

THE ROLE OF FAAN IN TRADE FACILITATION AND THE SUCCESS OF AfCFTA.

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AT THE

WEBINAR ON AFRICAN CONTINENTAL FREE
TRADE AREA AGREEMENT (AfCFTA) ORGANISED
BY NIGERIA CHAMBERS OF SHIPPING ON
TUESDAY 28th SEPTEMBER, 2021.

OVERVIEW

- **The African Continental Free Trade Agreement ('AfCFTA') was established on 21st March 2018 to create a single continental market for goods and services in member nations of the African Union, with free movement of persons, goods, services and investments using a single currency.**
- **The scope of the Agreement covered Trade in Goods, Services, Investment, Rules of Origin and rules and procedures on dispute settlement, including a range of provisions to facilitate trade, reduce transaction costs, provide exceptions, flexibilities and safeguards for vulnerable groups and countries in challenging circumstances.**
- **The National Action Committee (NAC) of AfCFTA was constituted in February, 2020 with FAAN representing the Aviation Industry under the Transportation Workstream. I am glad to inform you that FAAN participated in the drafting of the Transportation Infrastructure and Services Roadmap for AfCFTA amongst other achievements.**

UPDATE ON IMPLEMENTATION OF AGREEMENT IN NIGERIA

- **Six (6) months after trading officially commenced under AfCFTA, Nigeria and some African countries continue to lag behind, having stalled the process to Domestic Trade Protocols in line with the implementation of the new trade regime (which is the major aspect of the trade framework).**
- **With the Rules of Origin yet to be defined, Nigeria Manufacturers and Exporters are left in the dark on the next line of action as other countries take national position in safeguarding local industries and expanding regional agenda.**
- **While the efforts of Domesticating the Agreement towards the successful operationalisation is on-going, a recent report from AfCFTA (co-champion) on Transportation said the National Implementation Strategy Documents (an inclusive framework for all MDAs, private sector, stakeholders to work as a team to ensure proper implementation) will be published before the end of this quarter. This document is expected to address in detail issues such as dispute resolution centre, Rules of Origin etc**

- **However, it is heart-warming to hear the giant stride in the Maritime sector with 16 sub-sector groups comprising of major stakeholders been formed in pursuant to the smooth take-off of the policy.**
- **The Aviation Sector with FAAN in the frontline is also taking huge leaps in ensuring the successful take off of AfCFTA some of which will be highlighted.**
- **It is important to say here that the development of Nigeria's inter-modal transport integration should be a major concern of Government and stakeholders. Connecting all sea ports and international Airports to appropriate rail network should be priority as this will go a long way to give Nigeria a trade competitive edge in AfCFTA.**

AfCFTA AND THE AVIATION INDUSTRY

Aviation plays an important role in stimulating international trade, so if we must be relevant in AfCFTA's initiative, the sector must be of global standard in every respect. Countries with more favorable investment climates and reduced risks will be more attractive in view of the AfCFTA's plans for a single market. Therefore, issues relating to high cost of doing business occasioned by poor infrastructure and concerns relating to poor standards of the Aviation sector must be addressed as they will play a major role in influencing investments.

The implementation of AfCFTA agreement will foster the Aviation sector's needs to maximize the available opportunities, enhance the infrastructure gaps and create business opportunities for both domestic and foreign Investments.

Implementation of AfCFTA is expected to;

- 1. Trigger a surge in export across sectors of the Nigerian economy and this cannot be achieved without the Aviator sector as a key player.**

- 2. Lead to a compulsory Investment in infrastructure to ease the movement of goods and services within the continent whether by Air, Road, or Maritime.**
- 3. Facilitate trade by making Customs processes easier and by servicing capacity in specific segments of the value chain.**
- 4. Create an enabling environment to tackle the many challenges facing the sector and strengthen its capacity through policies that will foster the creation of more opportunities to compete successfully with their counterparts from other African nations.**

ROLE OF FAAN TOWARDS THE SUCCESS OF AfCFTA

- 1. As a critical shareholder and a major border agency, the underlisted structures are being put in place to improve the country's trade competitiveness as AfCFTA policy kicks off;**
- 2. The myriads of challenges facing the sector are being tackled head-on, prominent amongst which are infrastructural decay, security issues, Air Transport Policy etc. We have invested heavily in recent times in the renewal and expansion of infrastructure at our Passenger and Cargo Terminals.**

- 3. The Authority is ensuring that all impediments to trade at the Airports are abolished through continuous collaboration with Stakeholder groups and compliance with the World Trade Organization-Trade Facilitation Agreement to implement the Trade Readiness interventions.**
- 4. The full automation of the Cargo Terminal towards improved Cargo clearance with respect to Time, Procedure and Documents is completed. The objective is to achieve a complete simplification of procedures.**
- 5. Full automation of the Access Gate to the Cargo Terminal which ensures that only persons with genuine business in the Terminal are allowed entry.**
- 6. Import and Export operations at the Cargo Terminal are being aligned to run round the clock (24hrs).**

- 7. Inter-Agency collaboration at the Airport is encouraged to create synergy and improve turn-around time.**
- 8. Provision of Warehouses (for Wet and Dry Cargo) with temperature controlled air-freight depots for perishables, Medical Supplies and Cargo handling facilities such as Merchandise Scanners.**

9. ONE-STOP-SHOP

The Authority is lobbying to put together under the same roof all the critical border Agencies to fast track cargo clearance and further reduce impediments to trade through sharing of information physically and electronically pending the start of the National Single Window.

10. CAPACITY BUILDING

Regular training of our staff, locally and internationally, to be at speed with world best practices is non-negotiable with regular engagement with our stakeholders to drive the industry forward.

Thank you for listening!