A PRESENTATION AT 3RD GENERAL ASSEMBLY OF THE AFRICA APICULTURE PLATFORM FOR HONEY PRODUCTION, BEE HEALTH AND POLLINATION SERVICES IN AFRICA

BY

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MEMBER STATE ARCHIEVEMENTS AND CHALLENGES IN IMPLEMENTING REGIONAL AND NATIONAL FRAMEWORKS FOR BOOSTING INTRA AFRICAN TRADE.
THIS IS TO SAY

- THERE ARE REGIONAL AND NATIONAL FRAMEWORKS FOR BOOSTING INTRA AFRICAN TRADE ALREADY IN PLACE ALREADY IN PLACE FOR MEMBER STATES

- IF THIS IS SO, WHAT ARE MEMBER STATE ARCHIEVEMENTS AND CHALLENGES IN IMPLEMENTING THESE FRAMEWORKS?
ONE OF SUCH FRAMEWORKS IS THE FREE TRADE ZONES. SO I WANT TO BE LOOKING WHAT ARE THE EFFORTS BEING MADE (AS IT AFFECTS NIGERIA) TO UTILIZE THIS FRAMEWORK AND IF THERE ARE CHALLENGES, WHAT ARE THE STRATEGIES FOR ADDRESSING SUCH CHALLENGES.
BACKGROUND

- Regional Trade Agreement (RTAs) and Regional Economic Communities (RECs) was established and viewed as the panacea for whole range of socio-economic, developmental and political challenges
BACKGROUND

Their scope included the promotion of intra-regional trade, policy coordination and the management or development of shared physical infrastructure. Integration has thus been a core element of the development strategy of African countries.
BACKGROUND (Contd)

- In this context, the Treaty expected that one Regional Economic Community would exist in each of Africa’s five sub-regions (Central, Eastern, Northern, Southern and Western). These lower-level regional economic communities were expected to design and implement trade liberalization programs aimed at achieving Free Trade Areas in each of the five sub-regions by around the year 2000.
BACKGROUND (Contd)

- The fact that both the Lagos Plan of Action and Abuja Treaty were held on the Nigeria soil naturally creates the importance of the country playing a lead role in facilitating the regional trade and economic agenda. However, efforts in this direction are yet to become pronounced.

- The Action Plan for boosting Intra-Africa Trade (BIAT) as endorsed by the AU Summit contain seven major clusters, and implementing the programmes and activities of the seven clusters will go a long way in surmounting the major constraints and challenges of intra-Africa trade and significantly enhance benefits to facilitate sustainable economic growth and development.
BACKGROUND (Contd)

- The seven clusters include:
  1.  Trade Policy
  2.  Trade Facilitation
  3.  Productive Capacity
  4.  Trade-Related Infrastructure
  5.  Trade Finance
  6.  Trade Information and
  7.  Factor Market Integration
BACKGROUND (Contd)

- Overall, despite the fact that efforts made by the Nigeria Federal Ministry of Industry, Trade and Investment and UNECA for organizing a National BIAT/CFTA sensitization workshop in Nigeria has been applauded, unfortunately, it is not yet clear what efforts Nigeria has been able to deposit in this regard.
CHALLENGES TO INTRA-TRADE

1. SUPPLY SIDE CONSTRAINTS:

   Weak productive capacity sustained by weak infrastructure, including aspects of trade logistics which remain a serious challenge for many African states.

These infrastructures will include:

- Transport
- Energy
- ICT

These infrastructural deficits are not only physical such as roads, ports, rails but also, there are the rules and procedures that comes with movement of goods across the boarders.
CHALLENGES TO INTRA-TRADE

I. SUPPLY SIDE CONSTRAINTS (Contd):

- Movement of Goods

  Approaches to regional integration in Africa has so far focused more on elimination of trade barriers and focused less on the development of the productive capacities that are necessary for trade. While the elimination of trade barriers is certainly important, it will not have the desired effect if it is not complemented with policy measures that will boost supply capacities.
CHALLENGES TO INTRA-TRADE

II. LIMITED PRIVATE SECTOR INVOLVEMENT IN INTEGRATION EFFORTS:

The limited role of the private sector in regional integrated initiatives and efforts has also contributed to weak trade performance of the continent. Although trade agreements are signed by the governments, it is the private sector that understands the constraints facing businesses and is in a position to take advantage of the opportunities created by regional trade. If the governments wants to achieve their objective of boosting intra African trade, more space must be created for private sector to play an active role in the integration process.
CHALLENGES TO INTRA-TRADE

III. POLICY UNCERTAINTY
UNCLEAR POLICIES ALSO HAMPER TRADE ACROSS THE CONTINENT. FOR EXAMPLE

- GOODS FROM TOGO MAY BE LEFT AT BOARDER IN NIGERIA WITH THE REASON THAT THEY DO NOT SATISFY LOCAL REQUIREMENT.
- A TRADER MAY GET PRODUCT TO THE BURKINA FASO BOARDER ONLY TO FIND OUT THAT A BAN ON EXPORTS HAS BEEN IMPOSED.
III. POLICY UNCERTAINTY

- RESTRICTIVE BUSINESS ENTRY REQUIREMENTS OF SEVERAL AFRICAN STATES LIKE LOCAL REGISTRATION PROCEDURES, VISA REQUIREMENTS ETC WILL GO A LONG WAY TO HINDER INTRA-AFRICA TRADE.

THEREFORE AFRICAN LEADERS MUST IMPLEMENT CURRENT POLICIES AND EXISTING LEGISLATION THAT WILL HELP TO REDUCE THE CHALLENGES HAMPERING TRADES IN AFRICA
CHALLENGES TO INTRA-TRADE

IV. INFRASTRUCTURE DEFICIENCY

INTRA- AFRICAN TRADE IS WEAK PARTLY BECAUSE FUNDAMENTAL ASPECTS OF TRADE LOGISTICS, SUCH AS INFRASTRUCTURE (TRANSPORT, ENERGY, ICT ETC), ARE COMPROMISED.

CONSTRAINTS SUCH AS POOR INFRASTRUCTURE, OR ITS COMPLETE ABSENCE, MAKE TRADE PHYSICALLY DIFFICULT, IF NOT IMPOSSIBLE, INDEPENDENTLY OF THE TRADE REGIME. IMPROVING INFRASTRUCTURE HAS BEEN SHOWN TO SIGNIFICANTLY BOOST EXPORTS.
IV. INFRASTRUCTURE DEFICIENCY

The length of paved roads as a percentage of total roads in Africa is about five times less than that of high income OECD countries (and nearly two-thirds of the OECD level in North Africa).

The telephone coverage is much worse for North and Sub-Saharan Africa compared with that of OECD level.
CHALLENGES TO INTRA-TRADE

IV. INFRASTRUCTURE DEFICIENCY

The end result of this infrastructure bottleneck is the fact that transport costs are 63 percent higher in African countries compared with the average in developed countries.

They are estimated at 14% of the value exported in the first group of countries, against 8.6% in the second.
CHALLENGES TO INTRA-TRADE

v. PROBLEM OF ACCESS TO FINANCE
VI. INCONVERTIBILITY OF CURRENCIES
CHALLENGES TO INTRA-TRADE

VI. ABSENCE OF EFFECTIVE TRADE-RELATED FRAMEWORK AT NATIONAL AND REGIONAL LEVELS.
CHALLENGES TO INTRA-TRADE

VII. LACK OF EFFECTIVE DISPUTE SETTLEMENT MECHANISM.
CHALLENGES TO INTRA-TRADE

VIII. WEAK AND NON-DIVERSIFIED EXPORT BASE
KEYS TO BOOSTING INTRA-AFRICA TRADE

1. Private sector driven approach
KEYS TO BOOSTING INTRA-AFRICA TRADE

II. Greater responsibilities
KEYS TO BOOSTING INTRA-AFRICA TRADE

III. Implementation of Trade protocols
KEYS TO BOOSTING INTRA-AFRICA TRADE

IV. Implementation of National Integrated Master Plan
AAP DELEGATES CONTRIBUTIONS

I. Ensure the launch of National Apiculture Platform in their respective countries to fast track the development of this sector to give a boost to agriculture and ensure food safety
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THANK YOU AND GOD BLESS
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