

# Negotiations for the liberalization of services under the Agreement Establishing the African Continental Free Trade Area

## Stakeholder consultation guide



United Nations  
Economic Commission for Africa





# **Negotiations for the liberalization of services under the Agreement Establishing the African Continental Free Trade Area**

Stakeholder consultation guide



United Nations  
Economic Commission for Africa





Negotiations for the liberalization of services under the Agreement  
Establishing the African Continental Free Trade Area

To order copies of *Negotiations for the liberalization of services under the Agreement Establishing the African Continental Free Trade Area: Stakeholder consultation guide*, please contact:

Publications Section  
Economic Commission for Africa  
P.O. Box 3001  
Addis Ababa, Ethiopia  
Tel: +251 11 544-9900  
Fax: +251 11 551-4416  
E-mail: [ecainfo@uneca.org](mailto:ecainfo@uneca.org)  
Web: [www.uneca.org](http://www.uneca.org)

© 2020 Economic Commission for Africa  
Addis Ababa, Ethiopia

All rights reserved  
First printing November 2020

Material in this publication may be freely quoted or reprinted.  
Acknowledgement is requested, together with a copy of the publication.

The designations employed in this report and the material presented in it do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Economic Commission for Africa or the African Union concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Designed and printed in Addis Ababa, Ethiopia by the ECA Printing and Publishing Unit. ISO 14001:2015 certified. Printed on chlorine free paper.



## Contents

Acknowledgments .....	iv
1. Introduction .....	1
2. Consultation and the formulation of negotiating positions .....	4
3. Impact of services liberalization on national and regional economies .....	9
4. Government services: fostering an enabling environment.....	17
5. Informal economy and services liberalization .....	19
6. Gender dimension of services.....	22
7. Trade in services and the movement of people.....	25
8. Preparing for services negotiations: a checklist .....	28
References .....	30

# Acknowledgments

The present guide was prepared under the guidance of David Luke, Coordinator of the African Trade Policy Centre (ATPC) at the Economic Commission for Africa (ECA) by Ify Ogo, Trade Policy and Legal Expert (ATPC ECA) with contribution from Nadira Bayat (ATPC ECA). The following individuals contributed to technical/peer review and validation: Beatrice Chaytor (African Union Commission), Melaku Desta (ECA), Guillaume Gerout (ATPC ECA), Desire Lomou (ECA), Martine Julsaint Kidane (UNCTAD), Valeria Mensah (World Bank Consultant), Simon Mevel (ECA), Laura Paez (ECA) and Komi Tsowou (ECA).

African Union member States were consulted during a session of a services technical working group that was held in November 2019 in Addis Ababa.

# Introduction

The Agreement Establishing the African Continental Free Trade Area (AfCFTA) entered into its operational phase on 1 July 2019 with 54 signatory countries. By June 2020, 30 countries had ratified the Agreement.<sup>1</sup> The Agreement includes the Protocol on Trade in Goods, the Protocol on Trade in Services and the Protocol on Rules and Procedures on the Settlement of Disputes. In addition, the Agreement also paves the way for the adoption of rules on investment, competition and intellectual property rights which are the topics for the second round of negotiations. Negotiations on trade in services (part of phase 1) in the second half of 2020 will culminate in the submission of schedules of commitments by States parties.

As traditionally defined, services are typically intangible in form, with service delivery at times being inseparable from the service provider and requiring the immediate consumption by a consumer in order for the service to effectively be rendered. That is the case in traditional services industries, such as hospitality and transportation. In contrast to trade in goods, services involve access to and utilization of, property or resources, rather than their ownership. In the digital age, in which the dynamics of production, trade and work are being changed by technologies, the nature and delivery of services is also being transformed, and new modalities for trading in services are opening up through e-commerce.

Furthermore, when assessing the contribution of services to trade in manufactured items, it becomes apparent that as much as 45 per cent of trade in intermediate goods world-wide is composed of embedded and/or embodied services (see box 1 for the classification of services in modern productive systems). Services constituted 23 per cent of total global trade in 2018 (UNCTAD, 2019b), and services sectors account for a significant proportion of economic activity and output in Africa. Thus, they are crucial to the implementation of the continent's economic integration and development agenda; in

---

<sup>1</sup> The Agreement entered into force on 30 May 2019, 30 days after the twenty-second instrument of ratification was deposited.

**Box 1: Classification of services in modern productive systems**

Services in modern productive systems can be classified in three ways: stand-alone, embedded and embodied. Stand-alone services are those that are offered independently, or which constitute the core of a productive structure. An example is a restaurant, which offers diners hospitality services.

Embedded services are those that are provided as part of a value chain that contributes to the delivery of the final good. For example, one of the embedded services involved in the sale of an Ethiopian rose in a South African market would typically be chilled air cargo service.

Embodied services are those that are delivered using a good as a medium. A typical example is an application or software used on a mobile device. It exists independently from the device but relies on the latter to be delivered and consumed.

*Source: (Shepherd, 2019).*

2017, over 53 per cent of the continent's aggregated gross domestic product (GDP) was attributed to services sectors. In most African countries, services sectors accounted for up to 49 per cent of GDP (AfDB, AU, ECA and UNCTAD, 2019). There are opportunities for growth in African services sectors, since the World Trade Organization estimates that services as a share of global trade could increase by 50 per cent by 2040 (WTO, 2019). Thus, the importance and potential of services to propel trade-led growth of an economy, including to serve as a driver for trade in goods, cannot be underestimated. Against that backdrop, services sectors are especially crucial for African countries when considered in the context of the increasingly young populations and the imperative of creating decent and productive employment.

In that light, the AfCFTA Agreement may provide opportunities to unleash the potential of the African services economy. In order for that to happen, services trade negotiations

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_291](https://www.yunbaogao.cn/report/index/report?reportId=5_291)

