by Africa producers like South Africa, Ethiopia and Kenya. Agribusiness that is labour intensive will create massive job opportunities, wealth creation and solve urban migration problem.

#### 4.2.2 Power

Sufficient power infrastructure is as an essential driver for economic growth and job creation. A sustained economic development will only be achieved if there is ease access to modern, reliable and efficient energy services.<sup>404</sup> The necessity of available and reliable electricity supply for economic growth is not in doubt. However, the power sector is significantly underdeveloped across the continent, from generation, transmission to energy access and overall consumption. The sector is bedevilled with insufficient capacity, low access, poor reliability and high costs.<sup>405</sup> This without doubt will hinders Africa's long term economic growth and its global competitiveness.

The poor power infrastructure without doubt will affect the much needed growth of manufacturing capability as well as competitiveness of the manufacturing industries, as production cost is related to availability and cost of power. Adequate power infrastructure is essential for the continent to be economically and trade competitive in the global market.

<sup>403</sup>CAFOD 'Submission to the defra consultation on sugar reform' 2004 *Action Aid 3* available at <http://www.cafod.org.uk/var/storage/original/application/php0s6Mes.pdf>.

<sup>404</sup>Castellano A, Kendall A, Nikomarov M, *et al.* 'Brighter Africa - the growth potential of the sub-saharan electricity sector' 2015 8 available at <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/east%20africa%20the%20next%20hub%20for%20apparel%20sourcing/brighter%20africa%20the%20growth%20potential%20of%20the%20sub%20saharan%20electricity%20sector.ashx>.

<sup>405</sup>World Bank 'Fact sheet: The world bank and energy in Africa' available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).

Hence, the poor electricity access has been described as one of the biggest barriers to economic growth and development in Africa.<sup>406</sup>

SSA has the worst level of electricity access in the world and the lowest in developing countries, with only 24 per cent of the population having access to electricity<sup>407</sup> compare to 40 per cent in other low income countries.<sup>408</sup> The region account for 48 per cent of the global population without access to electricity.<sup>409</sup> More than 600 million people out of a total population of 860 million on the continent are still without access to steady supply of electricity.<sup>410</sup> The total installed electricity generation capacity of the SSA is 91 Gigawatts<sup>411</sup> and if South Africa is excluded only 28 Gigawatts, equivalent to that of Argentina.<sup>412</sup> This translated to a meagre 0.1 kW per capita compare 1.0 to 3.3 kW per capita in developed countries.<sup>413</sup>

Power per capita energy consumption is used to measure the level of development of a nation.<sup>414</sup> Africa has 16 per cent of the global population, but consumes only 3.3 per cent of its primary energy.<sup>415</sup> The average per capita power consumption in SSA about 488 kWh a year is the lowest in the world,<sup>416</sup> compare to 2 500 kWh in Brazil.<sup>417</sup> Figure 4.1 show that economic development is directly linked to power consumption. About 30 countries in SSA still experience chronic power shortages, with about 25 per cent of the generated energy unavailable at any given time.<sup>418</sup> A manufacturing enterprise in the region experiences power outages for 56 days per year<sup>419</sup> resulting in a loss of 6 per cent of sales revenue.<sup>420</sup> The figure

---

<sup>406</sup>Panos E, Turton H, Densing M, *et al.* 'Powering the growth of sub-saharan Africa: The jazz and symphony scenarios of world energy council' (2015) 26 (Supplement C) *Energy for Sustainable Development* 15.

<sup>407</sup>Othieno H & Awange J *Energy resources in Africa: Distribution, opportunities and challenges* ed (2016) 24.

<sup>408</sup>World Bank 'Fact sheet: The world bank and energy in Africa' The World Bank available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).

<sup>409</sup>Castellano A, Kendall A, Nikomarov M, *et al.* (2015) 6.

<sup>410</sup>OPIC (Overseas Private Investment Corporation) 'Opic mobilizes private capital to help solve critical development challenges' available at <https://www.opic.gov/who-we-are/overview> (accessed 14 June 2017).

<sup>411</sup>Panos E, Turton H, Densing M, *et al.* (2015) 14.

<sup>412</sup>World Bank 'Fact sheet: The world bank and energy in Africa' The World Bank available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).

<sup>413</sup>Avila N, Carvallo, J. P., Shaw, B. and Kammen, D. M 'The energy challenge in sub-saharan Africa: A guide for advocates and policy makers: Part 1: Generating energy for sustainable and equitable development.' 2017 *Oxfam Research Backgrounder series* 8 available at <https://www.oxfamamerica.org/static/media/files/oxfam-RAEL-energySSA-pt1.pdf>.

<sup>414</sup>Othieno H & Awange J (2016) 1.

<sup>415</sup>Kambanda C 'Atlas of energy resources of Africa' 2016 13 available at [https://au.int/sites/default/files/documents/32251-doc-ica\\_africa\\_energy\\_atlas\\_stc.pdf](https://au.int/sites/default/files/documents/32251-doc-ica_africa_energy_atlas_stc.pdf).

<sup>416</sup>Avila N, Carvallo, J. P., Shaw, B. and Kammen, D. M (2017) 24.

<sup>417</sup>Castellano A, Kendall A, Nikomarov M, *et al.* (2015) 7.

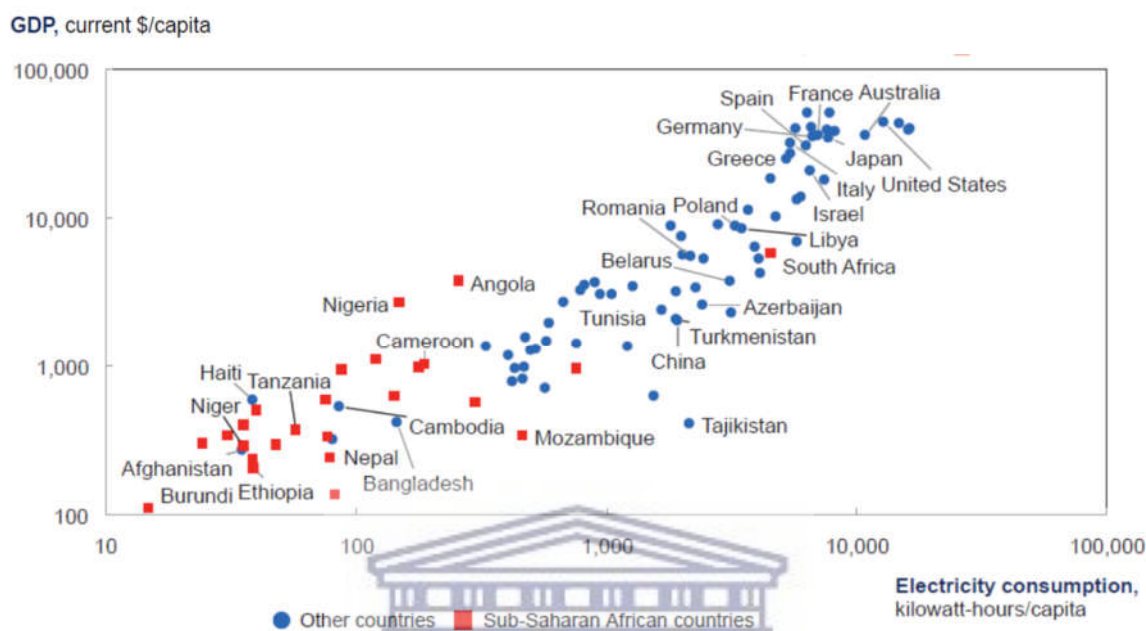
<sup>418</sup>Panos E, Turton H, Densing M, *et al.* (2015) 15.

<sup>419</sup>Othieno H & Awange J (2016) 24.

<sup>420</sup>World Bank 'Fact sheet: The world bank and energy in Africa' The World Bank available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).



is as high as 144 in Burundi and 63 days in Tanzania.<sup>421</sup> The cost of this power outage to the economy has been estimated at 2.1 per cent of GDP on average.<sup>422</sup>



**Figure 4.1:** Relationship between electricity consumption and economic growth  
Source: International Energy Statistics, US Energy Information Administration, 2013<sup>423</sup>

There is also the issue of high cost of energy with electricity costing more in Africa than in other parts of the world. In the SSA electricity cost about US\$0.13 per kWh.<sup>424</sup> Energy is much more affordable in most parts of the developing world costing below US\$0.08 per kWh.<sup>425</sup> According to the International Energy Agency, electricity demand in the region grew by about 35 per cent from 2000 to 2012 to reach 352 TWh. It is forecasted that SSA energy demand would grow at between four per cent<sup>426</sup> and four and half per cent<sup>427</sup> every year to peak at 1600 terawatt-hours by 2040 due to increasing industrial and residential demand. This will represent a fourfold increase of the current power consumption.

<sup>421</sup>Othieno H & Awange J (2016) 24.

<sup>422</sup>World Bank 'Fact sheet: The world bank and energy in Africa' The World Bank available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).

<sup>423</sup>[https://www.eia.gov/outlooks/ieo/pdf/0484\(2013\).pdf](https://www.eia.gov/outlooks/ieo/pdf/0484(2013).pdf)

<sup>424</sup>Othieno H & Awange J (2016) 24.

<sup>425</sup>World Bank 'Fact sheet: The world bank and energy in Africa' The World Bank available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).

<sup>426</sup>Avila N, Carvallo, J. P., Shaw, B. and Kammen, D. M (2017) 25.

<sup>427</sup>Castellano A, Kendall A, Nikomarov M, *et al.* (2015) 10.



Ironically, Africa has a vast and diverse reserve of energy resources to meet the fast growing energy demands but these largely remains unexploited.<sup>428</sup> Only a small percentage of the available energy resources has been exploited, less than seven per cent of the hydroelectric and less than one per cent of the geothermal resources.<sup>429</sup> The continent has a vast reserve of fossil fuels to power thermal plants, uranium deposit to fuel nuclear plants as well as renewable energy resources including solar, wind, hydro and biomass. As reported by Castellano, the continent holds 3.6 per cent, 7.5 per cent and 7.6 per cent of the global reserves of coal, natural gas and oil respectively.<sup>430</sup> These are enough to generate a staggering 10 terawatts of power.

These resources are well spread across the sub-regions and countries, with each of the sub-region blessed with a form or more of energy resources. Castellano argued that the Central and Southern Africa sub-regions offers the best potential for power generation from mostly hydropower, coal, and natural gas.<sup>431</sup> The power sector in North and West Africa is dominated by fossil fuel fired plants due to the preponderance of oil and gas reserves. In Central and Eastern Africa, the bulk of power generation is from hydroelectric plants, supplemented with geothermal and biomass based resources. The availability of cheap coal make it the dominant resources for power generation in the Southern Africa, with the exception of petroleum-rich Angola.

As aptly surmised by Castellano, this regional comparative advantages as regards reserve of energy resources make a case for regional collaboration in the sector. Moreso, as the regions with biggest resources do not have the finance to exploit it and those with existing generation potential do not have the fastest growing demand. For instance a regional collaboration to complete the Grand Inga hydroplant in Democratic Republic of Congo (DRC) will allow South Africa to save 40 million tons of CO<sub>2</sub> annually its coal power plants.<sup>432</sup> Another reason that makes regional approach towards solving the problem of easily accessible, constantly available and generally affordable electricity is the huge investment level required. A conservative estimate has put the capital outlay required around \$547 billion by 2030.<sup>433</sup> This translate to an annual commitment of on the average \$27 billion, an amount that is without argument too high for most African countries to afford, the author concluded.

---

<sup>428</sup>Taliois C, Shivakumar A, Ramos E, *et al.* 'An indicative analysis of investment opportunities in the african electricity supply sector — using tembera (the electricity model base for Africa)' (2016) 31 (Supplement C) *Energy for Sustainable Development*..

<sup>429</sup>Avila N, Carvallo, J. P., Shaw, B. and Kammen, D. M (2017) 24.

<sup>430</sup>Castellano A, Kendall A, Nikomarov M, *et al.* (2015) 10.

<sup>431</sup>Castellano A, Kendall A, Nikomarov M, *et al.* (2015) 12.

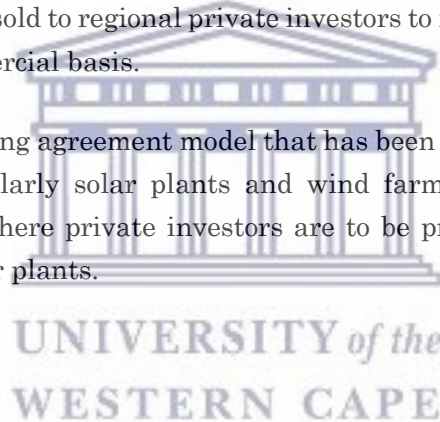
<sup>432</sup>Othieno H & Awange J (2016) 25.

<sup>433</sup>Othieno H & Awange J (2016) 25.

With this in mind, this mini-thesis is proposing the setting up and incubation of regional power companies in each sub-region to be owned by government (that is regional state-owned enterprises, SOEs) and private investors.

#### 4.2.2.1 Southern Africa

- Grand Inga Power to operate the Inga Dam hydropower plant in DRC to be jointly owned and financed by the SADC member states and selected private investors from the sub-region with equity/stakes shared mutually to power the SADC region. The massive Grand Inga Dam hydroelectric project as pointed earlier will cause a saving of \$32 billion as well as 63 megatons in carbon emissions annually.
- Thermal power plants in Angola and Mozambique to harness the natural gas resources in these countries (which is currently being flared in Angola) to produce electricity. A SOE is proposed due to the huge capital outlay for such mega-projects and the need to make the power affordable in the short run rather than profit-driven. Once fully operational, majority equity may be sold to regional private investors to make the plants more efficient and operate on a commercial basis.
- Also the power purchasing agreement model that has been used to develop the renewable power industry particularly solar plants and wind farms in South Africa should be extended to Namibia where private investors are to be provided incentives to own the renewable energy power plants.



#### 4.2.2.2 West Africa

South African Eskom with its operational experience in nuclear power plants should enter into partnership with the ECOWAS to assist with the development, construction and operation of nuclear power plants in Nigeria and Niger. These countries have huge deposit of uranium.

Nigeria, Equatorial Guinea, Sao Tome and Principe, Ghana and now Ivory Coast have huge natural gas reserves and hence should invest also in regional owned power companies to build natural-gas fired thermal plants to make use of the natural gas being flared to produce power. With tropical weather and abundant fresh water and biomass, renewable power plants will be ideal too.

In summary, it is proposed that Western Power Company – a SOE power utilities company jointly own by ECOWAS member states to build and operate thermal, hydro and nuclear power plants should be established.

#### 4.2.2.3 East and Central Africa

In this sub-region, surplus power from Inga Dam should be bought by the region SOE power company. While private investors are provided incentives to build solar plants and wind farms.

#### 4.2.2.4 North Africa

In North Africa, gas-fired plants and renewable plants will be most suitable; hence SOEs and private power companies should be regionally set-up.

### 4.2.3 Transportation sector

With a large population and large geographical area there is an absolute need for modern transportation infrastructure to allow for easy and cost effective movements of goods and people across the continent. The very poor state of transportation infrastructure in most SSA is one of the largest constraints for trade. A study conducted by USAID in 2001 found that an average sugar exporters in Southern African expended 20 per cent of their revenue on transportation and related expenses, with Malawi spending as much as 56 per cent.<sup>434</sup> It is believe that the situation is still the same presently.

Transportation infrastructure by lowering trade costs boost trade will promote economic growth. The recent growth in many African economies would have been faster and higher if there are better transport infrastructure in those countries.<sup>435</sup> Modern and well connected transport infrastructure will facilitate enhanced regional and international trade by lowering cost of transacting trade and make African nations more competitive. There is need for road network to link rural areas across the regions and modern air transport and port facilities to ease trading. It was reported that one day reduction in inland travel times will cause seven per cent increase in exports.<sup>436</sup> There is therefore the need to facilitate connectivity of the African transport system to achieve transport efficiency required for an enduring exports growth.<sup>437</sup>

---

<sup>434</sup>Boado L S 'Effects of the 'everything but arms' initiative on the sugar industries of the least developed countries' 2005 UNCTAD/DITC/COM/2004/6 32 available at [http://unctad.org/en/docs/ditcom20046\\_en.pdf](http://unctad.org/en/docs/ditcom20046_en.pdf).

<sup>435</sup>Ashurst 'Road infrastructure in Africa' available at <https://www.ashurst.com/en/news-and-insights/insights/road-infrastructure-in-africa/> (accessed 11 November 2017).

<sup>436</sup>Pieterse D, Farole T, Odendaal M, *et al.* 'Supporting export competitiveness through port and rail network reforms: A case study of South Africa' 2016 *Policy Research Working Paper* WPS 7532 3 available at <http://documents.worldbank.org/curated/en/826871468000289228/pdf/WPS7532.pdf>.

<sup>437</sup>Adamatzky A & Kayem A 'Trans-african highways' in *Bioevaluation of world transport networks* (2013) 19.

### 4.2.3.1 Air Transport Sector

The continent has many big cities and urban centers in all regions and a high rate of urbanisation. A very large and fast growing population but with a large geographical area make Africa overall still sparsely populated. Also, there are 2 900 airports dispersed across the African continent, but only a fraction is being efficiently utilized.<sup>438</sup> This presents a huge potential for viable regional commercial airlines.<sup>439</sup> A growth of the aviation industry in Africa offers significant potential for economic development. Though it has recorded rapid growth, Africa's share of the global air transport still remains insignificant. Currently, the continent accounted for a meagre four per cent and two per cent of global revenue passenger kilometre and global airport income respectively<sup>440</sup>; and about one per cent of the global cargo airfreighting.<sup>441</sup> Njoya opined that the absence of regional hub airports in Africa is partly responsible for the low traffic volume and restrictive policies.<sup>442</sup>

It is common for a passenger to fly through a third country often outside Africa when flying to another Africa country because of absence or high cost of direct flight. For instance, a flight from Algeria to Cameroon that should take four hours currently takes 24 hours on Turkish Airline.<sup>443</sup> It is cheaper to fly to Europe than to a much closer Africa country due to the various taxes and overfly charges. The flight from Algeria to Cameroon via Istanbul costs 80 per cent more than the trip from London to Athens.<sup>444</sup> The unprogressive fiscal policies for air transport in most African countries may be responsible for the uncompetitive air transport cost structure in Africa. The passenger charges at many airports in Africa for instance is as high as \$120 compared to a global average of \$25.<sup>445</sup>

Though the continent has witnessed rapid growth in both local and international passenger air traffic, the aviation industry is dominated by foreign airlines, operating more than 80 per cent of traffic between Africa and the rest of the world.<sup>446</sup> The few African airlines are fledgling, except for Ethiopian Airline that recently declared a profit.<sup>447</sup> South African Airways has

---

<sup>438</sup>Njoya E & Christidis P 'Potential impacts of liberalisation of the EU-Africa aviation market' 2017 3 available at <https://core.ac.uk/download/pdf/84886667.pdf>.

<sup>439</sup>ICA 'Transport' available at <https://www.icafrica.org/en/topics-programmes/transport/> (accessed 17 November 2017).

<sup>440</sup>Brown V 'The road to Yamoussoukro' (2017) 1 (1) *Journal of Comparative Urban Law and Policy* 229.

<sup>441</sup>Njoya E T 'Africa's single aviation market: The progress so far' (2016) 50 *Journal of Transport Geography* 4.

<sup>442</sup>Njoya E & Christidis P (2017) 3.

<sup>443</sup>Brown V (2017) 234.

<sup>444</sup>Brown V (2017) 235.

<sup>445</sup>Shaw-Smith P 'Africa demands progress on African open skies liberalization' available at <https://www.ainonline.com/aviation-news/air-transport/2017-03-06/africa-demands-progress-african-open-skies-liberalization> (accessed 15 November 2017).

<sup>446</sup>Njoya E T (2016) 4.

<sup>447</sup>ECDPM (2003)

been surviving on government bailout. Kenya Airways recorded a record loss in 2016 while EgyptAir has lost a total of \$14 billion in the past six years.<sup>448</sup>

It can be argued that a comprehensive liberalisation of the continent aviation industry will leads to greater efficiency and competition and hence lower airfare. But the continent 54 segregated and essentially closed national air transport markets and the huge disparities in market size will limit the potential benefits of any liberalisation measure.<sup>449</sup> The author further argued that the regulatory policy that imposes limits on trans-national ownership and control of airlines constitute another constraint. An integration of the aviation industry based on a common regulatory and fiscal approach will therefore be a powerful driver of air transport growth in Africa. A pointer to the potential benefits is the about 70 per cent and 40 per cent growth in passengers recorded by Kenyan and Zambia airlines and more than 40 per cent fall in airfare, when South Africa signed a bilateral agreement to permit both airlines to enter its market.<sup>450</sup>

To realise the quest for a single Africa aviation market, 44 African countries in November 1999 adopted the Yamoussoukro Declaration which called for an open skies air transport policy across the continent.<sup>451</sup> An open-sky treaty allows the carriers of two or more nations to operate any route between the countries without restrictions on capacity, frequency or price, and to have the right to 'operate 5<sup>th</sup> and 6<sup>th</sup> freedom services'.<sup>452</sup> However a full implementation of the Yamoussoukro Decision is being hampered by the absence of 'regulatory instruments, rules and procedures on competition, aligned consumer protection regulations and dispute settlement mechanisms'.<sup>453</sup>

The Single African Air Transport Market policy, the African Union Agenda 2063 flagship project, adopted in January 2015 at the African Union's 24<sup>th</sup> Assembly of Head of States and Government, seeks to create an Africa single air akin to the European Union's single aviation market and is expected to connect Africa through aviation.<sup>454</sup> To be launched at the January

---

<sup>448</sup>Routes News 'Will a single african sky become a reality in 2017?' available at <https://www.routesonline.com/news/29/breaking-news/272478/will-a-single-african-sky-become-a-reality-in-2017/> (accessed 26 March 2018).Routes News 'Will a single african sky become a reality in 2017?' available at <https://www.routesonline.com/news/29/breaking-news/272478/will-a-single-african-sky-become-a-reality-in-2017/> (accessed 26 March 2018).Routes News Route News available at <https://www.routesonline.com/news/29/breaking-news/272478/will-a-single-african-sky-become-a-reality-in-2017/> (accessed 26 March 2018).

<sup>449</sup>Njoya E & Christidis P (2017) 8.

<sup>450</sup>Brown V (2017) 235.

<sup>451</sup>Brown V (2017) 229.

<sup>452</sup>Njoya E T (2016) 5.

<sup>453</sup>Brown V (2017) 232.

<sup>454</sup>TRALAC 'Establishment of a single african air transport market: Ministerial working group experts' meeting' available at <https://www.tralac.org/news/article/12254-establishment-of-a-single-african-air-transport-market-ministerial-working-group-experts-meeting.html> (accessed 10 November 2017).



2018 African Union Summit, the agreement currently have twenty-two countries as signatories.

This mini-thesis therefore propose that the target of any legal framework to accelerate the implementation of the open-sky policy must be to facilitate the establishment of regional airlines that are commercially viable. This work agreed with the study that suggested that the presence of low cost carriers will increase air passengers flow.<sup>455</sup> Hence it is proposed that the existing airlines be merged to form four regional airlines:

- a) Southern Africa Airline
- b) East Africa Airline
- c) West Africa Airline and
- d) North Africa Airline

All the countries in each of the region should own a stake in the new airlines as mutually agreed. These airlines must be made to enjoy the open-sky agreement and should prioritise regional routes to aid intra Africa trade. Regulatory and fiscal policies must be put in place to promote cooperation rather than competition between these regional airlines during the incubating period.

#### 4.2.3.2 Road and rail transport

The SSA road network is very much underdeveloped with the cost of transport being highest in the region compared with other major regions of the world.<sup>456</sup> This is due to the low population density across the sub-region because of the size relative to the population, poor road networks and limited access roads.<sup>457</sup> A huge investment is required to develop the SSA road networks particularly the agricultural and mining transport road network to link the rural areas to the urban centers. A substantial investment in road networks will cause a significant improvement in trade.<sup>458</sup> The report stated that a \$32 billion investment Africa's road infrastructure will result in the value of trade in Africa reaching US\$250 billion. Past investment in railroads had resulted in increase in the level of economic activity.<sup>459</sup> However, substantial investment have not been made in road construction in post-independence SSA.<sup>460</sup>

<sup>455</sup>Zhang Y, Lin F & Zhang A 'Gravity models in air transport research: A survey and an application' (2016) 1.

<sup>456</sup>Storeygard A 'Farther on down the road: Transport costs, trade and urban growth in sub-saharan Africa' (2016) **83** (3) *The Review of Economic Studies* 1263.

<sup>457</sup>Storeygard A (2016) 1263.

<sup>458</sup>Highways W 'Road transport key to africa's trade links' available at <http://www.worldhighways.com/sections/world-reports/features/road-transport-key-to-africas-trade-links/> (accessed 15 November 2017).

<sup>459</sup>Jedwab R & Moradi A 'The permanent effects of transportation revolutions in poor countries: Evidence from Africa' (2016) **98** (2) *Review of economics and statistics* 269.

<sup>460</sup>Storeygard A (2016) 1265.

A 2010 World Bank study reported that about \$7 billion was invested per year on roads in SSA<sup>461</sup> compared to the \$45 billion per year between 2000 and 2005 invested by China on highways alone.<sup>462</sup> The SSA has an average of 204 kilometres of roads per 1 000 square kilometres compare to a global average of 944 kilometres per 1 000 square kilometres.<sup>463</sup> Out of these, only 204 kilometers, around 25 per cent, are paved, a half of the 50 per cent that obtains elsewhere.<sup>464</sup> Though road transportation account for more than 90 per cent of traffic, less than 20 per cent of the continent two million kilometres of roads is paved.<sup>465</sup> With traffic injury fatality rate of 32 death per 100 000 inhabitants,<sup>466</sup> Africa roads rank as the most dangerous in the world. It was estimated that between 60 000 and 100 000 kilometres of roads are required to better connect the major urban and industrial centres across the continent.<sup>467</sup> The continental highways will grant the continent 15 landlocked countries ease access to seaports.<sup>468</sup> An overhauling and modernisation of Africa road and rail transport system is therefore imperative to facilitate internal trade.

There are little efforts towards cooperation in regional road building in Africa because of border restrictions to protect internal trade. It is for this reason that efforts must be increased to ensure the completion of the ongoing and planned international corridors. The Trans-African Corridors a network of nine highways totalling 66,683 km running through most part of the continent<sup>469</sup> is being funded by UNECA, AfDB, African Union and some international organisations.<sup>470</sup> These highways are envisaged to promote trade by easing transportation of goods across the continent. For this to happen, the cooperation on the corridor project should evolve transnational highways over which regulations and practices are simplified and unified to significantly lower cost of transacting trade. This will be consequent upon the reduction in delays currently being experienced to move goods and travellers across national borders.

---

<sup>461</sup>Storeygard A (2016) 1264.

<sup>462</sup>Storeygard A (2016) 1284.

<sup>463</sup>Coghlan A 'Africa's road-building frenzy will transform continent' available at <https://www.newscientist.com/article/mg22129512-800-africas-road-building-frenzy-will-transform-continent/> (accessed 25 November 2017).

<sup>464</sup>Ashurst Africa Energy Forum 2016 available at <https://www.ashurst.com/en/news-and-insights/insights/road-infrastructure-in-africa/> (accessed 11 November 2017).

<sup>465</sup>Adamatzky A & Kayem A (2013) 19.

<sup>466</sup>Ashurst Africa Energy Forum 2016 available at <https://www.ashurst.com/en/news-and-insights/insights/road-infrastructure-in-africa/> (accessed 11 November 2017).

<sup>467</sup>Ashurst Africa Energy Forum 2016 available at <https://www.ashurst.com/en/news-and-insights/insights/road-infrastructure-in-africa/> (accessed 11 November 2017).

<sup>468</sup>Adamatzky A & Kayem A (2013) 19.

<sup>469</sup>Coghlan A New Scientist available at <https://www.newscientist.com/article/mg22129512-800-africas-road-building-frenzy-will-transform-continent/> (accessed 25 November 2017).

<sup>470</sup>Coghlan A New Scientist available at <https://www.newscientist.com/article/mg22129512-800-africas-road-building-frenzy-will-transform-continent/> (accessed 25 November 2017).

Africa **rail transportation** similar to the road networks is also under developed. Most railway networks in Africa were originally constructed to facilitate raw materials transportation and hence therefore had relatively few feeder lines to link local markets and spur regional economic development.<sup>471</sup> Due to the typical long distance between regional cities, an integrated rail links across the continent will go a long way in spurring economic growth. Particularly to transit a large passengers and for freighting cargo from the far flung rural areas where the bulk of agriculture and mining activities are located to the cities and ports. This will lower the cost and time of freighting and thus promote intra-Africa trade. With the very large area and rural population, there is a huge potential for a viable rail transport on the continent.

Railway has been described as the fastest, safest and probably the most cost effective mode of transportation for large passengers<sup>472</sup> from the rural areas to urban centres and ports. The rail provides an excellent and faster alternative for moving large volumes of goods over long distances.<sup>473</sup> The enduring importance of rail transport is demonstrated by the interests generated when the first China – Britain freight train arrived London.<sup>474</sup> Pursuant to the One Belt One Road initiative to promote China trade with Europe, freight trains started running between the partners in 2012 and by 2016, 1 881 trains have plied the routes. The rail route was found to be faster than shipping and cheaper than air - costing half that of air, and twice as fast as shipping.<sup>475</sup>

There are ongoing regional rail projects in Africa. The 3 000 km West Africa regional rail will connect Niger, Benin, Burkina Faso, Côte d'Ivoire, Ghana, Nigeria and Togo and the East African rail project to connect Uganda, Rwanda, South Sudan.<sup>476</sup> The ongoing Ethiopia-Djibouti rail is estimated to cut travel time between the two countries to 12 hours instead of the current three to four days by road. A freight train on the line will transports as much cargo as 200 trucks combined while costing a third less.<sup>477</sup>

---

<sup>471</sup>Callebert R 'African mobility and labor in global history' (2016) **14** (3) *History Compass* 117.

<sup>472</sup>Agarana M, Anake T & Okagbue H 'Optimization of urban rail transportation in emerging countries using operational research techniques' (2016) **7** *Applied Mathematics* 1117.

<sup>473</sup>Pieterse D, Farole T, Odendaal M, *et al.* (2016) 2.

<sup>474</sup>Railway Gazette 'London joins the silk road as uk – china rail freight service sets off' available at <http://www.railwaygazette.com/news/freight/single-view/view/london-joins-the-silk-road-as-uk-china-rail-freight-service-sets-off.html> (accessed 6 December 2017).

<sup>475</sup>Lonsetteig A B 'First uk-china train leaves london' available at <https://www.gtreview.com/news/europe/first-uk-china-train-leaves-london/> (accessed 6 December 2017).

<sup>476</sup>CNBC Africa 'Africa could soon be the largest free-trade area in the world' available at <https://www.cnbcfric.com/zdnl-mc/2017/08/14/africa-soon-largest-free-trade-area-world/> (accessed 6 December 2017).

<sup>477</sup>CNBC Africa CNBC available at <https://www.cnbcfric.com/zdnl-mc/2017/08/14/africa-soon-largest-free-trade-area-world/> (accessed 6 December 2017).

Even upon completion, a trade facilitation framework at the regional level must be developed and implemented for these rail tracks to be fully utilised. A study on South Africa's rail network revealed that for the sector to be competitive there is a need to 'improve intermodal, interregional, and institutional interfaces' across the SADC.<sup>478</sup> This approach will lessen the often long delays being faced by rail freights moving across regional borders. Presently, cross-border freight on rail in the SADC region takes longer time than using roads.<sup>479</sup> As proposed for airlines, an integrated legal framework is vital to incubate regional rail companies to maintain and operate the regional routes.

For passenger rails, it is being proposed that government-owned regional railway companies should be set-up similar to regional airlines. As regards freighting, it is being proposed that a combination of government and private investors ownership and management will be more beneficial. The legal framework should be structured to encourage and protect private investors ownership and management. Hence it is proposed that alongside the existing local and national passenger rail companies, four new regional rail companies be established:

- a) Southern African Rails
- b) East African Rails
- c) West African Rails and
- d) North African Rails

All the countries in each of the region should own a stake in the new rail companies as mutually agreed. And as proposed for airlines, the regulatory and fiscal policies should promote cooperation rather than competition between these regional rail companies.

#### 4.2.3.3 Waterway and Maritime Industry

Africa is surrounded by oceans and seas: on the west by the Atlantic Ocean, the Mediterranean Sea to the north and the eastern region by the Indian Ocean. The southern tip is bounded by the South Atlantic and Indian oceans. Out of the 47 Africa mainland countries, only fifteen are landlocked. Due to its weather, these oceans and seas are ice free all year round make it a huge potential for shipping activities. Also, there are number of navigable rivers across the continent, many even all year round. Yet, there is still a chronic underutilisation of the oceans and waterway transport.<sup>480</sup> There is therefore a significant incentive to unlock Africa maritime potential for mass transit of people and goods and for

<sup>478</sup>Pieterse D, Farole T, Odendaal M, *et al.* (2016) 21.

<sup>479</sup>Pieterse D, Farole T, Odendaal M, *et al.* (2016) 20.

<sup>480</sup>ONYEMA H K, EMENYONU U, AHMODU K O, *et al.* 'An analysis of underutilisation of inland waterway transport in nigeria' (2017) 2 *Journal of Marine Technology & Environment* 1.

tourism. For passenger ferries, the level of investment required is lesser compare to roads and rail transport.

The required infrastructures should be put in place to utilise the navigable rivers to provide ferry services to ease transport for goods and people. This is particularly of utmost importance in the riverine areas, where the cost of roads and rails is prohibitive because of the terrain. At the moment this is virtually non-existent, except in North Africa where passenger ferry services are well established. All along the coasts of Africa, from the Bight of Benin, down to Angola ferry services will be ideal. Since no special infrastructure are required beyond the landing and boarding facilities, this can quickly be set up. Framework should be provided to encourage private investors to run the passenger ferry industry while government should participate in the freight industry should be a joint private-government venture until it is well established.

For inland waterways, an efficient framework is needed to attract and boost private sector participation. Incentives for instance should be provided to support the growth of private operators offering passengers ferry services. For ocean freighting, regional approach should be adopted akin to the air and rail transport, to set-up regional countries-owned regional shipping lines to be responsible for movement of goods across each region:

- West Africa Shipping Line
- South West Africa Shipping Line
- East Africa Shipping Line and
- North Africa Shipping Line

In summary, considering the high rural population, the geography and the inland concentration of economic activity, addressing transport costs in Africa is critical to boost the volume of exports and the global competitiveness of its exporters.<sup>481</sup> Institutional reforms to promote competition and regional cooperation to develop the industry is necessary. This will integrate the continent markets and boost intra-African trade. Trade facilitation measures that will make the border processes more efficient and quicker like pre-destination inspection, harmonisation of custom procedures must concomitantly be enacted.

### 4.3 Legal Framework

In this section, the provisions in the WTO Agreement that the regional governments can invoke to give legal backing for the regional collaboration, to give limited protections to the regional companies are discussed. The proposed framework to protect the industries draws

---

<sup>481</sup>Pieterse D, Farole T, Odendaal M, *et al.* (2016) 3.



upon the special provisions, waivers and clauses for the regional preferential treatment, concessionary trade relationship and market access in the WTO agreement. These provisions include the Enabling Clause, Article XXIV of GATT 1994 and the three contingent trade protection measures as contained in Article XIX of the GATT Agreement.

The proposed institutional frameworks for the establishment of regional companies in the key sectors of Africa economy as robustly argued in the preceding section must come hand-in-hand with an enabling legal framework to protect the companies for enough period to mature and as well protect the regions from retaliatory trade measures from the trading partners that will be affected. The Afrocentric trade facilitating measures are being proposed to promote intra-African trade and boost exports of value-added products. Its focus is the development of regional or sectoral competitive advantages rather than the multilateral trade facilitation protocols. This is predicated on the premise that such a targeted approach while promoting intra-African trade will lead eventually to the development of the capacity and competitive advantage to trade more with each other and with the global community.

The heavy involvement of the states as being propose is due to the author agreement with the viewpoints that Africa private sector is still developing. Hence, the previous withdrawal of the government from direct production was hasty<sup>482</sup> and has resulted in a severe dislocation of key economic sectors including manufacturing, farm trade and farmer support services.

#### **4.3.1 Article XXIV of GATT 1994**

The regional governments should invoke Article XXIV of GATT to derive the legal basis for the establishment and nurturing of the regional companies in the specified sectors as a measure to promote an integration of the regional markets. The regional common market or economic union will permit the countries to legally provide trade preferences and special treatment to one another. The economic union will make trading cheaper within and between the regions and by focusing on labour-intensive industries to create large number of employment opportunities.

The various regional countries however need to come to an agreement on how to deal with a potentially problematic condition that stipulated that such arrangement should cover substantially all products<sup>483</sup> rather than a preferential arrangements covering certain products or industry.

---

<sup>482</sup>Harsch E 'Agriculture: Africa's 'engine for growth' available at <http://www.un.org/africarenewal/magazine/january-2004/agriculture-africas-engine-growth> (accessed 22 December 2017).

<sup>483</sup>Paragraph 8a(i) of Article XXIV of GATT

### 4.3.2 Enabling Clause

The Enabling Clause, the main outcome of the Tokyo Round,<sup>484</sup> legally permits a limited derogation of the WTO principle of non-discrimination of trading partners. The clause provides a legal basis for the Global System of Trade Preferences (GSTP),<sup>485</sup> which permits developing countries to enter into preferential trade agreement<sup>486</sup> without violating Article I of the GATT. The conditions are less stringent than as stipulated by Article XXIV of GATT. The enabling clause also gives legal basis for the Generalized System of Preferences (GSP). Described 'as an aid-through-trade initiative to grant expanded market access to developing countries',<sup>487</sup> the GSP encourage developed countries to offer non-reciprocal preferential treatment to exports from developing countries.<sup>488</sup>

Therefore, the enabling clause offers enough legal leeway for Africa countries to establish a framework for regional arrangements that will facilitate exchange of trade concessions necessary to boost regional and intra-Africa trade. In particular, paragraph 2(c)<sup>489</sup> permits African countries to institute regional preferential trade arrangements to facilitate a better participation in the multilateral trade arrangement.

### 4.3.3 Agreement on Safeguards

Without doubt, it is necessary to protect the regional companies for as long as possible to safeguard them from more established foreign companies until such time that the companies can compete fairly. Three types of contingent trade protection measures, safeguard measures, anti-dumping and countervailing measures are available to WTO members. Article XIX of GATT 1994 provides WTO members with the legal latitude to take a safeguard action to protect domestic industries from threat of import products for a specified period. The various African countries are therefore legally permitted to impose a quantitative restriction<sup>490</sup> or even suspend importation of the products and directly competitive products and services that will pose or will likely pose serious threat to the domestic industry.

---

<sup>484</sup>WTO 'Main legal provisions' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/d2legl\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/d2legl_e.htm) (accessed 27 May 2016).

<sup>485</sup>WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2014).

<sup>486</sup>WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2014).

<sup>487</sup>Blanchard E & Hakobyan S 'The US generalised system of preferences in principle and practice' (2015) 38 (3) *The World Economy* 1.

<sup>488</sup>WTO 'Main legal provisions' World Trade Organization available at [https://www.wto.org/english/tratop\\_e/devel\\_e/d2legl\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/d2legl_e.htm) (accessed 27 May 2016).

<sup>489</sup>WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2014).

<sup>490</sup>WTO 'Technical information on safeguard measures' available at [https://www.wto.org/english/tratop\\_e/safeg\\_e/safeg\\_info\\_e.htm](https://www.wto.org/english/tratop_e/safeg_e/safeg_info_e.htm) (accessed 5 December 2017).

The regional countries should therefore enact all necessary safeguard measures to protect the new regional companies in the identified critical sectors from foreign competitors. At the same time, most Africa countries being developing country will enjoy special and differential treatment with respect to the trading partners safeguard measures, in the form of a *de minimis* import volume exemption. The regional government therefore have the legal latitude to safely restrict imports of certain goods or directly competitive products. The requirement for an investigation to be conducted by competent authorities and in accordance with established procedures before the new safeguard measures<sup>491</sup> can be applied should be done by one of the regional countries ministry (or department) of trade or the local content authorities.

All developing countries receive additional preferential treatment in application of safeguard measures, with regard to the permitted period of application, extensions, and re-application of measures. The respective regional government should use the combined provisions of the relevant sections of Article 7<sup>492</sup> and Article 9<sup>493</sup> of the Agreements on Safeguard Measure and the SDT provisions therein contained to extend the incubation period for the regional companies to ten years.

The rules for re-application of safeguard measures permit developing country upon justification to re-apply the measure after one-half the duration of the original measure has elapsed. That is a potential of another minimum of 8 years after the initial period has elapsed to incubate the regional companies. Within this period, the various regional companies must have been well established to compete henceforth without further protection.

#### 4.3.4 Subsidies and Countervailing Measures (SCM)

A liberal use of the countervailing measures to protect the regional agro-allied and airline industries will be necessary to offset injury caused by subsidised imports. The SCM gives legal backings to the actions the regional countries may take to counter the effects of subsidies that makes some imports unfairly cheaper than domestic products. The argument should be on the mitigation of its adverse effects rather than seeking the withdrawal of the subsidy involves. The subsidy US and European countries grant their farmers can be used to impose heavy countervailing duty on the subsidised agricultural imports that will likely hurt the proposed regional companies.

---

<sup>491</sup>WTO 'Technical information on safeguard measures' World Trade Organisation available at [https://www.wto.org/english/tratop\\_e/safeg\\_e/safeg\\_info\\_e.htm](https://www.wto.org/english/tratop_e/safeg_e/safeg_info_e.htm) (accessed 5 December 2017).

<sup>492</sup>Paragraphs 1, 2 and 3 of Article 7 of the Agreements on Safeguard Measure.

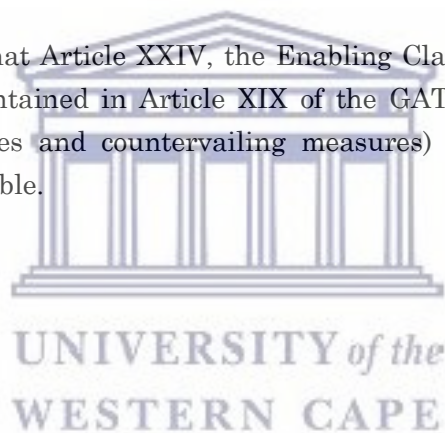
<sup>493</sup>Paragraphs 2 of Article 9 of the Agreements on Safeguard Measure.

All other protections like the grey area measures for instance, export restraint arrangements on certain products that will to protect the domestic industries should be investigated and used.

#### **4.4 Chapter conclusion**

In this chapter, the necessity of trade facilitation framework that will promote and incentivise investments in service and value creating labour-intensive manufacturing industries in specific sectors is presented. The sectors identified to offer the best comparative advantages to drive intra-African trade include the agriculture, power and the transport sector. The measures must be based on the continents' abundant agricultural and minerals resources, clement climatic conditions, huge and growing young populations, land and fresh water resources and the various tourist attraction and cultural heritages. This approach will generate large jobs and employment opportunities, diversify exports while promoting sustainability via efficient use of resources.

It is also posited therein that Article XXIV, the Enabling Clause and the contingent trade protection measures as contained in Article XIX of the GATT Agreement (the safeguard measures and the subsidies and countervailing measures) are adequate to protect the companies enough to be viable.



## General Conclusions and Recommendations

---

This study set out on the hypothesis that the trade facilitation measures being implemented in most Africa countries are essentially prescriptions of the multilateral trade system driven by obligations and commitments to the WTO core principles. These are predicated on the doctrine of multilateralism and geared towards deeper integration of Africa into the global trade. However, such have failed to take full cognisance of the prevailing socio-economic factors on the continent with the result that Africa trade performances remains poor. It posited that a trade facilitation policy to be effective must take into account the fact that the potential for trade varies across the continent, from country to country and from region to region; and even across the various sectors of the economy.

The need for trade policy recalibration towards a selectively Afrocentric, sectors targeted trade facilitation policy reform aimed to improve African countries capabilities to trade more with each other is proposed and investigated. This is predicated on the premise that such an approach while promoting intra-African trade will lead eventually to the development of competitive advantage on the continent (in the long term) to trade more with the global communities. In addition, it encourages Africa policy makers to avail themselves of the preferential and concessionary provisions in the WTO agreement in designing such a targeted trade facilitation framework.

In chapter 2, the research question of adequacy of the preferential provisions in the WTO Agreements for the special needs of Africa countries, is addressed. Of particular emphasis is the Bali Package. It is noted that the TFA provisions in the package provides a flexible legal space for African countries to evolve the unilateral trade facilitation measures on regional level by basing it on the prevailing poor trading capabilities.<sup>494</sup>

---

<sup>494</sup>See Section 2.7



As regards the research question of whether the implementation of trade facilitation policies in African countries have resulted in increase in trade with the global community and in exports diversification is critiqued in detail in chapter 3. The analyses of the available trade statistics presented revealed that Africa share of global trade is still poor and stagnated at three per cent.<sup>495</sup> Also the expected exports diversification has failed to materialise with the trade still dominated by natural and agricultural commodities. The trade growth recorded was shown to be driven by rising global demand and for primary commodities and rise in crude price.

The first part of chapter 4 addressed the research question on which of the economic sectors and the regions offers best comparative advantage to promote intra-African trade if the proposed Afrocentric trade facilitation measures are implemented.<sup>496</sup> On this point, the agriculture, power and the transport sectors<sup>497</sup> were proposed to be the focus, to drive intra-African trade. The appropriate legal provision(s) in the WTO Agreement that provide legal cover for Africa countries to implement the Afrocentric trade facilitation without the risk of retaliatory trade actions from the international trading partners is dealt with in the second part of chapter 4.<sup>498</sup> Arguments are presented that Article XXIV, Enabling Clause and Article XIX (the safeguard measures and the subsidies and countervailing measures) of the GATT Agreement are adequate to protect the proposed championed industries at infancy.

In general, from the trade performance data presented, it can be concluded that asymmetric or non-reciprocal trade preference schemes as trade development strategy for the SSA region is inadequate. It is necessary then that for sub-Saharan Africa countries to take advantage of the various trade initiatives, more investments in trade infrastructure and capacity building are critical. Targeted aids to enhance SSA exports volume and diversification in the long run must first target lowering the production and export costs. The capacity building aids together with the concessionary arrangements will be a more effective strategy in promoting exports.

Target investments in value creating labour-intensive manufacturing industries in the agriculture, power and transportation sectors is proposed. This is based on the continents' abundant agricultural and minerals resources, clement climatic conditions, huge and growing young populations, land and fresh water resources. This approach will generate large jobs and employment opportunities and diversify exports. This study proposes a mega-regional trade agreement that will facilitate intra-African trade in specific sectors and then use the bigger economies of scale to develop competitiveness on the global stage.

---

<sup>495</sup>See Section 3.2

<sup>496</sup>See Section 4.2

<sup>497</sup>See Sections 4.2.1, 4.2.2 and 4.2.3

<sup>498</sup>See Section 4.3

In the agricultural sector, it is proposed that massive investments must be committed into commercial farms and agricultural products processing industries. These are to supply food items and products currently being imported into Africa. Agribusiness that is labour intensive will create massive job opportunities, wealth creation and solve urban migration problem.

For the power sector, regional state-owned power companies in each sub-region, to be complemented with private investors are being proposed. These may later be privatised. This is necessary due to the huge resources outlay and the poor margin that will not encourage private investors to commit into this sector.

As regards the transportation sector, it is opined that the open air agreement will facilitate the establishment of regional airlines that are commercially viable. It is propose therefore that the existing airlines be merged to form four regional airlines: Southern Africa Airline, East Africa Airline, West Africa Airline and North Africa Airline. The countries in each of the region should own a stake in the new airlines as mutually agreed. These airlines must be made to prioritise regional routes to aid intra Africa trade with fiscal policies put in place to promote cooperation rather than competition between these regional airlines during the incubating period.

Also, alongside the existing local and national passenger rail companies, four new regional rail companies should be established: the Southern African Rails, East African Rails, West African Rails and North African Rails. For ocean freighting, regional countries-owned regional shipping lines to be responsible for movement of goods across each region should be as well be set-up: West Africa Shipping Line, South West Africa Shipping Line, East Africa Shipping Line and North Africa Shipping Line.

The study encourages policy makers in Africa to avail themselves of the concessionary provisions in the WTO agreement to design the targeted trade facilitation framework. The measures should be premised on the understanding that Africa countries engagement in the international trade system is poor because of historically poor trading capabilities. It is imperative then to explore frameworks for innovative trade facilitating instruments within the ambits of the multilateral trading system to enhance intra-African trade.

It can be concluded that the SDT provisions as well as the TFA provisions in the Bali package are adequate to address trade issues of interest to the developing nations. To protect the companies being proposed without precipitating retaliatory actions by the trading partners, it is argued that Article XXIV, the Enabling Clause and the contingent trade protection

measures as contained in Article XIX of the GATT Agreement (the safeguard measures and the subsidies and countervailing measures) are sufficient.

The positive results recorded with the limited trade facilitation so far implemented strongly suggest that the proposals in this mini-thesis are workable and promising. This proposal if implemented will boost intra-Africa trade, expand the manufacturing sector to boost Africa participation in the GVC and ultimately increase the continent competitiveness at the global market.



UNIVERSITY *of the*  
WESTERN CAPE

## References

- Adamatzky A & Kayem A 'Trans-African highways' in Bioevaluation of world transport networks:World Scientific 19-45
- AfDB 'Aid for trade trust fund' African Development Bank available at <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/aid-for-trade-trust-fund/> (accessed 18 May 2017).
- Agarana M, Anake T & Okagbue H 'Optimization of urban rail transportation in emerging countries using operational research techniques' (2016) **7** *Applied Mathematics* 1116-23.
- AGOA 'About AGOA' AGOA available at <https://agoa.info/about-agoa.html> (accessed May 14 2017).
- AGOA 'List of AGOA beneficiaries' AGOA available at <https://agoa.info/about-agoa/country-eligibility.html> (accessed 15 May 2017).
- Amjath-Babu T, Krupnik T J, Kaechele H *et al.* 'Transitioning to groundwater irrigated intensified agriculture in sub-saharan Africa: An indicator based assessment' (2016) **168** *Agricultural Water Management* 125-35.
- Ancharaz V, Mbekeani K & Brixiova Z 'Impediments to regional trade integration in Africa' 2011 *Africa Economic Brief* African Development Bank Group 1-8 available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEB%20VOL%202%20Issue%2011\\_AEB%20VOL%202%20Issue%2011.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEB%20VOL%202%20Issue%2011_AEB%20VOL%202%20Issue%2011.pdf).
- Armijo L 'The brics countries as analytical category: Insight or mirage?' (2007) **31** (4) *Asian Perspective* 1-4.
- Ashurst 'Road infrastructure in Africa' Africa Energy Forum 2016 available at <https://www.ashurst.com/en/news-and-insights/insights/road-infrastructure-in-africa/> (accessed 11 November 2017).
- Avila N, Carvallo, J. P., Shaw, B. and Kammen, D. M 'The energy challenge in sub-Saharan Africa: A guide for advocates and policy makers: Part 1: Generating energy for sustainable and equitable development. ' 2017 *Oxfam Research Backgrounder series* Oxfam available at <https://www.oxfamamerica.org/static/media/files/oxfam-RAEL-energySSA-pt1.pdf>.
- Bah E M, Moyo J M, Verdier-Chouchane A *et al.* 'Assessing africa's competitiveness: Opportunities and challenges to transforming Africa's economies' in *The Africa competitiveness report 2015* Geneva:World Economic Forum, 3-34
- Barka H B 'Border posts, checkpoints, and intra-African trade: Challenges and solutions' 2012 Africa Development Bank (AfDB) available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/INTRA%20AFRICAN%20TRADE\\_INTRA%20AFRICAN%20TRADE.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/INTRA%20AFRICAN%20TRADE_INTRA%20AFRICAN%20TRADE.pdf).
- Behar A & Venables A J 'Transport costs and international trade' in *A handbook of transport economics* de Palma A, Lindsey R, Quinet E, *et al.* eds Cheltenham, UK:Edward Elgar Publishing, Inc., 97-115
- Bernal T P & Ernst R 'A framework for transparency in international trade' (2015) **21** (1) *Investigaciones Europeas de Dirección y Economía de la Empresa* 1-8.

- Bhagwati J, Krishna P & Panagariya A 'Where is the world trade system heading?' (2014) **54** (450) *Adelphi Series* 17-38.
- Bizumuremyi E & Drobnjak I 'A look into the WTO trade facilitation agreement implementation status' (2015) **4** (9) *Bridges Africa* 33-5.
- Blanchard E & Hakobyan S 'The US generalised system of preferences in principle and practice' (2015) **38** (3) *The World Economy* 399-424.
- Boado L S 'Effects of the 'everything but arms' initiative on the sugar industries of the least developed countries' 2005 No UNCTAD/DITC/COM/2004/6 United Nations Conference on Trade and Development available at [http://unctad.org/en/docs/ditccom20046\\_en.pdf](http://unctad.org/en/docs/ditccom20046_en.pdf).
- Bolhöfer C E 'Trade facilitation – WTO law and its revision to facilitate global trade in goods' (2008) **2** (1) *World Customs Journal* 31-40.
- Bonciu F & Moldoveanu M 'The proliferation of free trade agreements in the post-Doha round period: The position of the European Union' (2014) **8** *Procedia Economics and Finance* 100-5.
- Author 'The effectiveness of EU and US unilateral trade preferences for ldc's in European union trade politics and development: 'Everything but arms' unravelled Brenton P & Özden Ç eds *European Union trade politics and development: 'Everything but arms' unravelled* (2007): Routledge.
- Brown V 'The road to yamoussoukro' (2017) **1** (1) *Journal of Comparative Urban Law and Policy* 229-37.
- CAFOD 'Submission to the DEFRA consultation on sugar reform' 2004 Action Aid CAFOD and OXFAM available at <http://www.cafod.org.uk/var/storage/original/application/php0s6Mes.pdf>.
- Cali M & te Velde D W 'Does aid for trade really improve trade performance?' (2011) **39** (5) *World Development* 725-40.
- Callebert R 'African mobility and labor in global history' (2016) **14** (3) *History Compass* 116-27.
- Castellano A, Kendall A, Nikomarov M *et al.* 'Brighter Africa - the growth potential of the sub-saharan electricity sector' 2015 McKinsey & Company available at [https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/east%20africa%20the%20next%20hub%20for%20apparel%20sourcing/brighter\\_africa\\_the\\_growth\\_potential\\_of\\_the\\_sub%20saharan\\_electricity\\_sector.ashx](https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/east%20africa%20the%20next%20hub%20for%20apparel%20sourcing/brighter_africa_the_growth_potential_of_the_sub%20saharan_electricity_sector.ashx).
- Cirera X & Winters L 'Aid for trade and structural transformation in sub-Saharan Africa' 2015 *Commonwealth Trade Policy Discussion Papers, No. 2015/01* Commonwealth Secretariat available at <http://dx.doi.org/10.14217/5js6b1lp69ms-en>.
- Clark D P, Lima L R & Sawyer W C 'Stages of diversification in Africa' (2016) **144** *Economics Letters* 68-70.
- Cleeve E A, Debrah Y & Yiheyis Z 'Human capital and FDI inflow: An assessment of the african case' (2015) **74** *World Development* 1-14.
- CNBC Africa 'Africa could soon be the largest free-trade area in the world' CNBC available at <https://www.cnbc.com/africa/2017/08/14/africa-soon-largest-free-trade-area-world/> (accessed 6 December 2017).



- Coghlan A 'Africa's road-building frenzy will transform continent' New Scientist available at <https://www.newscientist.com/article/mg22129512-800-africas-road-building-frenzy-will-transform-continent/> (accessed 25 November 2017).
- Conde C, Heinrigs P & O'Sullivan A 'Tapping the potential of global value chains for Africa' in *The Africa competitiveness report 2015* Geneva:World Economic Forum, 71-85
- Cook N P S & Jones J C 'The african growth and opportunity act (AGOA) and export diversification' (2015) **24** (7) *The Journal of International Trade & Economic Development* 947-67.
- Czapnik B 'The unique features of the trade facilitation agreement: A revolutionary new approach to multilateral negotiations or the exception which proves the rule?' (2015) *Journal of International Economic Law*
- Daugbjerg C & Kay A 'A trade balance: Litigation and negotiation in the world trade organization's dispute settlement system' (2013) **68** (1) *Australian Journal of International Affairs* 105-20.
- De Melo J & Cadot O 'Aid for trade: What have we learnt? Which way ahead?' (2014)
- del Cristo Monagas M, Herrera C D W & Corral S 'The challenges of regional integration in sub-saharan Africa: The role of economic partnership agreements' (2015) *Arethuse 2/2 2015: Scientific Journal of Economics and Business Management* 101.
- Dennis A & Shepherd B 'Trade facilitation and export diversification' (2011) **34** (1) *The World Economy* 101-22.
- DFID 'Regional integration and trade in sub-saharan Africa' 2011 *Trade and Investment Analytical Papers* No Topic 7 of 18 Department for Business, Innovation and Skills, DFID available at <http://www.bis.gov.uk/Policies/trade-policy-unit>
- Dickinson E M 'The Doha development dysfunction: Problems of the WTO multilateral trading system' (2013) **3** (2) *Global Business Law Review* 229-50.
- Djankov S, Freund C L & Pham C S 'Trading on time' 2006 *World Bank Policy Research Working Paper* No 3909 1-39 available at [http://papers.ssrn.com/sol3/Delivery.cfm/SSRN\\_ID894927\\_code167828.pdf?abstractid=894927&mirid=1](http://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID894927_code167828.pdf?abstractid=894927&mirid=1).
- Dorsey T 'Imf survey: What is aid for trade?' International Monetary Fund available at <http://www.imf.org/external/pubs/ft/survey/so/2007/POL0523A.htm> (accessed 10 April 2017).
- East African Community (EAC) 'European Union everything but arms' East African Community available at <http://www.eac.int/initiatives/european-union-everything-arms> (accessed 29 June 2017).
- ECDPM *The cotonou agreement: A user's guide for non-state actors* (2003)Brussel, Belgium: The European Centre for Development Policy Management available at <http://ecdpm.org/wp-content/uploads/NSA-Users-Guide-English-version.pdf> (accessed 12 July 2017).
- ECDPM 'The EU commitment to deliver aid for trade in west Africa and support the EPA development programme (paped)' 2010 *Discussion Papers* No 96 European Centre for Development Policy Management available at <http://ecdpm.org/wp-content/uploads/2013/11/DP-96-EU-Commitment-Deliver-Aid-for-Trade-West-Africa-EPA-PAPED-2010.pdf>.

- Economic Community of West African States (ECOWAS) 'What is aid for trade?' available at <http://www.aidfortrade.ecowas.int/specialfeature/what-is-aid-for-trade> (accessed 10 April 2017).
- Edwards L & Rankin N 'Is Africa integrating? Evidence from product markets' (2016) **25** (2) *The Journal of International Trade & Economic Development* 266-89.
- Edwards S, Johnson S & Weil D N 'Introduction to" african successes: Modernization and development"' in *African successes: Modernization and development, Volume 3*: University of Chicago Press,
- Elbeshbishi A N 'Trade facilitation in Africa: Challenges, opportunities and progress' (2013) Paper presented at the *Organization of Islamic Cooperation (OIC) High Level Forum on Trade Facilitation and Single Window for Enhanced Regional Economic Cooperation* Casablanca, Morocco 25-26 February 2013 available at [https://www.academia.edu/attachments/31126954/download\\_file?s=regpath](https://www.academia.edu/attachments/31126954/download_file?s=regpath) (accessed 26 June 2017).
- European Commission 'Trade, growth and development - tailoring trade and investment policy for those countries most in need' 2012 *Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee* European Commission available at [http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc\\_148992.EN.pdf](http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc_148992.EN.pdf).
- European Commission 'Everything but arms (EBA) – who benefits?' 2013 European Commission available at [http://trade.ec.europa.eu/doclib/docs/2013/april/tradoc\\_150983.pdf](http://trade.ec.europa.eu/doclib/docs/2013/april/tradoc_150983.pdf).
- European Commission 'The cotonou agreement and multiannual financial framework 2014–20' 2014 European Union 224 available at [http://www.europarl.europa.eu/intcoop/acp/03\\_01/pdf/mn3012634\\_en.pdf](http://www.europarl.europa.eu/intcoop/acp/03_01/pdf/mn3012634_en.pdf).
- European Commission 'Aid for trade in a nutshell' European Commission available at <http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-fortrade/> (accessed 11 April 2017).
- European Commission 'Trade facilitation' available at [http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/trade\\_facilitation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/trade_facilitation/index_en.htm) (accessed 20 March 2017).
- European Commission 'Economic partnership agreements (epas)' European-Commission available at [http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc\\_155300.pdf](http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc_155300.pdf) (accessed 11 July 2017).
- Evdokia M, Thomas O & Peter M 'Trade facilitation indicators: The impact on trade costs' 2011 *OECD Trade Policy Papers* No 118 OECD Publishing available at <http://ideas.repec.org/p/oec/traaab/118-en.html>.
- FAO 'Extending the area under sustainable land management and reliable water control systems' in New Partnership for Africa's Development (NEPAD) Comprehensive Africa Agriculture Development Programme (CAADP): Food and Agriculture Organization of the United Nations available at [http://www.fao.org/docrep/005/y6831e/y6831e-03.htm#P442\\_104688](http://www.fao.org/docrep/005/y6831e/y6831e-03.htm#P442_104688) (accessed 24 September 2017).

- Filmer D & Fox L *Youth employment in sub-Saharan Africa* (2014) Washington DC: International Bank for Reconstruction and Development / The World Bank Publications available at <https://openknowledge.worldbank.org/bitstream/handle/10986/16608/9781464801075.pdf?sequence=1&isAllowed=y>
- Flentø D & Ponte S 'Least-developed countries in a world of global value chains: Are WTO trade negotiations helping?' (2017) **94** *World Development* 366-74.
- Geda A & Kebret H 'Regional economic integration in Africa: A review of problems and prospects with a case study of COMESA' (2008) **17** (3) *Journal of African Economies* 357-94.
- Geda A & Seid E H 'The potential for internal trade and regional integration in Africa' (2015) **2** (1) *Journal of African Trade* 19-50.
- Ghimire S, Mukherjee D & Alvi E 'Aid-for-trade and export performance of developing countries' (2016) **16** (1) *Applied Econometrics and International Development* 23-34.
- Gradeva K & Martínez-Zarzoso I 'Are trade preferences more effective than aid in supporting exports? Evidence from the 'everything but arms' preference scheme' (2016) **39** (8) *The World Economy* 1146-71.
- Grainger A 'Customs and trade facilitation: From concepts to implementation' (2008) **2** (1) *World Customs Journal* 17-30.
- Grainger A 'Trade facilitation: A conceptual review' (2011) **45** (1) *Journal of World Trade* 39-62.
- Guillou M & Matheron G *The world's challenge: Feeding 9 billion people* (2011) Quae éditions.
- Haltiwanger J 'Globalization and economic volatility' in *Making globalization socially sustainable* Bacchetta M & Jansen M eds Geneva: ILO and WTO, 119-46
- Harsch E 'Agriculture: Africa's 'engine for growth' United Nations Africa Renewal available at <http://www.un.org/africarenewal/magazine/january-2004/agriculture-africas-engine-growth> (accessed 22 December 2017).
- Helble M, Mann C L & Wilson J S 'Aid-for-trade facilitation' (2012) **148** (2) *Review of World Economics* 357-76.
- Heron T 'Trading in development: Norms and institutions in the making/unmaking of European Union-African, Caribbean and Pacific trade and development cooperation' (2014) **20** (1) *Contemporary Politics* 10-22.
- Heron T & Murray-Evans P 'Limits to market power: Strategic discourse and institutional path dependence in the European Union-African, Caribbean and Pacific economic partnership agreements' (2017) **23** (2) *European Journal of International Relations* 341-64.
- Highways W 'Road transport key to africa's trade links' Route One Publishing Ltd available at <http://www.worldhighways.com/sections/world-reports/features/road-transport-key-to-africas-trade-links/> (accessed 15 November 2017).
- Hillberry R & Zhang X 'Policy and performance in customs: Evaluating the trade facilitation agreement' 2015 *Policy Research Paper 7211* No Paper 7211 World Bank 1-157 available at <http://poseidon01.ssrn.com/delivery.php?ID=76507802110209411609701609907111>

[3096024012093049062087109026032122011054044047016060119090101115084113  
0850470050720921230700830961050961000910020660650991130650821240710810  
76006017003027119&EXT=pdf.](http://cadmus.eui.eu/bitstream/handle/1814/34206/RSCAS_PB_2014_3.pdf?sequence=3)

- Hoekman B 'Lowering trade costs: A key goal in the post-2015 sustainable development agenda' 2014 *Global Governance Programme* No EUI RSCAS Policy Brief 2014/03 European University Institute, Robert Schuman Centre for Advanced Studies available at [http://cadmus.eui.eu/bitstream/handle/1814/34206/RSCAS\\_PB\\_2014\\_3.pdf?sequence=3](http://cadmus.eui.eu/bitstream/handle/1814/34206/RSCAS_PB_2014_3.pdf?sequence=3).
- Hoekman B & Nicita A 'Assessing the Doha round: Market access, transactions costs and aid for trade facilitation' (2010) **19** *Journal of International Trade and Economic Development* 65-79.
- Hoekman B & Nicita A 'Trade policy, trade costs, and developing country trade' (2011) **39** (12) *World Development* 2069-79.
- Hoekman B & Shepherd B 'Who profits from trade facilitation initiatives? Implications for african countries' (2015) **2** (1-2) *Journal of African Trade* 51-70.
- Hufbauer G & Schott J 'The payoff from the world trade agenda' 2013 International Chamber of Commerce Research Foundation 1-108 available at [http://www.iccindiaonline.org/reports/Peterson\\_Report.pdf](http://www.iccindiaonline.org/reports/Peterson_Report.pdf).
- Hufbauer G C 'Multilateralism and regionalism from an american perspective: Parallels and contrasts with the langhammer vision' (2013) **7** *Economics: The Open-Access, Open-Assessment E-Journal*
- ICA 'Transport' The Infrastructure Consortium for Africa available at <https://www.icafrica.org/en/topics-programmes/transport/> (accessed 17 November 2017).
- ICC 'The new incoterms® 2010 rules' ICC available at <http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/> (accessed 15 January 2016).
- ICC 'WTO trade facilitation agreement' Trade Facilitation Resources International Chamber of Commerce available at <http://www.iccwbo.org/global-influence/world-trade-agenda/trade-facilitation-resources/wto-trade-facilitation-agreement/> (accessed 20 December 2015).
- ICC 'ICC recommendations for a WTO agreement on trade facilitation' 2003 *Policy Statement of Commission on Customs and Trade Regulations* No 104/8 Final International Chambers of Commerce available at [https://www.wto.org/english/forums\\_e/ngo\\_e/icc\\_tradefacilitation\\_e.pdf](https://www.wto.org/english/forums_e/ngo_e/icc_tradefacilitation_e.pdf).
- ICC 'ICC customs guidelines' 2012 *Policy Statement of Commission on Customs and Trade Regulations* No 103-6/12 International Chambers of Commerce available at [http://www.iccwbo.org/Data/Policies/2012/ICC-Customs-Guidelines-\(revised-version\)/](http://www.iccwbo.org/Data/Policies/2012/ICC-Customs-Guidelines-(revised-version)/).
- ICC 'ITC business guide on WTO trade facilitation agreement' Trade Facilitation Resources International Chamber of Commerce available at <http://www.iccwbo.org/Global-influence/World-trade-Agenda/Trade-Facilitation-Resources/Trade-Facilitation-Tools/ITC-Business-Guide-on-WTO-Trade-Facilitation-Agreement/> (accessed 20 December 2017).



- ICSTD 'Goods council debates trade facilitation' 2003 *Bridges* International Centre for Trade and Sustainable Development 3-4 available at <http://www.ictsd.org/bridges-news/bridges/news/goods-council-debates-trade-facilitation>.
- ICTSD 'Trade facilitation' 2005 *Doha Round Breifing Series* International Centre for Trade and Sustainable Development 24-6 available at [http://www.ictsd.org/downloads/2013/08/6-tr\\_facilitation.pdf](http://www.ictsd.org/downloads/2013/08/6-tr_facilitation.pdf).
- IFPRI 'Irrigating Africa - ifpri study examines the dimensions of africa's irrigation problem ' International Food Policy Research Institute available at <http://www.ifpri.org/blog/irrigating-africa> (accessed 2 February 2017).
- IMF 'Regional economic outlook: Sub-saharan Africa: Fostering durable and inclusive growth' 2014a International Monetary Fund available at <http://www.scribd.com/doc/220088938/IMF-Regional-EconomicOutlook-Sub-Saharan-Africa-FosteringDurable-and-Inclusive-Growth-April-2014>.
- IMF 'Regional economic outlook: Sub-saharan Africa: Staying the course' 2014b International Monetary Fund available at <https://www.imf.org/external/pubs/ft/reo/2014/afr/eng/sreo1014.pdf>.
- IMF 'Regional economic outlook: Sub-saharan Africa: Navigating headwinds' 2015 *World Economic and Financial Surveys* International Monetary Fund available at <https://www.imf.org/~media/Websites/IMF/imported-flagship-issues/external/pubs/ft/reo/2015/afr/eng/pdf/sreo0415pdf.ashx>.
- IMF 'Regional economic outlook: Sub-saharan Africa' 2016a *World Economic and Financial Surveys* International Monetary Fund 1-125 available at <https://www.imf.org/external/pubs/ft/reo/2016/afr/eng/pdf/sreo0416.pdf>.
- IMF 'World economic outlook: Subdued demand symptoms and remedies' 2016b *World Economic and Financial Surveys* International Monetary Fund 1-129 available at <https://www.imf.org/external/pubs/ft/weo/2016/02/pdf/text.pdf>.
- IMF (International Monetary Fund) 'Global trade liberalization and the developing countries' IMF available at [http://www.imf.org/external/np/exr/ib/2001/110801.htm#P37\\_4958](http://www.imf.org/external/np/exr/ib/2001/110801.htm#P37_4958) (accessed 13 April 2014).
- International Cooperation and Development 'Acp - the cotonou agreement' European Commission available at [https://ec.europa.eu/europeaid/regions/african-caribbean-and-pacific-acp-region/cotonou-agreement\\_en](https://ec.europa.eu/europeaid/regions/african-caribbean-and-pacific-acp-region/cotonou-agreement_en) (accessed 10 July 2017).
- Ismail F 'The AGOA extension and enhancement act of 2015, the sa-US AGOA negotiations and the future of AGOA' (2017) *World Trade Review* 1-18.
- ITC 'Africa's trade potential: Export opportunities in growth markets' 2012 No MAR-12-226.E International Trade Centre (ITC) available at <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=0CD0QFjAE&url=http%3A%2F%2Fwww.intracen.org%2FWEDF-African-trade-for-web%2F&ei=f52rVOL0Kov4UtnyKAL&usg=AFQjCNErwAoWqkKS2VvG020rKWJWpKQR-A&bvum=bv.82001339,d.d24>.
- ITC 'WTO trade facilitation agreement - a business guide for developing countries ' 2013 No BTP-13-239.E International Trade Centre (ITC) available at



<http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/C-UsersadeagboDesktopFACILITATIONENGLISHWTO%20.pdf>.

- Iwanow T & Kirkpatrick C 'Trade facilitation and manufactured exports: Is Africa different?' (2009) **37** (6) *World Development* 1039-50.
- Jayne T S, Chapoto A, Sitko N *et al.* 'Is the scramble for land in Africa foreclosing a smallholder agricultural expansion strategy?' (2014) **67** (2) *Journal of International Affairs* 35-XV.
- Jedwab R & Moradi A 'The permanent effects of transportation revolutions in poor countries: Evidence from Africa' (2016) **98** (2) *Review of economics and statistics* 268-84.
- Jita B & Mousum B 'International trade offers nations services and goods that are not available within its territories and provide access to a bigger market' (2012) **3** (1) *IIMS Journal of Management Science* 47-65.
- Kakwani N & Son H H 'Global poverty estimates based on 2011 purchasing power parity: Where should the new poverty line be drawn?' 2015 No ECINEQ 2015 - 371 Society for the Study of Economic Inequality 17 available at <http://www.ecineq.org/milano/WP/ECINEQ2015-371.pdf>.
- Kambanda C 'Atlas of energy resources of Africa' 2016 Infrastructure Consortium for Africa (ICA) available at [https://au.int/sites/default/files/documents/32251-doc-ica-africa\\_energy\\_atlas\\_stc.pdf](https://au.int/sites/default/files/documents/32251-doc-ica-africa_energy_atlas_stc.pdf).
- Kassee D 'The WTO agreement on trade facilitation: Status of play in southern African customs' (2014) **8** (1) *World Customs Journal* 101-12.
- Keijzer N & Bartels L 'Assessing the legal and political implications of the post-cotonou negotiations for the economic partnership agreements' 2017 *Discussion Paper 4/2017* German Development Institute available at [https://www.die-gdi.de/uploads/media/DP\\_4.2017.pdf](https://www.die-gdi.de/uploads/media/DP_4.2017.pdf).
- Kopp T, Prehn S & Brümmer B 'Preference erosion—the case of everything but arms and sugar' (2016) **39** (9) *The World Economy* 1339-59.
- Le Goff M & Singh R J 'Does trade reduce poverty? A view from Africa' (2014) **1** (1) *Journal of African Trade* 5-14.
- Leea H-H & Riesb J 'Aid for trade and international investment' 2014 Forum for Reserach in Empirical International Trade available at <http://www.freit.org/WorkingPapers/Papers/ForeignInvestment/FREIT844.pdf>.
- Limão N & Tovar P 'Policy choice: Theory and evidence from commitment via international trade agreements' (2011) **85** (2) *Journal of International Economics* 186-205.
- Longo R & Sekkat K 'Economic obstacles to expanding intra-african trade' (2004) **32** (8) *World Development* 1309-21.
- Lonsetteig A B 'First uk-china train leaves london' available at <https://www.gtreview.com/news/europe/first-uk-china-train-leaves-london/>
- Lui D 'Aid for trade agenda and accompanying measures for epas – current state of affairs' 2008 European Centre for Development Policy Management (ECDPM) available at [http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/EUROPE/Pdf%20et%20doc/ECDPM%2020-10-08%20State%20of%20play%20of%20the%20AFT%20Agenda\\_Draft%20for%20commenets.pdf](http://www.afd.fr/webdav/site/afd/shared/PORTAILS/PAYS/EUROPE/Pdf%20et%20doc/ECDPM%2020-10-08%20State%20of%20play%20of%20the%20AFT%20Agenda_Draft%20for%20commenets.pdf).

- Martínez-Zarzoso I, Nowak-Lehmann F & Rehwald K 'Is aid for trade effective? A panel quantile regression approach' (2016)
- Maur J C 'Trade facilitation' in *Preferential trade agreement policies for development: A handbook* Chauffour J P & Maur J C eds Washington, D.C.:World Bank Publications, 327-46
- McMillan M & Verduzco I 'New evidence on trade and employment: An overview' in *Trade and employment: From myths to facts* Jansen M, Peters R, Manuel J, *et al.* eds Geneva:International Labor Organization, 23–60
- Meltzer J P 'Deepening the united states-Africa trade and investment relationship' The Brookings Institution available at <https://www.brookings.edu/testimonies/deepening-the-united-states-africa-trade-and-investment-relationship/> (accessed 21 May 2017).
- Menyah K, Nazlioglu S & Wolde-Rufael Y 'Financial development, trade openness and economic growth in African countries: New insights from a panel causality approach' (2014) **37** (0) *Economic Modelling* 386-94.
- Moïsé E & Sorescu S 'Trade facilitation indicators: The potential impact of trade facilitation on developing countries' trade' 2013 *OECD Trade Policy Papers* No 144 OECD Publishing available at [http://www.oecd-ilibrary.org/trade/trade-facilitation-indicators\\_5k4bw6kg6ws2-en;jsessionid=7m4jgd6q3dhoq.x-oecd-live-01](http://www.oecd-ilibrary.org/trade/trade-facilitation-indicators_5k4bw6kg6ws2-en;jsessionid=7m4jgd6q3dhoq.x-oecd-live-01).
- Naumann E 'An overview of agoa's performance, beneficiaries, renewal provisions and the status of South Africa' (2015) Working Paper US15WP05/2015, Stellenbosch: TRALAC.
- Ncube M, Brixiova Z & Meng Q 'Can intra-regional trade act as a global shock absorber in Africa?' 2014 *Working Paper Series* No 108 African Development Bank 1-32 available at [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working\\_Paper\\_198\\_-\\_Can\\_Intra-Regional\\_Trade\\_Act\\_as\\_a\\_Global\\_Shock\\_Absorber\\_in\\_Africa.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working_Paper_198_-_Can_Intra-Regional_Trade_Act_as_a_Global_Shock_Absorber_in_Africa.pdf).
- Ndirangu N 'Special and differential treatment – continuing saga of stalled negotiations' in *Reflections from the frontline: Developing country negotiators in the WTO* P. S. Mehta A K, and R. S. Kaukab ed Delhi:Academic Foundation, 177–94
- NEPAD 'Comprehensive Africa agriculture development programme (caadp)' New Partnership for African Development (NEPAD) available at <http://www.nepad.org/programme/comprehensive-africa-agriculture-development-programme-caadp> (accessed 2 February 2018).
- NEPAD 'African agriculture, transformation and outlook' 2013 New Partnership for African Development (NEPAD) available at <http://www.nepad.org/download/file/fid/4967>.
- Newfarmer R & Sztajerowska M 'Trade and employment in a fast-changing world' in *Policy priorities for international trade and jobs* Lippoldt D ed Paris:OECD, 7–73
- Njoya E & Christidis P 'Potential impacts of liberalisation of the EU-Africa aviation market' 2017 European Commission available at <https://core.ac.uk/download/pdf/84886667.pdf>.
- Njoya E T 'Africa's single aviation market: The progress so far' (2016) **50** *Journal of Transport Geography* 4-11.

- O'Keefe J & Viilup E 'The WTO trade facilitation agreement: Reducing bureaucracy at the border' 2015 *Policy Department, Directorate General for External Policies Briefing* No DG EXPO/B/PolDep/Note/2015\_197 European Union 1-10 available at [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/549046/EXPO\\_BRI%282015%29549046\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/549046/EXPO_BRI%282015%29549046_EN.pdf).
- OECD 'Business benefits of trade facilitation' (2002) *Working Party of the Trade Committee* TD/TC/WP/2001/21/FINAL Paris: OECD Publishing.
- OECD 'Aid for trade: Making it effective' 2006 OECD Publishing 86 available at <http://www.oecd.org/trade/tradedev/37438309.pdf>.
- OECD 'The impact of trade liberalisation on jobs and growth: Technical note' 2011 *Trade Policy Papers* No 107 OECD Publishing available at [http://www.oecd-ilibrary.org/trade/the-impact-of-trade-liberalisation-on-jobs-and-growth\\_5kgj4ifj1nq2-en](http://www.oecd-ilibrary.org/trade/the-impact-of-trade-liberalisation-on-jobs-and-growth_5kgj4ifj1nq2-en).
- OECD/WTO *Aid for trade at a glance 1<sup>st</sup> global review* (2007) WTO/OECD Publishing
- OECD/WTO *Aid for trade at a glance 2015: Reducing trade costs for inclusive, sustainable growth* (2015) Geneva: WTO/OECD Publishing.
- OECD/WTO 'Aid for trade at a glance 2017: Promoting trade, inclusiveness and connectivity for sustainable development' 2017 WTO/OECD Publishing 550 available at [http://dx.doi.org/10.1787/aid\\_glance-2017-en](http://dx.doi.org/10.1787/aid_glance-2017-en).
- Onyema H K, Emenyonu U, Ahmodu K O *et al.* 'An analysis of underutilisation of inland waterway transport in Nigeria' (2017) 2 *Journal of Marine Technology & Environment*
- OPIC (Overseas Private Investment Corporation) 'Opic mobilizes private capital to help solve critical development challenges' United States Overseas Private Investment Corporation available at <https://www.opic.gov/who-we-are/overview> (accessed 14 June 2017).
- Opoku Awuku E 'Developing and least-developed countries and mega-regional trade and investment agreements' in *European yearbook of international economic law 2016* Bungenberg M, Herrmann C, Krajewski M, *et al.* eds Cham:Springer International Publishing, 615-26
- Othieno H & Awange J *Energy resources in Africa: Distribution, opportunities and challenges* (2016) Switzerland: Springer International Publishing.
- Panos E, Turton H, Densing M *et al.* 'Powering the growth of sub-saharan Africa: The jazz and symphony scenarios of world energy council' (2015) 26 (Supplement C) *Energy for Sustainable Development* 14-33.
- Paul Brenton, Nora Dihel, Ian Gillson *et al.* 'Regional trade agreements in sub-saharan Africa: Supporting export diversification' 2011 *Africa Trade Policy Notes* No 15 World Bank available at <http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/15TradePolicyREDESIGN.pdf>.
- Persson M & Wilhelmsson F 'EU trade preferences and export diversification' (2016) 39 (1) *The World Economy* 16-53.
- Peter D 'Rethinking the (European) foundations of sub-saharan african regional economic integration: A political economy essay' 2010 *OECD Development Centre Working*

- Paper No 293*, OECD Publishing available at <http://www.oecd.org/countries/angola/46013902.pdf>.
- Pieterse D, Farole T, Odendaal M *et al.* 'Supporting export competitiveness through port and rail network reforms: A case study of South Africa' 2016 *Policy Research Working Paper* No WPS 7532 Trade and Competitiveness Global Practice Group, World Bank Group available at <http://documents.worldbank.org/curated/en/826871468000289228/pdf/WPS7532.pdf>.
- Pigman G A 'AGOA-IV and the trade prospects of sub-Saharan Africa' (2016) *Commonwealth Trade Hot Topics, March 2016, Issue 127* 1-8.
- Portugal-Perez A & Wilson J S 'Why trade facilitation matters to Africa' (2009) 8 *World Trade Review* 379-416.
- Portugal-Perez A & Wilson J S 'Export performance and trade facilitation reform: Hard and soft infrastructure ' (2012) 40 (7) *World Development* 1295-307.
- Railway Gazette 'London joins the silk road as UK-China rail freight service sets off' available at <http://www.railwaygazette.com/news/freight/single-view/view/london-joins-the-silk-road-as-uk-china-rail-freight-service-sets-off.html> (accessed 6 December 2017).
- Razzaque M A & te Velde D W *Assessing aid for trade: Effectiveness, current issues and future directions* (2013) Commonwealth Secretariat.
- Rippel B 'Why trade facilitation is important for Africa' 2011 *Policy Note* No 27 World Bank 1-13 available at [http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/trade\\_facilitation\\_note\\_nov11.pdf](http://siteresources.worldbank.org/INTAFRREGTOPTRADE/Resources/trade_facilitation_note_nov11.pdf).
- Robertson E. (2017). Will a single African sky become a reality in 2017? *Routes News*, 2017.
- Rodrigue J P, Comtois C & Slack B *The geography of transport systems* (2013) Taylor & Francis.
- Roser M 'World poverty' 2016 Our World in data available at <https://ourworldindata.org/world-poverty/>.
- Routes News 'Will a single african sky become a reality in 2017?' Route News available at <https://www.routesonline.com/news/29/breaking-news/272478/will-a-single-african-sky-become-a-reality-in-2017/> (accessed 26 March 2018).
- Segerstrom P S 'Trade and economic growth' in *Palgrave handbook of international trade* Bernhofen D, Falvey R E, Greenaway D, *et al.* eds Hampshire:Palgrave Macmillan, 1-31
- Seyoum B 'Revealed comparative advantage and competitiveness in services: A study with special emphasis on developing countries' (2007) 34 (5) *Journal of Economic Studies* 376 – 88.
- Shashank P 'Trade facilitation: A brief negotiating history' 2007 *Working Papers* 919 eSocialSciences available at <http://ideas.repec.org/p/ess/wpaper/id919.html>.
- Shaw-Smith P 'Afraa demands progress on African open skies liberalization' AINonline available at <https://www.ainonline.com/aviation-news/air-transport/2017-03-06/afraa-demands-progress-african-open-skies-liberalization> (accessed 15 November 2017).



- Singh T 'Does international trade cause economic growth? A survey' (2010) **33** (11) *The World Economy* 1517-64.
- Spulber D F *Global competitive strategy* (2011) New York: Cambridge University Press.
- Stocchetti M 'A perfect post-2015 partner? Analysing EU's development and trade agendas for global development partnership' (2016)
- Storeygard A 'Farther on down the road: Transport costs, trade and urban growth in sub-Saharan Africa' (2016) **83** (3) *The Review of Economic Studies* 1263-95.
- Syrquin M 'Resources industrial transformation and the structure of the world economy' in *Resources, production and structural dynamics* Baranzini M L, Rotondi C & Scazzieri R eds Cambridge, UK: Cambridge University Press, 323-45
- Taliotis C, Shivakumar A, Ramos E *et al.* 'An indicative analysis of investment opportunities in the african electricity supply sector — using TEMBA (the electricity model base for Africa)' (2016) **31** (Supplement C) *Energy for Sustainable Development* 50-66.
- TRALAC 'Establishment of a single african air transport market: Ministerial working group experts' meeting' Trade Law Centre available at <https://www.tralac.org/news/article/12254-establishment-of-a-single-african-air-transport-market-ministerial-working-group-experts-meeting.html> (accessed 10 November 2017).
- Tuigong D R & Kipkurgat T K 'Challenges and opportunities facing textile industries in kenya in the wake of Africa growth and opportunity act' (2015) **3** (9) *International Journal* 520-3.
- U.S. Bureau of the Census 'Trade in goods with Africa' U.S. Department of Commerce, Foreign Trade available at <https://www.census.gov/foreign-trade/balance/c0013.html#questions> (accessed May 14 2017).
- UN/CEFACT 'Summary of un/cefact trade facilitation recommendations ' 2006 No ECE/TRADE/346 United Nations Centre for Trade Facilitation and Electronic Business available at [http://www.intracen.org/uploadedFiles/intracenorg/Content/About\\_ITC/Press/Press\\_releases/ITC%20publishes%20business%20guide%20on%20new%20WTO%20trade%20facilitation%20agreement\(1\).pdf](http://www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/Press/Press_releases/ITC%20publishes%20business%20guide%20on%20new%20WTO%20trade%20facilitation%20agreement(1).pdf).
- UNCITRAL *Uncitral model law on electronic commerce with guide to enactment 1996* (2001) Vienna, Austria: United Nations Publication.
- UNCITRAL *Uncitral model law on electronic signatures with guide to enactment 2001* (2002) Vienna, Austria: United Nations Publication.
- UNCTAD 'Economic development in Africa report 2013: Intra-african trade: Unlocking private sector dynamism' 2013 *Economic Development in Africa Report* United Nation available at [http://unctad.org/en/publicationslibrary/aldcafrica2013\\_en.pdf](http://unctad.org/en/publicationslibrary/aldcafrica2013_en.pdf).
- UNCTAD 'Un list of least developed countries' United Nations Conference on Trade and Development available at <http://unctad.org/en/pages/aldc/Least%20Developed%20Countries/UN-list-of-Least-Developed-Countries.aspx> (accessed 2 June 2014).
- UNCTAD 'Unlocking the potential of Africa's services trade for growth and development' 2015 *Economic Development in Africa Report 2015* United Nation available at [http://unctad.org/en/PublicationsLibrary/aldcafrica2015\\_en.pdf](http://unctad.org/en/PublicationsLibrary/aldcafrica2015_en.pdf).



- UNECA 'Eca urges countries to cut high cost of trading to grow share of global business' 2013 UN Economic Commission for Africa, ECA External Communications and Media Relations Section available at <http://www.uneca.org/media-centre/stories/eca-urges-countries-cut-high-cost-trading-grow-share-global-business#.U71yHPmSxo8>.
- UNECA 'Industrializing through trade' 2015 UN Economic Commission for Africa, ECA External Communications and Media Relations Section available at [http://www.uneca.org/sites/default/files/PublicationFiles/era2015\\_eng\\_fin.pdf](http://www.uneca.org/sites/default/files/PublicationFiles/era2015_eng_fin.pdf).
- UNECE (United Nations Economic Commission for Europe) 'Conventions' Trade Facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/contents/conventions.htm> (accessed 20 December 2017).
- UNECE (United Nations Economic Commission for Europe) 'Guidelines and guides' Trade Facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/contents/guidelines-and-guides.htm> (accessed 20 December 2017).
- UNECE (United Nations Economic Commission for Europe) 'Recommendations and standards' Trade Facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/contents/recommendations-and-standards.htm> (accessed 20 December 2017).
- UNECE (United Nations Economic Commission for Europe) 'Trade facilitation - principles and benefits' Trade Facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/details.html> (accessed 14 October 2017).
- UNECE (United Nations Economic Commission for Europe) 'Trade facilitation instruments' Trade Facilitation Implementation Guide United Nations Economic Commission for Europe available at <http://tfig.unece.org/instruments.html> (accessed 20 December 2017).
- UNECE (United Nations Economic Commission for Europe) 'Trade facilitation organizations' Trade Facilitation Implementation Guide UN Economic Commission for Europe available at <http://tfig.unece.org/details.html> (accessed 15 Oct 2017).
- UNESCAP/ADB (United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and Asia Development Bank) *Designing and implementing trade facilitation in Asia and the Pacific, 2013 update* (2013) Manila, Philippines: UNESCAP and ADB.
- United Nations Economic and Social Council *Intra-African trade and Africa regional integration index - progress report on intra-African trade* (2015) Addis Ababa: United Nations Economic and Social Council, available at (accessed 24 January 2017).
- United States Trade Representative (USTR) 'Africa' United States Trade Representative available at <https://ustr.gov/countries-regions/africa> (accessed 21 May 2017).
- US Congress 'Public law 106: Trade and development act of 2000' United State Congress available at <https://www.congress.gov/106/plaws/publ200/PLAW-106publ200.pdf>.
- Van den Hoven A 'Bureaucratic competition in EU trade policy' (2007) *European Union trade politics and development: 'Everything but Arms' unravelled*. London: Routledge 60-73.
- van Weezel S 'Food imports, international prices, and violence in Africa' (2016) **68** (3) *Oxford Economic Papers* 758-81.

- Vermeire J A L & Bruton G D 'Entrepreneurial opportunities and poverty in sub-saharan Africa: A review & agenda for the future' (2016) **2** (3) *Africa Journal of Management* 258-80.
- Vijil M 'Aid for trade effectiveness: Complementarities with economic integration' (2014) **37** (4) *The World Economy* 555-66.
- Viljoen W 'The face of african agriculture trade' Trade Law Centre available at <https://www.tralac.org/discussions/article/11629-the-face-of-african-agriculture-trade.html> (accessed 10 Januray 2018).
- Wacziarg R & Welch K H 'Trade liberalization and growth: New evidence' (2008) **22** (2) *The World Bank Economic Review* 187-231.
- WCO 'Introduction to the implementation guidance' 2015 World Custom Organisation available at [http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/~/\\_media/WCO/Public/Global/PDF/Topics/WTO%20ATF/INTRODUCTION%20to%20the%20Implementation%20Guidance%20Sept%202015%20EN.ashx](http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/~/_media/WCO/Public/Global/PDF/Topics/WTO%20ATF/INTRODUCTION%20to%20the%20Implementation%20Guidance%20Sept%202015%20EN.ashx).
- Wei L 'China customs' reform: Approaches to improving the professionalism of customs clearing agents to enhance trade facilitation' (2015) **9** (1) *World Customs Journal* 71-82.
- Whiteman K 'A history of the ACP-EU relationship: The origins and spirit of lom  in *The acp group and the EU development partnership*:Springer, 33-52
- Wilkinson R, Hannah E & Scott J 'The WTO in Bali: What mc9 means for the Doha development agenda and why it matters' (2014) **35** (6) *Third World Quarterly* 1032-50.
- Williams B R 'African growth and opportunity act (AGOA): Background and reauthorization' (2014) **7** (3) *Current Politics and Economics of Africa* 203-27.
- Wilson N 'What a difference a day makes: An estimate of potential gains from trade facilitation' (2007) *Annual Meeting of American Agricultural Economics Association (New Name 2008: Agricultural and Applied Economics Association)* July 29-August 1, 2007, Portland, Oregon
- Wolfe R 'First diagnose, then treat: What ails the Doha round?' (2015) **14** (1) *World Trade Review* 7-28.
- Wolfgang H M & Kafeero E 'Legal thoughts on how to merge trade facilitation and safety & security' (2014) **8** (1) *World Customs Journal* 1-14.
- World Atlas 'The countries of Africa by size' World Facts World Atlas available at <http://www.worldatlas.com/articles/the-countries-of-africa-by-size.html> (accessed 24 September 2017).
- World Bank *Trade and transport facilitation assessment - a practical toolkit for country implementation* (2010) Washington DC, U S: World Bank available at [http://siteresources.worldbank.org/EXTTLF/Resources/Trade&Transport\\_Facilitation\\_Assessment\\_Practical\\_Toolkit.pdf](http://siteresources.worldbank.org/EXTTLF/Resources/Trade&Transport_Facilitation_Assessment_Practical_Toolkit.pdf) (accesssed 21 December 2015).
- World Bank 'Developing countries face higher trade costs' 2013a *Press Release* No 2013/242/PREM World Bank available at <http://www.worldbank.org/en/news/press-release/2013/02/06/developing-countries-face-higher-trade-costs>.

- World Bank 'Fact sheet: The world bank and energy in Africa' The World Bank available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,contentMDK:21935594~pagePK:146736~piPK:146830~theSitePK:258644,00.html> (accessed 11 October 2017).
- World Bank *Doing business 2015 - going beyond efficiency* (2014) Washington, DC: World Bank.
- World Bank 'Developing countries face tough transition in 2015 with higher borrowing costs and lower prices for oil & other commodities' Press Release No 2015/486/DEC World Bank available at <http://www.worldbank.org/en/news/press-release/2015/06/10/developing-countries-face-tough-transition-in-2015-with-higher-borrowing-costs-and-lower-prices-for-oil-other-commodities> (accessed 20 March 2016).
- World Economic Forum 'The Africa competitiveness report 2013' 2013 World Economic Forum 205 available at <http://weforum.org/reports/africa-competitiveness-report-2013>.
- World Economic Forum 'The Africa competitiveness report 2015' 2015 World Economic Forum 205 available at [http://www3.weforum.org/docs/WEF\\_ACR\\_2015/Africa\\_Competitiveness\\_Report\\_2015.pdf](http://www3.weforum.org/docs/WEF_ACR_2015/Africa_Competitiveness_Report_2015.pdf).
- World Economic Forum (WEF) 'The Africa competitiveness report 2017: Addressing africa's demographic dividend.' 2017 World Economic Forum 205 available at [http://www3.weforum.org/docs/WEF\\_ACR\\_2017.pdf](http://www3.weforum.org/docs/WEF_ACR_2017.pdf).
- WTO 'Bali package and november 2014 decisions' Ministerial Declaration and decisions WTO available at [https://www.wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/balipackage\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc9_e/balipackage_e.htm) (accessed 7 June 2017).
- WTO 'The Doha round' WTO available at [http://www.wto.org/english/tratop\\_e/dda\\_e/dda\\_e.htm](http://www.wto.org/english/tratop_e/dda_e/dda_e.htm) (accessed 4 June 2014).
- WTO 'Main legal provisions' World Trade Organization available at [https://www.wto.org/english/tratop\\_e/devel\\_e/d2legl\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/d2legl_e.htm) (accessed 27 May 2017).
- WTO 'Marrakesh agreement establishing the world trade organization' WTO available at [http://www.wto.org/english/docs\\_e/legal\\_e/04-wto\\_e.htm](http://www.wto.org/english/docs_e/legal_e/04-wto_e.htm) (accessed 5 June 2017).
- WTO 'Technical information on safeguard measures' World Trade Organisation available at [https://www.wto.org/english/tratop\\_e/safeg\\_e/safeg\\_info\\_e.htm](https://www.wto.org/english/tratop_e/safeg_e/safeg_info_e.htm) (accessed 5 December 2017).
- WTO 'Trade facilitation - status report by the council for trade in goods' 1999 No G/L/333 Council for Trade in Goods, World Trade Organisation available at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/333.doc](https://www.wto.org/english/tratop_e/tradfa_e/333.doc).
- WTO 'Briefing note: Trade facilitation - cutting "red tape" at the border' 9<sup>th</sup> WTO Ministerial Conference, Bali, 2013 WTO available at [http://wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/brief\\_tradfa\\_e.htm](http://wto.org/english/thewto_e/minist_e/mc9_e/brief_tradfa_e.htm) (accessed 8 June 2017).
- WTO 'Differential and more favourable treatment reciprocity and fuller participation of developing countries' WTO available at

- [http://www.wto.org/english/docs\\_e/legal\\_e/enabling1979\\_e.htm](http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm) (accessed 8 June 2017).
- WTO 'International trade statistics 2015' 2015a World Trade Organisation 170 available at [https://www.wto.org/english/res\\_e/statis\\_e/its2015\\_e/its2015\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2015_e/its2015_e.pdf).
- WTO 'World trade developments in 2015' available at [https://www.wto.org/english/res\\_e/statis\\_e/its2015\\_e/its15\\_world\\_trade\\_dev\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2015_e/its15_world_trade_dev_e.pdf) (accessed 24 October 2017).
- WTO 'World trade report 2015' 2015c World Trade Organisation 157 available at [https://www.wto.org/english/res\\_e/booksp\\_e/world\\_trade\\_report15\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf).
- WTO 'WTO launches dedicated website for new trade facilitation agreement facility' 2015d No PRESS/744 World Trade Organization available at [https://www.wto.org/english/news\\_e/pres15\\_e/pr744\\_e.htm](https://www.wto.org/english/news_e/pres15_e/pr744_e.htm).
- WTO 'The WTO trade facilitation agreement ' 2015e WTO 1-5 available at [https://www.wto.org/english/forums\\_e/parliamentarians\\_e/tfagreefactsheet\\_e.pdf](https://www.wto.org/english/forums_e/parliamentarians_e/tfagreefactsheet_e.pdf).
- WTO 'Principles of the trading system' 2016a *Understanding the WTO: Basic* World Trade Organisation available at [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm).
- WTO 'Statistics and charts' Trade Facilitation Agreement Facility World Trade Organisation available at <http://www.tfafacility.org/updates> (accessed 9 May 2017).
- WTO 'Trade facilitation: Background' Trade Topics WTO available at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_intro\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_intro_e.htm) (accessed 9 May 2017).
- WTO *World trade statistical review 2016* (2016d) Geneva: World Trade Organisation available at [https://www.wto.org/english/res\\_e/statis\\_e/wts2016\\_e/wts2016\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2016_e/wts2016_e.pdf) (accessed 22 May 2017).
- WTO 'Aid for trade' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm) (accessed 10 April 2017).
- WTO 'Aid for trade fact sheet' available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/a4t\\_factsheet\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/a4t_factsheet_e.htm) (accessed 10 April 2017).
- WTO 'Trade facilitation agreement facility - ratifications list' World Trade Organisation available at <http://www.tfafacility.org/ratifications> (accessed 20 March 2018).
- Yoshino Y 'Domestic constraints, firm characteristics, and geographical diversification of firm-level manufacturing exports in Africa' (2008) *Policy Research Working Paper Series* WPS4575 Washington DC: The World Bank.
- Young A R & Peterson J 'We care about you, but ...': The politics of EU trade policy and development' (2013) **26** (3) *Cambridge Review of International Affairs* 497-518.
- Zaki C 'How does trade facilitation affect international trade?' (2015) **27** (1) *European Journal of Development Research* 156-85.
- Zappile T M 'Nonreciprocal trade agreements and trade: Does the African growth and opportunity act (AGOA) increase trade?' (2011) **12** (1) *International Studies Perspectives* 46-67.

Zhang J, Cui Z & Zu L 'The evolution of free trade networks' (2014) **38** *Journal of Economic Dynamics and Control* 72-86.

Zhang Y, Lin F & Zhang A 'Gravity models in air transport research: A survey and an application' (2016)



UNIVERSITY *of the*  
WESTERN CAPE