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Review Article

Africa Continental Free Trade Area (AfCFTA): Review of Literature

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ABSTRACT

The paper reviewed the literature on Africa Continental Free Trade Area (AfCFTA) which was launched on January 1, 2021. It reviewed trade in Africa prior to AfCFTA and critically analyzed the performance of the existing RECs. The paper also reviewed trade policies in Africa and the existing institutions. Inherent drawbacks were examined and the paper concluded with the expectations of the benefits of AfCFTA on the participating countries; which include boosting economic growth, reduction in poverty, broaden economic inclusion and guide for policy makers towards maximum benefit. The study recommended amongst other thing that African countries should formulate their economic policies around AfCTA as a veritable means of achieving the benefits of the trade agreement. Concerted efforts to strengthen institutions to ensure accountability and reduce corruptions in the continent should be pursued. African countries should break the stronghold of foreign powers to ensure total independence by reviewing most trade and economic agreements.

Keywords: *AfCFTA, Africa, integration, review of literature, trade.*

1. INTRODUCTION

The expansion of trade within the African geographical space has been seen as an avenue of growing and developing the economies of African countries. At the 18th Ordinary Session of the African Union (AU) held in Addis Ababa, Ethiopia, from 23rd to 30th January, 2012 with the theme “Boosting Intra-Africa Trade” the heads of state and government of African countries agreed to establish the African Continental Free Trade Area (AfCFTA). Six years after, in 2018, the AU launched the single air transport market to boost connectivity and cut travel costs across the continentas further leverage to boost intra-Africa trade (AU 2018).The AfCFTA agreement was signed on the 21st March 2018 in Kigali, Rwanda by 44 out of the 55 AU member countries. The agreement went into force on 30th May 2019 and entered its operational phase following the AU Summit on 7th July 2019. The agreement, it is expected, will help to accelerate the realization of the Abuja Treaty which is aimed at the establishment of the grounds for mutual economic development and integration of African economies towards

the creation of African economic community. It is also expected to correct the African anomaly in continental trade as the continent trades more comfortably with the outside world than with itself.
These agreements are efforts aimed at leveraging on the existing multilateral arrangements of the regional economic communities (RECs);Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC); Economic Community of Central African States (ECCAS); Economic Community of West African States (ECOWAS); Southern African Development Community (SADC); Arab Maghreb Union (AMU/UMA); Community of Sahel-Saharan States (CENSAD); and Intergovernmental Authority on Development (IGAD);to provide a framework for trade liberalization in goods and services in Africa, and also create more latitude for economic growth and development of Africa. These eight RECs are officially recognized by AU and are referred in the agreement establishing the AfCFTA as the building blocks for Africa's integrating process and eventual establishment of a continental customs union [7].It is expected that these agreements will make for a freer flow of intra-Africa trade among member states with its economic and socio-political benefits.
The AfCFTA is the largest trade area in the world in terms of countries' participation since the formation of World Trade Organization(WTO)in 1995 with 125 members and 164 in 2022. Given the potential of bringing about 1.3 billion people across 55 countries into the same market with an aggregate domestic product of about US$2.5 trillion it is expected to boost intra-African trade[10]. It will only be second to Regional Comprehensive Economic Partnership (RCEP) which will have an estimated 3.4 billion people from Asia-Pacific nations and US$50 trillion when it comes on board [2]. RCEP entered into force on 1st January 2022The United Nations Economic Commission for Africa (UNECA) projected that AfCFTA will boost intra-African trade by 52% by 2024 [18]. However, the post Covid 19 pandemic will affect the expected pace of implementation and the success rate of previous integrating programs in Africa definitely cast some cautious excitement in the anticipated result of AfCFTA yet it should elicit some excitement within the continent's economic space.

II Review of trade in Africa prior to AfCFTA

Africans had been engaged with inter-Africa and intra-Africa trade before the establishment of AfCFTA in 2019. Prior to the explorations of Africa by European merchants in the 15th century African traders and rulers had established trading relationships with the Indian ocean region, western Asia, and the Mediterranean world. Internally, there were local exchanges between African communities themselves. [5] highlight that in pre-colonial Africa, local manufacturers already made items of comparable quality to goods from pre-industrial Europe. Taking a cue from the existing trade model in Africa, European explorers hoodwinked and hijacked the trade to expand on the gains they made from the industrial revolution. In the trail of this, [12] explain that African economies and trade became structured with the aim of serving as suppliers of cheap labor and non-value-added raw materials to the colonial economies and as markets for their manufactured and value-added products. As such, trade benefited the metropolitan nations while marginalizing and impoverishing African nations. Moreover, African economies were fully integrated into the colonial ones, resulting in a one-sided dependency that has largely remained so to date. The crux of the matter,in the view of [1] in anticipation of AfCFTA, is to at least alter the pattern of trade flow to boost intra-African trade; defend the African domestic markets from further harmful liberalization; defend our producers – especially our farmers – from demise resulting from "dumping" of subsidized imports; seeking market access without reciprocal market opening obligation (considering the coercive and unfair trade balance over the years); and promoting regional integration.
Current African trade patterns reinforce the continent's reliance on the economies of developed markets, primarily the ex-colonial powers. Africa's trade particularly with the economies of previous colonial masters (European economies) has largely remained in the form of servicing these economies by way of providing raw materials for the industries of these colonial economies and serving as markets for their industrial goods. This pattern of trade has made African exports have

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little or no value added as these exports come back to Africa as imports with high value added and with higher prices. Consequently, Africa's share of total world trade has remained very low. Despite the efforts made by African countries to improve the region's share of global trade, statistics from Africa Trade Report shows that Africa's share of global trade has remained at less than 3 per cent for the last few decades [2].

Table 1: World Trade Merchandise Exports by region

	1948	1953	1963	1973	1983	1993	2003	2018
World ($b)	59	84	157	579	1,838	3,688	7,377	18,919
North America (%)	28.1	24.8	19.9	17.3	16.8	17.9	15.8	13.6
South & Central America (%)	11.3	9.7	6.4	4.3	4.5	3.0	3.1	3.4
Europe (%)	35.1	39.4	47.8	50.9	43.5	45.3	45.9	37.6
CIS (%)	-	-	-	-	-	1.7	2.6	3.4
Africa (%)	7.3	6.5	5.7	4.8	4.5	2.5	2.4	2.5
Middle East (%)	2.0	2.7	3.2	4.1	6.7	3.5	4.1	6.0
Asia (%)	14.0	13.4	12.5	14.9	19.1	26.0	26.2	33.6

Source: World Trade Statistical Review 2019

Table 2: World Trade Merchandise Imports by region

	1948	1953	1963	1973	1983	1993	2003	2018
World ($b)	62	85	164	594	1,883	3,805	7,694	19,394
North America (%)	18.5	20.5	16.1	17.2	18.5	21.3	22.4	18.4
South & Central America (%)	10.4	8.3	6.0	4.4	3.9	3.3	2.5	3.3
Europe (%)	45.3	43.7	52.0	53.3	44.1	44.5	45.0	36.9
CIS (%)	-	-	-	-	-	1.5	1.7	2.2
Africa (%)	8.1	7.0	5.2	3.9	4.6	2.6	2.2	3.0
Middle East (%)	1.7	2.2	2.3	2.7	6,2	3.3	2.8	3.8
Asia (%)	13.9	15.1	14.1	14.9	18.5	23.5	23.5	32.4

Source: World Trade Statistical Review 2019

Table 1 shows that from 1948 to 2018 Africa's share of export is the least among the major continentalregions of the world (North America, South & Central America, Europe, Africa, & Asia) while table 2 indicates a similar trend in the import trade thereby making Africa's share of world trade the least among the rest of the regions. The worrisome aspect of the trade is that the exports are largely primary products while the imports are largely industrial and manufactured goods with high level of value added.

The explosion in growth of world merchandise trade as a result of trade liberalization within the past three decades left Africa marginalized. World's trade statistics review 2019 as shown in tables 1 and 2 show that Africa's contribution to world export trade in 2018 was 2.5 per cent while its share of world import was 3 per cent [2]. Some of the reasons attributed to this low performance include lack of industrialization, low manufacturing and value addition with most African countries having a commodity export dependence of more than 80 per cent, whereas the bulk of African imports are industrial products and manufactured goods [7]. The emphasis on global trade liberalization as championed by WTO with the argument of enhanced overall welfare [15] is not favorable to African economies as trade liberalization benefits stronger economies more and leave weaker economies at a great disadvantage with removal of trade barriers. Statistics from World Development Indicator 2001 show that tariffs form a substantial source of government revenue for low- and middle-income countries. For instant in 2001 countries like France, Germany and United Kingdom earned zero income from tariff while United States earned 0.9% income from tariff. However, countries like Algeria, Egypt, Kenya, Sierra Leone, Pakistan and Vietnam earned 16 per cent, 13 per cent, 15 per cent, 46 per cent, 17 per cent and 25 per cent respectively from tariff [17]. According to World Bank statistics (2018); in 2017 income from tariffs for Canada was (1.52 per cent), USA (1.66 per cent), EU (1.79 per cent), and Japan (2.51 per cent) while in 2016 it was Gabon (16.93 per cent), Chad (16.36 per cent), Kenya (12.25 per cent) and Nigeria (11.25 per cent). This benefit is only at the level of merchandise and revenue flow and does not include infant industry protection which is a factor in the industrialization strategy of less developed economies. It is of note that tariffs help in infant industry protection.

2.1 African Regional Economic Communities' performance

From the dawn of African nations' independence, the leaders of African countries realized that integrated Africa, galvanized by regional integration is the hope of African development. Hence agreements, policies and their implementations have been put in place over the years like in other continental RECs to achieve the vision of growth and development of the African nation.

Economic integration takes many forms ranging from sectorial integration, free trade area, custom union, common market, monetary union, and economic and monetary union. The eight African RECs are at different levels of economic integration.[12] indicate that ECA members (Kenya, Burundi, Uganda, Rwanda and Tanzania) have a common market for labour, capital and goods. Some SADC partner states (Lesotho, Botswana, South Africa, Eswatini and Namibia) have formed a custom union, the South African Custom Union (SACU), which allows them to trade freely among themselves. All SACU members except Botswana belong to a monetary union. In Central and West Africa, some ECOWAS nations (Benin, Guinea-Bissau, Burkina Faso, Cote d'Ivoire, Senegal, Mali, Togo and Niger) have formed a custom union, the West African Economic and Monetary Union (WAEMU). The Central African Economic and Monetary Community (CAEMC) is a custom union formed by some ECCAS members (Chad, Gabon, the Republic of Congo, Equatorial Guinea and Cameroun). These pockets of sub-regional integration rarely add up when considered in terms of regional integration expressed in the volume of trade between them.

The 2019 African regional integration report shows that some of the RECs have made significant progress while others are far from achieving their visions and goals, as specified in their founding treaties [7]. The 2019 index report which provides up-to-date data on the status and progress of regional integration in Africa shows that the overall integration level on the African continent is low with an average rank of 0.327 (on a scale of 0 – 1) with the highest integrated country (South Africa) scoring 0.625. There are 25 low performing countries and 20 high performing countries out of 45 African countries reviewed. No African country can be considered well integrated in its region[8]. A review of the integration performance of the RECs based on five dimensions of trade integration, productive integration, macroeconomic integration, infrastructural integration and free movement of people shows that the best of the RECs (ECA) is a mere average performance as indicated by Table 3.

Table 3: Overview of Regional Integration in Africa

	Dimension	Integration level	Average of REC Integration level	Position
African continent	Trade integration	0.383	0.327	
	Productive integration	0.201		
	Macroeconomic integration	0.399		
	Infrastructural integration	0.220		
	Free movement of people	0.441		
SADC	Trade integration	0.340	0.337	7th

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	Productive integration	0.239		
	Macroeconomic integration	0.422		
	Infrastructural integration	0.214		
	Free movement of people	0.490		
ECOWAS	Trade integration	0.438	0.425	4th
	Productive integration	0.220		
	Macroeconomic integration	0.469		
	Infrastructural integration	0.298		
	Free movement of people	0.733		
CEN-SAD	Trade integration	0.377	0.377	5th
	Productive integration	0.256		
	Macroeconomic integration	0.441		
	Infrastructural integration	0.302		
	Free movement of people	0.508		
COMESA	Trade integration	0.445	0.367	6th
	Productive integration	0.328		
	Macroeconomic integration	0.365		
	Infrastructural integration	0.317		
	Free movement of people	0.385		
ECCAS	Trade integration	0.357	0.442	2nd
	Productive integration	0.323		
	Macroeconomic integration	0.684		
	Infrastructural integration	0.373		
	Free movement of people	0.469		
IGAD	Trade integration	0.444	0.438	3rd
	Productive integration	0.321		
	Macroeconomic integration	0.423		
	Infrastructural integration	0.480		
	Free movement of people	0.540		
ECA	Trade integration	0.440	0.537	1st
	Productive integration	0.434		
	Macroeconomic integration	0.660		
	Infrastructural integration	0.555		
	Free movement of people	0.664		
AMU	Trade integration	0.481	0.438	3rd
	Productive integration	0.449		
	Macroeconomic integration	0.571		
	Infrastructural integration	0.509		
	Free movement of people	0.438		

Source: [8]

Trade integration captures the openness of the economy in view of intra region exports and imports and determines the share of intra-regional trade. Productive integration considers the complementary productive capacity of the economy with respect to other economies within the region whereby comparative advantage and scale economies are enhanced. It captures the share

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of intra-regional intermediate exports and imports, and merchandise trade complementarity index. Macroeconomic integration is concerned with the extent macroeconomic policies of the economy creates conducive financial environment to attract investments to the economy thereby creating bilateral investment treaties, regional convertibility of currency, regional inflation differential. Infrastructural integration is a composite index that accounts for development in electricity, ICT, transport, water and other facilities that encourage cross-board connectivity for trade and investment while free movement of people integration captures the ease with which people move within the region for tourism and business [8].

The poor level of industrialization, manufacturing and low value addition reflects in the low trade integration of the RECs. Among the eight RECs as shown in Table 3 the highest performing REC in terms of trade integration is AMU with a score of 0.481 while SADC recorded the least performance with 0.340 as against the continental average of 0.383 [7].

Productive integration is the dimension with the least performance as the continental average is 0.201 and the regional best performance is from AMU with 0.449 while the worst performance is from ECOWAS with 0.220 as shown in table 3. The poor performance of all the RECs on productive integration shows low regional networks of production and trade as to enhance the productive, distributive and marketing capacities of individual countries to complement each other [7].

This integration dimension is also tied up with industry and manufactured intermediate goods and merchandise. Its solution also requires more than sound economic policies down to strong political will to focus attention on the local market. [1] argues that the conditions for industrialization have to intersect with the defensive interest where the key constraining factor for industrialization is demand. The argument is in favor of encouraging local production and consumption so as to create the economic space for a flourishing and bourgeoning local industrial development. The solution to the low level of African trade integration does not only require formulating and implementing sound economic policy instruments but demands strong political will and smart understanding of the dialectical dynamism of establishing an FTAs which will give form for both economic and political diplomatic maneuvering.

Macroeconomic dimension of integration seen in table 3 shows a better performance than other dimensions of integration. The continental average is 0.399 with ECCAS recording the best performance of 0.684 while COMESA has the least performance of 0.365 as shown in Table 3. This integration dimension is focused on macroeconomic variable of actual inflation as against regional inflation target and currency convertibility within the region. This invariably is an indicator of investment value to investors. Invariably this indicator influences foreign flow of finance. The continental performance is poor at 0.399 yet it is the secondbest in continental performance of all the five dimensions of integration.

Infrastructural integration is the dimension that recorded the continental second worst performance with 0.220, while ECA has the best RECs performance of 0.555 and SADC has the worst performance of 0.214.The infrastructural dimension as measured by Africa development bank (AfDB) infrastructural development index is a composite index that accounts for development in electricity, transport, ICT, water and sanitation. This dimension clearly brings to the fore the infrastructural deficit in the continent which continually minimizes the gains made in other dimensions of integration.

The free movement of people integration dimension records the best continental performance with 0.441, while ECOWAS records the best REC performance of 0.733 and COMESA has the worst performance of 0.385. This variable measures the willingness of countries to relax their visa policies and allow freer circulation of people which allows for freer labour mobility. It is aided by the implementation of the protocol of free movement of people which encourages the tourism industry.

2.2 Review of trade policies

Economic theory has demonstrated that intra-regional trade and inherent economies of scale provide the basis for investment for regional infrastructural development, which in turn facilitates integration and promote industrialization [2]. After World War II, with the BrettonWoods's agreement that created General Agreement on Tariffs and Trade(GATT) in 1947 which metamorphosed to WTO in 1995, the process of economic globalization has been characterized by global and regional integration especially regional trade agreements.[13] posit that trade policy measures are typically targeted at the tradable goods and services sector where they influence the structure of incentives and thus affect the relative prices of imports and exports which determines the composition and levels of these exports and imports.In the 1960s and 1970s when most African countries had their independence, administrators of the African economies were focused on interventionist and protectionist trade policy regimes.From the 1980s onwards, the focus of trade policy was on trade liberalization promoted by the economies of Europe, Japan and North America through the WTO and allied institutions with the mantra of better world welfare (universal prosperity) with global free trade than with trade restrictions. African countries galvanized to spur growth and seize trade opportunities to develop the continent.

The Lagos Plan of Action (LPA) of 1980 and its follow up, the Final Act of Lagos (FAL) of 1985, adopted almost four decades ago was the first major blueprint for Africa's development (Mzukisi, 2007). The blueprint projected the year 2000 as the target year to achieve African integrated market though this was not to be.The 1991 Abuja Treaty has the objective of creating an African Economic Community (AEC), following a six-step sequential approach over a 34-year period. The six stages includes: strengthening and creating RECs; stabilization of tariff and other barriers to regional trade; establishment of a free trade area; harmonization of tariff and non-tariff systems; establishment of common market and the adoption of common policies; and integration of all sectors, establishment of a central bank and a single African monetary union and creating and electing the first Pan-African parliament.

The RECs as already adopted in LPA are the building blocks of AEC and the realization of the integration is predicated upon the progress made by the RECs. However, a review of the progress made by the RECs shows a less than average performance on the continental level. Invariably, this has not significantly improved Africa's contribution to world trade that stands at the range of3 per cent. The low depth of intra African trade is driven by South Africa, Namibia, Zambia and Nigeria[3] with a combined GDP of about $1.1 trillion compared with continental leaders like USA ($19.49 trillion), China ($12.23 trillion), Germany ($3.69 trillion), Brazil ($2.053 trillion) and Australia ($1.32 trillion)Worldometer.

Twenty-nine (29) years into the 34-year timeline of the Abuja treaty, intra-African trade has not increased considerably. It increased from 10 per cent in 1995 to 17 per cent in 2017 and dropped to 16 per cent in 2018. When contrasted with other intra-continental trade of 59 per cent in Asia, 67 per cent in European Union (EU), 48 per cent in North America and 20 per cent in Latin America it could be said that Africa is lagging behind[14]. However, with the signing of the AfCTA and the commitment of the existing RECs in eliminating tariffs of 90 per cent of products under the AfCTA and promoting free movement of people it is estimated that intra-regional trade will increase up to 20 per cent in the medium term [10]. Suffice it to say that the projections stir up flashes of hope that Africa looks good but the current economic recession of many economies as driven by Covid-19 cast serious doubt on the expected growth trajectory.

2.4 Review of institutions

The 1991 Abuja Treaty has the objective of establishing five key institutions that will guide and lay the foundation of the African economic community which includes the establishment of the African central bank, the African monetary fund, the African investment bank, the African court of justice and the Pan-African parliament.

The financial institutions are pivotal to the mobilization of resources and management of African financial sectors to accelerate the socio-economic integration of African economies.The pan-African financial institutions expected to drive the financial landscape are the African Investment Bank (AIB) and the Pan-African Stock Exchange (PASE); the African Monetary Fund (AMF) and the African Central Bank (ACB).

So far the AU has only adopted protocols for the establishment of the AMF and the AIB while the draft strategy for the establishment of the ACB is awaiting submission to the AU Assembly. However, as at 2017 only 9 member states of AU have signed the protocol and none had ratified it out of the 15 members needed to ratify it given the time frame to 2023. The purpose of the AMF will be to facilitate the integration of African economies by eliminating trade restrictions and providing greater monetary integration as envisioned under Article 6 and 44 of the Abuja Treaty.

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The establishment of AIB has the purpose of fostering economic growth and accelerating economic integration in Africa. As at 2017, 22 member states have signed the protocol while 5 out of the 15 member states needed to ratify the protocol have ratified it. The time frame is up to 2025. The establishment of ACB will be based on the joint African union of Commission/Association of African Central Banks (AACB) strategy adopted in 2015 with a time frame between 2028 and 2034. The Stock Exchange is a secondary financial market that helps to consolidate and sustain the economy so it is expected that PASE will come into function after the continental free trade area is reasonably established and running.

The African court of justice and the pan-African parliament are to coordinate the political organization of the African states and invariably the African economy. The African court on Human and Peoples' Right was established in 1998 and the protocol came into force in 2004. However, only 9 out of the 30 member states have ratified the protocol recognizing the competence of the court to receive cases from NGOs and individuals.

The Pan African parliament aims at making African peoplelegislatively participate in the development and economic integration of Africa. The AU Assembly adopted the protocol to the constitutive Act of the Union relating to the Pan-African parliament in June 2014 summit [Assembly/AU/Dec. 529 (XXIII)]. As at September 2017, 15 member states have signed the protocol of ratification.

III Inherent drawbacks

It has often been argued that Africa's colonial heritage is largely the bane of Africa's poor development. As much as this to some extent holds true, however, the reality on ground, as [11] adduce, that Africa's elites and post-colonial leaders focused on the wrong set of priorities with too little genuine commitment towards the goal of African development.On the political form at the dawn of independence, Pan Africanism placed more emphasis on mere politics rather than politics backed by economics in driving African growth and development. Today as Africa contributes about 3 per cent of world trade her contribution to world research which drives growth and development is less than 1 per cent [6]. On the economic front the example of the post-colonial import substitution industrialization strategy was predicated on substituting domestically produced products for foreign imports rather than focusing on re-engineering domestic production and consumption as to galvanize the local production chain. This growth strategy constrained the full development of productive forces in most parts of the continent and produced inefficient and uncompetitive economies, with stunted private sectors. There was lack of product complementarities, low value of primary export products and basic minerals, dependence on imports of intermediate and finished goods[11]. On the contrary, African elites and leaders have rather focused on becoming more like their colonial masters rather than retrieving their fledging African originality. Hence, they have not been able to extricate the African economic sphere from this colonial slavish stranglehold. African production is still following the model of servicing industrial Europe and America with Asia stepping in very prominently in Chinese current influence in the continent.

It is the battle for the control of African mind in the control of African resources that is the focus. African leaders and elites must necessarily reconstruct the mindset and narrative of Africa so as to gain more from the AfCTA launch. According to UN Environment Programme Africa generates some 30 per cent of the world's mineral reserves, 8 per cent of the world's natural gas, 12 per centof the world's oil reserves, 40 per cent of the world's gold and up to 90 per cent of world's chromium and platinum. It has the largest reserves of cobalt, diamonds and uranium in the world. Africa holds 65 per cent of the world's arable land, 10 per cent of internal renewable fresh water source [16]. It is not justifiable that with these natural resources Africa will continue to contribute merely 3 per cent of world global trade.To change this scenario, Africans have to control its resources and improve on the value chain of her production.

The commitment of African elites and leaders should move beyond grand gestures and abstract visions to bold sustainable political and economic reforms at the domestic level. The poor performance at the domestic level is evidenced in the poor coordinating performance at the regional level which gives an overall continental score of the RECs at 0.327 after several decades of regional integration efforts.

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IV Expectations

No doubt AfCFTA is an ambitious and laudable program that can shoot Africa to a higher level of growth and development and consequently higher rate of participation in global trade than the low single digit rate contribution to world trade that obtains. The ambition of the AfCFTA and its expediency is contained in the fact that the program is a free trade but one with a common market focus.
The African Continental Free Trade Agreement represents a major opportunity for countries to boost growth, reduce poverty, and broaden economic inclusion. According to the findings of [9] implementing AfCFTA would translate into:

- Lifting 30 million Africans out of extreme poverty and boost the incomes of nearly 68 million others who live on less than $5.50 a day;
- Boost Africa's income by $450 billion by 2035 (a gain of approximately 7 percent) while adding $76 billion to the income of the rest of the world.
- Increase Africa's exports by $560 billion, mostly in manufacturing.
- An estimated 10.5 percent spur in wage gains of women than 9.9 percent for men.
- Boost wages for both skilled and unskilled workers—10.3 percent for unskilled workers, and 9.8 percent for skilled workers.
- Furthermore, [19] observed that adopting AfCFTA had spurred a report is designed to guide policymakers in implementing policies that can maximize the agreement's potential gains while minimizing risks through.

- Creating a continent-wide market will require a determined effort to reduce all trade costs. In general, this will require legislation and regulations to enable the free flow of goods, capital and information across borders; create competitive business environments that can boost productivity and investment; and promote increased foreign competition and foreign direct investment that can raise productivity and innovation by domestic firms.
- In a few sectors facing job losses, governments will need to be ready to support workers with adequate safety nets and policies to retrain workers.
- Governments will need to design policies to increase the readiness of their workforces to take advantage of new opportunities.

V CONCLUSION

The paper extensively evaluated AfCTA. In a bid to explore the subject, literature was adequately reviewed x-raying the foundation framework, drawbacks and expectations of AfCTA. This tend to be an edge over previous studies and provide

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well detailed historical and development process of AfCTA. Though the expectations from the adoption of AfCTA are projections, there exists limited data on the subject since it is still in its early stages of implementation.

In other to materialize and maximize the expectations of AfCTA, the study amongst other things recommends that

African countries should formulate their economic policies around AfCTA as a veritable means of achieving the benefits of the trade agreement.

African countries should make concerted efforts to strengthen their institutions to ensure accountability and reduce corruptions in the continent.

African countries should break the stronghold of foreign powers to ensure total economic independence by reviewing most trade and economic agreement such as the economic agreements between the Francophone countries and France.

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