

# **2016 AFRICA-IRELAND ECONOMIC FORUM**

## **FOREIGN TRADE AND INVESTMENT PROMOTION IN WEST AFRICA: THE ROLE OF ECOWAS**

**By**

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**Dublin, 17 June 2016**

# PREAMBLE

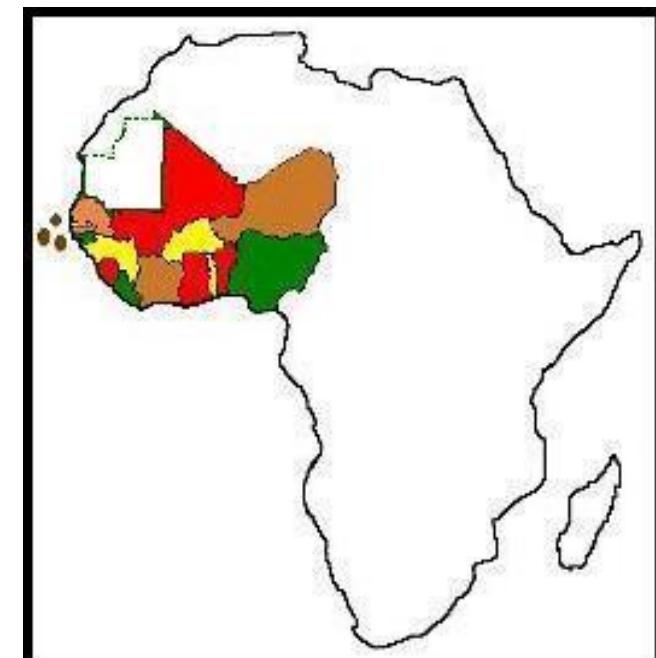
## Appreciation

- I thank the organizers, especially H.E. Ambassador Seán Hoy, the Irish Ambassador to the Federal Republic of Nigeria, for inviting me to participate in the 2016 Africa-Ireland Economic Forum taking place today 17 June 2016 in Dublin.

## Overview of Economic Community of West African States (ECOWAS)

- Established on 28 May 1975 by a treaty (Lagos Treaty), which was revised in 1993 & 2006. 41<sup>st</sup> Anniversary was celebrated on 28 May 2016.

- 15 countries as members of ECOWAS
  - 8 francophone, 5 anglophone and 2 lusophone countries
- Regional Market of 400 million consumers by 2020  
(Presently over 340 Million)
- Surface Area: **5.1 million square km vis-à-vis 0.703 million square km for Ireland.**



# Economic and Demographic Features of West Africa and Ireland

2015 GDP and Population (\$billion)			
Country	GDP (\$ billion)	Population (million)	Land Mass Km <sup>2</sup>
Benin	8.471	10.859	112,622
Burkina Faso	11.009	17.915	274,200
Cabo Verde	1.595	0.525	4,033
Côte d'Ivoire	31.172	23.711	322,463
The Gambia	0.893	1.98	11,295
Ghana	36.039	26.886	238,533
Guinea	6.696	12.345	245,857
Guinea-Bissau	1.057	1.777	36,125
Liberia	2.035	4.296	111,369
Mali	13.066	16.295	1,240,192
Niger	7.151	17.647	1,267,000
Nigeria	490.207	178.721	923,768
Senegal	13.665	14.966	196,722
Sierra Leone	4.167	6.319	71,740
Togo	4.165	7.314	57,785
<b>ECOWAS</b>	<b>631.388</b>	<b>341.556</b>	<b>5,113,704</b>
Ireland	238.031	4.635	70,273

Source: IMF (2016) World Economic Outlook Database, April  
<http://statisticstimes.com/geography>

# **TRADE FLOWS IN 2015 BETWEEN REPUBLIC OF IRELAND AND SELECTED COUNTRIES IN WEST AFRICA**

# Value of Exports from Ireland to Selected ECOWAS Member States (in US \$)

S/N	Country	2014	2015
1	Ghana	48,317,563	43,955,199
2	Liberia	3,078,414	4,524,077
3	Nigeria	450,172,782 ( <b>78.3%</b> )	340,753,354 ( <b>77.7%</b> )
4	Senegal	70,453,771	48,083,627
5	Sierra Leone	2,647,878	1,408,937
6	Total	574,670,408	438,725,194
7	Ireland's Total Exports of Goods	118,287,434,802	123,152,315,327
8	ECOWAS' share of Ireland's Total Exports of Goods	0.49%	0.36%

Source: computed from UN Comtrade International Trade Statistics Database. <http://comtrade.un.org/data>

# Value of Imports from Selected ECOWAS Member States to Ireland (in US \$)

S/N	Country	2014	2015
1	Ghana	3,177,685	2,771,868
2	Liberia	28,684	10,417
3	Nigeria	246,508,689	136,723,584
4	Senegal	1,905,181	1,041,119
5	Sierra Leone	528,912	624,035
6	Total	252,149,151	141,171,023
7	Ireland's Total Imports of Goods	71,049,042,719	74,334,504,002
8	ECOWAS' share of Ireland's Total Imports of Goods	0.35%	0.19%

Source: computed from UN Comtrade International Trade Statistics Database. <http://comtrade.un.org/data>

# **Value of top two exports of goods from Ireland in 2015 to:**

## Ghana

- Preparations of cereals, flour, starch or milk; pastrycooks' products (\$16,225,585)
- Meat and edible meat offal (\$8,871,809)

## Liberia

- Meat and edible meat offal (\$1,397,531)
- Essential oils and resinoids; perfumery, cosmetic or toilet preparations (\$1,356,289)

## Nigeria

- Essential oils and resinoids; perfumery, cosmetic or toilet preparations (\$124,664,957)
- Preparations of cereals, flour, starch or milk; pastrycooks' products (\$83,787,912)

## Senegal

- Preparations of cereals, flour, starch or milk; pastrycooks' products (\$42,737,154)
- Meat and edible meat offal (\$2,538,055)

## Sierra Leone

- Essential oils and resinoids; perfumery, cosmetic or toilet preparations (\$490,471)
- Furniture; bedding, mattresses, cushions and similar stuffed furnishings; lamps and lighting fittings; illuminated signs, illuminated name-plates and the like; prefabricated buildings (\$293,779)

# Issues to Note

- The decline in trade flows from 2014 to 2015 was due to the outbreak of Ebola Virus Disease in some of the ECOWAS Member States.
- Trade flows between Ireland and West Africa is insignificant
  - Exports from Ireland to West Africa in 2014 and 2015: 0.49% and 0.36% respectively of total exports from Ireland
  - Imports by Ireland from West Africa in 2014 and 2015: 0.35% and 0.19% respectively of total imports by Ireland.
- Questions:
  - Is it possible for the trade flows to reach a target of 3.0% by 2020?
  - What can ECOWAS do to improve the trade and investment flows from Ireland?
- Answer:
  - The 3.0% target by 2020 is feasible if the Irish Business Community takes advantage of the enabling environment and opportunities ECOWAS has provided.

**POLICIES AND PROGRAMMES  
IMPLEMENTED BY ECOWAS TO PROMOTE  
FOREIGN TRADE AND INVESTMENT IN  
WEST AFRICA**

# **Four-point Agenda of the New Chairperson of ECOWAS**

- The new Chairperson of the Authority of ECOWAS Heads of State and Government and President of the Republic of Liberia, Her Excellency Ellen Johnson Sirleaf, highlighted in her acceptance speech on 4 June 2016 in Dakar, Republic of Senegal, the following Four-point Agenda for the Community, under her watch:

## **1. Consolidate the region's peace and security architecture**

- a) stem terrorism, strengthen intelligence capacity
- b) manage transhumance
- c) democratic consolidation
- d) enhance coordination with sister regional economic communities (RECs), the African Union, the United Nations and other partner institutions.

## **2. Conclude negotiations and legal actions to enhance trade integration**

- a) Common External Tariff
- b) Continental Free Trade Area (see African Union's Agenda 2063 - "Africa that We Want" )
- c) Economic Partnership Agreement

## **3. Achieve transformation of ECOWAS Vision 2020 through agriculture and infrastructure to minimise youth unemployment and enhance air service connectivity.**

## **4. Improve Financial Stability.**

## **MACROECONOMIC CONVERGENCE AND BUSINESS CLIMATE STABILITY**

- Efforts are made to ensure macroeconomic convergence and stability with a view to having a common currency by 2020.
- There are six macroeconomic convergence criteria aimed at price stability, fiscal discipline and external sector viability.
- Macroeconomic policy harmonization is ongoing in the areas of statistics, banking, current and capital account liberalization, etc.
  - Soft Issues are being addressed to complement the provision of physical infrastructure
- Development of an ECOWAS Common Investment Market
  - Three Supplementary Acts were adopted by the Authority of ECOWAS Heads of State and Government on 19 December 2008
    - Supplementary Act on Investment Rules
    - Supplementary Act on Competition Rules
    - Supplementary Act on Competition Authority
  - ECOWAS has developed the Common Investment Code and Common Investment Policy.

## **MACROECONOMIC CONVERGENCE AND BUSINESS CLIMATE STABILITY (2)**

- Programmes to support the ECOWAS Common Investment Market include:
  - i. Cross-border supply of financial services and harmonization of financial instruments and products. This is the Regional Payment System, which aims at ensuring real-time payment for and settlement of financial transactions across the Community.
  - ii. Cross-border supervision of financial corporations and conglomerates and harmonization of financial prudential guidelines
  - iii. Regional development on the investment flows into the region ( e.g. FDI Statistics)
  - iv. Credit information facility and credit rating database
  - v. Regional capital market integration and development
  - vi. Corporate tax harmonization
  - vii. Investment guaranty and re-insurance mechanism

## **BUILDING OF THE COMMON MARKET**

### **Customs Union**

- Implementation of the ECOWAS Common External Tariff (CET) commenced on 1<sup>st</sup> January 2015.
- As at the end of March 2016, nine countries had commenced the implementation of the CET.
- Efforts are being made to ensure that the remaining countries commence as soon as possible. The countries are: Cabo Verde, The Gambia, Guinea, Guinea Bissau, Liberia and Sierra Leone.

### **EU-West Africa Economic Partnership Agreement**

- A total of 13 Member States have signed the EPA Agreement with the EU and at present, arrangements are underway for the signing of the Agreement by The Gambia, Nigeria and Mauritania.
- The Regional EPA is expected to be development-focused.

### **Free Movement of Persons and Goods**

- Abolition of visa for Community citizens for entry into the fifteen member countries;
- Adoption of the ECOWAS Biometric Identity Card to facilitate mobility and promote security in the region;
- Planned introduction of a Schengen-type Visa regime for investors coming into ECOWAS.

### **Promotion of the strategic products for food security and sovereignty**

- The ECOWAS Agricultural Policy (ECOWAP) is in its tenth year of implementation
- Programme supporting the promotion of livestock production chains was developed and adopted by all ECOWAS Member States;
- ECOWAS, in collaboration with the Economic Community of Central African States (ECCAS), developed a joint programme for combating cross-border livestock disease.
- Training of agriculturists and agro-allied entrepreneurs in connection with food sovereignty commenced.

### **Reduction of food vulnerability and promotion of sustainable access to food**

- ECOWAS has developed a Regional Food Security Reserve initiative, which today is at an advanced stage of implementation. This is to ensure access to balanced nutrition by Community citizens.
- There is a Regional Agricultural Information System (ECOAGRIS) in all the fifteen member States aimed at promoting an enabling environment for regional agricultural development.

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## **INFRASTRUCTURE DEVELOPMENT**

- With respect to physical infrastructure, ECOWAS has taken necessary measures to improve access to integrated regional and continental infrastructure networks and services within the framework of the Programme for Infrastructure Development in Africa (PIDA).
- It is hoped that the improved infrastructure networks and services, accompanied by trade facilitation, will see intra-African trade growing from less than 12% in 2013 to about 50% within the next twenty years (2036).
- In terms of infrastructure, ECOWAS works in three key areas, namely, Transport, Energy and Telecommunications.
- The Transport programme oversees the implementation of multimodal transport infrastructure and policies to promote physical cohesion among Member States. It also facilitates the movement of persons and goods within the Community with special emphasis on increased access to island and land-locked countries.

### **Road Transport**

- Joint Border Posts Programme
- Nigeria-Cameroon Multinational Highway Facilitation Programme
- Construction of the Trans-coastal Highway
  - Abidjan-Lagos Highway and Lagos-Dakar Highway (a component of PIDA)

### **Axle Load Harmonization Policy**

- With respect to road maintenance in the region, full implementation of the Supplementary Act relating to the Harmonization of Standards and Procedures for the Control of Dimensions, Weight and Axle Load of Goods Vehicles within ECOWAS Member States has commenced.

### **Railway sector**

- Continued work on the detailed technical study on the Abidjan-Ouagadougou-Kaya-Dori-Niamey stretch as well as work on the western segment of the railway between Niamey and Dosso.



### **Air Transport:**

- The objective of the Air Transport sub-sector is to implement the Yamoussoukro Decision for air transport liberalization, strengthen aviation safety and security, and enhance capacity building for the Civil Aviation Authorities within the region.
- It also aims to facilitate operation and cooperation of West African airlines and other relevant stakeholders (airports, air navigation services providers, ground handling companies).
- ECOWAS Commission has been assisting Member States to provide a safe, reliable and coordinated air transport system that can provide regular air links among the member States as well as exploring means of ensuring equitable access of eligible airlines to the West African air transport market.

### **Energy**

- Implementation of the Emergency Electricity Power Supply Programmes for The Gambia, Mali and Sierra Leone continued and equipment delivered;
- Conclusion of a study on the development of rural and semi-urban electrification in West Africa.
- Feasibility study for the extension of the West African Gas Pipeline Network initiated;
- Development of Regional Power Market (coordinated by the West African Power Pool (WAPP) and the ECOWAS Regional Electricity Regulatory Authority (ERERA));
- Promotion of renewable energy and energy efficiency technologies and services in the ECOWAS Member States;

## **INFRASTRUCTURE DEVELOPMENT**

### **Energy (cont'd)**

- Mobilization of investment in clean, efficient and renewable energy technologies through the ECOWAS Renewable Energy Facility (EREF) and the ECOWAS Renewable Energy Investment Initiative (ERI);
- Within the framework of implementing the ECOWAS Energy Efficiency policy, the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) has developed an ECOWAS Directive on Energy Efficiency Buildings (EEB) aimed at promoting energy efficiency in buildings in ECOWAS Member States;
- Measures are being taken to improve the quality of petroleum products, popularise the butane gas and enhance the supply and marketing of hydrocarbons in the ECOWAS region.

### **Telecommunications**

- Activities in this sub-sector relate to:
  1. Development of ECOWAS Wide Area Network (ECOWAN) – a public e-governance platform through which ECOWAS Institutions and Member States will be able to manage and share information online in real time;
  2. Cyber-security;
  3. Implementation of Digital Terrestrial Television (DTT) and measures adopted to meet the new June 2017 deadline for the transition from Analogue to DTT;
  4. Harmonization of regulatory frameworks in ICT sector; and
  5. Reforms of the postal sector.

# Promotion of Good Governance, Security and Political Stability

## Anti-Corruption

- ECOWAS has zero tolerance for corruption and its associated partners such as money laundering and terrorism financing.
- An ECOWAS specialized institution created to address the issue is known as the Intergovernmental Group Against Money Laundering In West Africa (GIABA).

## Terrorism

- ECOWAS is committed to removing all forms of terrorism from the region.
- Nigeria has achieved remarkable progress in the fight against the Boko Haram sect.
- The recent Security Summit organized by Nigeria on Saturday, 14 May 2016 with the Chad Basin countries and with the participation of France and USA will contribute to the expedited coordination of the fight against the sect.

## Elections

- 2015 witnessed successful elections in Burkina Faso, Côte d'Ivoire, Guinea and Nigeria.
- In the first half of 2016, two credible and transparent presidential elections were held in Benin and Niger.
- In the second half of this year, presidential elections will be held in three Member States, namely, Cabo Verde, Ghana and The Gambia.

# ECOWAS INSTITUTIONS AND THEIR ROLES IN PROMOTING REGIONAL INTEGRATION AND DEVELOPMENT

S/N	Institution	Role	Website
1	ECOWAS Commission	It is the executive arm of ECOWAS; it is the main “engine room” of all ECOWAS programmes, projects and activities. It was transformed from an Executive Secretariat into a Commission in 1997.	<a href="http://www.comm.ecowas.int">www.comm.ecowas.int</a>
2	ECOWAS Parliament	It is the legislative arm of ECOWAS. It is a body of representatives of the peoples of West Africa. It is evolving from a consultative to a legislating Parliament.	<a href="http://www.ecowas.int/institutions/community-parliament/">www.ecowas.int/institutions/community-parliament/</a>
3	Community Court of Justice	The Court examines cases of failure by Member States to honour their obligations under the Community law.	<a href="http://www.courtecowas.org">www.courtecowas.org</a>
4	ECOWAS Bank for Investment and Development	It aims at financing private and public sector projects and programmes in particular, those related to transport, energy, telecommunications, industry, poverty alleviation, the environment and natural resources.	<a href="http://www.bidc-ebid.com">www.bidc-ebid.com</a>

## ECOWAS INSTITUTIONS AND THEIR ROLES IN PROMOTING REGIONAL INTEGRATION AND DEVELOPMENT (2)

S/N	Institution	Role	Website
5	Intergovernmental Group Against Money Laundering In West Africa (GIABA)	It is responsible for facilitating the adoption and implementation of Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) in West Africa. It is also a FATF-Styled Regional Body (FSRB) working with its member States to ensure compliance with international AML/CFT standards.	<a href="http://www.giaba.org">www.giaba.org</a>
6	West African Health Organization	It aims to attain the highest possible standard and protection of health of the peoples in the sub-region.	<a href="http://www.wahooas.org">www.wahooas.org</a>
7	West African Monetary Agency	It is responsible for monitoring, coordinating and implementing the ECOWAS Monetary Cooperation Programme (EMCP), which aims at creating the ECOWAS single currency.	<a href="http://www.amao-wama.org">www.amao-wama.org</a>

# **CONCLUSION AND RECOMMENDATIONS**

# CONCLUSION

- Africa - Ireland Economic Forum should focus on the actualization of Agenda 2063 of the African Union and the Common African Position (CAP) in the Post-2015 Development Agenda.
  - With the help of Africa's development partners including Ireland, African citizens' dream of "a prosperous Africa based on inclusive growth and sustainable development" by 2063 shall be realized.
- Trade is an engine of growth and a vital component of development. Trade growth is intrinsically linked to manufacturing and infrastructure. Efforts should be made to enhance opportunities in both agriculture and manufacturing as a way to bolster economic growth of Africa and Ireland.
- Although the trade between Ireland and some selected ECOWAS Member States is falling, the trade potential of the other ECOWAS Member States remains unexplored.
- ECOWAS is ready to work with Ireland in gaining access to the countries for mutual economic growth and development.
- ECOWAS' over-riding objectives in trade and development are **structural transformation, industrialization and integration**.
- From this Economic Forum, let us "walk the talk" and implement effectively all our resolutions, irrespective of the obstacles on our way - whether endogenous or exogenous.

## **RECOMMENDATIONS**

1. Ireland and other development partners should continue to accompany African countries and institutions with both technical and financial assistance based on needs identified by the beneficiaries;
2. Economic relations between Republic of Ireland and Africa should aim at poverty eradication, job creation and eradication of illiteracy;
3. African regional economic communities should deepen regional integration and liberalise trade in order to promote intra-African trade and job creation, and enhance Africa's integration into the global economy;
4. We encourage industrial countries to enhance unrestricted access to their markets for African exports. This will boost export-targeted production in the African countries and improve the economic growth of the countries;
5. All stakeholders should continue to discourage unconstitutional ascension to power on the African continent but promote good governance and adherence to democratic principles in our countries;
6. Irish Business Community should aim at increasing trade relations with West Africa to 3.0 percent by 2020;
7. We encourage global value chain in agriculture and establishment of manufacturing or assembly plants in West Africa by Irish companies; and
8. Reverse human capital flight ("brain drain") and promote "brain gain" in African countries.



**THANK YOU FOR YOUR ATTENTION**

**MERCI DE VOTRE ATTENTION**

**OBRIGADO PELA VOSSA ATENÇÃO**