

Recent Updates on Trade and Investments for June 2023



The African Continental Free Trade Area (AfCFTA)



1. “Freight forwarders operating at Seme Border have written to the Federal Government of Nigeria demanding the opening of the border for vehicle importation.”

The Director of Road Transport, Federal Ministry of Transportation for Nigeria, Ibrahim Musa, disclosed this during a meeting between officials of Nigeria and Benin organised by the Economic Community of West African States. He explained that freight forwarders appealed to the former Minister of State for Transportation during his last visit to the border, asking for the reactivation of the border. Ibrahim Musa mentioned memo was prepared and sent to the Federal Government based on the request being approved by the Federal Executive Council.

<https://punchng.com/fg-may-open-seme-border/>

2. PAPSS signs MOU with five major African Group Banks, namely, Access Bank, Ecobank Group, KCB Group, SB Group and UBA Group at the Afreximbank Annual meeting that was held in Accra, Ghana.

3. AfCFTA launches the single portal for trade services. Afreximbank has launched, the Africa trade gateway (ATG), a single electronic window that brings together key parts of Africa’s digital ecosystem, namely, the Pan-African Payment and Settlement Scheme -PAPSS, the Tradar Club(a network for international businesses aimed at fostering growth in Africa), the Africa trade exchange, (an e-commerce platform)and ATG Connect- (provides freight and logistics connectivity solutions).

4. The African Growth and Opportunity Act (AGOA), which allows duty- and quota-free exports from eligible African countries into the United States, is due to expire in 2025. There has been much speculation that it might be replaced with new trade agreements between the two regions that will follow the free trade policies of the African Continental Free Trade Area agreement and the reciprocal trade initiatives promoted as part of the US’s Prosper Africa initiative. It has also been suggested that an evolved AGOA might be the way forward, creating an increasingly mutually beneficial trade relationship between the two regions.

<https://www.lexology.com/library/detail.aspx?g=7dcf29f6-0b25-4d45-b6aa-1431c4ff28a4>

The African Continental Free Trade Area (AfCFTA)

5. Nigeria's low industrial base means that in the near term, it will participate in AfCFTA mostly as a consumer market. Nigeria is a state party to the African Continental Free Trade Area (AfCFTA) agreement but was among the last of 54 countries to sign due to uncertainties about the deal's impact on its domestic market. The free trade agreement will hopefully drive the continent's industrialisation agenda and bring prosperity to Africans but Nigeria's dependence on crude oil exports and the challenges facing its manufacturing sector could suppress the benefits.

<https://issafrica.org/iss-today/nigeria-should-engage-china-for-afcfta-success>

6. AFRICA needs the political will to collectively remove cross-border barriers and successfully implement the African Continental Free Trade Area (AfCFTA). The AfCFTA is one of the flagship projects of Agenda 2063: The Africa We Want; and it seeks to significantly boost intra-Africa trade, particularly trade in value-added production and trade across all sectors of Africa's economy.

<https://www.chronicle.co.zw/political-will-needed-to-implement-africa-free-trade-area/>

The European Union



1. The UK remains second in EY's annual ranking of European countries by their ability to attract Foreign Direct Investment (FDI) projects, according to the [EY2023 UK Attractiveness Survey](https://www.ey.com/en_uk/news/2023/06/foreign-direct-investment-uk-remains-second-in-europe-despite-a-fall-in-project-numbers), despite activity falling in 2022. France held onto top spot for total project numbers for a fourth consecutive year, although the UK once again ranked highest in Europe for new projects and continued to deliver more total jobs and jobs per project than Germany and France – trends consistent with the UK's pivot in strategy to focus on value over volume when attracting FDI.

https://www.ey.com/en_uk/news/2023/06/foreign-direct-investment-uk-remains-second-in-europe-despite-a-fall-in-project-numbers

2. Economic Ramifications of Brexit on Trade and Investment Between the UK and Germany: Ever since the United Kingdom cast its historic vote to exit the European Union on June 23, 2016, followed by its departure from the EU's single market at the onset of 2021, the economic aftermath of Brexit has reverberated throughout both the UK and Germany.

<https://www.businessoutreach.in/economic-ramifications-of-brexit-on-trade/>

The World Trade Organization



1. The co-conveners of the e-commerce negotiations — Japan, Australia and Singapore — at their latest meeting with WTO members participating in the negotiations from 19 to 22 June 2023, urged negotiators to consider carefully how the initiative can achieve the objective of securing substantial results by the end of the year, using the remaining four rounds of negotiations to find common ground on various issues.

https://www.wto.org/english/news_e/news23_e/jsec_22jun23_e.htm

2. At a workshop on least developed countries' (LDCs) participation in the multilateral trading system on 22 June, Deputy Director-General Xiangchen Zhang said: "We all want the WTO to do more in helping LDCs become more active players in the multilateral trading system." The purpose of this event is to "spark ideas which can help LDCs strategize on their trade priorities." The workshop was held on the sidelines of the Annual Conference of the WTO Chairs Programme.

https://www.wto.org/english/news_e/news23_e/ldevc_22jun23_e.htm

3. In her keynote address to the 13th World Chambers Congress in Geneva on 21 June, Director-General Ngozi Okonjo-Iweala said the multilateral trading system works but that parts of it need reform. She also underlined the risk to global prosperity if trade fragments into rival blocs and reiterated her call for "re-globalization" rather than deglobalization.

https://www.wto.org/english/news_e/news23_e/igo_21jun23_e.htm

African Union



1. The African Union (AU) Commission, in collaboration with East African Community (EAC), announced plans to organise the 14th African Union Private Sector Forum aiming to strengthen the linkages between regional and continental markets for increased trade and investment. This forum, according to the commission, provides a platform for high-level government officials to have a candid dialogue with the business community on the challenges and deliberate on the solutions and opportunities presented by the African Continental Free Trade Area (AfCFTA).

<https://www.developmentdiaries.com/2023/06/attend-african-union-private-sector-forum/>

South African Development Community (SADC)



1. Malawi, Zambia, Zimbabwe, and Botswana have agreed to scrap mobile roaming charges. The move comes into effect in August and takes the Southern African Development Community closer to a single digital market. Mobile users in Malawi, Zambia, Zimbabwe and Botswana will no longer be charged extra when they cross borders.

<https://www.dw.com/en/sadc-countries-scrap-roaming-charges/a-65921774>

South African Development Community (SADC)

2. A new white paper, 'SADC Regional Payments Interoperability – exploring the value of mutual digital infrastructure to drive more formalised, accessible and inclusive payments in the region', by BankservAfrica together with Cenfri, explores the region's cross-border payments landscape. Examining the different use cases, this paper also highlights the barriers to growth and elaborates on how a regional payment solution could work for the good of all.

East African Community



1. Foreign Direct Investment in East Africa grows with Chinese and Indian investments. In order to address the region's low levels of foreign direct investment (FDI) in agriculture, dependency on imported food, and susceptibility to global shocks, a research was conducted. The study was started by the East African Business Council (EABC) in collaboration with Sequa GmbH through the Business Scouts Fund and GIZ Business Scouts for Development.

<https://africa.businessinsider.com/local/markets/fdi-in-east-africa-grows-with-chinese-and-indian-investments/k3yp9ev>

2. The East African Community Competition Authority (EACCA) and the Competition Authority of Kenya (CAK) have signed a memorandum of understanding (MoU) to ensure the execution of their respective mandates to enhance regional integration and cross-border trade and investment.

<https://newsghana.com.gh/eac-kenya-competition-authorities-sign-bilateral-pact-to-foster-cross-border-trade/>

Upcoming Events And Trainings In The Trade Space

Event: Investment summit 2023 to facilitate valuable business-to-business engagements, joint ventures, partnerships, business deals, and exhibition. Over 500 delegates from banking, trade and the private sector are expected to attend the upcoming East Africa Business and Investment Summit 2023

Date: 30 August to 01 September

Venue: Speke Munyonyo Hotel in Kampala, Uganda.

Event: World Customs Organization Technology Conference 2023

Date: 10 October – 12 October

Venue: Ha Noi, Vietnam