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African Union (Au) and Challenges of Intra-African Trade: A Study of African Continental Free Trade Pact, 2018-2023.

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ABSTRACT

The study assessed the efforts of the African Union in addressing the challenge of poor intra-African trade using the AfCFTA between 2018 and 2023. The study specifically examined how the implementation of the AFCFTA impacted on intra-African trade profile, as well as how the African Union fared in deepening Africa's market integration using the mechanisms of the AfCFTA. Anchored on the documentary method and Neo-functionalism, the study ascertained that the implementation of the AFCFTA has undermined the intra-African trade profile. The study also revealed that the African Union has not fared well in deepening Africa's market integration using the mechanisms of the AfCFTA. Accordingly, the study contends that the AfCFTA deal, though a laudable initiative, may not surmount the enduring structural challenges to regional integration to reposition African economies and expand opportunities for all Africans as projected. The study thus underscores the fact that despite AfCFTA deal, Africa is likely to remain an ultimate loser in the growing regional trade arrangement which is a major feature of the world trading system. Among others, the study recommends that the African Union, through the mechanisms of AfCFTA, should work towards removing all non-tariff barriers and reducing tariff barriers that undermine intra-African trade.

Keywords: AfCFTA, Intra-African Trade, Market Integration, Non-Tariff Barriers, Region Trade Challenges

INTRODUCTION

International trade is essential for economic growth, development, and cooperation among nations [1, 2]. International trade requires a comprehensive approach that addresses various challenges and barriers to trade, including trade agreements, infrastructure, customs procedures, and trade finance, among others. By promoting open, transparent, and rules-based trade systems, countries can maximize the benefits of international trade and foster shared prosperity and development globally [3, 4]. International trade remains a major driver of long-term growth and sustainable development. According to [5], trade has the potential to impact growth in developing countries through several channels. Greater trade integration ensures the efficient allocation of resources through comparative advantage, and this enables countries to realize economies of scale and scope. It also reduces anti-competitive practices among domestic firms and encourages healthy competition in both domestic and international markets. What can be deduced from the foregoing submission is that sustained economic development is a logical outcome of greater trade integration, especially intra-regional trade. In other words, economic integration drives sustainable development. Regarding global economic competition, Africa ranks near the bottom. This is because the continent is held back by fragmented markets that inhibit efficiency, constrain economic growth, and undermine integration [6]. Intra-Africa trade has long been constrained by obsolete borders, transport infrastructure, and numerous uncoordinated regulations across dozens of markets. Governments have often erected trade barriers to defend their markets from sub-regional and regional competitions, making it more expensive for countries to trade with near neighbours than countries much farther afield. In 2017, for instance, intra-African exports stood at 16.6% of total exports. This compared poorly with 68.1% in Europe, 59.4% in Asia, 55% in America, and 7% in Oceania [6]. The establishment of the AfCFTA gained momentum in 2012 in Addis Ababa, Ethiopia during the 18th Ordinary Session of the AU Assembly of Heads of States and Government, when the decision to"Fast-tracking the establishment of the African Continental

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Free Trade Area (AfCFTA) for boosting intra-African trade" was adopted. In June 2015 in Johannesburg, South Africa, the 25th Ordinary Session of the AU Assembly of Heads of States and Government launched the negotiations for the establishment of the AfCFTA (AfCFTA, 2023). The Agreement establishing the African Continental Free Trade Area was opened for signature on 21st March 2018 at an Extra-Ordinary Summit of the Assembly of African Union Heads of State and Government in Kigali, Rwanda. At that Summit, forty-four African Union Member States signed the historic Agreement. The number rose to forty-nine at the July 2018 Nouakchott, Mauritania Summit. Three more signatures were added during the February 2019 Addis Ababa Summit, bringing the figure to fifty-two. This represents a milestone in AU's determination to use the lever of continental economic integration to deliver prosperity to the people in line with Agenda 2063 "The Africa We Want" [7]. So far, twenty-two National Parliaments of the African Union Member-States have approved ratification of the Agreement, with twenty Member-States depositing their instruments of ratification [7].

Bureaucratic delays and red tape, corruption, and inefficiencies at borders are common in Africa. These issues increase the costs and time of doing business across the continent thereby inhibiting intra-regional trade. Intra-African trade is very low compared to other regions of the world despite decades of negotiations and agreements. For example, only 6% of Africa's total exports of about 75% were absorbed regionally in 2011 [8]. Unlike other regions, intra-African trade between 2015 and 2017 was put at 15.2%. This compares poorly with Asia's 61%, Europe's 67%, and North America's 47% [9]. Intra-African exports account for only 12% of Nigeria's total exports and 4% of total imports [10]. With minimal participation in the global value chain and a preponderance of natural resources in its export basket, Africa accounts for less than 3 percent of world trade [11]. Worst still, a reasonable proportion of goods sold in Africa at present originate from countries outside the continent. To mitigate the foregoing challenges, the African Continental Free Trade Area (AfCFTA) was launched in March 2018 to increase intra-African trade by 21.9% of total trade of Africa by 2022 [12]. Equally, UNCTAD estimated that if improvement in trade facilitation is realised within the AfCFTA, US$85 billion would be added to intra-African trade; and this would represent a 128.4% increase by 2022 [13]. Over the years, the removal of the limiting factors has been the key focus of continental market integration efforts, but without much success. To this end, AfCFTA is projected not only to assist in the deepening of Africa's market integration but also enhance the performance of African countries in global trade. Expectations are high for the capacity of AFCTA to deliver on Africa's market integration. It is imperative, therefore, to examine the extent AFCTA has met the expectations and improved intra-African trade. Because no systematic attempt has been made to address the foregoing knowledge gap, this study attempts to do so in the context of the following research questions:

1. How has the implementation of the AFCFTA impacted on intra-African trade profile?
2. How has the African Union fared in deepening Africa's market integration using the mechanisms of the AfCFTA?

Objectives of the Study

The broad objective of this study is to assess the efforts of the African Union in addressing the challenge of poor intra-African trade using the AfCFTA between 2018 and 2023. The specific objectives are to:

1. Ascertain how the implementation of the AFCFTA has impacted on intra-African trade profile
2. Find out how the African Union has fared in deepening Africa's market integration using the mechanisms of the AfCFTA.

Hypotheses

The study was guided by the following hypotheses:

1. The implementation of the AFCFTA has undermined the intra-African trade profile.
2. The African Union has not fared well in deepening Africa's market integration using the mechanisms of the AfCFTA.

METHODOLOGY

Research Design

The study adopted a longitudinal research design. In a longitudinal study, the same respondents are studied at regular intervals. This enabled researchers to observe and measure changes in variables over time and associate them with causal factors. This allows for changes in variables to be observed and measured by researchers over time and to relate them to their causal factors. With longitudinal studies, changes, trends, and patterns in human behavior are easily described and quantified. They also amass stupendous information on a single person or small group of people. Hence, longitudinal research studies the development, and transformation of natural history and course of events. With these advantages, a longitudinal design is regarded as superior to a cross-sectional design. This is because it allows for easy identification of the causes and patterns of changes within and among individuals. Furthermore, longitudinal research is relevant in testing theory, examining causal hypotheses, and studying unique individual cases [14]. In applying longitudinal design to our study, our verification of hypotheses involved

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retrospective observation of some relevant variables regarding the impact of the AfCFTA on intra-African trade relations and ascertaining how this developed and transformed over time. The adoption of longitudinal design, therefore, facilitated the gathering of data from the study samples. More so, the study adduced novel evidence/information regarding intra-African trade in the aftermath of the AFCFTA.

Methods of Data Collection

The study relied on documentary methods to generate the relevant secondary data for this study. The documentary method is relevant to the study because the information or data required for the study are already in the public domain. What is needed is to refine, interpret, evaluate, and analyze them. The study adopted documentary method because what is required for the analysis of the issues are verifiable data, which are already available in written documents [15, 16]. The study thus relied on secondary sources which yielded qualitative data that were useful for charting the trends, as well as analyzing the trajectories and the dynamics of intra-African trade, in the aftermath of the AFCFTA. These included books, journal articles, conference papers, discussion/policy papers, periodicals, and official records or reports from various institutions that monitor regional trade and integration process in Africa such as the African Development Bank, African Export-Import Bank, World Trade Organisation (WTO) African Union Commission, European Commission, among others, and relevant Nigeria federal ministries, agencies and parastatals, especially Ministry of Trade and Investment; Finance; Central Bank of Nigeria; National Bureau of Statistics (NBS); the Nigerian Institute of International Affairs (NIIA), Lagos; ECOWAS Secretariat, Abuja; AFCFTA Secretariat, Accra; websites of RECs in Africa, among others. In addition, relevant materials were sourced from the Trade Law Centre, as well as the United Nations Conference on Trade and Development (UNCTAD). The materials provided elaborate information on trends in intra-African trade, as well as the progress that has been recorded so far as regards the implementation of AFCFTA.

Methods of Data Analysis

The study utilized textual qualitative content analysis rooted in systematic logical deductions. Content analysis was used to organize and synthesize the large volumes of qualitative data generated during this study. The rationale is to search for patterns and discern what is relevant and on that basis draw our inferences and conclusions. The use of content analysis in this study is apposite because it moves deeper into the sphere of interpretation to comprehend the manifest and the latent content of data. Relevant empirical data were collected, synthesized analyzed, and presented using tables and figures, among others to present trends, trajectories, and patterns in the key areas of the African Continental Free Trade Area (ACFTA), and intra-African trade.

RESULTS AND DISCUSSION

Empirical Verification

Implementation of the AFCFTA and Intra-African Trade Profile

Context and Content of the African Continental Free Trade Agreement

The primary objective of a free trade agreement (FTA) between two or more countries is to increase productivity and improve international income-generating economic activity for member countries. This trajectory laid the foundation for the establishment of the African Continental Free Trade Area (AfCFTA). In the Abuja treaty of 1991, African Union (AU) member states agreed to create a single African market. As a follow-up, the decision to establish a Free Trade Area was passed during its 18th Ordinary Session meeting of AU member states held in Addis Ababa, Ethiopia, from January 29 to 30, 2012 on the theme 'Boosting Intra-African Trade'. Meetings and preparations continued, and in February 2016 when the first negotiation forum was held on the issue of the African Continental Free Trade Area (AfCFTA). After the seven negotiating principles were adopted in 2016, consecutive meetings were held until the final signing of the African Continental Free Trade Area (AfCFTA) establishment agreement on 21st March 2018 in Kigali, Rwanda. Most countries (44 of 55) signed the agreement and launched ratification of free trade. Nigeria, the largest economy in Africa signed the AfCFTA on 7th July 2019 during its operational phase, becoming the 34th member of the trading bloc. However, AfCFTA came into force on 30th May 2019 and officially commenced on 1st January 2021 [17].

As pointed out by [10], the main objectives of the AfCFTA are to create a single continental market for goods and services, with free movement of business persons and investments. It aims to expand intra-African trade through better harmonization and coordination of trade liberalization and the facilitation and ease of instruments across Africa in general. The AfCFTA is also expected to enhance competitiveness at the industry and enterprise level through the exploitation of opportunities for scale production, continental market access, and better reallocation of resources. The AfCFTA aims to bring together all 55 member states of the African Union covering a market of more than 1.2 billion people, and a combined gross domestic product (GDP) of more than US$3.4 trillion. In terms of the number of participating countries, the AfCFTA plans to be the world's largest free trade area since the formation of the World Trade Organization.

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Furthermore, the AfCFTA aims to bring together all 55 member states of the African Union covering a market of more than 1.2 billion people, including a growing middle class, and a combined gross domestic product (GDP) of more than US$3.4 trillion [18]. In terms of the number of participating countries, the AfCFTA plans to be the world's largest free trade area since the formation of the World Trade Organization. Estimates from the UN Economic Commission for Africa [12] suggest that the AfCFTA has the potential both to boost intra-African trade by 52.3 percent by eliminating import duties and to double this trade if non-tariff barriers are also reduced. As of 06 December 2019, 29 countries had deposited their instruments of ratification [19]. These are Burkina Faso, Cameroon, Chad, Congo, Cote d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Mali, Mauritania, Mauritius, Namibia, Niger, Rwanda, Saharawi Republic, Sao Tome & Principe, Senegal, Sierra Leone, South Africa, Togo, Uganda and Zimbabwe. Out of 55 countries, 54 have already signed the Agreement with Eritrea remaining as the only country to sign the AfCFTA Agreement [10]. Indeed, AfCFTA is a high-ambition trade agreement, with a comprehensive scope that includes critical areas of Africa's economy, such as digital trade and investment protection, amongst other areas [20].

The AfCFTA is guided by principles of reciprocity; substantial liberalisation; consensus decision-making; and best practices in the regional economic communities [20]. The African Continental Free Trade Area is widely seen as a crucial driver for economic growth, industrialization, and sustainable development in Africa. Despite the opportunities, the AfCFTA is confronted with several challenges. These include the fears of significant tariff revenue losses and an uneven distribution of costs and benefits [21]. Also, lower costs for imported raw materials and intermediate inputs increase the competitiveness of downstream producers and promote the generation of regional value chains [12]. Intra-African trade under AfCFTA started on January 1, 2021, and various negotiations are underway for expected future completion [22]. The African Union (2022) noted that AfCFTA is governed by five operational instruments of the Rules of Origin: an online negotiating forum, monitoring and eliminating trade, a digital payments system, and the African Trade Observatory. [23], posits that the document of AfCFTA puts the agreement's objectives under Article 3 as follows:

> (i) Create a single market for goods and services, facilitated by the movement of persons and capital to deepen the economic integration of the African continent. (ii) Create a liberalized market for goods and services through successive rounds of negotiations. (iii) Contribute to the movement of capital and natural persons. (iv) Lay the foundation to Promote and attain sustainable and inclusive socio-economic development, gender equality, and structural transformation and enhance the competitiveness of the economies of State Parties. (vi) Promote industrial development through diversification and regional value chain development, agricultural development, and food security by resolving the challenges of multiple and overlapping memberships.

The agreement aspires to eliminate tariffs and barriers to trade in goods and services, trade facilitation, investment, intellectual property rights protection, dispute settlement, and e-commerce areas as a continent-wide Free Trade Area [24]. [25], pointed out that the establishment of AfCFTA would allow African-owned companies to enter new markets, spur economic growth attract Foreign direct investment, and bring about reduction in input costs. The supply chain across the continent is one area AFCFTA is expected to impact, by making it easier for SMEs to connect to larger regional companies, who then export within and outside the continent. This would help grow the SMEs and create a bigger market for larger companies. With about 80 percent of the region's businesses tied to Small and Medium Scale Enterprises, they are key to growth across Africa. Businesses 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.

Optimisms are thus projected that by removing trade barriers and allowing the free movement of goods, services, and people across Africa, the AfCFTA could help to increase combined consumer and business spending on the continent to $6.7 trillion by 2030 [26]. Again, the AFCFTA is expected to facilitate the transfer of technology and knowledge via spillover effects, in addition to boosting trade directly, as well as encourage investment and technology transfer both as a direct result of the treaty's provisions and indirectly by locking in more predictable trade policies. If efficaciously implemented, the treaty is expected to create a single African market of over $3 billion. This will make Africa the largest free trade area in the world [27]. Having examined the context and content of the African Continental Free Trade Agreement, the study proceeds now to analyse the impact on the intra-African trade profile.

African Continental Free Trade Agreement and Intra-African Trade Profile

Most African countries engage in primary exports such as cocoa beans from Côte d'Ivoire and Ghana and crude oil and petroleum products from Nigeria amongst others. As argued by [27], the heterogeneity of national exports helps intra-African trade as the spread of products across the continent allows for more trade between regions with large food demands. In this regard, resource-rich countries can obtain supplies from countries with more advanced agricultural productivity. This tends to propel economic growth and the development of a larger African

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market. Essentially, intra-African trade presents opportunities for sustained growth and development of African countries and has the potential to reduce vulnerability to global market shocks by contributing to economic diversification, enhancing export competitiveness, and creating employment. Consequently, governments in Africa have made several attempts to exploit this potential of regional trade for development, to boost intra-African trade, and to fast-track the establishment of a continental free trade area. In this sense, [18], pointed out that intra-Africa trade encourages trade partnership by eliminating tariff and non-tariff barriers and restrictions on investment; accelerating economic activity; enhancing infrastructural development, and attracting foreign direct investment which is achieved by the ability to enhance competition between industries within the Africa continent through exploiting economies of scale and weeding out producers that are less productive in the market place. However, as noted by the British Arab Commercial Bank {BACB} (2021), the character of intra-African trade indicates that trade flows between African nations have remained low, accounting for less than 17% of total trade volumes. African economies, many of which are oriented towards commodities and the export of raw materials, have instead continued with well-established, preexisting trade patterns.

[28], shows that intra-Africa trade needs correction in reports and analysis arguing that intra-Africa trade has been growing while others show a declining trend, stressing the need to consider structural economic differences with other regions and the significant informal cross-border trade. Intra-African trade seems to be low when compared with other continents such as Asia, America, and Europe. This is because, intra-African trade is limited by a lack of intra-market access and growth attributed to high transaction costs due to insufficient infrastructure, weak institutions, and cross-border trade hindrances [29]. The low intra-African trade is attributed to high transaction costs due to insufficient infrastructure, weak institutions, and cross-border trade hindrances [29]. African agricultural commodities trade share was limited to 13–20 percent from 2000 to 2013 relative to other regions, such as North, Central, and South American countries (40 percent), Asian countries (63 percent), and European countries (75 percent). The high cost and unreliability of transport services also contribute to a high-cost business environment in which firms are forced to keep higher levels of inventories, which means that cost-saving management systems cannot be used [30]. However, Africa's intra-trade is limited in volume and diversification relative to global trade and other regions. The limited complementarity of African trade or the large share and persistence of Africa's agricultural imports of food products from the rest of the world and predominantly unprocessed non-food products export suggests a low probability of gaining from intra-African trade [31]. Africa faces numerous obstacles, including high unemployment, rising trade, and budget deficits, which have exacerbated conflicts on the continent. Most African countries have for years been characterized by poverty, inequality, low life expectancy, and poor human development among several other social welfare challenges [32]. Poor transport and communications infrastructure and unreliable power are key constraints to intra-African trade.

More worrisome is the dearth of trade facilitation instruments, such as trade finance and complex customs arrangements. Furthermore, the infrastructural deficit is also undermining Africa's capacity to produce, as firms find it difficult to compete due to the high cost of production occasioned by high tariffs. As such, intra-African trade remains very low largely due to a lack of product diversification, low trade complementarity among African countries, and high trade costs perpetuating this situation [33]. Several trade agreements have been drafted by African governments over the years to address the continent's poor intra-African trade and enhance economic and living standards. The primary goal of these trade agreements is to promote continental economic integration, [32]. However, as observed by [34], several reasons account for the weak performance of intra-Africa trade. One of which is that the approach to regional integration on the continent has so far focused more on the elimination of trade barriers and less on the development of the productive capacities necessary for intra-African trade activities [34]. Also, the limited role of the private sector in regional integration initiatives and efforts has contributed to the weak trade performance of the continent. Although trade agreements are signed by governments, it is the private sector that understands the constraints facing enterprises and is in a position to take advantage of the opportunities created by regional trade initiatives.

Poor infrastructure also tends to impede intra-African trade, especially in the areas of underdeveloped communication and transportation facilities linking African countries [35]. Other factors that impinge on increasing intra-African trade levels include regional integration, economic diversification, conflict, and infrastructure and border issues. Boosting of intra-African trade requires that the trade policy of African countries be designed or differentiated in such a way that no other African country would receive a less favourable treatment than is given to a non-African country, whether the latter is developed or developing [36]. Over the years, most African countries have made significant trade reforms through structural adjustment programs. The rationale for these reform policies is the quest to increase international trade and to take advantage of the benefits of trade [37]. Even though major trade liberalization and other reform policies have been adopted by several African

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countries, there has not been a corresponding improvement in African trade performance [38]. This led to the establishment of a shared market for products and services, with the belief that intra-African cooperation and trade are critical to the continent's economic survival. The drive hinges on the expectation that intra-African trade will raise productivity at both firm and industry levels, and it is associated with large welfare gains [39]. As a result, several regional economic communities have developed. The Economic Community of West African States (ECOWAS), the Common Market for Eastern and Southern Africa (COMESA), the Central African Customs and Economic Union (UDEC), the Economic Community of Central African States (ECCAS), and the Eastern and Southern African Preferential Trade Area (PTA), were established with the primary goal of improving trade among member countries by removing tariff and non-tariff barriers [40].

Most recently, the African Continental Free Trade Area (AfCFTA) agreement was established as the world's largest free trade area with the primary goal of boosting trade among member countries within the sub-region. There are, however, significant obstacles to the success of AFCFTA as Africa is still heavily reliant on commodity and agricultural exports. Industrialization has been slow and, in some places, stagnant. With a global trade share of less than 3 percent, export diversification is yet to be achieved. Current intra-African trade accounts for a mere 16 percent of the continent's total trade volume [41]. Again, despite the optimism of the AfCFTA, indeed, the continent remains plagued by several unpredictable tariff and non-tariff barriers, poor infrastructure, few supportive policies, and legal framework, a lack of a transportation network, heavy layers of government bureaucracy, and still-high levels of corruption.

A major drawback of intra-regional trade in Africa is the concentration of exports in a few commodities and sectors, particularly raw materials. This development is a logical outcome of excessive reliance on rents and extractive industries. Unlike fast-growing economies in the world that massively diversified between 1990 and 2014, the efforts of African countries to diversify their economies within the same period yielded meager returns. Therefore, there is little or no quality improvement in Africa's export basket since the composite of her exports is predominantly raw materials and mineral products. Figure 1 which highlights the composite of exports from Africa is relevant in this regard. The figure shows that about product and sector composition of intra-African trade, the African market is still limited in size. Mineral products (petroleum and ores) still dominate Africa's export basket. While they constitute 33 percent of intra-African trade within the period (2014-2015), they constitute 50 percent of Africa's exports to the rest of the world. Other raw products such as stones and/or glass (13 %), metals (6%), vegetable products (5%), and foodstuffs (4%) are also high on the export basket to the rest of the world.

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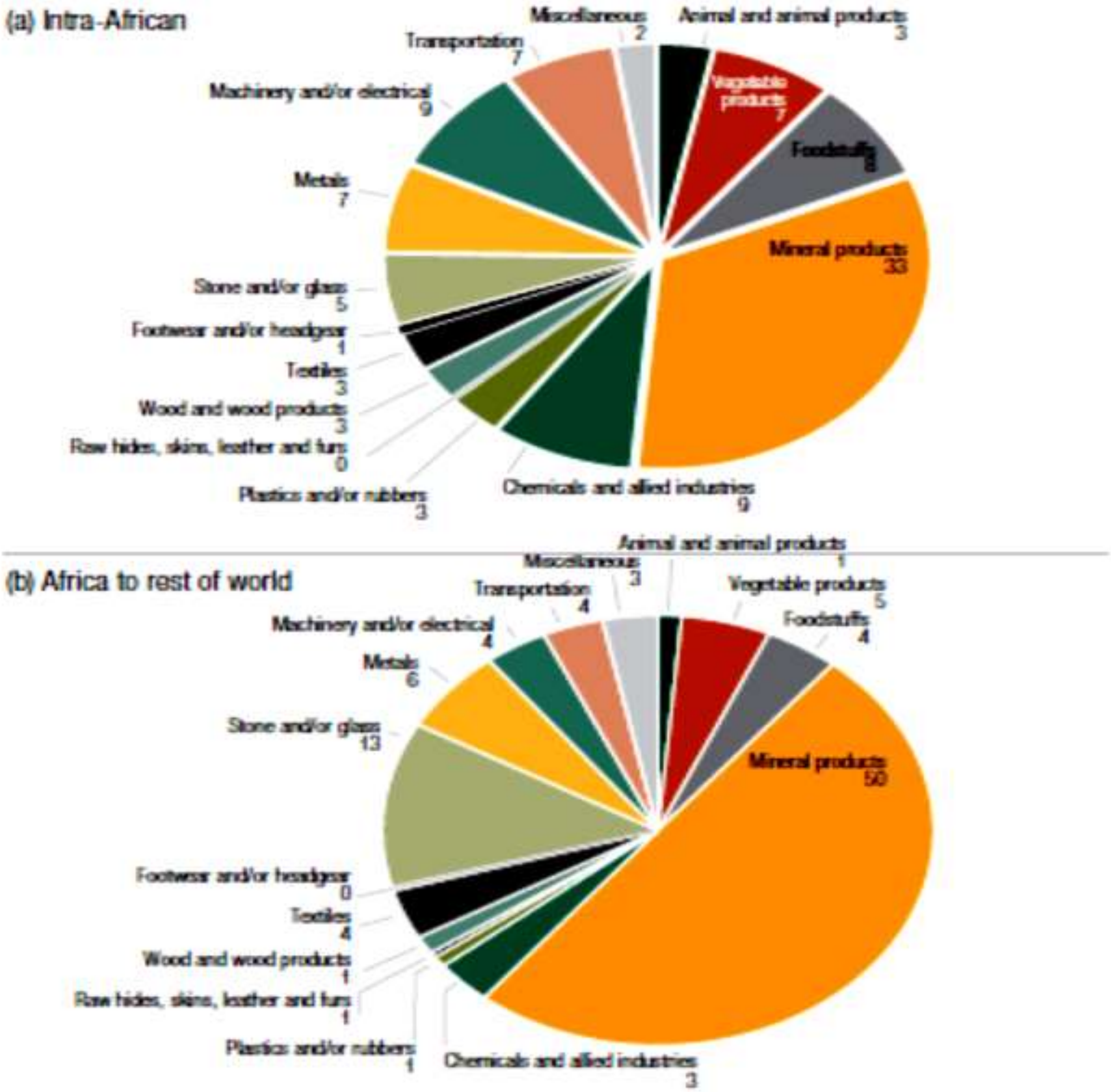

Figure 1: Composite of exports from Africa, 2014-2016 average (percentages)

Source: [32], *Economic Development in Africa Report 2019: Made in Africa – Rules of Origin for Enhanced Intra-African Trade*. Geneva: United Nations, p.25

Africa's credentials in the diversification of exports imply that the continent has been unable to shift from over-dependence on commodities to higher-value-added products [27]. Although countries like Rwanda, Senegal, Sudan, and a number of countries in Southern Africa have made efforts in this regard, the outcome so far is too meager to comprehensively drive intra-African trade. Figure 2 clearly shows that between one and seven products (particularly commodities) constitute over 75 percent of the total exports of more than half of individual African countries. This explains the 17 percent share of intra-African exports as a percentage of total African exports when compared to Europe's 69 percent Asia's 59 percent, and North America's 31 percent among others [11].

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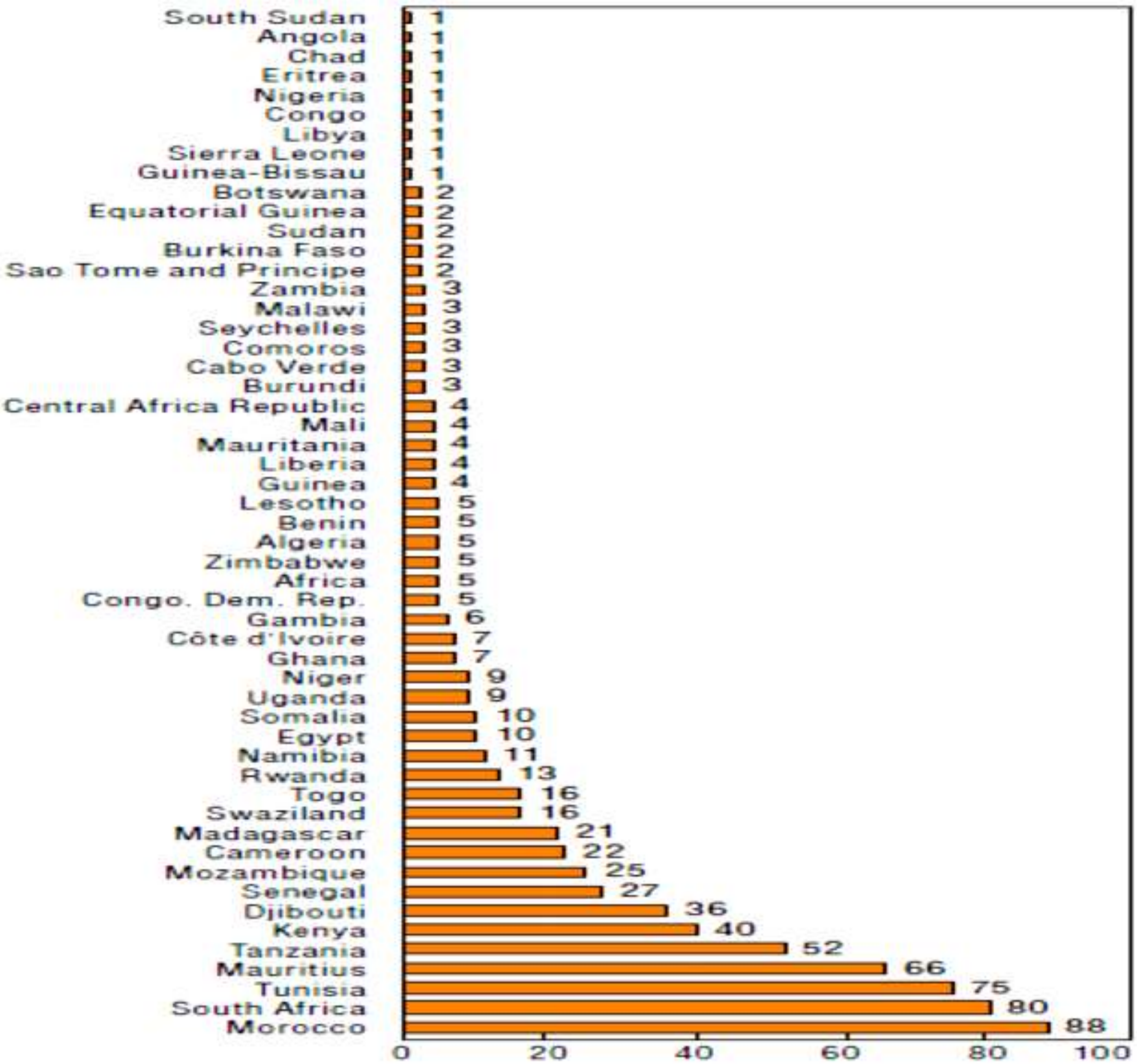

Figure 2: Number of products constituting 75% or more of total exports in Africa
Source: *African Economic Outlook* (2017), p.79

Figures 1 and 2 highlight very useful information. If the composite exports of African countries are primarily raw materials and mineral products and the majority of African countries rely on few products for over 75 percent of their export, what it means is that the majority of African countries are solely depending on raw materials and mineral products for their exports. This has not helped intra-African trade as Africa's trading partners are usually not fellow raw material-rich African countries but those countries that need the raw materials and mineral products. Export diversification is therefore a key factor in increasing intra-African trade. This is because when African countries trade with themselves, they exchange more manufactured and processed goods [27]. It therefore remains a huge challenge how AfCFTA will mitigate these structural challenges to enthrone both intra-African trade and the regional integrative process it envisages. The challenge is compounded by the fact that the continent is virtually dependent on the export of unprocessed raw materials and mineral resources to power its economic growth. It is easy for non-African economic actors to exploit the institutional weaknesses in their beneficiary African states to enable their goods and services to qualify as goods produced in Africa [42]. Most African countries are faced with challenging domestic realities that need to be overcome to ensure that the private sector can compete under a liberalized African market. These challenges include high interest rates, corruption, unreliable power supply, and inadequate infrastructure [43].

There are indications that many African countries are worrisomely unprepared to implement their AfCFTA commitments when these go into effect. For instance, in August 2019, just three months after celebrating its signing of the AfCFTA, Nigeria banned the movement of all goods from countries with which it shares a land border: Benin, Niger, and Cameroon, effectively banning all trade; import, and export with its neighbors. The government and officials have pointed to the primary objective of curbing the smuggling of goods such as rice, tomatoes, and poultry to bolster Nigeria's agricultural sector. The border closure has impacted Nigerian consumers and exporters. The biggest impact was felt by informal traders, most of them small and medium enterprises that operate along the Nigeria-Benin border. Furthermore, due to market imperfections, such as monopoly big foreign firms create monopolies by either running out small firms or swallowing them) and technological spillovers, to have growth and development, and enjoy from benefits of international trade, there should be a combination of gradual trade liberalization and a pervasive presence of government. [25], observed other issues to include increased competitive pressure, choking of local SMEs environmental depletion, and theft of intellectual property: The view is skeptical of AFCFTA because many African countries may not have adequate laws in place that protect patents, inventions, and new processes, and that the laws they do have are not always strictly enforced which results in stolen ideas.

African Union and Deepening Africa's Market Integration Via Mechanisms of the AfCFTA

Since independence, African countries have embarked on a journey to integrate at the regional and continental levels through a plethora of Regional Integration Agreements, also called Regional Economic Communities (RECs) in Africa. From the start, most efforts at integration have concentrated on removing policy-imposed barriers (tariffs and Non-Tariff Barriers (NTBs)) to trade in goods, then more recently to the movement of capital and persons following the European linear model of integration. These steps towards market integration were part of – and often the main – mandate in the negotiations in the trade and economic organizations listed in Table 1.

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Table 1: Regional Organizations in Africa

AU-recognized Regional Economic Communities (RECs)	**River and lake organizations**
Arab Maghreb Union (AMU) [5]	Niger Basin Authority [9]
Common Market for Eastern and southern Africa (COMESA) [19]	Integrated Development Authority of the Liptako-Gourma Region [3]
Community of Sahel-Saharan States (CEN-SAD) [2]	Lake Chad Basin Commission [6]
EastAfrican Community (EAC) [6]	International Congo-Ubangui-Sangha Commission [6]
Economic Community of Central African states (ECCAS) [11]	Limpopo Water Course Commission [4]
Economic Community of West African States (ECOWAS) [15]	Lake Tanganyika Authority [4]
Intergovernmental Authority on Development (IGAD) [7]	Lake Victoria Basin Commission [5]
Southern African Development Community (SADC) [16]	Nile Basin Initiative [10]
Other economic organizations	Permanent Okavango River Basin Water Commission [3]
Central African Economic and Monetary Union (CEMAC) [6]	Organization for the Management of the Gambia Rive [4]
Economic Community of the Great Lakes Countries (CEPLG) [3]	Organization for the Development of the Senegal River [4]
Gulf of Guinea Commission (GGC) [8]	Orange-Senqu River Commission [4]
Indian Ocean Commission (IOC) [4]	Tripartite Permanent Technical Commission [3]
Mano River Union (MRU) [4]	Volta Basin Authority [6]
Southern African Customs Union (SACU) [5]	Zambezi Watercourse Commission [8]
West African Economic and Monetary Union (WAEMU) [8]	**Peace and security organizations**
Energy-based organizations	EasternAfricaStandby Force [10]
Maghreb Electricity Committee [5]	International Conference of the Great Lakes Region [12]
Eastern Africa Power Pool [10]	G5Sahel [5]
West African Power Pool [14]	**Environmental organizations**
Central African Power Pool [10]	Central African Forest Commission [10]
Southern African Power Pool [14]	

Source: [44]. Market integration across Africa: Progress and challenges ahead. African Development Bank Group WorkingPaperN°342. P.3

The geography of Africa inherited from the 'scramble of Africa' in the late 19th Century is the strongest rationale for regional integration among many largely 'artificial states. The importance of these Regional Public Goods (RPGs) is evident from the large number of specialized organizations across the continent. Table 1 lists the most

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important among these along with the two other types of Regional Organizations: The 'AU-recognized RECs' and the 'other economic organizations' that often, though not always, focus on market integration. The main objective of pursuing market integration in Africa is to boost intra-African trade and investments When trade flows are faster and more cost-effective, businesses and consumers in the regions benefit as it creates employment, industrial linkages, economic diversification, and structural transformation that, by extension, generate sustainable development on the continent [24]. In 2014, the share of intra-African exports was about 16 percent of total exports, compared to 18 percent for Latin America, 54 percent for Asia, and 66 percent for Europe [45]. Notwithstanding that intra-African trade remains lower than optimal, it is a fact that intra-African trade is far more diversified and has higher shares of manufactured goods than primary commodities exported within the continent, 34 percent versus 11 percent, respectively. Boosting intra-African trade, therefore, has the potential to contribute to further specialization, diversification, and structural transformation in Africa. In recent years, an encouraging upsurge in efforts to boost intra-African trade has been observed among African countries. The Action Plan for Boosting Intra-African Trade (BIAT), TFTA, and the recently launched negotiation for CFTA are specific steps to establish the African Economic Community – and thus, stimulate the trade of goods and services through regional integration agreements designed to eliminate tariff and non-tariff barriers. Although several trade and market integration-related agreements, protocols, and conventions have been signed among member States in their respective regional economic communities, several factors have contributed to its slow implementation. Among the main barriers to trade, are poor infrastructure developments, maintenance and connectivity, and conflicts and security issues in subregions. Moreover, a number of the continent's railways and roads often lead to marine ports rather than cross-border linkages over land. Internal waterways are, similarly, insufficiently exploited and in most cases underdeveloped, making it difficult to conduct intra-continental business. Further emphasis on revamping national transport and infrastructure that can create linkages among African regions is therefore needed to improve the movement of goods and services across the continent. Regional infrastructure development programmes, such as the Programme for Infrastructure Development in Africa, are thus optimum ways to achieve continental connectivity for Africa. It is equally imperative that African countries and regional economic communities streamline and apply existing regional trade agreements into their national policy and executive bodies to obtain the benefits associated with deeper market integration in Africa. Regarding the AfCFTA, which has the largest membership of a free trade area in the world since the launch of the GATT (now the World Trade Organization, WTO) 70 years ago, the incompatibility of three competing objectives in the AU's Agenda 2063 presents a challenge. The three objectives are:

- African solidarity (to accommodate all countries).
- Large markets (no policy-imposed impediments to trade to reap economies of scale).
- Deep integration (to reap all the benefits of integration).

We have to reiterate that African countries are highly diverse along multiple dimensions (ethnolinguistic, religious, and biological). These diversities point to an 'integration trilemma' facing the 2063 agenda of integration. This trilemma is shown in Figure 3, where for each objective, further distance from the vertex indicates less achievement.

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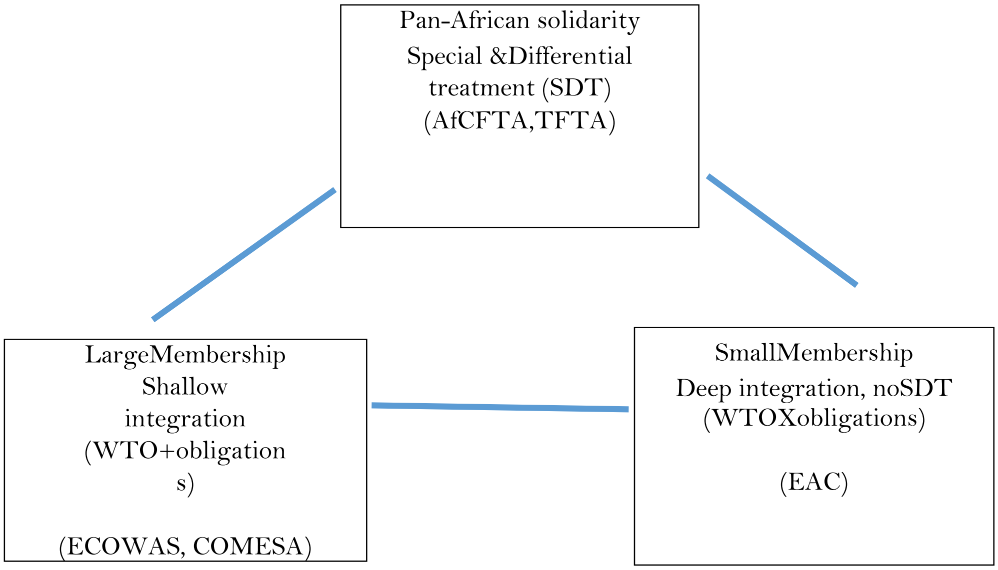

Figure 3: The African Integration Trilemma

Source: [44]. Market integration across Africa: Progress and challenges ahead. African Development Bank GroupWorkingPaperNº342. P.7

Solidarity requires Special and Differential Treatment (SDT) for least developed countries (LDCs) and financial resources (which are in short supply) to compensate for integration costs. Solidarity requires trust, which falls as membership size increases. During the AfCFTA negotiations, South Africa strongly opposed financial compensation [46]. The compromise is that SDT is to be built into the Treaty on a case-by-case basis and LDCs have an extended implementation period. SDT accommodates this diversity but at the cost of market fragmentation. Thus, the Tripartite Free Trade Area (TFTA) among the Common Market for East and South Africa (COMESA), the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC) or the AfCFTA can achieve solidarity but at the expense of a continental market and deep integration. Deep integration as in the case of the EAC results in the integration of financial markets and the mobility of people. Deep integration requires trust. Trust is more easily achieved in a small membership setting (such as the East African Community). Because of the lack of trust needed to delegate authority to supranational institutions, embracing diversity to satisfy political objectives impedes deep integration. African diversity also points to an implementation conundrum. On the one hand, because of diversities – such as between coastal and landlocked countries – potential gains from closer economic integration are large. On the other hand, realizing these gains requires the financial resources necessary to compensate countries with large differences in expected gains from closer integration. In the African context, the AU could only finance 44% of its budget from member State's contributions. Reaching financial viability via a 0.2% levy on all eligible goods imported to the continent from outside could be controversial under current WTO law [45]. In any case, political compromises will be needed for the AfCFTA to move ahead. Deep integration as envisaged under the AfCFTA calls for some delegation of authority to a supra-national level. The needed trust is difficult to build under any circumstance, but particularly so under Africa's landscape of great diversity, and the establishment of supranational entities rests on implementation capabilities, also in short supply across Africa.

CONCLUSION

The study assessed the efforts of the African Union in addressing the challenge of poor intra-African trade using the AfCFTA between 2018 and 2023, with a specific focus on the link between the implementation of the AFCFTA and intra-African trade profile, as well as the efforts of the African Union to deepen Africa's market integration using the mechanisms of the AfCFTA. In the light of the evidence articulated, the study demonstrated that despite the establishment and implementation of the African Continental Free Trade Area (AfCFTA) with the main objectives of creating a single continental market for goods and services, with free movement of business persons and investments on the one hand and expanding intra-African trade through better harmonization and coordination of trade liberalization and on the other, Africa is still plagued by heavy reliant on agricultural exports, several unpredictable tariff and non-tariff barriers, poor infrastructure, a lack of a transportation network, heavy layers of government bureaucracy, concentration of exports in a few commodities and sectors, particularly raw materials, and widespread corruption which undermine intra-African trade. The study equally showed that the efforts of the African Union in deepening Africa's market integration using the mechanisms of the AfCFTA have yielded meager returns because deep integration as envisaged under the AfCFTA calls for some delegation of authority to a supra-national level. The needed trust is difficult to build under any circumstance, but particularly so under Africa's landscape of great diversity, and the establishment of supranational entities rests on implementation capabilities, also in short supply across Africa. The study, therefore, contends that the AfCFTA deal, though a laudable initiative, may not surmount the enduring structural challenges to regional integration to reposition African economies and expand opportunities for all Africans as being projected. The study thus underscores the fact that despite AfCFTA deal, Africa is likely to remain an ultimate loser in the growing regional trade arrangement which is a major feature of the world trading system.

RECOMMENDATIONS

Based on the findings of this study, we put forward the following recommendations:

1. In addition to the implementation of the AfCFTA, the African Union should prioritize industrialization in the continent, accelerate structural transformation, and promote product diversification. This will not only boost intra-African trade but will also increase foreign exchange earnings from the value-added exports to trade partners.
2. AfCFTA should enhance intra-African trade by boosting inter-regional trade among the regional economic communities in the continent. Most trade within Africa takes place within regional economic communities or with one other community, rather than being fairly distributed across the entire continent. In this regard, the AfCFTA can provide a platform for negotiations for the eight AU-recognized RECs, with the aim of coordinating and harmonizing trade relations as well as facilitating increasing trade among them.
3. AfCFTA should work towards removing all non-tariff barriers and reducing tariff barriers that undermine intra-African trade. It is imperative to improve the quality and contents of Africa's export basket and trade-related infrastructure to boost intra-African trade**.**

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