

## The ECOWAS Trade Liberalisation Scheme: Genesis, Conditions and Appraisal



Promoting regional integration through trade liberalization.

### 1.0. Background

Regional economic integration is a pan-African development agenda for the attainment of an eventual continental community. The 1991 Abuja Treaty, which established the African Economic Community (AEC), is the most recent framework setting out the strategy for attainment of the AEC. The broad aim of the Treaty was to establish a continent-wide single market by 2025. In addition, the Abuja Treaty emphasised that the ultimate objective of a continent-wide integration was to be achieved through the building blocks of the lower level regional integration arrangements.

A proposed Tripartite-Preferential Trade Agreement among three African Regional Economic Communities (RECs), namely the Southern African Development Community, (SADC), the Common Market for Eastern and Southern States (COMESA) and the East African Community (EAC) provides a guide to overcoming the problem of overlapping membership facing Africa's multiple RECs and the attainment of a continent-wide REC<sup>1</sup>.

The AEC Treaty indeed expects that one REC would exist in each of Africa's five sub-regions (i.e., Central, Eastern, North, Southern, and West). These lower-level RECs were expected to design and implement

trade liberalisation programmes aimed at achieving free trade areas in each of the five sub-regions by around 2000.



ECOWAS Policy process engendering development.

Success at this stage was expected to transform the lower-level RIAs into effective building blocks for the continent-wide AEC. This clearly situates the lower level regional integration arrangements in a central position as far as implementing the regional integration agenda set-out in the AEC Treaty is concerned. Without success at this level, the continent-wide economic integration process would lack effective building blocks and could, therefore, not achieve the desired overall result i.e., full economic integration of the African continent.

### 2.0. Economic Integration in West Africa

The Economic Community of West African States (ECOWAS) was established in 1975 with the objective of liberalising trade among member states: the elimination of tariff and non-tariff barriers, and ultimately achieving an economic and monetary union after successfully going through the process of a free trade area, custom union and common market. Specifically, it aimed at the elimination of all tariff and

<sup>1</sup>See Draper, Africa's Tripartite Preferential Trade Agreement and the PTA-WTO Coherence Debate: Ying and Yang in The Future and the WTO Confronting the Challenges (Eds. Melendez-Ortiz, Bellman and Mendoza), p.53, ICTSD 2012

non-tariff restriction on intra-ECOWAS trade, establishment of a common external tariff (CET)<sup>2</sup> and commercial policy against non-ECOWAS countries, abolition of all obstacles to the movement of all factors of production, and harmonization of domestic policies across its member-countries.



West African Customs and Trade Officials meet in Ghana to chat on ECOWAS revenue generation using trade.

ECOWAS articulated a comprehensive trade liberalisation programme, the ECOWAS Trade Liberalisation Scheme (ETLS)<sup>3</sup> quite early in its existence. Implementation was to have started in 1979, but it had to be postponed three times before it was finally launched in 1990. The implementation of the programme is designed to occur in the following stages:

- i. An immediate and full liberalisation of trade in unprocessed goods and traditional handicrafts.
- ii. Phased liberalisation of trade in industrial products, with the phasing reflecting the differences in the levels of development of three categories of ECOWAS member states<sup>4</sup>.
- iii. Gradual establishment of a Common External Tariff (CET).

Thus, the trade liberalisation scheme of ECOWAS was

conceived as a progressive reduction culminating in the elimination of all tariff and non-tariff barriers<sup>5</sup> against intra-ECOWAS trade. The annual tariff reduction rates varied among the three categories of countries: for the most advanced of the countries the schedule was expected to be in 6 years; completion period was set at 8 years for the middle group of countries; while the third group was given up to 10 years.



Eliminating barriers creates trade.

Although, by the agreed implementation schedule, total elimination of all trade barriers was expected to occur by the end of 1999, this in fact did not happen. Reviewing the situation in late 1999, the Authority of Heads of States and Government of ECOWAS resolved to adopt a fast-track approach to achieve the sub-region's economic integration objective. This led to the proclamation of the sub-region as a free trade area (FTA) in 2000 and a 1 January 2001 date set for its transformation into a Customs Union<sup>6</sup>.

Despite the declaration of a FTA and the schedule for a unified customs union, there continues to remain an implementation lag on the part of ECOWAS as up till date, full compliance has not been achieved in terms of the obligations necessary for the establishment of an ECOWAS-wide FTA; neither has a CET been implemented which is the minimum requirement for a Customs Union to fully be in place.

### 3.0. Nigeria and the ETLS

Nigeria accounts for more than 60% of the GDP of West Africa with non oil exports providing abysmal 4%

<sup>2</sup>A Common External Tariff is imposed by a group of countries belonging to a Customs Union. By implication, the same customs duties import quotas, preferences or other non-tariff barriers to trade apply to all goods entering the area regardless of which destination country within the area it is going.

<sup>3</sup>See [www.customs.gov.ng/Guidelines/etls.php](http://www.customs.gov.ng/Guidelines/etls.php)

<sup>4</sup>Decision of the ECOWAS Authority of Heads of States and Governments, Decision A/DEC.1/5/83 classes member states into three groups for the implementation of the ETLS: Group 1-Cape Verde Guinea Bissau, The Gambia, Upper Volta, Mali and Niger, Group 2; Benin, Guinea, Liberia, Sierra Leone and Togo, Group 3-Ivory Coast, Ghana, Nigeria and Senegal. See [www.comm.ecowas.int/sec/index.php](http://www.comm.ecowas.int/sec/index.php)

<sup>5</sup>These are barriers to trade that restrict imports but are not in the usual form of a tariff. Examples include anti-dumping measures and countervailing duties.

<sup>6</sup>A customs union is a form of economic integration whereby member countries charge a common set of tariffs to the rest of the world while eliminating tariffs among themselves.

of the total export of the country. The country's over-riding priority in the ETLS is two-pronged, namely; securing greater regional market access, and promoting industrialization through an export-led growth.



Competition promotes industrialization, domestic investment and employment. The adoption and implementation of ETLS was geared towards facilitating private sector development and global trade competitiveness. The benefits sought by Nigeria under the ETLS include:

- i. **Market Access assurance** - given that ETLS provides a certainty for companies/product to diversify exports away from the dominant petroleum sector;
- ii. **Capacity Building** which provides strong potentials to stimulate human and technical capacity building required to meet competition in the global market, and
- iii. **Increased productivity** and earnings to companies.

Currently, many informal or un-enumerated trading activities take place along Nigerian porous borders. These activities lead to a reduction in collected tariff revenue, the influx of products that do not meet Nigerian product standards, and prevent the collection of adequate statistics on imports and exports. These informal trading activities in our view are the result of lengthy import procedures, certain quantitative restrictions on imports, Non-tariff barriers and other high costs of trading across borders. To prevent such informal trading activities, multiple

checkpoints along the border corridors etc have been set up, absorbing time and effort of Customs officials and leading to additional delays in cross-border trade which therefore defeats the essence of the ETLS.

In order to address this issue of informal trade, the government of Nigeria on the one hand is currently considering removing remaining quantitative restrictions on imports which should lead to a substantial reduction in smuggling activity and simplify cross-border trade. At the same time, however, the Ministry of Trade has since the 90s attempted to establish transnational and regional border markets in different parts of Nigeria where trade procedures would be simplified and where adequate trade infrastructure would permit traders from Nigeria and neighbouring countries to come together and do business essentially under the ETLS.

The establishment of such trans-national markets is perceived as a potential panacea to existing large scale problems that would reduce smuggling activities along the border and increase security, encourage promotion of clusters of trade and services, support regional integration, reduce poverty by creating wealth and employment in rural areas, increase revenue generation for the government, and improving data collection on trade flows. The border markets are also envisaged to facilitate the implementation of the ETLS in Nigeria in addition to facilitating an increase in Nigeria's trade in the region.

#### 4.0. Elements of the ECOWAS Trade Liberalisation Scheme

As described above, the ETLS seeks to deepen the status of the region as a free trade area and also fast-track the establishment of a customs union by ensuring the free movement of originating goods<sup>7</sup> across the territories of member states, without being subjected to any form of tariff or non-tariff barriers.

The ETLS is designed to create opportunities by:

- i. Opening new markets for goods and services:
- ii. Increasing investment opportunities:

<sup>7</sup>These are goods that by virtue of meeting the requirements of the rules of origin of the ETLS are deemed as being made in the ECOWAS region and are thus exempted from tariffs. Rules of origin are rules used to determine the country of origin of a good for purposes of further determining whether such good is entitled to preferential treatment or not.



- iii. Making trade cheaper-by eliminating all customs duties; and
- iv. Making trade faster-by facilitating goods transit through customs and setting common rules on technical and sanitary standards.

However, it should be noted that not all originating goods are covered under the Scheme. To qualify, originating goods must fall into one of the three classes of goods under the Scheme's coverage, as outlined below.

## 4.1. Coverage of the Scheme

Goods involved in the ETLS are as follows:

- i. **Unprocessed good:** These are livestock, fish, plant or mineral products and raw materials that have not undergone any industrial transformation
- ii. **Traditional handicraft products:** These articles made by hand with or without the help of tools, instruments or devices that are activated directly by the craftsman. Such include wooden cooking utensils, basket works, fancy goods, small cabinet work, mats, carpets, lace embroidery, bed linen, footwear, headgear, prepared feathers, etc.
- iii. **Industrial products:** These include both the processed and semi-processed products of Community origin.



Some unprocessed goods admissible under the ETLS.

## 4.2. Conditions to be fulfilled by the Importer

- i. Goods must originate in member states of the community. This means that such goods must be

produced or sourced from any of the fifteen member countries of the ECOWAS region.



Community trade unites people and reduces poverty.

- ii. Goods must appear on the list of products annexed to the Decisions of the Authority of ECOWAS Heads of States and Governments liberalising trade in these products<sup>8</sup>. (the full list can be accessed from the Nigeria Customs office at the border post or the National/Approval Committee Secretariat at the ECOWAS Division, Ministry of Foreign Affairs, Abuja or the Trade Department of the Federal Ministry of Trade and Investment, Abuja or through the ETLS website: <http://www.etls.ecowas.int>),
- iii. The goods must be accompanied by a Certificate of Origin and an ECOWAS Export Declaration form. These are issued by Custom officials of each member state upon certification that a good is an originating one and complies with requirements under the ETLS. The Certificate of Origin only applies to industrial goods.
- iv. Such goods must be subjected to Customs formalities as necessary in the importing country, (for Nigeria, the import clearance procedure spelt out under Nigeria Import and Export Guidelines)<sup>9</sup>.
- v. Must satisfy the sanitary and phyto-sanitary requirements of country of origin
- vi. Exemption of goods whose value is not above USD500 from documentation.
- vii. The beneficiary of the scheme must be resident within the ECOWAS Sub-region.

<sup>8</sup>See [www.comm.ecowas.int/sec/index.php](http://www.comm.ecowas.int/sec/index.php)

<sup>9</sup>For customs regulations and procedures, see [www.customs.gov.ng](http://www.customs.gov.ng)

Furthermore, in order to satisfy the ECOWAS Rules of Origin (RoO), as highlighted in item (iii) above, the goods must:

- i. Be produced from materials of community origin whose value is equal to or higher than 40% of the total cost of raw materials employed
- ii. Be produced from materials of foreign or indeterminate origin whose CIF value does not exceed 60% of foreign or indeterminate origin whose CIF value DOES NOT exceed 60% of the total cost of materials employed or whose quantity is equal to or more than 40% of all raw materials employed in its manufacture;
- iii. Have received in the process of production a value added or at least 35% of the ex-factory price before tax

## 5.0. ETLS Approval Procedure and the Private Sector

The procedures for approval consist of two processes:

- I. The Enterprise procedures, and
- ii. The National Approvals Committee (NAC) procedures.

### 5.1. Enterprise Procedure:

The enterprise must send its completed application form and all supporting documents to the Ministry responsible for ETLS matters in the country concerned.

### 5.2. National Approvals Committee Procedure:

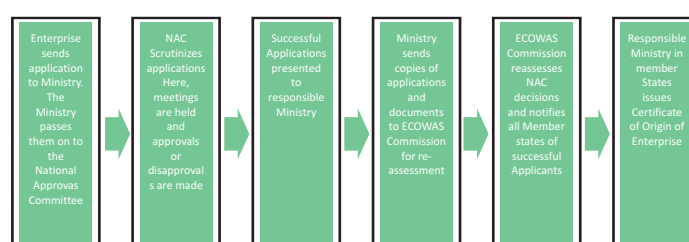
The Ministry sends completed application forms to members of the National Approvals Committee (specially set up to scrutinize ETLS applications). The Committee holds a series of meetings and discussions to examine all ETLS applications brought before it at the time. Approvals or disapprovals are then recommended.

The report of the Committee recommending approvals and disapprovals is submitted to the responsible Ministry which sends the report and dossiers on the recommended approvals to the ECOWAS Commission.

The ECOWAS Commission reassesses the applications and if satisfied with the NACs approvals, sends out notification letters to all Member States informing them of the newly approved enterprises and products.

It is after the notification letters are sent out, that approved enterprises obtain the Certificates of Origin for their approved products from their responsible Ministries.

### Steps itemizing the ETLS Approval Procedure:



### 5.3. National Approvals Committee for the ETLS

| S/N | Country        | Ministry   | Contact Person/Desk Officer | Address   |
|-----|----------------|--|-----------------------------|---|
| 1   | Benin Republic | Ministry of Economics and Finance(Direction of regional integration)                     | Tchekounou Daniel           | Email: Zinsoudou@Yahoo.fr; Zinsoudou@Gmail.Com<br>Phone: +229 21305026 ; +229 21308174; +229 21308174<br>Mobile: +229 95289699; |
| 2   | Burkina Faso   | Direction General of industrial Development  | Some Mathias Tenkodogo      | +229 95289699; +229 96161313<br>Email: Tenkodogomath iassome@Yahoo .Fr<br>Phone: +226 50307305, +226 50307305, +226             |
| 3   | Cabo Verde     | Ministry of Tourism of the industry and Energy . Direction General of Trade and industry | Pedro Gomes Estavoo         | 76614535, +226 76614535<br>Email: Pedro.Estavao@Mtie.Gov.Cv<br>Phone +2382604820, +2382604820                                   |

|   |               |   |  |  |
|---|---------------|---|--|--|
|   |               |   |  | Mobile:<br>+2389103010,<br>+2389103010   |
| 4 | Ivory Coast   | Ministry of African integration                     | Mme Doucoure Aissata   | Email: Houndyasty@Yahoo.Fr<br>Phone: +225 20218218, +225 20218218<br>Mobile: +225 2338073, +225 5955091  |
| 5 | Ghana         | Ministry Of Foreign Affairs & Regional Integration  | Dr Alabo Director Africa & Regional Integration Bureau                     | Email: Kkalabo@Hotmail.Com<br>Phone: +233 03022010015<br>Mobile: +233 208155544, +233 208155544  |
| 6 | Guinea        | Ministry of international cooperation               | Alph Yaya Diallo. National Director of integration                         | Email: Alfayadiallo@Yahoo.Fr<br>Phone: +224 60254161, +224 60254161,   |
| 7 | Guinea Bissau | Director General of industry                        | Suleimane Jalo   | Email: Suleimanejalo@Yahoo.Com.Fr<br>Phone: +2455968757, +2455968757, +2456856872, +2456856872   |
| 8 | Liberia       | Ministry Of Planning & Economic Affairs             | Alvin Johnson Ministry Of Finance Gabriel Gbalapio Central Bank Of Liberia | Email: Alvingjo@Yahoo.Com, Gabelletee@Yahoo.Com<br>Phone: +231 6527402, +231 6527402<br>Mobile: +231 6851141, +231 6851141, +231 6527402, +231 6527402 |
| 9 | Niger         | Ministry of industrial Development Arts and Tourism | Direction De La Promotion Industrielle Adama Nouhou                        | Email: Nouhouadama@Yahoo.Fr<br>Tel: +227 20735825, +227  |

|    |              |  |                         |   |
|----|--------------|--|-------------------------|---|
|    |              |  |                         | 20735825<br>Mobile: +227 96889374, +227 96889374, +227 90312045   |
| 10 | Nigeria      | Mr .J.M Dangtim. Director (ECOWAS Division); Ministry Of Foreign Affairs             | Mrs B.N. Archibong      | Email: Uyainne@Yahoo.Co.Uk<br>Phone: +234 7035800840, +234 7035800840<br>Mobile: +234 08059655843, +234 08059655843                             |
| 11 | Senegal      | Ministry of Mines, of industry, Agro-industry and the National Director of Industry. | Monsieur Boubacar Dieme | Phone: +221 338895757, +221 338895757, +221 338220420, +221 338220420<br>Mobile: +221 776416455, +221 776416455, +221 338220415, +221 338220415 |
| 12 | Sierra Leone |  | Abu Whyte Fofounah      | Email: Abuwhytefoufounah@Yahoo.Com, Sanahjmara@Yahoo.Com<br>Phone: +232 76625196, +232 76625196, +232 76666890, +232 76666890                   |
| 13 | The Gambia   | Ministry Of Trade, Industry, Regional Integration & Employment                       | Director Of Trade       | Email: Abdouliejam@Yahoo.Com<br>Phone: +220 4228868, +220 4228868   |
| 14 | Togo         | Ministry Of Industry   |                         |   |
| 15 |              |  |                         |   |

## 6.0. Concessions Granted under the ETLs

The three categories of goods covered under the ETLs are entitled to the following concessions, provided



that the importer has met the conditions set out above:

- i. Total exemption from import duties and taxes.
- ii. No quantitative restriction.
- iii. Non-payment of compensation for loss of revenue for items (i) and as a result of their importation. This mechanism ceased to exist from 31st December 2007.



World Customs organization meets with ECOWAS Customs on Trade Facilitation

All goods covered by the ETLS are expected to be covered by an Inter-State Road Transit Declaration to be accorded any concession. The Inter-State Road Transit Declaration is a regime that allows the transportation of goods by road from one Customs Office in a Member State to another Customs Office in another Member State through one or more Member States free of duties, taxes and restrictions while in transit. Such goods shall be accompanied with a set of customs documents and shall not be off-loaded or transferred while in transit. The Inter-State Road Transit Declaration is usually issued by the Customs of a member state where the goods actually started its movement from. The Declaration can either be type-written or hand-written and is signed by the principal obligee or by his authorised representative as well as the approved national guarantor.

## 7.0. Review of Implementation of ETLS

Although increasing efforts are being made by private sector operators towards ensuring the actualisation of the ETLS, trade experts have been worried that irrespective of regional backing the Scheme enjoys, its aspirations have not been achieved at all as divergences in member states custom tariffs continue to exist across the region.

Political commitments on regional integration programmes have not yet been translated into policy and regulatory reforms, including the fact that the ECOWAS common external tariff is also yet to be finalized. The share of intra-regional trade has

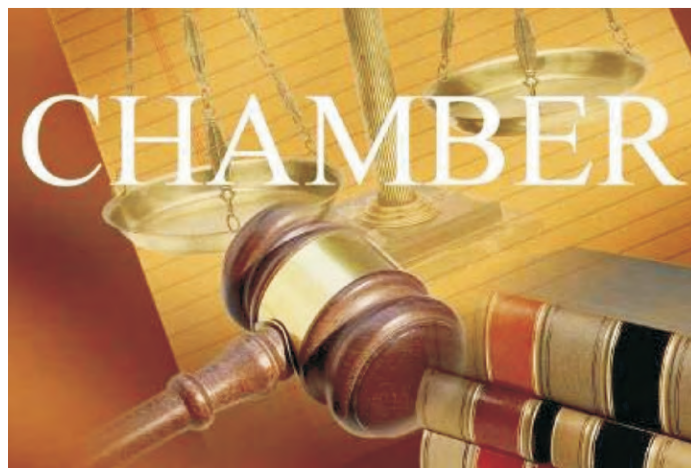
remained low, in part because such long-standing commitments like the ETLS are extremely complex to implement. Or instance, registration is needed for every individual product a company intends to export under the scheme. Even when a product is registered and all information provided, crossing the border can be difficult as additional payments often accrue from the activities of corrupt officials.

In the application of import bans, Nigerian customs officials make no distinction between ECOWAS and third-country originating products. This is in contradiction with the ETLS, which specifically determines that originating goods should not be subject to quantitative restrictions’.

## 8.0. Obstacles to Achieving a full FTA

Indeed, the ECOWAS sub-region is not yet a full-fledged FTA. This is disturbing upon the particular realisation that the sub-region would need to surmount the hurdles of a custom union to a single market, then monetary union with a single currency, before talking of its ultimate goal - an economic union. Some factors militating against the successful implementation of the ETLS include:

### 8.1. Absence of a Legal Status:



How strong are ECOWAS trade related policies?

In spite of the numerous benefits accruing from the ETLS, the scheme has been marred by obvious lack of legal backing at the national level, hence the charging of full duties by custom authorities in disregard of the regional laws and policies. As it is now, ETLS does not provide any mechanism where traders in the region who have been molested or extorted could establish any redress just as it is in the EU.

The ECOWAS Court of Justice is limited as matters of strict economic issues are outside its jurisdiction and individual citizens are often required to depend on their countries to espouse their rights before the Court in appropriate cases<sup>10</sup>. This is unlike the case in the EU where the European Court of Justice is the referee between member states, Institutions and individuals in disputes relating to EU law.

The lack of a credible legal redress mechanism has even empowered corruption along several border routes as border officials continue to erect illegal road blocks and harass traders at such points. This presents increasing barriers to the free movement of goods along the trade corridor.

## 8.2. Lack of Adequate Awareness and Sensitisation on the Scheme:



Improving the region through community sensitization.

Many eligible companies are unable to tap fully the opportunities under the Scheme because of a lack of awareness of the purport and content of the Scheme. Rejection of some products by member states from total tariff exemption even after admission of companies to the scheme is still yet another dimension of this problem.

## 8.3. Issue of sovereignty:

Another challenge which has actually impacted negatively on the effectiveness of the ETLS is the sovereignty of member states. This is a problem that underlies every case of non-observance of ETLS rules by member states, as member states have continued to hide under the cloak of state sovereignty, having not agreed to submit their sovereignty to any regional authority. Accordingly, member states are technically at liberty to observe or not to observe the ETLS.

## 9.0. Observations and Recommendation

While it is obvious that the objective of the ETLS is noble and could very well fast-track integration within the West African region, the attainment of the Scheme objective is being impeded by different human factors and the absence of political will by member states. The non-availability of information on the ETLS in easy-readable forms and the fact of that the information is not easily accessible to the mainly informal traders plying the trade corridor, exposes them to increased harassment by corrupt border officials. In the light of the foregoing, this article recommends as follows:

### 9.1. Partnership for Sensitization

Civil society organizations and umbrella business organizations (Business Membership Organizations-BMOs) should partner to help reproduce the provisions of the ETLS in easy-readable forms, including its benefits, rights and obligations of traders there-under for distribution along border routes and in local markets.

In addition, periodic sensitization of the Nigeria business communities on a sustainable manner is critical to leveraging on the ETLS and accessing the opportunities from the scheme.

### 9.2. Advocacy Campaigns

Advocacy campaigns should be carried to the ECOWAS Authority of Heads of States & Governments and the ECOWAS Parliament on the need to expand the jurisdiction of the ECOWAS Court of Justice to cover cases of economic rights violations arising under the ETLS and other like policies. Individual citizens should also be granted access to bring cases of violations before the Court.

### 9.3. Whistle Blowing and Complaints

Member states governments and civil society organizations across the region should cooperate to institute whistle-blowing/complaints mechanisms, e.g. an SMS based reporting format or booths at the borders to enable traders immediately lodge

<sup>10</sup>See Article 9 of the Protocol Establishing the ECOWAS Court of Justice.



complaints of harassment by any border officials. Member states should accord legal backing to regional policies and programmes like the ETLS national level in order to ensure its certainty and enforceability both by local courts and other agencies.

#### **9.4. Facilitating Access to ETLS Certification**

The rules and various administrative certifications under the ETLS are situated with different Ministries, Departments and Agencies (MDAs), without any guarantee that a “one stop shop” concept can assist the SME’s to get the ETLS certification. The ‘one stop shop’ approach is a welcome development that is worth exploring or experimenting, but the challenge is in the fact that the various MDAs handling the administrative certification are Federal Agencies that must permit their zonal offices to issue the certification for it to be effective. Perhaps the closest solution is for various Business Membership Organizations (BMOs) to assist their members to pursue the certification on behalf of their members in order to reduce cost, and this implies that the small companies (SMEs) must be under one BMO or the other.

#### **9.5. Enlightenment Campaigns**

Regular enlightenment campaigns should be conducted for the border officials on the ETLS and their roles as far as West African integration is concerned.

#### **9.6. Establishment of Border Markets**



Border markets propagate unity.

Development and implementation of Border markets in the geo-political zones of Nigeria, especially in states that have border with ECOWAS Member States is key towards facilitating regional trade and tapping the benefits of ETLS.

The view strongly expressed by the private sector and which indeed wins the support of the authors of this article is that the location of these border markets must be devoid of the usual Nigerian politics of citing projects at the domains of some ‘political officers’ for selfish motivations. Border markets must be located on the basis of justified socio-economic parameters and indicators that ultimately benefit all citizens and the entire economy.

#### **9.7. Private Sector Interactions**

Quarterly interactive sessions with the organized Private Sector on trade issues are critical to constantly review the workings of the ETLS with a view to identifying hiccups and remedies. More so, BMO’s should regularly organize and participate in or train their members on ETLS related issues and build capacity/develop interest in trade issues to protect their interests.

#### **9.8. Trade Fairs and Exhibitions**

The federal government could facilitate the effective organization of local and regional trade fairs in Nigeria as a way of provoking competition and improving quality of goods from Nigeria that would enjoy the ETLS.

#### **9.9. Parliamentary Action on the Domestication of ETLS**

It is the duty of the Nigerian Parliament and other Parliaments of West Africa to ensure the domestication of ETLS and related protocols that are signed so as to give maximum effect to the ETLS and spur trade into action in the region. The foregoing is important coupled with the need to improve inter-coordination among Ministries and Agencies of government on trade facilitation.

#### **9.10. Integrating the Informal Sector**

Since a large chunk of trading activities undertaken under the ETLS is transacted by the informal sector, it is rather wise to initiate measures to integrate the informal sector into the mainstream economy in order to boost the championing of ETLS. The various states

and local governments must utilize the ETLS to among others unravel new business and investment opportunities in the West African region.

#### **9.11. Elimination of import and export bans and prohibitions**



Opening of certain markets without restriction.

Nigeria is losing quite hugely due to import bans and prohibitions used as a trade policy in Nigeria. Even under the ETLS where regional trade should be accomplished and or implemented without barriers and Non Tariff Barriers (NTBs), such prohibition policy has continued to impede Nigeria's efforts at benefiting from intra-regional trade opportunities. It is therefore herein canvassed that prohibitive policies such as the bans must be done away with. Similarly, the removal of initial regional and administrative barriers to trade by Border States as well as the elimination of taxes and similar charges levied on the movement of goods across local and state government boundaries is also recommended.

However, the enforcement of relevant health and safety standards, weights and measures as well as product quality assurance is very essential towards providing consumers quality goods and services for their money.

In addition, Nigeria should adopt a more simplified Customs clearance procedures for small quantities of imported goods.

#### **9.12. Quick Action on Nigeria's Trade Policy**

Nigeria has a large market but there seems to be fewer products manufactured domestically, and also has the opportunity to benefit from increased markets shares within the region using the ETLS, but this is not yet

maximised. This article believes that the Industrial Policy of Nigeria which has remained under formulation process at the Federal Ministry of Trade and Investment (FMT&I) provides a veritable answer to this. The process of review the Industrial policy must be taken more seriously and expedited. The outcome must also take cognizance of all the challenges of the industrial sector and place the sector on a productive, competitive and growth perspective so as to act as a stimulus for increased production to aid Nigeria to benefit from the ETLS.

#### **9.13. Dealing with Supply side Constraints**

Several Supply side constraints that inhibit expansion of trade within the domestic and global market which inhibit the route towards rapid economic development must be addressed with urgency. Such constraints prevent private sector to utilise the opportunities created by the ETLS. In this vein, the enhancement of access to relevant market information and appropriate technology as well as financial facilities must be taken as a priority by government for any meaningful benefit to occur via the ETLS. The strengthening of productivity and efficiency through technology development, research and innovation is critical. It is also recommended to enhance overall technical capacities of Nigeria enterprises. The organised private sector and NGOs could campaign for natural resource revenues to be used at least partially for industrial upgrading at national and state levels as a direct access to enhancing the capacities of private sector in improving productivity and ultimately utilizing the ETLS.

#### **10.0. Conclusion**

In conclusion, this article strongly recommends that Nigerian government should take the lead in fully implementing all ECOWAS trade and trade related Protocols by eliminating existing barriers to trade and also working in conjunction with other member states to eliminate tariff and non-tariff barriers in order to assist the private sector to effectively reap the envisaged benefits of ETLS.

## RECENT KEY TRADE NEWS

### → Delays drop sharply on a major West African trade corridor

By Joe Lamport

Delays on the Tema-Ouagadougou corridor, which connect Ghana's busiest port to Burkina Faso's inland cargo terminal, Ouagarinter, have fallen by 7% over the past five years – and cargo clearance times have dropped by 25%, a new USAID Trade Hub analysis of data shows.



### → Director ready and set for new Border Information Center at the Benin-Nigeria border

By Craig Duncan.

The new Border Information Center at Seme, Nigeria, and its counterpart across the border at Krake in Benin, are the latest steps in the ongoing Borderless mission to increase West African business competitiveness by addressing the problems of bribes and delays along primary trade corridors.



→ The race to succeeding the current WTO Director-General – Pascal Lamy whose term of office expires on 31 August 2013, is on. According to the WTO procedures for appointment of Director-General, the nomination period will close on 31 December 2012. A formal General Council meeting will be held on 29 January 2013 where candidates will present themselves to the membership. The selection process will conclude with a decision by the General Council no later than 31 May 2013. At present, about 9 members of the WTO have already sent in nominations of potential candidates. ECOWAS Vanguard shall x-ray the candidates in her next edition coming up in January 2013. Watch out!!!

### → VACANCIES AT ECDPM

Three Policy Officers (full time)

ECDPM is hiring a Policy Officer for Development Policy (with the possibility of becoming deputy programme manager) for its EU External Action Programme, a Policy Officer for Innovative Finance for Development for its Economic Governance Programme and a Policy Officer for Food Security.

The deadline for application is 6 January 2013. Please share this with your networks and pass it on to potential candidates.

The 12th Meeting of the Joint ECOWAS/UEMOA Committee for the Management of the ECOWAS Common External Tariff (JMCCET) was held in Hôtel Ivoire, Abidjan, Republic of Côte d'Ivoire from 11 to 15 December 2012. The report can be accessed in NANTS website: [www.nants.org](http://www.nants.org)

## UPCOMING TRADE RELATED EVENTS AND PUBLICATIONS

Borderless 2013: Connecting Markets is set: Feb. 14-15, 2013, in Ouagadougou, Burkina Faso

By Suzanne Ngo-Eyok

Borderless 2013: Connecting Markets, the second annual conference of the Borderless Alliance, will take place in Ouagadougou, Burkina Faso, Feb. 14 and 15, the Borderless Alliance announced. The Alliance is a USAID Trade Hub-supported private sector-led coalition to increase trade across West Africa.



→ Shea 2013: Global Perspectives to bring stakeholders to Abuja, Nigeria, March 4-6, 2013

By Meghan Guidrey

"Shea 2013: Global Perspectives," the sixth annual conference of the Global Shea Alliance, will take place in Abuja, Nigeria, March 4-6, 2013, the Global Shea Alliance announced



→ "Aid and the Private Sector. Catalysing Poverty Reduction and Development?" a voluminous report, has been published by the Reality of Aid Network.

→ NANTS analyses the 2013 Nigeria's National budget for Trade & Investment Ministry as well the Ministry of Agriculture and Rural Development. This can be sourced at [www.nants.org](http://www.nants.org)

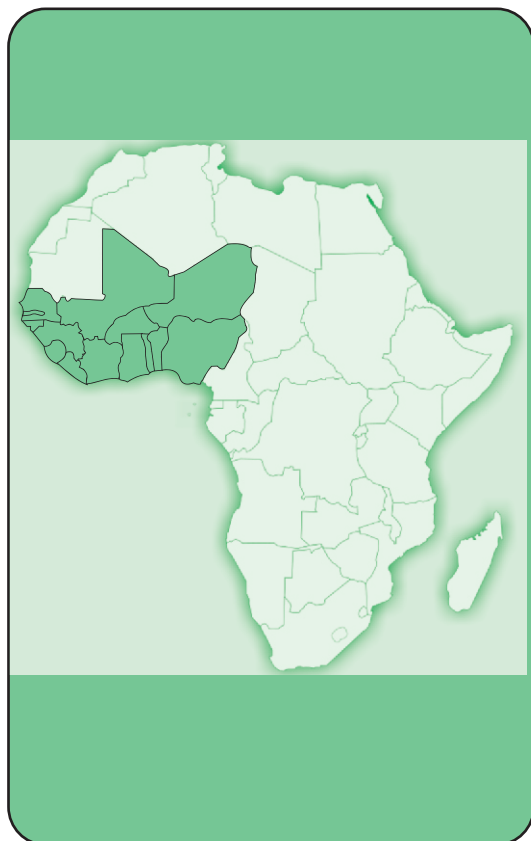
→ Africa can help feed Africa: Removing barriers to regional trade in food staples

This report argues that Africa's farmers can potentially grow enough food to feed the continent and avert future food crises if countries remove cross-border restrictions on the food trade within the region. The continent would also generate an extra US\$20 billion in yearly earnings if African leaders can agree to dismantle trade barriers that blunt more regional dynamism, according to the publication. Please access the paper on: [www.worldbank.org/...](http://www.worldbank.org/...)

→ The WTO Reference Centre in Ouagadougou is being upgraded- During his visit to Burkina Faso, WTO Director-General Pascal Lamy announced the signature of an agreement to modernize and upgrade the WTO Reference Centre, created in 1997 in Ouagadougou within the Ministry of Trade, Industry and Crafts. > News item

Japan offers CHF 395,604 to WTO training programme for developing countries- Japan has donated CHF 395,604 to the Doha Development Agenda Global Trust Fund (DDAGTF) and this new contribution brings its contribution up to CHF 9.1 million.





ECOWAS Vanguard is published by the National Association of Nigerian Traders as a policy advocacy tool to sensitize and bring about the desired change in the current attitude to regional integration in the ECOWAS sub region by raising awareness, stimulating discussions and debate on the multiple issues that relate to the Regional integration process.

Views and comments are welcome and should be directed to:

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## **ABOUT NANTS**

The National Association of Nigerian Traders (NANTS) is the umbrella organization of traders in raw materials, industrial and finished goods (locally made and imported) in Nigeria. However, to encourage the interlink between market access and production of goods, NANTS' membership has recently been expanded to include local manufacturers of consumer goods, local raw materials providers as well as local farmers' networks. Women constitute about 65% of NANTS membership.

The vision of NANTS is to *"advance trade beyond buying and selling to a vehicle for social justice, human rights, sustainable development and poverty reduction"*.

The mission of NANTS is *"promoting trade and economic advancement, uniting and championing the rights of and cause of the Entrepreneur through strategic programmes and policy interventions."*



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