

Nigeria and the African Continental Free Trade Agreement Area (AFCFTA): Issues, Challenges and Prospect.

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ABSTRACT

In order to improve intra-continental trade in Africa Union (AU) introduced the African Continental Force Trade Agreement Area (AFCTFA) to create single continental market for the free movement of goods and services within the African Continent. AU is progressively eliminating tariffs as well as non-tariff barrier to African trade through the AFCFTA which will make it easier for African businesses to trade within the continent and benefit from growing African market. Nigeria's position on the AFCFTA remains that African economic and social integration must be rules-based and with built-in safeguard against injurious practices. AFCFTA is an important part of the AU – 2063 Agenda to promote economic and social integration on the continent. Agreement comprises of the framework, the protocols for trade in goods and trade in services and the mechanism for dispute resolution. AFCFTA is to facilitate economic growth and diversification through preferential access to Africa's market. The paper examines Nigeria's stands which states that continental aspirations must compliment Nigeria's national interest which includes not positioning it as a dumping ground for finished goods. The paper makes use of secondary source of data to elicit information while it examines the challenges like how will the agreement be implemented on the ground without the necessary infrastructure being built without the procedural issues that makes corruption very possible at the borders. The paper adopts free trade theory to midwife the study.

Keywords: Economic Union, Free Trade Area, Monetary Union, Preferential Trade Arrangement, Single market.

INTRODUCTION

African Continental Free Trade Area (AFCFTA)

The first major indication that Africa was taking regional economic integration seriously came with the adoption of the Tripartite Free Trade Area (TFTA) Agreement in June 2015 in Egypt. The agreement covered 26 nations with a population of 720 million people and GDP of U\$\$1.3 trillion (Juma & Mangeni, 2018:3). For several years in the past, African Heads of Government have been desirous of having a single and unified African market devoid of any form of trade barriers for goods and services. They wanted a single market patterned along that of unified European market by EU. After several failed attempts due to divergent economic and political interests, the African leaders at the 18th ordinary session of the Assembly of Heads of State and Government of the AU held in Addis Ababa, Ethiopia in January, 2012 finally adopted a decision to establish a Continental Free Trade Area (CFTA), setting a tentative date of 2017 for take-off.

The African Continental Free Trade Area (AFCFTA) is an attempt to boost intra-African trade which is estimated at just 10 percent. It aspires to operate a single market for goods and services, just like the EU with a population estimated at more than 1.2 billion and bringing together 55 countries, it has the potential of becoming the largest of such regional economic bloc in the world based on the number of countries involved. The free-trade zone is the largest in the world since the creation of the World Trade Organization in 1995. However, Nigeria was absent in March 2018 as leaders from 44 African countries signed the agreement to form a \$2.5 trillion continental free-trade zone. The Federal Government of Nigeria has stated that a committee was reviewing the treaty and that it needs more inputs from stakeholders in the business and manufacturing industries (Amodu, 2018:8).

According to Abati (2018) that:

the African continental Free Trade Agreement is probably the most historic, epoch-making development since the establishment of the organization of African Unity (OAU), which later became the African Union (AU) in 2002. It is also probably the biggest trade agreement since the establishment of the World Trade Organization (WTO), and a concrete, provable culmination of the goals of African Renaissance and Afro-optimism... This vision of a transformed Africa resulted in the introduction of policy actions and structures including NEPAD, APRM, the New Africa initiative (NAI) e.t.c Much of this may have been inspired by developments in this direction in the West, EU as example. It is within the context of developing Africa's capacity to compete, integrate, co-operate and advance into the future. The AFCFTA is a product of that progress and probably the most important harvest (Abati, 2018:2).

Nigeria's Road to AFCFTA

Since the agreement establishing the African continental Free Trade Agreement (AFCFTA) entered into force on 30 May 2019 for the 24 countries that had deposited their instruments of ratification with the African Union Commission, Nigeria has been reluctant, sluggish and tactical join not to rush to any attempt to join without considering the domestic economic impacts on it. Presidential steering committee on the AFCFTA impact and Readiness Assessment Committee was inaugurated on October 22, 2018 with the mandate to assess the extent to which Nigeria was ready to join the agreement, and what the impact of doing so would be. Therefore, committees of various sectors were set up to consider the costs benefits to the Nigerian economy.

According to President Muhammadu Buhari (2019) stated that:

Our position is very simple, we support free trade as long as it is fair and conducted on an equitable basis. It could allow neighbouring countries to inundate Nigeria with low-price, goods, and confound efforts to encourage moribund local manufacturing and expand farming. Nigeria will be guided by national interest in taking any decision on the agreement establishing the African continental Free Trade Area. I don't think Nigeria has the capacity to effectively supervise and to ensure that our colleagues in AU don't allow their countries to be used to dump goods on us to the detriment of our young industries and our capacity to utilize foreign exchange for imported goods (Ehikioya, 2019:2).

Furtherance to the President's statements, the President of Manufacturers Association of Nigeria (MAN)-Mansur Ahmed (2019) stated that:

I can understand the AU's preference that Nigeria is a founding signatory. I fully understand that because Nigeria is an important anchor for Africa as a whole. But that is also why it's so important that Nigeria's participation is based on a clear

understanding of...the agreement and the implications for Nigeria. We need to understand the costs and benefits to the Nigerian economy, so that we can take whatever actions necessary to mitigate any implications (Wilson & Munshi, 2019).

Eventually, Nigerian government agreed to sign the agreement after a panel set up by President Muhammadu Buhari in March gave AFCFTA a positive nod.

Nigeria Signed the Historic Agreement

President Muhamadu Buhari finally signed the African continental Free Trade Area (AFCFTA) agreement making it the 53rd state to sign which aim to boost trade and business across the continent. It seeks to create a single market for goods and services by facilitating free movement of goods, services and investment within the African continent. With the signing of the AFCFTA agreement, Nigeria together with the other signatory states have committed to a progressive elimination of import duties and other non-tariff barriers on imports within the African continent. However, it is to be noted that section 12(1-3) of the constitution of the Federal Republic of Nigeria, 1999 provides that an international treaty or agreement would not automatically apply to Nigeria unless the agreement or treaty is ratified or domesticated by an Act of the National Assembly as it is expected for the National Assembly does that to make it more operational in Nigeria (Andersen, 2019:3, Nigerian Constitution 1999:LL25; Anudu & Allemen, 2019:1).

AFCFTA Working System/Structure

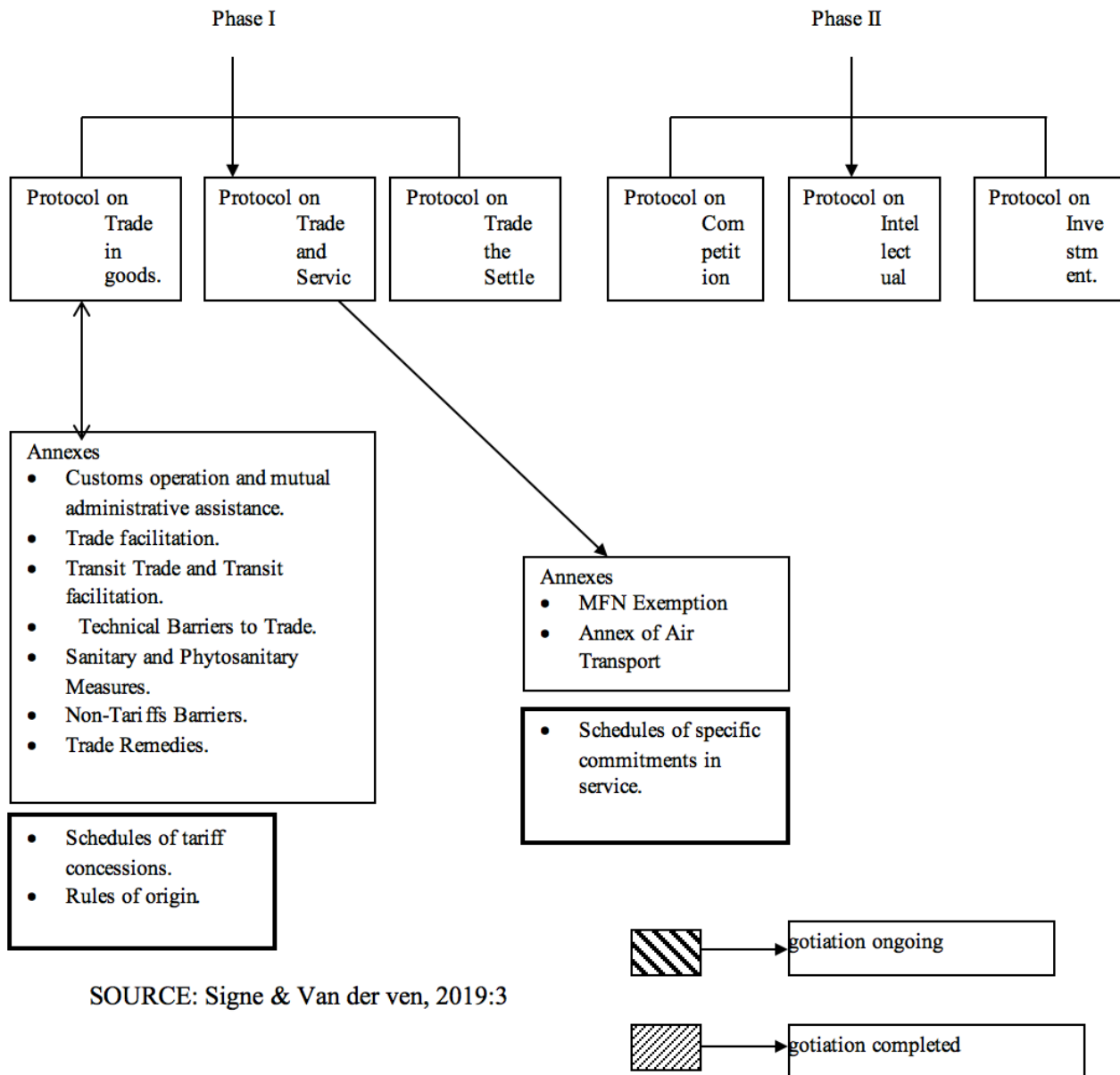
On 21st March 2018, the AU introduced the AFCFTA Agreement. The Agreement was anchored on Article 3 of the constitutive Act of the AU, which seeks to accelerate the political and socio-economic integration of the African continent. The AFCFTA Agreement became effective on 30 May 2019. The Agreement is an attempt by the AU to achieve a continental integration which will allow for free movement of persons capital goods and services, with the aim of achieving economic integration, promoting agricultural development, food security, industrialization and structural economic transformation in the African continent. (Anderson, 2019:2). It currently has three protocol on Trade and Goods, protocol on trade in services, and protocol on rules and procedures on the settlement of disputes. These protocols contain provisions on tariff concessions, customs co-operation, mutual administrative assistance, elimination of technical barriers to trade amongst other provisions, which are binding on signatory countries. Since March 2018, 54 of 55 member states of the AU have become signatories to the agreement (Andersen, 2019:3).

The key instruments that will govern the operational phase of the free trade agreement include cooperation on rules of origin, the monitoring and elimination of non-tariff barriers, a digital payments system and a trade observatory dashboard. These measures are essential in improving the connectivity and efficiency of trade and would eventually increase the benefits accruable to member states as Ghana was selected as the host for the headquarters/secretariat from where further work would be done to implement the agreement (Unah, 2019:1).

AFCFTA is on a historical fast track, it is expected that AFCFTA to take effect faster than the five years average for AU legal instruments to enter into force, with that, states will benefit sooner from the pooled and expanded sovereignty. It is confident that the landmark agreement will deliver decent livelihoods for all Africans in line with Agenda 2063 (Muchanga 2019), while Rules of origin are passport enabling goods to circulate duty-free within a Free Trade Area (FTA) as long as these goods quality are originating within the FTA (Unctad, 2019).

Fig. 19: Agreement Establishing AFCFTA

Agreement Establishing AFCFTA



SOURCE: Signe & Van der ven, 2019:3

Objectives of the Continental Free Trade Area

- Establish a single continental market for good and services, with free movement of business, professionals and investments, accelerating the establishment of the continental customs union and the African customs union.
- Expand intra-African trade through better harmonization and coordination of trade, liberalization and facilitation across Regional Economic Communities (RECs) and across Africa.
- Resolve the changes of multiple and overlapping memberships and expedite the integration processes.
- Enhance competitiveness at the industry and enterprise level by exploring opportunities for scale production, continental market access and better reallocation of resources (Cazares, 2019:2).

Research Questions

- (i) Initial pulled back at the last minute by South Africa and Nigeria has raised concern about the level of political support among influential African Countries as both are economic powerhouse in their respective regions.
- (ii) Another area of concern is that African countries have vastly different levels of economic development, inadequate infrastructure an over-reliance on commodities, the rise of non-tariff barriers and a poor manufacturing basis is also a cause for concern for most African countries inhibiting their ability to participate in international and regional trades.
- (iii) What does the future hold for Nigeria and other African member states as some favour full liberalization, others are concerned about how it might affect their domestic industrialisation plans.
- (iv) There are unresolved questions remaining that are related to tariffs liberalization discussion on rules of origin and special/differential supports (Parshotam, 2018:2-4)

Objectives of the Study

- (i) To examine the role Nigeria in the transformation of African Continental Free Trade Agreement Area (AFCFTA)
- (ii) To determine the impact of Nigeria's Natural interest in the AFCFTA
- (iii) To examine the objectives of AFCFTA in relation to member states/Nigeria and the economic realities of the international trade.
- (iv) To interrogate the key Challenges and Prospect of Nigeria in the transformation of AFCFTA for continental economic integration
- (v) To examine the technical parts of the rules of origin and its agreements principles.

CONCEPTUAL FRAMEWORK

Economic Union

Economic union is a much deeper level of integration in which national economic policies are harmonized in order to remove discrimination as a result of differences in these policies. It is a common market where economic policies such as monetary, fiscal, social and counter-cyclical are united and in which a supra-national authority is set up to administer these policies, and whose decision are compulsory for member states. They decided to solve their problems through joint action and agree to integrate all their economic activities in all aspects of economic development policies (Madyo, 2008:29; Carbaugh, 2004:12). It reflects a higher and increasingly complex level of regional cooperation as the addition of monetary and fiscal harmonization required the formation of supranational institutions and organizations that typically have binding decision making power over members. (Jennifer, 2004:8).

Free Trade Area (FTA)

European integration has been a continuous process during which both its geographical spread and depth have gradually expanded over time. The first stage started in 1968 when a custom union was created and the integration took the form of free trade arrangement which focused on promoting intra-regional trade in goods and some services, the second stage involved the free movement of money and people, the third stage was the introduction of a common currency with the adoption of the euro that encouraged and offer three other possible models of regional integration (Lee & Kin, 2013:5). It features include, no tariffs or quotas against member countries and individual quotas against third countries (Bolanos, 2016:17).

Tariff barriers to the trade of goods between member states are eliminated, but each country retains control over its own commercial policy. It refers to a specific region wherein a group of

countries within the region signs an agreement that seals the cooperation among them. Its aims are to bring down barriers in trading, specifically tariffs and import quotas, and encourage the free trade of goods and services among its member countries (Corporate, nd:1). The impetus for regional integration draws its rationale from the standard trade theory which states that free trade is superior to all other trade policies as free trade among two or more states will improve the welfare of the member countries as long as the arrangement leads to a net trade creation (Geda & Kibret, 2002:4).

Monetary Union

It involves the establishment of fixed exchange rates between the currencies of member states along with the harmonization of monetary and fiscal policies. It connotes the acceptance of a common currency administered by a supranational authority. It is an economic region in which a single currency is used or two or more currencies are joined together in value, as Optimum Currency Area (OCA), it affords the most efficient adjustment process in response to both internal and external disturbances, other properties like price, wage flexibility, economic openness, diversification in production, consumption and similarly in inflation rates, fiscal and political integration. It implies a forfeiture of policy-making prerogatives by national governments to a supranational authority thereby the degree of cooperation needed for the successful operation of a full economic union both financial and political institutions representing the entire union would have to be established (Mongelli, 2005:651; Hodgson & Herander, 1983:14).

Preferential Trade Arrangements (PTA)

It entails lower tariffs among participating states than with non-member nations. It is described as an arrangement between two or more countries in which goods produced within the union are subject to lower trade barriers than the goods produced outside the union (Hosny, 2013:2), while at least two countries committed each other to mutually granted preferential conditions for trade in specific goods (Janus, 2016:7).

According to Madyo (2008) that:

Preferential Trade Arrangement is an agreement in which members apply lower tariffs to imports produced by other members than to imports produced by non-members. It means that the participants in a preferential trading agreement reduce restrictions on trade between themselves, while maintaining a higher level of restrictions on imported from nations outside the agreement.... An example was the case of the non-reciprocal Lome Agreement which was replaced by the Cotonou Partnership Agreement between EU and Caribbean and the pacific countries. It provided agreement for negotiations on new trade agreement that would be compatible with the World Trade Organization rules on reciprocity... (Madyo, 2008:15).

It entails broad cooperation over policies extending far beyond trade barriers (Limao, 2016:1). It is designed to cut trade tariffs between member states. Tariffs are a form of tax that are placed on goods coming into a country for a range of reasons. The purest Free Trade Agreement (FTA) removes all border taxes or trade barriers on goods. It makes a country's exports cheaper and give easier entry to other markets. It comes in all sorts of forms and with different rules but in short, it makes trade between countries as liberal as possible and allow for more rules-based competition (Jones, 2019:1).

Single Market

It refers to the EU as one territory without any internal boundaries or other regulatory problems to the free movement of goods and services. It propels trade, competition, boost efficiency, trigger quality and assist to reduce or peg prices. EU has achieved greatly through the prism of European single market as it has fueled economic growth (The European Single Market, nd:2). It is the extent to which goods and services are traded with other member states citizens can move between member states and capital can flow to and from other member states. It has the following features:

- Freedom of movement of goods:
No restrictions on the trade of goods between member states, such as state subsidies, discriminatory taxes on imported goods, or preferential tax treatment for exports.
- Freedom of movement of people:
All EU citizens have the right to work and live in another member state without discrimination due to nationality and with a mutual recognition of educational and vocational qualifications.
- Freedom of movement of service:
Service providers can conduct their business in all member states without having to be domiciled there and EU consumers can select providers from any member state.
- Freedom of Movement of capital:
No capital controls or restrictions on the amount of currency that may be imported or exported and greater ease of utilizing the offers of foreign financial service providers (Muetter, Julius, Natray & Hope, 2017:10-12).

THEORETICAL FRAMEWORK

The study adopts theory of free trade as its theoretical approach to x-rays the work. Free trade is the unrestricted importing and exporting of goods and services between countries (Longley 2018:2). Traditional theory both classical and neo-classical asserts that free trade in goods between different regions is always to the advantage of each trading country and is therefore for the best arrangement from the point of view of the welfare of the trading world as a whole as well as each part of the world taken separately (Kaldor, 1980:87)

The theoretical case for free trade is based on Adam Smith's argument that the division of labour among countries leads to speculation, greater efficiency and higher aggregate production. Since the mid-20th century, countries have increasingly reduced tariff barriers and currency restrictions in international trade and other barriers that may hinder effective movements of goods and services (Dixon, nd:1).

Classical Political Economy, as well as Neo-classical theory embraces free trade. It postulates that free trade is advantageous as it allows nations to specialize in production that requires relatively fewer factor inputs (Exploring – Economics Team, 2016:1). Some among the theorist of free trade theory include: David Ricardo, Adams Smith, David Hume (1971), Keynes (1936), Krugman P (1987), Olson M (1982), Robert M (1991) etc.

The linkage of the theory to the study is that Nigeria and other member states of the African Union need and requires free trade, free movement of goods and services and free market amongst African Countries. AFCFTA will be a platform for its to strengthen economic and monetary integration with Nigeria and other states. However, it has its own shortcoming like free trade agreements are criticized as a means to break local or national environmental protection laws and states might green their economies not by altering production and consumption patterns but by outsourcing environmentally harmful production to other parts of the world and then import goods whose production entails wastes.

Challenges/Harmful Effects of AFCFTA on Nigeria/AU

Trade between African countries has been held back by several bottlenecks such as poor infrastructure, complex border procedures trade regulations, tariffs and high cost of transactions. As AFCFTA wants to breakdown these barriers, member countries ratifying the agreement must cut some 90 percent of tariffs on goods they produce (Unah, 2019).

- The most critical challenge is how to bring the AFCFTA into operation in 2019 and double intra-African trade once tariff and non-tariff barriers are removed.
- The challenge about win-win outcomes given that the AFCFTA will be a diverse membership of least-developed, landlocked, small-island, lower and upper-middle countries, as well as countries in conflict.
- Strong political and popular will, focus and resilience to generate tangible outcomes will enable AFCFTA to meet this and other challenges (Muchanga, 2019).
- Trade between African nations trails nearly all regional blocs. African countries are better connected to other continents for infrastructural purposes than African continent investment into Africa remains very low (Munshi & Wilson, 2019:2).
- Arbitration measures, tackling corruption and improving infrastructure. Lack of diversity between the various economies could throw up barriers to the envisioned integration (Muchanga, 2019:1).
- It is vital that African countries commit to continue improving their institutional capacities to efficiently tax and redistribute the gains from the AFCFTA. This includes integrating and harmonizing, regulatory measures, eliminating non-tariff barriers to trade and investment, and facilitating the entry into the formal economy (Cazares, 2019:1).

Nigeria recently closed its borders with Benin in an effort to stem the smuggling of rice importation to Nigeria. It extended the closure to borders with Niger and Cameroon, effectively banning trade flows with its neighbours. However, its actions have raised important concerns about the prospect of regional (economic) integration in Africa just about three months of signing the African Continental Free Trade Agreement with other 54 African Union member states.

The implications of the measure are the following:

- To restrict trade flows so shortly after the momentous feat is a major blow to integration efforts;
- It shows how unprepared African countries might be for free trade as it is hard to see how the free trade deal can increase intra-Africa trade to 60% by 2020 as projected.
- Nigeria's bid to protect a declining rice farming industry and save foreign exchange has led to protectionism that defies the principles of a free trade area.
- The AU has been muted on the issue of the border closures because it does not yet have detailed institutional arrangements for settling disputes within the free trade area.
- The AU kept quiet because Nigeria is the largest economy in Africa as it needs Nigeria at whatever cost in AFCFTA.
- The regional trade bloc ECOWAS has also failed to bring Nigeria to heel as it has no enforcement power against Nigeria.
- It is a bad precedence that could reduce other countries' commitments to economic integration in Africa.
- AU needs protocols and measures to manage free trade, as well as programmes to prepare political leaders for the realities that will follow, as free trade area should not be a mere symbol. It must be fully understood and appreciated for it to succeed (Liedong, 2019:5).

Benefits/Prospects of AFCFTA Agreement

Olawoyin (2019) identified 10 potential benefits of AFCFTA which include the following:

- The document compiled by the African Trade Policy Centre (ATPC) of the Economic Commission for Africa (ECA) in association with the African Union Commission, the African continental Free Trade Area (AFCFTA) will cover a market of 1.2 billion people and a Gross Domestic Product (GDP) of \$2.5 trillion, across all 55 member states of the AU.
- Data has shown that over 75 percent of Africa's exports outside the continent were extractives from 2012-2014, while less than 40 percent of Intra-African trade were extractives in the same period. The volatility of the extractive market makes the development disturbing as Africa's industries are expected to benefit most from AFCFTA with projections that will help diversify Africa's trade and encourage a move away from extractive commodities, such as oil and minerals, which have traditionally accounted for most of Africa's exports. This will in turn, result in a more balanced and sustainable export base for countries in the continent.
- In terms of numbers of participating countries, AFCFTA will be the world's largest Free Trade Area (FTA) since the formation of the World Trade Organization. It is a high dynamic market as the population of Africa is projected to reach 2.5 billion by 2050, at which point it will comprise 26 percent of what is projected to be the world's working age population with an economy that is estimated to grow twice as rapidly as that of the developed world.
- With about 80 percent of the region's business tied to small and medium scale enterprises, they are key to growth across Africa. Studies have shown that this business usually struggle to penetrate more advanced overseas markets, but are well positioned to tap into regional export destinations and can use regional markets as stepping stones for expanding into overseas markets at a later point, via AFCFTA.
- Africa's growing youth population and absence of opportunities are key concerns troubling development experts on the continent. AFCFTA is projected to produce jobs for this bulging youth population. This is possible because extractive exports on which Africa's trade is currently based, are less labour-intensive than manufactured products and agricultural goods that will benefit most from AFCFTA. With the promotion of more labour-intensive trade, AFCFTA will generate more employment and create opportunities.
- For women across the continent estimated to account for around 70 percent of informal cross border trade in Africa, the agreement will facilitate movement and trade with reduced tariffs, AFCFTA informal traders to operate through formal channels, which offer more protection from harassment, robbery and confiscation of goods as seen today. It is also projected to provide simplified clearing procedures alongside reduced import duties for women traders.
- The supply chain across the continent in one area, AFCFTA is expected to impact by making it easier for Small medium Enterprises (SMEs) to connect to larger regional companies who then export within and outside the continent. This will help grow the SMEs and create a bigger market for larger companies.
- Businesses around the continent currently face higher tariffs when they export within African than when they export outside it. The average is put at 6.1 percent. AFCFTA is expected to progressively eliminate tariffs on intra-African trade, making it easier for African businesses to trade within the continent and tap from the huge potential of a larger African market.
- While signing the agreement on Sunday 7th July, 2019 President Muhammadu Buhari spoke of "fair trade" in relation to free trade. "Nigeria wishes to emphasis the free trade must also be fair trade" he said. This resonates well with countries nursing the fear of

“unfair” trading practices that could hurt their economies. While African countries that are relatively more industrialized are well places to take advantage of the opportunities for manufactured goods less-industrialized regional value chains. These value chains involve larger industries across borders, made easier by reducing trade costs and bigger investment.

- Development is a big challenge across the African continent (AFCFTA), a flagship project of Agenda 2063 of the AU is expected to help accelerate Africa’s own development vision. It was approved by the AU summit as an urgent initiative whose immediate implementation would provide quick wins, impact on socio-economic development, enhance confidence and the commitment of Africans as the owners and drivers of Agenda 2063. The Effect as projected, will contribute to the achievement of the United Nations 2030 Agenda, especially the Sustainable Development Goals, SDGs (Olawoyin, 2019).
- For the agreement to work effectively, the AU must strive to successfully implement other initiatives under the blueprint such as the single African Air Transport Market which was launched in 2018 to promote connectivity between African cities and the African passport launched in July 2016 to remove visa restrictions (Unah, 2019:1).
- With most trade barriers reduced, Nigerian companies would need to be very cost effective and be competitive with their African counterparts if they are to gain rather than lose market share. If the rule of thumb could be agreed, setting the value of non-originating material at 60 percent, which will promote local content back and forward linkages and value chains in African economies. Other include a regional payment system that could build on current mobile payment solutions and time related costs arising from delays (Adejobi, 2019).
- Cooperation on security is on the rise with the African standby Force as a sign of a move towards some delegation of authority to supranational bodies and greater attention to the provision of regional public goods (Melo, 2019).
- Create bigger and integrated regional market for African product. Permitting producers to benefit from economies of scale, to access cheaper raw materials and intermediate inputs.
- Improving conditions for forming regional value chains and integrating to Global Value Chains (GVCs). Allowing consumers to have access to cheaper imported products from other African countries.
- Leading to better allocation of resources, faster economic and trade growth. Catalyzing the structural transformation of the countries from resource and low technology-based economies to more diversified knowledge-based economies.
- The establishment of AFCFTA will lead to a significant growth and sustainable development. It increase food security through reduction of the protection rate on trade in Agricultural commodities among African states, increased competitiveness of Africa’s industrial products through harnessing the economic of scale of a large continental market (Aniche, 2017;62).
- Eliminating some challenges associated with multiple and overlapping trade agreements in Africa. Encouraging both intra-African and external direct capital flows to African states stimulating cooperation in other areas such as technology transfer, innovation investment and continent wide infrastructure development. (Saygili, Peters & Knebel, 2018:6).

According to Adeleke (2019) cited in Ogunbunmi & Geraldino (2019) that:

AFCFTA is already strategically positioned across Africa to take advantage of the huge market, trade liberalization single currency e.t.c will pave a way for China products to

compete with Africa products more favourably..., while the AFCFTA is an African project, under the auspices of the African Union, it is in itself a development of continental significance and global importance (Ogunbunmi & Geraldino, 2019:1).

AFCFTA and Security Issues

All of AU member states are now legally bound to allow African goods to be traded without restraint throughout the continent. However, there are some security or issues to be considered. Entering the AU trade zone requires states to surrender an essential part of their sovereignty at period when prevalent violence is threatening to state independence. Countries are challenged from rebel movements, terrorist groups' transnational criminals and so on as all these groups are known for their steady sovereignty, while states are being noted to improve their presence in border and remote areas, the issue of free trade and free movement of goods and services could be treated as such and call for concern. (Sambou, 2019:1).

According to Heathwood Alice translated by Christian Abadioko Sambou (2109) that:

The thousands of kilometers of borders within the continent are theatres of violence. States experiencing armed conflict, among them Libya, Mali, Niger, Nigeria, Burkina Faso, the Central African Republic, Sudan and the Democratic Republic of Congo share thousands of kilometers of borders with other nations... Therefore, problems with the movement of goods and people within these zones have less to do with infrastructural issues than with governance, peace and security. Such frontier and remote zones are vulnerable due to a lack of state presence. They are also used for all kinds of traffic and transit and so remain highly prone to conflict. These security issues also apply online. As Africa is undergoing digitalization, investment must be made in security for electronic trade to guard businesses and states against cybercrime...In a continent rife with competing priorities, the security of people and goods can no longer wait. Integration into free trade zone must go hand-in-hand with peacekeeping mechanisms for regions at high risk of conflict. Integration must reinforce the power of states (Sambou, 2019:1).

Does AFCFTA Promote Peace?

In the face of external interventionist security and developmental approaches, the zone could be seen as a new paradigm for promoting peace in Africa for several reasons

- The growth of trade between people and nation will generate mutual interest and shared goods.
- This interdependence will encourage people to settle disagreements with the help of laws according to the rules of the market and competition.
- This will generate perceptions and relations of rivalry not hostility
- The business environment, with its culture of contracts and trade rules, would be unwelcoming to the pillage of natural resources carried out by illicit groups, often aligned with governments.
- Human security involves military, economic, societal and environmental issues.

All of these rules, norms, interdependence and mutual interests will reinforce the institutions that protect goods and people on the condition that the future wealth generated benefits local populations as developing Africa via intracontinental trade may turn out to be the path to peace (Sambou, 2019:1).

Nigeria and AFCFTA Impact Assessment

President Muhammadu Buhari inaugurated the National Action Committee for the Implementation of AFCFTA on 2012 December 2019.

Furtherance to the above, Nigeria's president inaugurated the national action committee for implementation of AFCFTA. According to Buhari (2019) that:

Trade is pivotal to job creation, growth and health of the economy. It is also a key enabler for regional and global integration. The African continental Free Trade Area Agreement is an important part of African Union – 2063 Agenda to promote economic and social integration on the continent. We are very hopeful of creating a single African market for “Made-in-Africa” goods and services. This trade, together with free movement of people and capital will result in farther integration of African economies. As a government, we must ensure that Nigeria's position remains that, such integration must be rules based with built-in safeguards, against injurious practices. Nigeria's approach to the African Continental Free Trade Area Agreement has been very measured and consistent. Our logic was simple, as Africa's largest economy and most populous nation, we cannot afford to get it wrong. We consulted all key stakeholders; we also conducted a vigorous impact and readiness evaluation. It was after these consultation and studies, and satisfactory reports that I signed the African Continental Free Trade Area Agreement on behalf of Nigeria in July this year. We know the benefits and understand the challenges, it is clear that for us to fully benefit from this agreement, we must have an implementation programme that reflects our national trade objectives and development plans. This therefore requires aligning, restructuring existing development projects, programme and initiatives where there are gaps, we must address them “Accordingly we have established the National Action Committee on AFCFTA (Omokoshaban, 2019:1).

AFCFTA has been identified as one factor that, along with persistent injurious dumping has motivated the government to establish a modern trade remedies infrastructure. The government is now in the process of developing and consulting on a basic trade remedies legislation, a critical part for a nation seeking to involve in a rules-based trading regime such as AFCFTA (Woolfrey, Apiko & Pharatihatl, 2019: 29).

SUMMARY, RECOMMENDATION AND CONCLUSION

AFCFTA represents a window opportunity for Nigeria and by extension African Countries to promote Intra-African trade diversity which structurally will transform the continent's economy and pursue important human rights and anti-poverty goals. It represents an avenue for Nigeria and African member states to work together for mutual benefits and growth.

For the agreement to work efficiently, the AU must strive to successfully implement other key initiatives under the blue print such as the Simple African Air Transport Market to promote connectivity between Nigeria/African cities and the African passport issues in order to remove visa restriction matters. Nigeria would demonstrate strong leadership on AFCFTA implementation as it has done for apst continental initiatives. Analysis of the political economy dynamic in Nigeria can provide a deeper understanding of the interests, incentives and agency at play and a clearer picture of the room for it maneuvering on AFCFTA implementation in these contexts.

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