African Continental Free Trade Area (AfCFTA) Agreement and the Mega-Regional Trade Agreements (MRTAs): what are the underlying challenges and prospects for Africa-South-South trade?

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Abstract

This study examines the possible challenges and prospects of the recent signing of the African Continental Free Trade Area (AfCFTA) Agreement on South-South trade. The recent ratification of the agreement by the African Union (AU) Heads of Government and the establishment of the mega-regional trade agreements (MRTAs) by the major global trading economies are the biggest since the establishment of the WTO. One of these regional and continental agreements' principal objectives is to further strengthen trade terms and balance of trade statistics between member nations. Whereas almost all the regional and continental blocs have to a large extent, achieved the purpose of their trade agreements, Africa stands out as the only region whose intra-trade value still constitutes less than 15% of global trade share. Many reasons have been adduced to be responsible for the weak trade performance, one of which is weak regional integration. This study, therefore, concludes that for Africa to achieve significant improvement in global trade, the region needs to encourage regional trade, which will act as a catalyst for transforming the domestic economies and lay a robust foundation for healthy regional competition and integration.

Keywords: *AfCFTA, MRTAs, Regional integration, Trade policy, South-South trade*

JEL Classification: F11, F13, F14, F19

INTRODUCTION

The signing into law of a new trade agreement – the African continental free trade area (AfCTA), by the African Union (AU) Heads of governments on March 21, 2018, signifies a new trade beginning and enhanced efforts at actualizing the much desired regional integration for the African continent. In the past couple of years, concerted efforts have been made (including the Lagos Plan of Action (LPA) and Abuja treaties of 1980 and 1991, respectively) towards actualizing the developmental goal of regional integration. However, these efforts have not paid off, perhaps due to internal structural rigidities, which many experts say have been a source of great concern to the continent. Most African countries have been victims of poor governance structures and weak productive capacities. These have led to poor policy frameworks boosting aggregate growth and development both in trade and welfare. According to development experts,

trade (domestic and foreign) and regional integration play important roles in global economic growth and development.

The principles of international trade theory suggest that countries seeking to maximize their wealth and welfare should engage in trade devoid of barriers with other trading partners. In addition, countries derive the most benefits from liberalizing their own trade regimes. Taking together the principles of trade liberalization among trading partners and the individual trade regime liberalization is an appropriate mechanism for countries wishing to reap from the gains of free trade. However, despite the associated gains from trade liberalization and regional integration, many African countries are still under the burden of low trade yields compared with those of other regions such as Asia, Latin America, and the Caribbean (Mishra, 2018). A look at the world trade network between 2016 and 2017 shows that global trade and its associated benefits are concentrated among the East Asian, Europe and North American regions, with a greater share of the trade being intra-regional (see fig 1)

Some of the factors identified by trade and development experts that lead to the abysmal trade performance in the African region include weak economic and industrial/trade policies, weak political and institutional structures, and fragile security architectures (see Chukwu, 2007; Mishra, 2018). Whereas some of these factors are debatable, which is incontrovertible is the issue of the quality of trade policies in place at both regional and continental levels. Over the years, the issue of trade policy among African trade experts has encouraged continental rather than regional trade, despite the challenges of unemployment, weak economic growth, poor infrastructure, and ill-equipped markets facing the continent.

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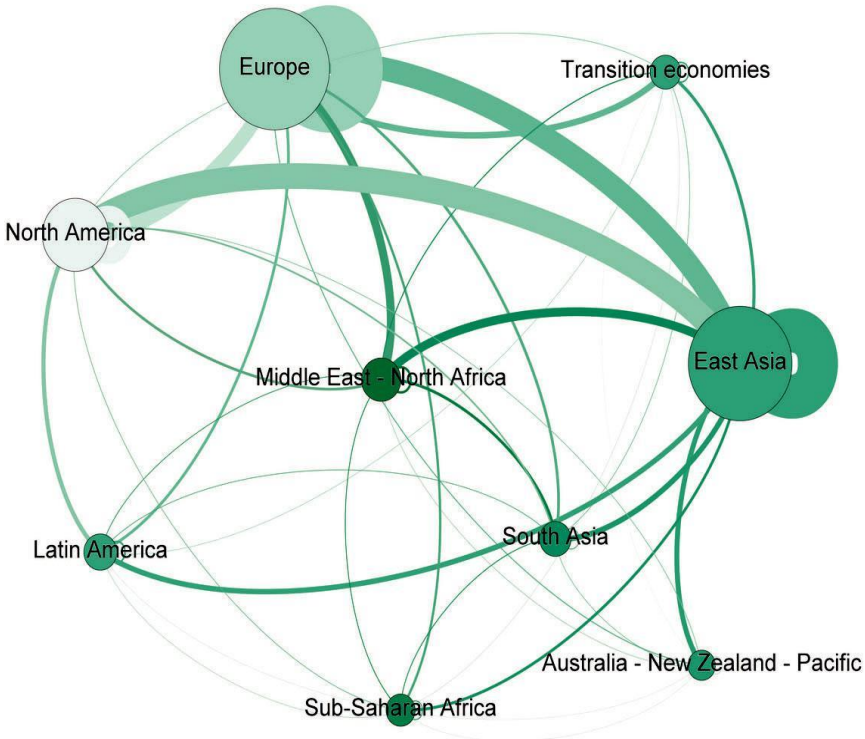


Source: UNCTAD, 2018

Figure 1. World trade network between 2016 and 2017

Notes: The width and colors of lines, size of the nodes reflect the magnitude of trade in 2017, percentage increase of trade value (2016-17), and total value

Although factor endowments in the African region are quite appreciable when compared with other regions of similar classification, trade and economic growth are constrained by deliberate domestic policies that encourage: (i) trade division rather than trade creation; (ii) rent-seeking and transfer of scarce resources to the development of sectors with low productivity; and (iii) the promotion of weak market structures rather than encourage competitive market environment. Whether the African region will reverse the trend of weak growth structure and weak competitive market environment depends on the successful implementation of the continental free trade area (CFTA) agreements and how the region is able to manage the recent buy-in of its major trading partners into one of the structural components of the MRTAs – the regional comprehensive economic partnership (RCEP). The objectives of this study are: (i) examine the possible effects of CFTA agreement in the context of Africa's regional integration efforts; and (ii) identify the underlying implications of the new trade arrangement on Africa-South-South trade in the context of the recent mega-regional trade agreements (MRTAs).

The rest of the paper is organized as follows: Section 2 examines Africa's trade performance and the macroeconomic environment. Section 3 reviews Africa's previous and present initiatives at promoting regional and continental integration. Section 4 looks at current trends in South-South merchandise trade and the potential impact on the AfCFTA. Section 5 examines the implications of the membership of Africa's major trading partners in the RCEP - a component of the mega-regional trade agreements (MRTAs) while section 6 concludes the study.

AFRICA'S TRADE PERFORMANCE AND MACROECONOMIC ENVIRONMENT

Africa's trade performance

A cursory observation of Africa's trade performance in the past decade shows that the region's share of global trade is weak compared with other regions such as Asia, Latin America, and Oceania. However, in recent times, available statistics show that Africa has been experiencing significant improvement in trade value to the rest of the world. According to recent trade statistics, Africa's share of trade to the rest of the world increased in value from US$226 from 1983 to 2014 by 42% to US$760 billion in current prices in the period 2015–2017 (see UNCTAD, 2019). The significant improvement in the value of trade is as a result of the transition from the export of agricultural commodities to export of mining and manufacturing products by the five main commodity exporters (The five main commodity exporters in the region include: South Africa, Nigeria, Morocco, Algeria, and Angola). A look at Africa's recent merchandise exports shows that the region's annual export growth rate stands at 14.7%, with a lower import of 11.6%. Although these growth rates are very encouraging compared with other developing regions, the share of trade as a percentage of world output is extremely low with 3% (see Table 1). A look at the intra-trade structure for Africa, shows that intra merchandise exports are also low compared with other regions. A study by Parshotam (2018) revealed that Africa's total intra-trade basket averaged 12-14% due to the region's continuous reliance on the production of raw materials and the levels of development of the industrial sector.

Table 1. Leading exporters and importers by a group of developing economies, 2018

	Exports (Ranked by value)			Imports (Ranked by value)		
	Value (Billions of US$)	Share in world total (%)	Annual growth rate (%)	Value (Billions of US$)	Share in world total (%)	Annual growth rate (%)
South Africa	94	0.48	5.6	(e) 114	(e) 0.57	(e) 12.1
Nigeria	61	0.31	36.2	72	0.36	16.8
Algeria	41	0.21	17.0	51	0.26	14.7
Angola	41	0.21	17.8	46	0.23	0.3
Morocco	29	0.15	13.2	43	0.22	37.5
Developing Africa	484	2.49	14.7	576	2.91	11.6
Mexico	451	2.32	10.1	477	2.41	10.3
Brazil	240	1.23	10.2	189	0.95	19.7
Chile	75	0.39	9.6	75	0.38	14.9
Argentina	62	0.32	5.1	65	0.33	-2.2
Peru	49	0.25	8.0	51	0.26	11.2
Developing America	1086	5.58	9.2	1123	5.67	10.6
China	2487	12.78	9.9	2136	10.79	15.8
Korea Republic	605	3.11	5.4	627	3.17	6.4
China, Hong Kong SAR	568	2.92	3.4	535	2.70	11.9
Singapore	413	2.12	10.6	514	2.60	14.3
China, Taiwan province	336	1.73	5.9	371	1.87	13.1
Developing Asia and Oceania	7087	36.43	9.8	6623	33.46	11.0

Source: UNCTAD Handbook, 2019. *(e) estimate

Notes: A 10-year spread of global merchandise trade exports (by regions and some regional trading blocs) are shown in appendices 3 and 4, respectively

According to the study, "approximately 26% of African countries rely on one or two resource commodities for at least 75% of their exports, while 60% rely on a maximum of five commodities" (p.5). However, a United Nations Conference on Trade and Development (UNCTAD, 2019) report shows that between 2015 and 2017, intra-African exports, as a percentage of world exports, stood at 17%. It is compared to 68% recorded for Europe, 59% for Asia, 55% for America and 7% for Oceania in the same period. Similarly, a look at intra-regional economic community (intra-REC) trade in Africa shows that while there's a deeper level of regional integration, the intra-regional trade area (intra-RTA) average trade share of the region's main economic blocs is lower when compared with the other major RTAs (see WTO, 2018 and UNCTAD, 2019).

For instance, while average Africa's intra RTA trade in 2016 was 11.2%, the Association of South-East Asian Nations (ASEAN), North American Free Trade Agreement (NAFTA), and European Union (EU) were 24, 50, and 64%, respectively. An analysis of the intra-regional trade performance of the economic blocs, 2018, shows that among the eight regional blocs, preferential access is topmost for East African Community (EAC), Economic Community of Central African States (ECCAS), Southern African Development Community (SADC), and Common Market for Eastern and Southern Africa (COMESA) as they enjoy lower tariff structure on the export of agriculture and industrial commodities. However, among the eight regional blocs, the Economic Community of West African States (ECOWAS) and Arab Maghreb Union (AMU) are the least as they do not have preferential access to many African Regional Economic Communities (RECs). Recent trade statistics (UNCTAD, 2019) show that while exporters from the EAC bloc enjoy greater preferential access to African markets, a lower tariffs structure is about 8.9 percentage points lower than the tariffs faced by exporters from other countries regional blocs (in all products). It is followed by SADC

(7.8), COMESA (6.8), and IGAD (6.7). Exporters from EAC pay average tariffs as high as 2.5 percent in AMU and ECOWAS markets (see Table 2).

Table 2. Trade preference matrix, 2016 (percent)

Importer	Exporter									
	EU	Africa	AMU	CEN-SAD	COMESA	EAC	ECCAS	ECOWAS	IGAD	SADC
Africa	2.9	6.2	-0.5	3.8	6.8	8.9	3.7	4.9	6.7	7.8
AMU	4.2	5.0	7.7	7.2	5.0	-2.0	-0.5	-0.1	1.1	-2.6
CEN-SAD	4.7	3.7	0.6	5.6	1.7	4.5	0.9	8.2	-1.8	0.3
COMESA	-1.8	7.4	4.2	5.7	8.6	10.0	5.6	-4.1	8.9	7.7
EAC	-0.5	7.7	-2.3	8.7	11.1	12.8	7.4	-5.2	12.0	5.9
ECCAS	1.3	4.9	-3.2	4.8	10.9	13.8	5.2	-1.4	13.4	2.2
ECOWAS	-0.3	2.9	-2.3	4.9	-2.7	-3.0	-1.9	7.6	-3.3	-1.2
IGAD	5.8	5.4	-2.8	9.8	11.9	12.7	9.4	-5.0	11.7	2.6
SADC	3.5	6.0	-5.0	-1.7	4.9	4.7	3.6	-2.9	1.8	7.7

Source: UNCTAD (2019)

Notes: Positive figures in the table indicate high preferential access in the African market due to a lower tariff structure.

Intra-regional trade preferential access is higher between EAC and ECCAS and between EAC and IGAD. However, AMU and ECOWAS are regional blocs that do not prefer many other African RECs. The high performance of these regional blocs, especially those of EAC and SADC, might be attributed to the improvement in the mining and manufacturing sectors. The high performance of these regional blocs, especially those of EAC and SADC, might be attributed to the improvement in the mining and manufacturing sectors.

An assessment of Africa's trade similarity and complementary index also presents the key products market indicators (see Table 3). Whereas there is a significant increase in developing countries' similarity index from 0.72 in 1995 to 0.81 in 2013, Africa's performance index fell below Latin America, European Union (EU), and South Asian averages.

Table 3. Trade complementarity and similarity indexes, 1995-2013

	Complementarity					Similarity				
Indicator/year	**1995**	**2000**	**2010**	**2012**	**2013**	**1995**	**2000**	**2010**	**2012**	**2013**
Developing economies	0.72	0.74	0.79	0.80	0.80	0.72	0.74	0.79	0.80	0.81
Developed economies	0.87	0.86	0.81	0.81	0.81	0.88	0.87	0.82	0.81	0.81
Africa	0.42	0.39	0.44	0.46	0.46	0.41	0.38	0.44	0.46	0.47
Eastern Africa	0.28	0.28	0.31	0.34	0.34	0.28	0.28	0.31	0.34	0.34
Middle Africa	0.15	0.15	0.18	0.19	0.19	0.16	0.16	0.19	0.19	0.19
Northern Africa	0.29	0.28	0.35	0.37	0.38	0.29	0.28	0.35	0.38	0.39
Southern Africa	0.49	0.45	0.43	0.41	0.42	0.48	0.45	0.44	0.41	0.42
Western Africa	0.21	0.21	0.26	0.29	0.30	0.20	0.22	0.27	0.29	0.31
SSA	0.42	0.39	0.41	0.42	0.42	0.41	0.39	0.41	0.43	0.43
South America	0.50	0.49	0.49	0.51	0.50	0.49	0.49	0.49	0.51	0.50
Eastern Asia	0.60	0.62	0.61	0.60	0.60	0.62	0.62	0.60	0.60	0.60
EU28	0.83	0.82	0.77	0.77	0.78	0.84	0.83	0.78	0.77	0.78

*Source: Verter (2017).

Notes: Trade similarity and complementary index range from 0-1 percent. Any of the values above 0.5 percent signifies a high index

Similarly, Africa's trade complementarity index (TCI) also presents a similar weakness compared to other regions. The poor performance of Africa, judging from these two indexes, demonstrates a lack of depth in the region's markets and a glaring weakness in intraregional cooperation. However, within the region's assessment, Southern Africa performed far better in the two indexes than the other regions,

indicating that the region is making more frantic efforts in matching their export compositions with the import structures of other member communities.

Africa's macroeconomic constraints and global shocks

According to UNCTAD (2018), one of the major growing concerns for most developing countries is the issue of the ongoing trade tension between the United States of America and China. Going by the current tension in global trade, the further confrontation between these two superpowers will further create more negative shocks to the commodities and financial markets, thus leading to another round of global economic crisis. As stated by the UNCTAD report, "trade frictions weigh on global growth as they impose adjustment costs on international firms which would reflect upon investment decisions, profitability, and productivity. In addition, the increase in uncertainty about commitments to trade rules adds to the risk of investing abroad" (p.2). These will certainly create more negative economic consequences on fragile economies, especially low-income countries that are more susceptible to unfavorable global shocks.

Apart from the apparent negative shocks to low-income countries and Africa in particular, another growing macroeconomic concern is the issue of nominal exchange rates depreciation/appreciation and stagflation. According to development economics literature, the nominal exchange rate is the benchmark for determining global competitiveness. While some other factors might also affect the level of market competitiveness, the current trade 'war' has been the major factor that contributes to the depreciation of the Chinese's Renminbi, and at the same time, contributing to the appreciation of the United States' Dollar (UNCTAD, 2018). Growth studies posit a strong correlation between different currency markets (see Fedorova and Saleem, 2009; Lee, 2009; Ke, Wang, and Murray, 2010). An adjustment in one dominant currency automatically affects the others, thus leading to high currency volatility in the currency markets of many economies.

According to UNCTAD (2018), "the trade confrontations between the United States and China have already weighed on currency markets by increasing the volatility and downward pressure for many currencies, especially in the riskier emerging markets." A cursory analysis of the African financial, commodity, and currency markets shows that the trade tension's impact is huge on the region. Over 80% of African economies are major trading partners with the Asian 'Tigers' and the United States of America. However, the trade war between China and the United States of America has caused most economies in Africa to face acute foreign exchange shortages in their currency markets. Although Africa's share of global trade is very insignificant (about 3%), the escalation of the trade tension will have a second and third-tier effect on the region's trade and aggregate growth structure.

Currently, Africa's global trade is structured asymmetrically, with exports of primary commodities on one hand and imports of capital goods on the other. According to Prempeh (2006) and Barratt Brown (2007), Africa is characterized by unfair trade relations with trading partners with fewer exports and more imports. Presently, over 75% of Africa's exports are on primary commodities, even when studies have shown that primary commodities are characterized by low productivity, low wages, and high price volatility (see Gupta, 1993). With high commodity volatility and huge import dependence, Africa's revenue profile and growth architecture are tailored towards the constant negative trend. Another great constraint to the African macroeconomic

environment is the issue of stagflation which many economic and trade experts say affects trade output negatively.

One factor that has been identified as leading to stagflation in theoretical and empirical constructs is the structure of tariff a country imposes on its trade components. Empirical studies show that a high tariff regime discourages domestic and foreign trade, increases inflationary pressure, and reduces trade earnings and labor productivity (Madsen, 2001; Kim and Beladi, 2005; and Opp, 2010). According to UNCTAD key statistics report (2018:2), "tariffs can contribute to stagnation as they can reduce efficiency due to the frictions they create while increasing inflationary pressure because some of their costs will be inevitably passed down to consumers…while moderately higher inflation is generally not a problem if it is as a result of economic growth, the periods of stagflation often results in job losses and rising unemployment". A look at Africa's current inflationary and unemployment trends present some worrisome dimension as the entire region has continued to experience rising unemployment and inflation rates.

Apart from the CFA franc countries that enjoy lower inflation rates of about 2%, perhaps as a result of their currency is tied to the European Monetary Union (EMU), some regions, such as the East Africa Countries and some oil-exporting countries, experienced higher inflation rates averaging above 10%. A look at Africa's average inflation rates shows that it spiked from 6.7% in 2013 to 7.4% in 2015 and to 12.5% in 2017 before dropping to 9.2% in 2019 (IMF, 2020). Similarly, unemployment rate seems to follow the same trend with inflation. Although the trend of unemployment was slower as compared to inflation, average unemployment rate in the last 5 years was consistently on a rising trend. A look at the average unemployment rate in the Sub-Saharan region in the period 2014 -2019 shows that the rate increased by over 7% (World Bank, 2020).

The rising trend in unemployment (especially youth unemployment) is worrisome given the region's high population and low economic growth. Recent African Economic Outlook report (AEO, 2020) stated that given an estimated 226 million youth unemployment in 2015, the figure is projected to increase by over 42%, to 321 million by 2030. Many studies have expressed concern about the inherent danger of rising inflation and unemployment in the mix of weak output growth. According to Ademola and Badiru (2016) and Mohseni and Jouzaryan (2016), rising inflation and unemployment rates decrease economic growth in the long run. Accessing the effect of inflation and unemployment on the economy, Brunner, Cukierman, and Meltzer (1980); Ghosh and Ghosh (2013); and Rogers (2013) showed that there's a great difficulty in tackling economic stagnation in the period of rising inflation and unemployment regimes. An analysis of the African economic and trade indicators shows that the region is burdened by low output growth, high commodity prices, and high tariff regimes (see Tables 4 and 5). Many studies have found a positive correlation between low output and high tariffs.

Table 4. Growth of world output 2016–2020

	Annual percentage change						
	2016	2017	2018	2019	2020[a]	2018	2019
World	2.5	3.1	3.1	3.0	3.0	0.1	0.0
Developed economies	1.7	2.2	2.2	2.1	1.9	0.2	0.2
Economies in transition	0.4	2.0	2.1	2.0	2.6	-0.2	-0.4
Africa	1.6	3.4	3.2	3.2	3.7	-0.3	-0.3
North Africa	2.9	5.3	3.7	3.4	3.5	-0.4	-0.7
East Africa	5.5	6.1	6.2	6.4	6.5	0.4	0.2
Central Africa	-0.5	-0.2	2.2	2.5	3.8	0.1	0.0
West Africa	0.2	2.4	3.2	3.4	3.8	-0.1	0.0
Southern Africa	0.3	1.5	1.2	2.1	2.6	-1.1	-0.4
East and South Asia	6.1	6.1	5.8	5.5	5.6	0.0	-0.4
East Asia	5.7	6.1	5.8	5.6	5.5	0.1	0.0
China	6.7	6.9	6.6	6.3	6.2	0.1	0.0
South Asia	8.0	6.1	5.6	5.4	5.9	-0.9	-1.6
India[b]	7.1	6.7	7.4	7.6	7.4	0.2	0.2
Western Asia	3.1	2.5	3.0	2.4	3.4	0.7	-0.3
Latin America and the Caribbean	-1.3	1.0	1.0	1.7	2.3	-1.0	-0.8
South America	-2.9	0.5	0.4	1.4	2.3	-1.4	-1.0
Brazil	-3.5	1.0	1.4	2.1	2.5	-0.6	-0.4
Mexico and Central America	3.1	2.4	2.4	2.5	2.3	-0.2	-0.1
Caribbean	-0.7	-0.4	1.9	2.0	2.0	0.1	0.0
Least developed countries	3.6	4.6	5.0	5.0	5.7	-0.4	-0.5
Memorandum items							
World trade	2.5	5.3	3.8	3.7	3.9	0.3	0.1
World output growth with PPP weights[d]	3.2	3.7	3.7	3.6	3.7	0.0	-0.1

Source: World Economic Situation Prospect (WESP, 2019). (a) Forecast, based in part on Project LINK; (b) Fiscal year basis; (c) Includes goods and services; and (d) Based on 2012 benchmark.

The study by Madsen (2001) finds that global output contracted by 14% due to the increase in world tariff. A look at the regional tariff structure in 2017 shows that among all the regions classified as developing economies, Africa's intraregional tariffs on exports are relatively the highest, except in South Asia (see Table 5). However, while intraregional tariff is high in Africa, the extra-regional tariff is lower, indicating that the degree of trade restrictiveness is higher in the region. While other regions such as the Transition and Latin American countries operate lower tariff regimes, Africa is burdened with a high tariff structure that has negatively affected trade values. Although the increase in tariff by most African countries is driven by the quest for an increase in revenue and protection of infant industries, the overall objective is not achieved due to trade restrictions (tax escalation) imposed by Africa's main trading partners (Verter, 2017).

Table 5. Tariff restrictiveness matrix for developing regions, 2017 (percentage)

Importing regions	Developed Countries	East Asia	Latin America	South Asia	Sub-Saharan Africa	Transition Economies	West Asia & North Africa
Developed Countries	1.6 -0.5	2.6 0.2	1.2 0.3	2.1 -0.8	0.4 -0.1	1.7 0.8	0.6 0.0
East Asia	4.9 -1.0	2.7 -0.7	5.4 -0.2	3.2 -0.9	1.7 -0.2	3.8 1.2	1.8 -0.3
Latin America	3.8 -0.3	8.0 -1.0	1.1 -0.6	10.9 -1.5	1.9 -0.7	2.0 0.4	2.9 -0.5
South Asia	10.7 0.6	10.4 -0.3	17.8 -2.0	6.8 -1.1	5.7 -1.1	8.1 0.8	9.2 -1.7
Sub-Saharan Africa	7.4 -0.7	11.6 -0.2	9.0 0.4	8.3 0.7	3.1 -0.8	8.6 2.1	5.4 0.0
Transition Economies	3.4 -2.9	1.9 -5.7	2.0 -8.4	4.0 -6.1	0.6 -2.2	0.4 0.3	4.7 -2.6
West Asia & North Africa	3.2 -0.9	5.5 -0.4	6.4 -0.8	4.0 0.3	2.6 0.0	8.7 4.7	1.9 -0.1

Source: UNCTAD (2018). Changes between 2008 and 2017 are shown in a smaller font

Granted, there has been a gradual reduction in tariffs and other market access instruments since after the 2001 Doha Round Submit, by almost all African countries, high trade tariffs persist along the value chains of most processed commodities of the regional blocs. Another possible constraint that has been identified that impedes the growth of trade and Africa's macroeconomic environment is the issue of sanitary and phytosanitary (SPS). The underlining principles of SPS suggest that exporting nations should adhere strictly to safety standards as stipulated by importing nations. Over the years, many LDCs (including Africa) have had their products rejected by importing countries at different ports of entry due to failure to meet set standards. For instance, in 2015, the European Union (EU) banned all processed goods from Nigeria for one year for failing to meet set standards (Verter, 2017).

Many African countries lack the requisite knowledge, expertise, and tools for setting standards and enforcing compliance. Although many African countries are seriously trying to improve these gaps through development in socio-economic structures, the overall outcome is yet to stimulate trade and aggregate demand for commodities. Lastly, the issue of domestic support and export subsidies on products by Africa's major trading partners is another great concern to Africa's macroeconomic environment and trade growth. Received literature shows that most of Africa's trading partners still provide domestic support and export subsidies to most of their farmers, infant, and as well as developed industries (see Lee, Hoffman and Cramer, 2003 and Dimaranan, Hertel and Keeney, 2004). Domestic supports to farmers and small and medium scale enterprises (SMEs), provides advanced technologies and large economies of scale to would-be producers.

Verter (2017) observed that under the Common Agricultural Policy (CAP), around 58 billion euros or 40% of the European Union's total budget were earmarked for CAP in 2014. This huge amount of resources earmarked for the protection and support of infant industries puts these industries far ahead of their African counterparts, whose economies cannot boost of such funds. The lack of intervention funds makes African products more expensive and less competitive. In China, the country operates a trade policy framework where governments provide export incentives to producers wishing to export their products to any part of the world. Unlike in Africa, where there are few export incentives to producers, the shipping cost of freights in China is directly borne by the government, thus reducing production costs. The lack of domestic supports for African producers and farmers creates huge trade gaps for the region.

SOME OF AFRICA'S PREVIOUS INITIATIVES AT ENHANCING REGIONAL AND CONTINENTAL TRADE

Received studies showed that over the years, the AU had established many initiatives to foster regional integration and enhance competitiveness in global trade. Some of these initiatives as highlighted in Mishra (2018) include: the establishment of the New Partnership for African Development (NEPAD); (ii) the African Free Trade zone (AFTZ); (iii) the Minimum Integration Programme; (iv) Boosting Intra-African Trade; and (v) the Tripartite Free Trade Area (TFTA) agreement. These initiatives are briefly discussed below.

1. The New Partnership for African Development (NEPAD): This initiative was established by the AU in 2002, with the sole aim of integrating a holistic socio-economic development strategy among member nations. It also aimed to halt the overreliance of most African economies on foreign aid and replace it with an effective framework that would strengthen domestic trade.

2. The African Free Trade Zone (AFTZ): The establishment of the African Free Trade zone (AFTZ) was heralded by the AU as a new trade arrangement in fostering 'regionalism' among the African countries. The foremost AFTZ, was announced at the EAC-SADC-COMESA Summit in October 2000. However, in 2012, other regional blocs such as the ECOWAS, ECCAS, and AMU, were integrated into the already established structure to operationalize the AFTZ agenda of the AU fully. The full commencement of operation of the AFTZ in 2018 marked the beginning of Africa's journey towards regional and continental integration.
3. Minimum Integration Programme (MIP): In 2009, a mechanism for convergence known as MIP was signed into law by a special committee of the AU and the RECs. The purpose was to see to the identification of projects both at regional and continental levels and see to their quick implementation. While the job of the RECs was expected to work at a wavering pace on all the activities of MIP, the RECs are also required by their briefs to identify priority projects/programs and see to their full implementation.
4. Boosting Intra-African Trade (BITA): In 2012, the African Union (AU) Heads of state and government organized a summit on the theme: "Boosting Intra-African Trade". The essence of the summit was to provide a framework for the deepening of Africa's domestic markets to significantly increase intra-African trade volume from an average of 12 to 25 percent. In order to achieve this objective, seven priority clusters were set up, and they include: trade policy, trade facilitation, productive capacity, trade-related infrastructure, trade finance, trade information, and factor market integration.
5. Tripartite Free Trade Area (TFTA): Africa's journey towards attaining regional and continental integration was achieved at Egypt's COMESA-EAC-SADC meeting of 2015. At the meeting, a resolution was reached by the Heads of Governments of these economic blocs to launch a Tripartite Free Trade Area (TFTA) to take care of the interest of the over 600 million customers of the region. According to Mishra (2018), the launch of TFTA "demonstrated the possibility of a collective action among several heterogeneous nations and showcased the feasibility of harmonizing three different preferential trade regimes into one unified scheme" (p.12).

The AfCFTA agreement and the underlying benefits to Africa

The signing into law of the AfCFTA agreement by the AU Heads of government heralds a new beginning. It provides a vaster of opportunities for growth and development for the continent. The CFTA agreement is aimed at achieving the following main objectives: (i) create a single continental market for goods and services, with free movement of business persons and investments, and thus pave the way for accelerating the establishment of the Continental Customs Union and the African customs union; (ii) expand intra-African trade through better harmonization and coordination of trade liberalization and facilitation regimes and instruments across Regional Economic Communities (RECs) and across Africa in general; (iii) resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes; and (iv) enhance competitiveness at the industry and enterprise levels through exploiting opportunities for scale production, continental market access and better reallocation of resources (AU, 2019).

Given that the CFTA agreement is yet to be fully operational, many studies have projected that the agreement's impact on Africa's trade growth is huge. Going by the projections of the AU, the CFTA is expected to, among other things, increase online retail trade by over US$75 billion annually by 2025, increase intra-trade by 52% and

decrease Africa's trade with the rest of the world by 51% if all forms of tariffs are eliminated. The study by McKinsey Global Institute (2016), estimates that with the establishment of the CFTA, Africa's share of manufactured output is projected to increase by over 86% from $500 billion in 2016 to $930 billion in 2025. Although Africa's exports are projected to decline significantly with other regions, 'intraregional trade is expected to lead to the much-desired industrialization of the continent' (p.19).

The study by Shingal and Mendez-Parra (2020) projected that when the AfCFTA is fully implemented, the stock of intra-African Greenfield investment will increase by 14%. United Nations Economic Commission for Africa (UNECA, 2018) report highlights possible areas of benefit to the African region once the CFTA agreement is fully implemented. The report posits that the CFTA will improve trade-related infrastructure, reduce import duties and transit costs, and lead to a more than 50% increase in intra-African exports by 2022, from the 2010 levels. The UNECA study further stated that, apart from structural transformation and increased labor productivity in industrial and services sectors, trade statistics are expected to double up on the removal of non-tariff barriers by as much as US$ 40.6 billion (or 39.9%).

Similarly, UNCTAD's (2019) report on Africa shows that the region stands to benefit immensely from the CFTA agreement when it is fully implemented. Some areas of possible benefits as highlighted in the UNCTAD report include: (i)increased competitiveness of firms and boosting of intra-African trade and investment; (ii) improved business and investment climate that attracts foreign direct investment and fosters linkages between foreign and local firms; (iii) economic growth and structural transformation; (iv) participation of small and medium-sized enterprises in regional and global value chains; (v) development of agriculture and agribusiness and implications for rural development; (vi) unleashed the potential of the services sector; and informal cross-border trade, gender implications, and reduced illicit trade.

The study by Parshotam (2018) posits that the establishment of the AfCFTA will stimulate total African exports by 4 percent ($25.3 billion) and result in an overall 52% ($34.6 billion) increase in intra-African trade when compared to the baseline figure (no trade reforms in 2022). Furthermore, the study stated that with sectoral expansions in agriculture and agro-processing, industry, and services, overall trade is expected to increase by 53% between 2010 and 2022. The report further stressed that the full implementation of the CFTA agreement would improve the region's cross-border movements in investments, goods, and services and increase interconnectivity. Apart from these projected increases in volumes and values of trade due to the implementation of the CFTA agreement, there will also be static and dynamic gains to member nations.

While static gains lead to increases in economic welfare in the short-run, dynamic gains which arise from competitive pressures from member nations lead to productivity benefits in the long run. Other associated benefits of the full implementation of the AfCFTA agreement include: (i) improved business and investment environment that attracts foreign direct investment (FDI) and fosters linkages between foreign and domestic firms; (ii) participation of small and medium-scale enterprises (SMEs) in regional and global value chains; and (iii) improvement in aggregate growth and structural transformation (see UNCTAD, 2019). However, some quarters have caveats on the signing into law of the AfCFTA agreement (see Kohnert, 2018 and Signe and Van der Ven, 2019). These studies argue that the ~~ACFTA~~ agreement might not solve the intra-trade challenges in the region until all aspects of the Phase (1 and 2) agreements are fully negotiated. Going by this observation, it is very clear that the success of the new trade agreement will be accessed by the number of participating

countries and the commitment and willingness of all participating countries to fully implement the stages of the agreement. In summary, it is very evident that the rectification of the CFTA agreement will boost intraregional integration and boost industrial growth, inter-sectoral linkages and facilitate infrastructural development that would eventually lead to improvement in intra-trade relations among member nations.

The AU Continental Integration Agenda

The signing into law of the CFTA agreement follows the establishment of the Tripartite Free Trade Area (TFTA), a free trade area between COMESA, SADC, and the EAC. Establishing these RECs aims "to bridge regional divisions by building on the TFTA's regional industrial development policies, strengthening trade among the various RECs and incorporating all African economic blocs under standardized rules and regulations" (Parshotam, 2018:7). Of the 18 preferential trade agreements establishing the various African RECs, eight are recognized by the AU as 'building blocks' for the African Economic Community (AEC). The eight AECs include: Community of Sahel-Saharan States (CEN-SAD), 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), Intergovernmental Authority on Development (IGAD), Southern African Development Community (SADC) and Arab Maghreb Union (UMA). See Fig.2 for a web of intra-African trade agreements, including the eight RECs, and four sub-regional groupings.

In order to achieve the objective of integrating all the economic blocs, the AU established a six-phased timeline covering a 34-year period (see Table 6) and set up five key regional integration indicators to measure the performance of these economic blocs.

Table 6. The AU continental integration agenda

Phase	Timeline	Action Plan
PHASE 1	5 years	Strengthen existing RECs and create new RECs in regions where they do not exist.
PHASE 2	8 years	Ensure consolidation within each REC, focusing on liberalizing tariffs, removing non-tariff barriers, etc.
PHASE 3	10 years	Establish in each REC and FTA and customs union (with a common external tariff and single territory)
PHASE 4	2 years	Coordinate and harmonize tariff and non-tariff systems of RECs to establish a continental customs union
PHASE 5	4 years	Establish an African common market
PHASE 6	5 years	Establish the AEC, including an African Monetary Union and a Pan-African Parliament

Source: SAIIA (2018)

The 2016 African regional integration index is shown in Table 7. In the trade integration index, the statistics show a high movement of trade in almost all the RECs, except CEN-SAD and ECOWAS. According to trade theories, when trade moves freely and at faster rates, the cost of doing business becomes cheaper, thus benefiting both producers and consumers. In the case of regional infrastructure, statistics show that other blocs are still lagging behind apart from EAC and IGAD that performed creditably well in terms of infrastructural development.

Table 7. African Regional Integration Index, 2016

Regional Economic Community	Trade Integration	Regional Infrastructure	Productive Integration	Free Movement of People	Financial Macroeconomic Integration
CEN-SAD	0.35	0.25	0.24	0.48	0.52
COMESA	0.57	0.44	0.45	0.27	0.34
EAC	0.78	0.50	0.55	0.72	0.16
ECCAS	0.53	0.45	029	0.40	0.60
ECOWAS	0.44	0.43	0.26	0.80	0.61
IGAD	0.51	0.63	0.43	0.45	0.22
SADEC	0.51	0.50	0.35	0.53	0.40
UMA	0.63	0.49	0.48	0.49	0.20
Average of Eight RECs	0.54	0.46	0.38	0.52	0.38

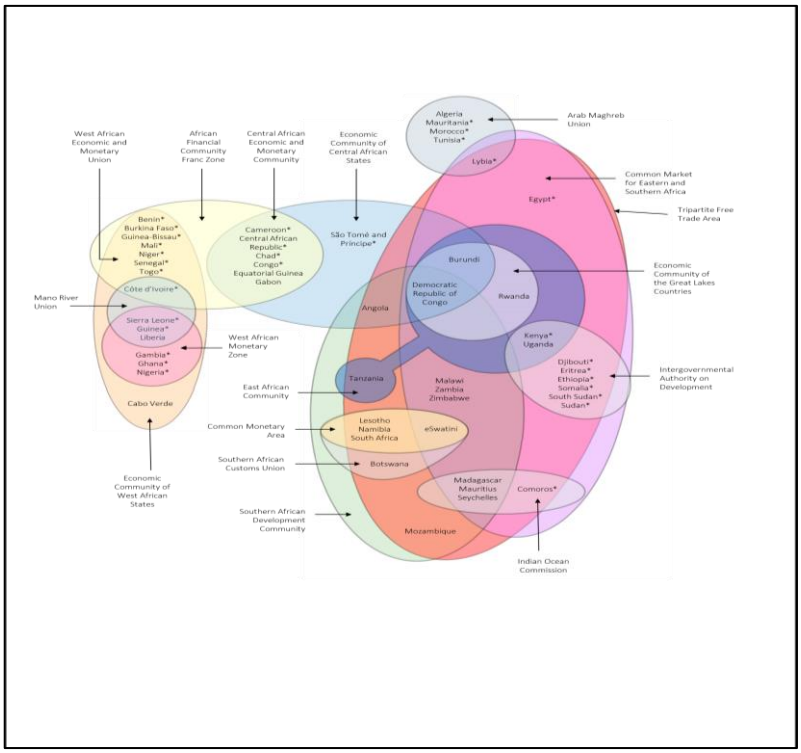
Source: Africa Regional Integration Index Report, (2016)

Evidence has shown that countries with quality road networks, communication, and airports tend to have low business costs. ECOWAS, ECCAS, and CEN-SAD scored highest in the financial and macroeconomic dimensions. This result indicates the free flow of capital, the lower transaction cost of doing business, and the higher efficiency of the financial institutions within these three RECs. In the case of the free movement of people dimension, statistics show that ECOWAS and EAC are the only blocs with freer cross-border movement, while COMESA is the least. Although the overall performance of ECA and SADEC blocs are relatively better than other blocs in all dimensions, the index for ease of doing business (financial and macroeconomic integration) for these two blocs is weak.

SOUTH-SOUTH MERCHANDISE EXPORT TRADE AND POTENTIAL IMPACT ON AFCFTA

Since 1990, a number of preferential trade agreements (PTAs) have been signed by South-South countries to boost trade, economic growth, and interregional integration. Between the initial times of signing the agreements to date, more than 267 PTAs have been signed by participating regions, of which Africa is one. A look at the impact of these agreements on South-South trade statistics shows that these PTAs have greatly improved trade between member regions due to strict adherence and implementation of the various trade agreements (Notes: See appendices 5(i), 5(ii), and 5(iii) for annual intra-trade and extra-trade of economies, regional trading blocs, and country groups by-product). Although some of the participating regions have benefited more than the others from the signing of the PTAs, perhaps as a result of further improvement in market access, technology, and infrastructure, the overall economic synergy between these regions can be gauged from the recent robust trade outcomes.

For instance, in the last decade, Africa's merchandise export to Asia and Oceania increased from US$ 113billion to US$161billion in 2018. Similarly, export from these regions to Africa also improved significantly by over 54%, from US$162billion to US$249billion within the same period. However, the case of Africa and Latin America is a little different as trade between these two regions is on the decline.



Source: Adopted from Economic Integration in Africa (www.afdb.org)
Figure 2. Regional Trade Arrangements (RTAs) in Africa, 2019

Although the percentage reduction in trade between the two regions stands at 0.5 and 15%, respectively, the trade value from Latin America to Africa is higher within the same period (see Table 8). The improvement in trade between Africa and Asia, most especially, is principally due to the robust trade relationship between Africa, China, and India. A look at the Africa-China-India relationship shows that trade inflows and outflows have almost doubled in the space of 5years. Available statistics from UNCTAD report (2019) shows that the value of Africa's export to China and India in 2018 stands at US$54 billion and US$37 billion, respectively. An analysis of regional trade specialization pattern shows that while about three-quarters of Africa's exports are mainly on primary commodities (ores, metals, precious stones, and non-monetary gold, food items, and fuels), Asia and Latin America/Oceania export commodities are mainly on manufactures.

Available statistics show that in 2018, over 42% of Africa's exports to its main trading partners were in the commercial services (fuels). Conversely, a close look at Africa's import structure shows that manufacturing imports from its trading partners are three times higher than manufacturing exports. Although a significant trade imbalance exists between Africa and its trading partners, this is counterbalanced by Africa's primary exports in precious metals, non-monetary gold, and fuels (Notes: see appendix 2(i), 2(ii) and 2(iii) for export by product group, origin and destination (2018).). Available statistics in 2018 show that while total manufacture export from Asia and Oceania to Africa stood at US$183,012 million, that of Africa was US$16,809 million.

However, a look at Africa's primary exports to Asia and Oceania shows a trend reversal. Whereas the value of Africa's export of these commodities to the two regions stood at US$43,690million, export from the region to Africa was US$5,526million (see appendix 2(iii)). Conversely, as trade relations between Africa, Asia and Oceania continue to improve, trade value between Africa and Latin America declines, though in favor of Latin America. Despite these realities, there exists an enormous potential for

Africa and its South-South trading partners once the AfCFTA agreements are fully implemented.

Table 8. Exports by origin and destination selected years (US$ billion)

	Destination							
		Developing economies						
Origin	Year	World	Total	Africa	America	Asia and Oceania	Transition economies	Developed economies
World	2008	16135	5517	481	866	4 169	564	9959
	2013	18997	8025	640	1126	6260	595	10121
	2018	19414	8064	591	1076	6397	474	10729
Developing economies	2008	6274	3184	236	373	2575	123	2941
	2013	8454	4952	359	485	4109	159	3285
	2018	8649	4981	342	434	4205	143	3480
Developing economies: Africa	2008	550	186	55	18	113	3	357
	2013	587	274	86	21	166	3	300
	2018	487	250	77	12	161	3	227
Developing economies: America	2008	910	322	19	199	104	10	569
	2013	1117	463	20	219	224	10	634
	2018	1084	415	16	173	226	8	631
Developing economies: Asia and Oceania	2008	4814	2675	162	156	2358	111	2015
	2013	6750	4216	253	244	3719	146	2351
	2018	7077	4316	249	249	3818	133	2622
Transition economies	2008	721	138	12	11	115	144	438
	2013	810	187	14	10	163	137	419
	2018	682	207	23	10	174	112	360
Developed economies	2008	9140	2194	233	482	1479	296	6579
	2013	9732	2886	267	630	1988	300	6417
	2018	10083	2876	226	632	2018	219	6888

Source: UNCTAD handbook of statistics (2019).

AFCFTA AND THE MRTAS – THE UNDERLYING IMPLICATIONS TO AFRICA'S TRADE

The two main selling points of the AfCFTA agreements are the drive to boost Africa's intra-regional trade by over 52% and decrease trade deficits by 51% when all forms of tariffs are eliminated and the expedition of the continental integration processes. However, the latest developments within the global trade circle, especially the signing into effect of one of the structural components of the MRTAs - the regional comprehensive economic partnership (RCEP), by most of Africa's trading partners, suggest that achieving these laudable objectives might be grossly affected. The three structural components of the MRTAs include: Trans-Atlantic Trade and Investment Partnership (TTIP), Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP).

A study by Mevel and Mathieu (2016) argues that unless the AfCFTA agreement is properly deepened, Africa's total trade may be adversely affected through trade diversion by some of its trading partners once the RCEP fully comes on stream. This is because since Africa is not part of the mega-trade agreements, its major trading partners from Asia and Latin America might wish to seek a deeper form of continental trade understanding with other markets with the sole purpose of maintaining or increasing their global trade share. For instance, if the Regional Comprehensive Economic Partnership (RCEP) is fully implemented, trade from Africa to the ten member nations

of the Association of Southeast Asian Nations (ASEAN) is projected to decrease by over US$11 billion (Mevel and Mathieu, 2016).

However, the study also shows that the decrease in the value of export trade to RCEP countries might lead to an appreciable increase of exports to countries outside RCEP by over US$8 billion. A similar report from a joint study conducted by UNECA and Confederation of Indian Industries (2018), also estimates that Africa's exports to other countries outside RCEP will increase by US$27.5 billion by 2022 if the AfCFTA is established parallel to other MRTAs. Although African countries stand to gain significantly from trade shift from continental to regional, the quality of commodity trade might be low and less competitive, going by the current level of industrialization, markets, and other structural challenges that include: weak output growth structure that is highly susceptible to global shocks, low productive capacities, poor security architecture, and low-quality infrastructure.

CONCLUSION AND RECOMMENDATION

Conclusion

This study examines the Africa's continental free trade area agreement and South-South trade in the context of the mega-regional trade agreements (MRTAs). One of the principal reasons why the AfCFTA agreement was established is to attain a single common integrated market for Africa in order to assist in improving intra-trade among member countries. Hitherto, Africa's share of intraregional trade, as a percentage of world trade, remains the lowest when compared with other South-South economies despite the region's huge resource endowments. Therefore, the establishment and signing into law of the new Africa's trade agreement is seen in many quarters as a credible measure to correct the trade imbalance in the region, reinvigorate the domestic market, and lay a sound foundation for the much-desired regional integration. However, many trade experts have strongly argued that the success of this new trade agreement by the African continent may be short-lived given the current structural and economic challenges facing the continent, the ongoing United States - China trade 'war' and the recent entry of Africa's major trading partners of the ASEAN countries into the mega-regional trade agreements (MRTAs). Experts say the membership of Africa's major trade partners into one of the structural components of the MRTAs- the regional comprehensive economic partnership (RCEP), will lead to substantial trade losses to the region.

Recommendation

This study, therefore, recommends that for the African continent to mitigate these losses and improve its share of global trade, the region needs to make concerted efforts to implement the entire six-phase timelines of the AU continental integration agenda (CIA) simultaneously prior to the full implementation of the RCEP agreement. To access and monitor the progress in implementing the six-phase timelines, the region should endeavor to set up regional integration indicators to measure the progress of each economic bloc.

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APPENDIX

Appendix 1: Intra-trade and extra-trade of country groups by product, annual (US$ million)

YEAR		2015				2016				2017				2018		
PARTNER*	ROR	ROW	TTG	IG	ROR	ROW	TTG	IG	ROR	ROW	TTG	IG	ROR	ROW	TTG	IG
ECONOMY**																
World	0.0	0.0	18981.2	16546.3	0.0	0.0	16546.3	15993.3	0.0	0.0	15993.3	17687.8	0.0	0.0	17687.8	19414.0
AMU	2.9	118.8	123.9	3.4	3.1	80.6	84.1	3.1	3.0	74.2	77.3	2.9	3.6	92.2	95.1	3.5
APEC	0.0	2861.3	9113.1	5758.0	0.0	2565.4	8323.4	5566.1	0.0	2420.0	7986.1	6127.7	0.0	2685.9	8813.5	6690.4
APTA	1352.2	2908.5	3282.7	364.0	1252.5	2751.1	3115.1	341.1	1156.2	2566.2	2907.3	390.4	1239.5	2798.9	3189.3	435.8
ASEAN	557.8	970.0	1296.6	281.7	502.6	888.3	1170.0	269.3	490.2	880.1	1149.3	305.0	581.0	1010.5	1315.5	341.0
ASEAN***	1124.2	3187.5	4902.2	1567.4	1049.5	3027.7	4595.1	1508.1	973.8	2879.2	4387.3	1725.5	1030.8	3125.1	4850.6	1892.5
CEMAC	1.3	39.2	40.3	0.8	1.0	22.3	23.1	0.7	0.8	18.2	18.8	0.9	1.0	21.0	21.9	0.8
CEN-SAD	15.6	226.9	243.7	13.4	8.4	148.0	161.4	12.5	7.2	133.2	145.7	13.3	7.4	164.8	178.1	15.2
COMESA	8.4	102.0	113.0	9.6	7.7	77.9	87.5	8.7	7.6	78.7	87.4	10.8	7.7	93.7	104.5	12.4
EAC	2.5	10.7	13.6	3.1	2.3	10.6	13.7	2.7	2.3	11.0	13.7	2.6	2.7	11.4	14.0	2.9
ECCAS	4.9	106.1	107.7	1.3	3.3	61.5	62.8	1.0	2.0	51.6	52.6	1.3	4.0	64.2	65.5	1.4
ECOWAS	12.7	134.2	145.9	8.7	5.7	77.1	85.8	7.3	4.4	62.4	69.6	8.3	4.7	82.1	90.4	9.1
EFTA	268.4	458.2	460.8	2.0	217.4	399.5	401.5	2.0	224.5	396.8	398.8	1.9	225.2	404.3	406.2	2.2
IGAD	2.1	14.8	17.2	2.5	2.0	12.9	15.4	2.4	2.4	12.8	15.2	2.7	2.0	14.3	17.0	2.5
MERCOSUR	100.2	335.3	386.4	40.1	74.5	260.7	300.9	37.3	69.0	247.8	285.0	41.2	79.8	283.7	324.9	42.9
SADC	5.1	165.1	204.6	34.4	4.8	122.5	156.9	30.3	3.9	114.6	144.9	33.7	4.9	137.9	171.6	37.0
WAEMU	5.6	22.6	26.5	3.2	3.4	20.2	23.4	3.0	3.0	19.6	22.6	3.4	3.1	22.5	25.9	3.4

Compiled by authors. Source: UNCTADstat (2020). *Rest of the region (ROR); Rest of the world (ROW); Total trade of group (TTG); Intra-group (IG)

**AMU (Arab Maghreb Union); APEC (Asia-Pacific Economic Cooperation); APTA (Asia-Pacific Trade Agreement); ***ASEAN (Association of Southeast Asian Nations); ASEAN (Association of Southeast Asian Nations) plus China, Japan and Republic of Korea; CEMAC (Economic and Monetary Community of Central Africa); CEN-SAD (Community of Sahel-Saharan States); COMESA (Common Market for Eastern and Southern Africa); EAC (East African Community); ECCAS (Economic Community of Central African States); ECOWAS (Economic Community of West African States); EFTA (European Free Trade Association); IGAD (Intergovernmental Authority on Development); MERCOSUR (Southern Common Market); SADC (Southern African Development Community); WAEMU (West African Economic and Monetary Union)

Appendix 2. Exports by product group, origin and destination, 2018 (US$ million)

Origin	Destination						
		Developing economies					
	World	Total	Africa	America	Asia and Oceania	Transition economies	Developed economies
World	**1 206 418**	**652 441**	**23 809**	**24 990**	**603 642**	**14 655**	**532 837**
	(100)	(54)	(2)	(2)	(50)	(1)	(44)
Developing economies	557 799	367 943	15 797	11 277	340 870	2 702	181 245
	(100)	(66)	(3)	(2)	(61)	(0)	(32)
Developing economies: Africa	93 252	53 592	9 188	713	43 690	459	33 795
	(100)	(57)	(10)	(1)	(47)	(0)	(36)
Developing economies: America	136 284	77 387	1 083	7 133	69 172	650	58 036
	(100)	(57)	(1)	(5)	(51)	(0)	(43)
Developing economies: Asia and Oceania	328 263	236 965	5 526	3 431	228 008	1 593	89 414
	(100)	(72)	(2)	(1)	(69)	(0)	(27)
Transition economies	54 967	16 047	652	260	15 135	7 190	31 730
	(100)	(29)	(1)	(0)	(28)	(13)	(58)
Developed economies	593 652	268 451	7 360	13 453	247 637	4 763	319 862
	(100)	(45)	(1)	(2)	(42)	(1)	(54)

Source: UNCTAD (2019). Note: Percentage of exports to the whole world in parentheses

Appendix 3. Merchandise: Total trade and share by some regional trading blocs (annual, US$ billion)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
AMU	142.0	134.8	174.0	152.7	123.5	83.9	77.1	94.8	112.7	106.7
APEC	7245.3	8511.5	8756.0	8937.8	9121.2	8326.0	7982.9	8811.7	9587.6	9407.7
APTA	2302.9	2798.2	2934.6	3129.3	3288.2	3119.4	2912.0	3194.6	3479.8	3428.8
ASEAN	3864.0	4516.2	4648.8	4753.2	4902.4	4592.2	4383.2	4851.4	5277.5	5168.0
CACM	31.9	38.2	39.8	39.6	40.6	38.7	39.0	41.3	41.5	44.4
CEMAC	35.7	44.6	44.5	41.9	39.4	26.5	22.8	23.8	28.2	26.7
CEN-SAD	240.2	261.4	295.0	257.4	244.6	161.7	147.0	177.4	209.9	212.6
CIS	529.6	702.3	712.4	694.7	658.9	445.9	370.3	464.2	577.5	553.5
COMESA	135.4	117.2	152.1	139.3	113.3	86.6	87.3	104.4	118.8	112.4
SADC	181.0	223.0	218.8	215.7	205.9	157.4	146.8	172.2	189.8	172.0
TPP	2438.1	2808.3	2807.6	2747.1	2769.6	2454.0	2434.7	2724.1	2971.6	2941.8
UNASUR	81.8	112.7	121.4	113.3	99.4	56.5	43.7	51.2	54.4	36.8
WAEMU	20.7	24.0	23.8	24.6	26.4	23.3	23.0	25.4	27.1	28.7
ECCAS	92.0	119.1	122.7	117.2	107.3	66.3	56.6	67.3	81.1	69.4
ECO	344.6	441.0	435.8	416.7	426.6	328.2	311.3	364.2	411.4	366.7
ECOWAS	114.8	155.1	155.7	133.5	147.0	86.5	70.9	89.4	107.8	110.5
EFTA	330.9	400.6	478.5	518.9	460.9	398.4	395.7	405.5	438.1	421.8

***Compiled by authors. Source**: UNCTADstat (2020). * ECO (Economic Cooperation Organization); CIS (Commonwealth of Independent States); CACM (Central American Common Market); TPP (Trans-Pacific Partnership); UNASUR (Union of South American Nations); Others are as earlier defined.