

## DIGITAL CONFERENCE

# Trade in services : Contrasting Africa, Asia and Latin America

## An African Perspective



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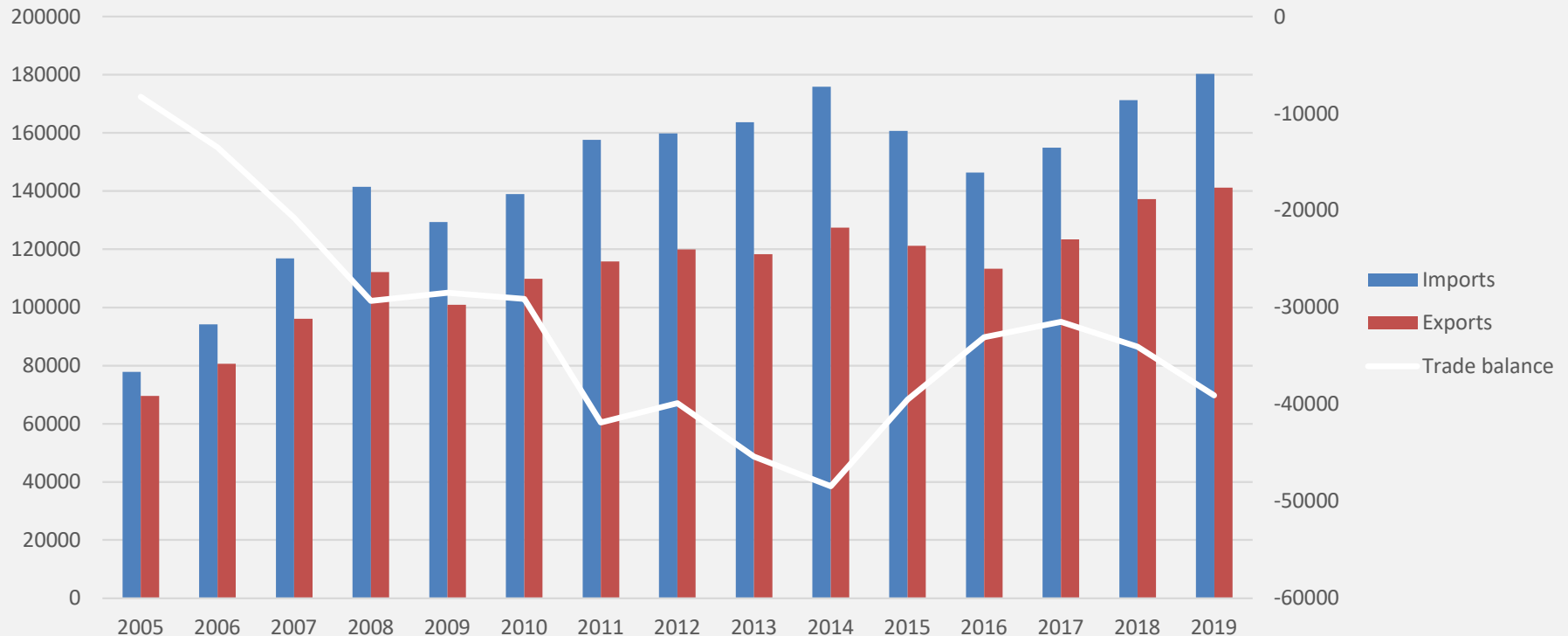
# Services Trade in Africa: Trends



# Recent trends in Africa's services trade

Africa's trade in services: exports, imports and balance  
(millions USD)

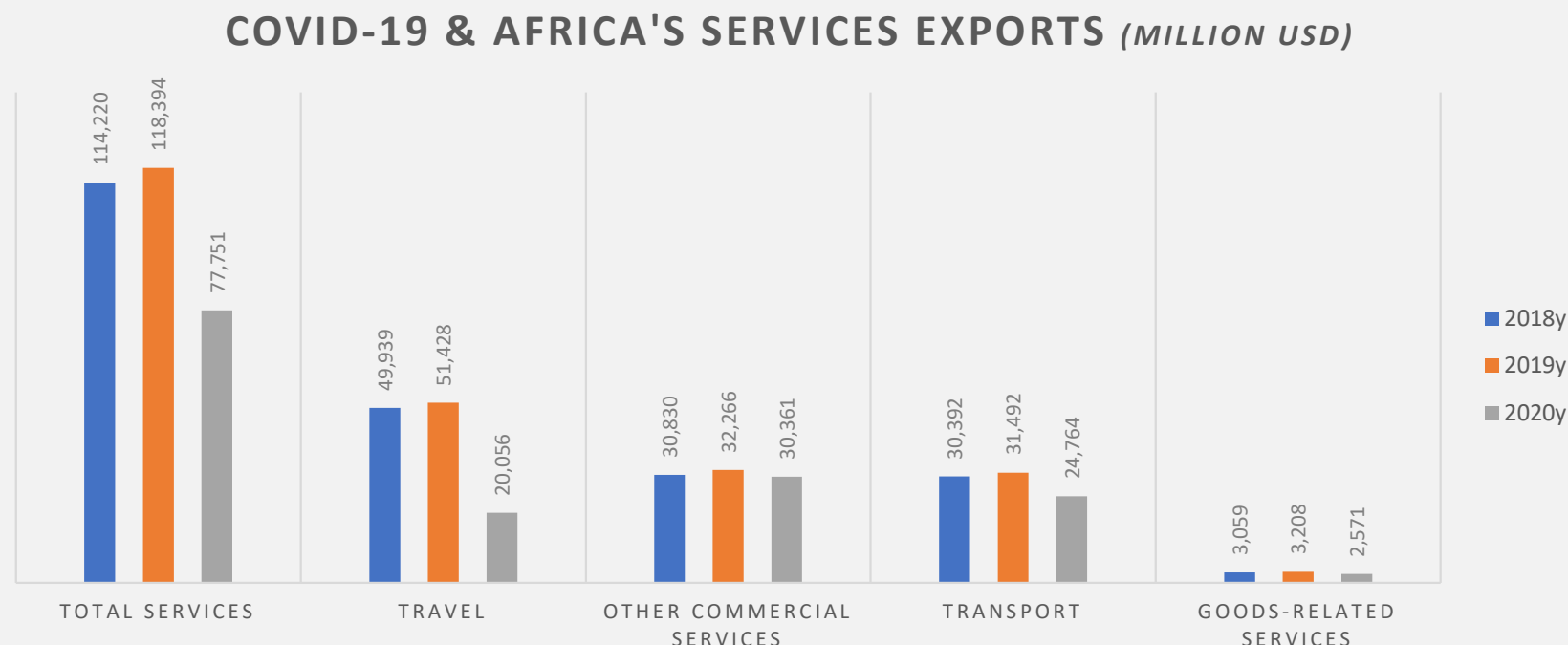
Source: Author calculations based on WTO BPM6



- Non-constant evolution of trade in services
- African countries are net importers of services
- Trade deficit increases between 2005 and 2014 then decreases between 2014 and 2017

# Recent trends in Africa's services trade : before & during Covid-19

Source: Author calculations based on WTO stat

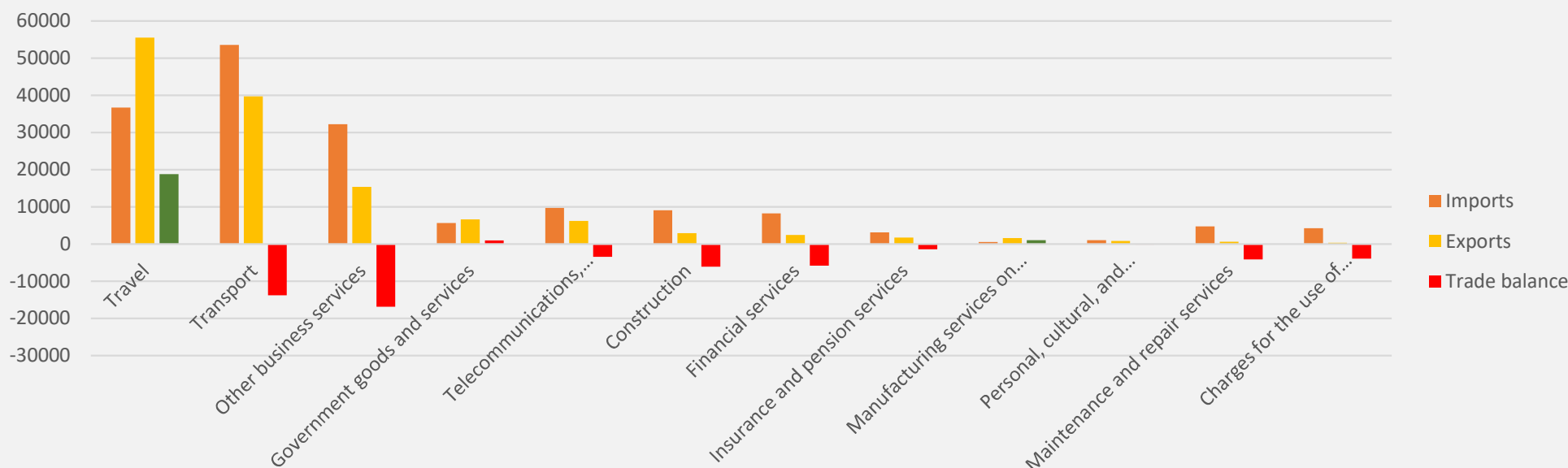


- Africa's services trade decreased by 1/3 between 2019 and 2020.
- Travel most affected (down 1/2 from 2019) followed by transport services (down 1/4 from 2019).

# Recent trends in Africa's services trade: main sectors & partners

Africa's imports/exports of services by main sectors  
(million USD – average 2017-2019)

Source: Author calculations based on WTO BPM6



Trade in services in Africa is dominated by travel, transportation, and business services (these three sectors account for more than 2/3 of services exports and imports).

The continent trades mainly with the European Union (EXP: 32%; IMP: 29%) and the United States (EXP: 12% and IMP: 18%).

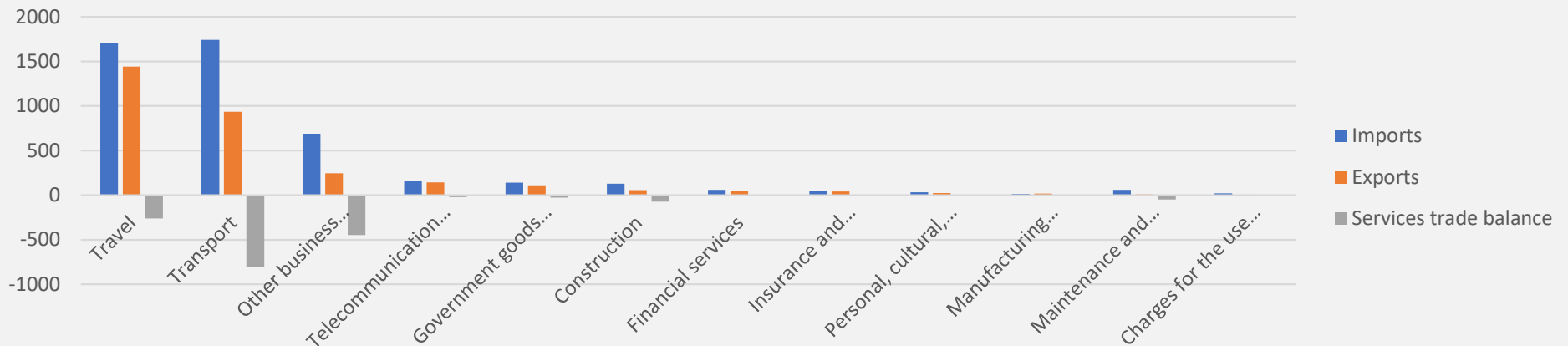
Intra-African trade accounts for only 7% and 6% of the continent's total exports and imports, respectively.

Latin America & Caribbean account for only about 3% of Africa's trade.

# Recent trends in Africa's services trade with Latin America & Caribbean

Africa's main imports from/Exports to Latin America & Caribbean by main sectors (million USD – average 2017-2019)

Source: Author calculations based on WTO BPM6



## Example of Brazil-Mozambique collaboration on connectivity and cybersecurity

Agreement between National Education and Research Network (Brazil) and MoRENet (Mozambique Education and Research Network) since 2013

**Objective** : sharing of experiences in the area of advanced network services

### Achievements:

- RNP trained 2,479 Mozambican students through tele-transmission from Brazil to Mozambique.
- RNP trained a class of 24 ICT specialists to enable them to implement ICT services in their Mozambican home institutions.
- RNP has assisted in the creation of the Mozambican Telehealth Center (Telehealth MZ), which provides remote support to health professionals working throughout the country

# **Initiatives to stimulate Africa's trade in services:**

## **Perspectives from regulatory framework & trade agreements**



# ECA's Initiative on Digital Trade Regulatory Integration in Africa

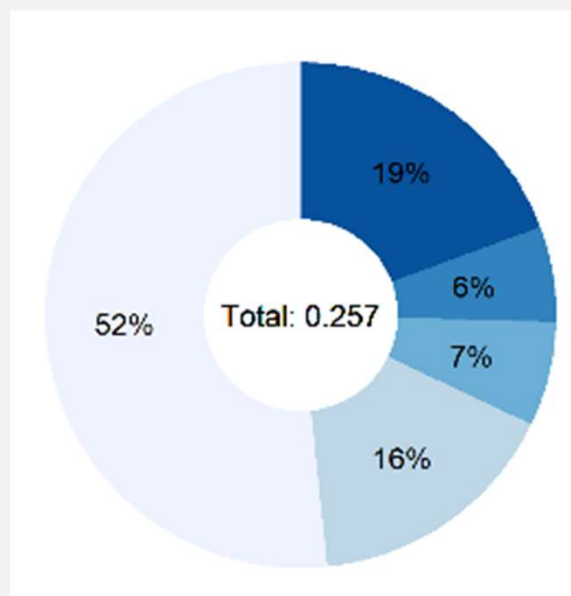
## What is it about?

- Building **national datasets** on 1) ***Digital Services trade restrictions*** & 2) ***Digital trade integration*** + **country profiles**.

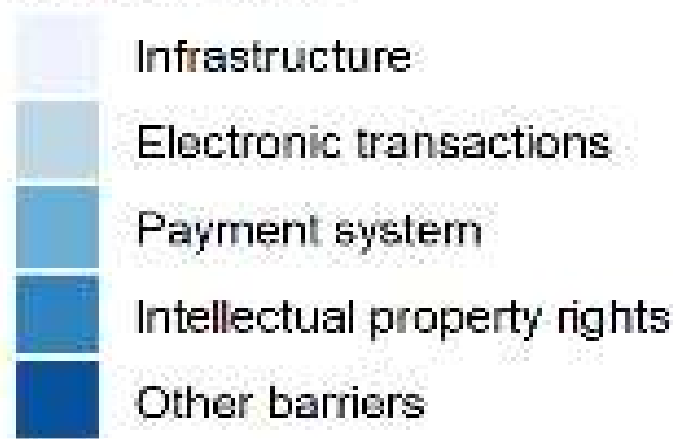
## What is the key objective?

- Assessing the readiness of African countries** to effectively engage in digital trade and e-commerce, particularly in AfCFTA context.

## Main restrictions to Digital Services trade in Africa (29 countries covered)



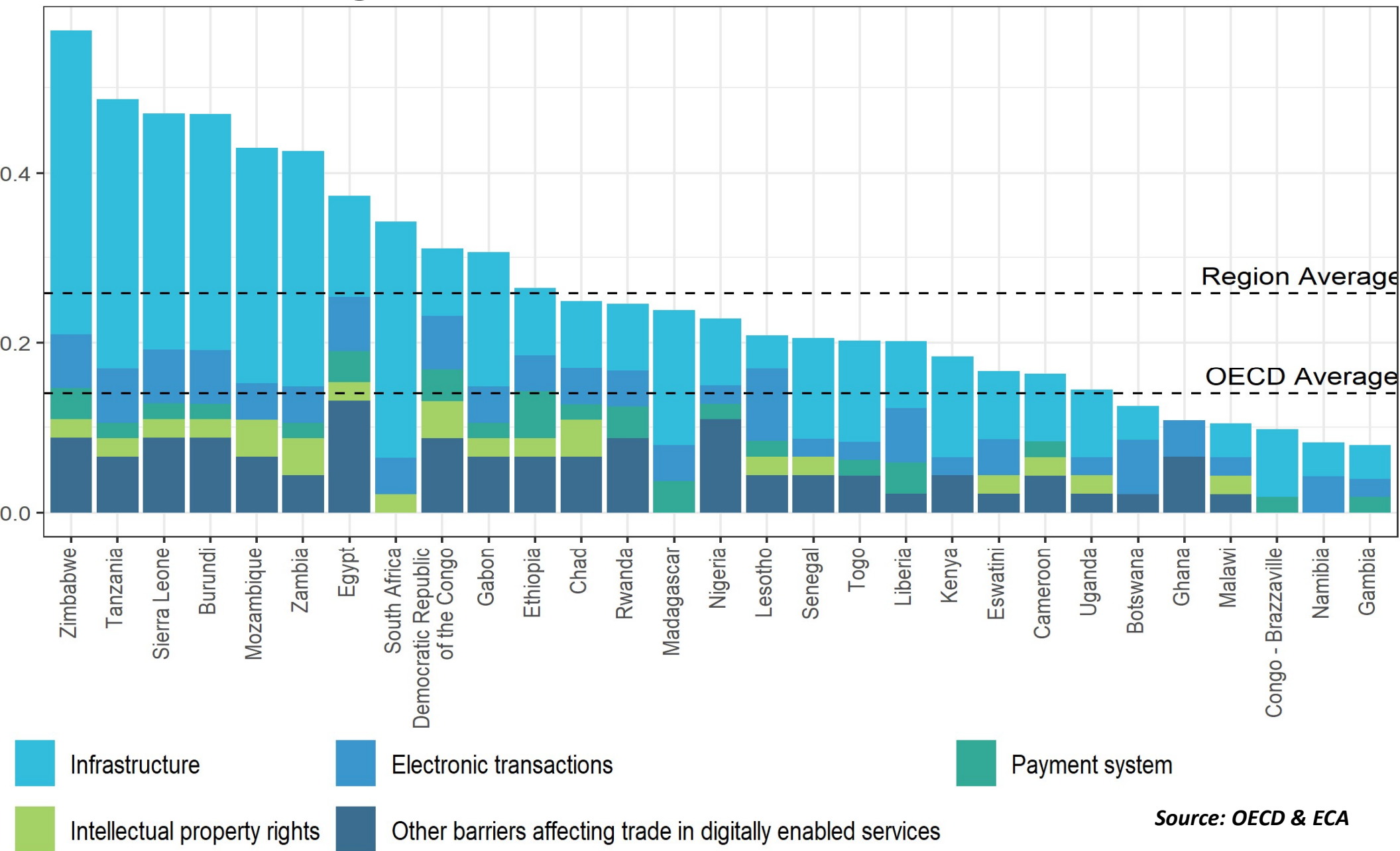
### Policy Areas





# Digital Services Trade Restrictions – Key findings

## Digital STRI for 29 African countries



Source: OECD & ECA

# African Continental Free Trade Area & Trade in Services

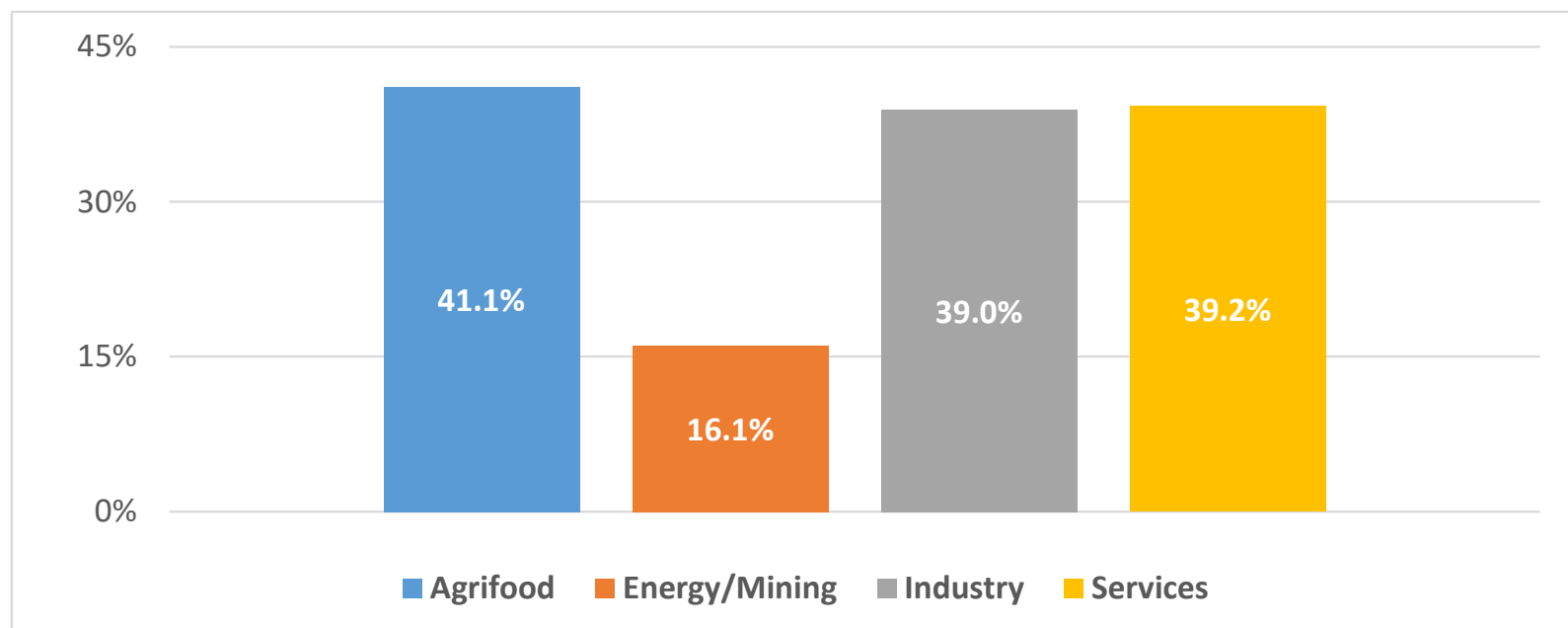
African Continental Free Trade Area (AfCFTA) Agreement entered into force on 30 May 2019 but negotiation still ongoing on trade in services.

AfCFTA Agreement includes a Protocol on trade in services (setting out principles for enhanced continental market access and liberalization of services sectors).

Initial commitments should be made in 5 priority sectors : Business services, Communication services, Financial services, Tourism and Transport.

Services trade liberalization will only occur in practice when individual countries schedule specific commitments on specific sectors are approved (*46 member states having submitted offers on their schedules of specific commitments*).

**Changes in intra-African trade, by main sectors, with AfCFTA implemented as compared to baseline (i.e. without AfCFTA) – % – 2045**



Source: ECA&CIEM-CEPII's calculations based on MIRAGE-e CGE model



# THANK YOU!

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Ideas  
to  
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