



ODI Advisory Report

Seizing the Opportunity: Nigeria's Path to Market Access in Services under the AfCFTA

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Acronyms

AfCFTA	African Continental Free Trade Area
CIMA	Conférence interafricaine des marchés d'assurances (Inter-African Conference of Insurance Markets)
CPC	Central Product Classification
ENT	Economic Needs Test
GATS	General Agreement on Trade in Services
GDP	gross domestic product
GIPC	Ghana Investment Promotion Centre
ITA	International Trade Administration
OHADA	Organisation pour l'harmonisation en Afrique du droit des affaires (Organisation for the Harmonisation of Business Law in Africa)
TiSMoS	Trade in Services by Mode of Supply
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization

Executive summary

Background

The Government of Nigeria has highlighted the importance of the African Continental Free Trade Area (AfCFTA) in its National Development Plan 2021–2025. The AfCFTA can help Nigeria transform its economy by assisting exporters of services to overcome challenges in destination markets. Two main services sectors stand to gain from greater liberalisation and market access: financial services and other business services, which includes technical services, professional services and research and development services. However, these sectors face numerous obstacles to growth and enjoy limited market access in most markets on the continent. This can be addressed through efforts to reduce the cost of doing business and exporting in partner countries for Nigerian exporters through bilateral market access requests under the AfCFTA trade in services negotiations.

The services sector in Nigeria

The services sector in Nigeria has contributed an average of 50% to gross domestic product (GDP) in the past decade. In terms of trade, it has remained dormant, with a share of 9% in 2018, which dropped to just 5.5% during the pandemic – suggesting that most of the services Nigeria produces are consumed locally. The sector employed about 50% of the workforce in 2019. It has been recognised that financial services and business and professional services have tremendous scope for growth and sophistication to cater to the domestic and regional market.

The Nigerian financial services sector comprises banking and non-banking financial institutions, including non-interest finance, microbanks, bancassurance and payment service banks (Oxford Business Group, 2022). Rapid adoption of mobile services has increased financial inclusion in Nigeria through fintech services.

The professional (including scientific and technical) services sector was valued at \$5.72 billion in 2020, accounting for just 3.4% of real GDP (Oyekanmi, 2021). However, to meet growing domestic demand, businesses have imported technical and professional services from expatriates (ibid.). To enhance exports, cross-border collaboration with equivalent professional bodies in partner countries could be a viable option.

Major destinations

Ghana, South Africa, Egypt and Mauritius have been the main regional destinations for exports of Nigerian financial services for the past decade, bringing total intra-African exports to \$15.2 million in 2019, or a share of 6.15% of total exports of financial services by Nigeria. In terms of exports of other business services, which includes professional, scientific and other technical services, Ghana, once again, emerges as the top destination, with exports reaching \$15.7 million, followed by Egypt, South Africa and Angola.

There is scope for increasing these exports from Nigeria based on the potential of importing countries to absorb more imports. Angola, Egypt, Ethiopia, Ghana, Mauritius, Morocco and Tanzania could be important destinations for increased

exports of other business services; Equatorial Guinea, Ghana, Kenya, Mauritius, Morocco and South Africa have the potential to absorb greater financial services from Nigeria. These new destinations can be reached via cross-border trade or digital trade, through commercial presence of Nigerian firms in the destination market and by increased movement of Nigerian professionals and contractors to supply services locally in the identified countries.

Potential market access

The available evidence confirms that the destination markets for these exports are, however, narrow. The underlying reasons for this are likely many, including historical and cultural ties; however, limited market access may also be playing a key role.

Despite Côte d'Ivoire being a significant importer of engineering services, these rank relatively low in terms of their share in Nigerian engineering services exports. Securing commitments in integrated engineering services and deepening commitments in engineering services, especially via mode 1, could assist Nigerian services firms to boost these exports. Securing commitments in other business services, notably market research, management consulting and related scientific and technical consulting services, could also provide new market opportunities for Nigerian services exporters.

Egypt is one of the top destination markets for existing Nigerian exports of both financial services and business and professional services. To the extent possible, securing binding commitments from Egypt in these services would help provide greater certainty and predictability for Nigerian services firms, and potentially support further investments and scaling-up of activities. Securing commitments in market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services could provide Nigerian services exporters with new market opportunities.

Ghana is one of Nigeria's most important trading partners, including for financial services and business and professional services. Enhancing the predictability and security of existing market access for Nigerian services firms already exporting to Ghana could help increase their willingness to undertake additional investments to expand. Securing commitments in other business services, especially market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services, could also support increased exports from Nigeria.

Despite Kenya being a top importer of financial services via mode 1 on the continent, its imports from Nigeria are nominal. While the precise reasons for this remain unclear, the enhanced access that should materialise via the AfCFTA is likely to support increased exports for Nigerian exporters. Enhancing access for mode 1 non-life insurance services may also prove helpful. Enhancing access to professional services, notably architectural services via modes 1 and 3, should help support the ability of Nigerian services firms to more easily access Kenya's market, as would securing commitments in other business services, especially advertising, market research, management consulting, or related scientific and technical consulting services.

Mauritius has long been a top destination for Nigerian financial services exports. The improved mode 4 access that should materialise under the AfCFTA is likely to help support this trend. Securing mode 1 and 3 commitments in architectural services and greater precision on the 'collaboration' requirements for mode 3 supply of engineering and integrated engineering services may also prove valuable to Nigerian services firms looking to increase their exports to Mauritius. New commitments in modes 1 and 3 for advertising and market research services may also avail new market opportunities for Nigerian services firms.

Morocco represents a prospective export market of significant interest to Nigerian services firms. There is scope to expand exports for Nigerian financial services firms and professional services firms by exporting via modes 1, 3 and 4. Expanding the types of categories of mode 4 services providers that have guaranteed access to the Moroccan market could also prove highly beneficial, as could expanding access via modes 1 and 3 for engineering services, and expanding the sectoral coverage for integrated engineering services. Other new opportunities could emerge from deeper mode 1 commitments in management consulting, and commitments in services incidental to mining, services incidental to energy distribution, advertising, market research, and technical testing and analysis services.

South Africa is one of Nigeria's most important trading partners, including for financial services and business and professional services. Seeking enhanced access for a broader range of mode 4 services supplier categories, including for categories of engineers, could prove meaningful to Nigerian services exporters, as could deeper/new commitments in architectural services, advertising services and services incidental to energy distribution.

Conclusion and recommendations

This report provides an essential baseline of information to support Nigeria's efforts to leverage the AfCFTA to enhance market access for its suppliers of financial services and business and professional services throughout the continent. It is found that, in a nutshell, enhanced market access could help some services suppliers expand their exports in the destination markets. However, additional support will be required to help others take advantage of the new and expanded opportunities.

Going forward, Nigeria may wish to consider a number of avenues to help support its services providers in leveraging the AfCFTA to expand services exports in Africa.

- engage stakeholders and finalise bilateral AfCFTA trade in services requests to strategic trading partners
- consult with existing and prospective services exporters to better understand other constraints
- support women-run businesses, promote green funding and financial instruments, develop high-skills, and create jobs
- initiate collaboration with sector-specific regulatory, professional or private sector bodies in partner countries to promote harmonisation of rules and requirements
- consider undertaking a more in-depth exercise to develop a Nigerian National Trade in Services Export Strategy.

1 Introduction

The Government of Nigeria has highlighted the importance of the African Continental Free Trade Area (AfCFTA) in its National Development Plan 2021–2025 (Federal Ministry of Finance, Budget and National Planning, 2021). The AfCFTA is, therefore, an essential instrument to transform the country's economy and to enable it to become an African economic hub. This can be achieved if Nigerian exporters overcome challenges in export markets with the goal of making their exports more competitive in the region.

In particular, the AfCFTA Protocol in Trade in Services provides both obligations and opportunities for services exporters in Nigeria. Two main services sectors stand to gain from greater liberalisation and market access: financial services and other business services, which includes technical services, professional services and research and development services. Exporters of such services in Nigeria could benefit from exporting to large and small trading partners on the continent. However, exporters enjoy only limited market access in these sectors in most countries on the continent. This can be addressed through efforts to reduce the cost of doing business and exporting in partner countries for Nigerian exporters. To this end, bilateral market access requests can be made under the AfCFTA trade in services negotiations to assist Nigerian exporters in gaining greater market access in key regional partners.

In sum, this report aims to identify the opportunities to expand market access in Africa for Nigerian services exporters under the AfCFTA. In particular, it supports Nigeria's efforts to prepare bilateral market access requests to other major AfCFTA trading partners. The main goal of the report is to inform private sector actors about export opportunities in the financial services and business and professional services sectors so they can leverage these prospects offered under the AfCFTA.

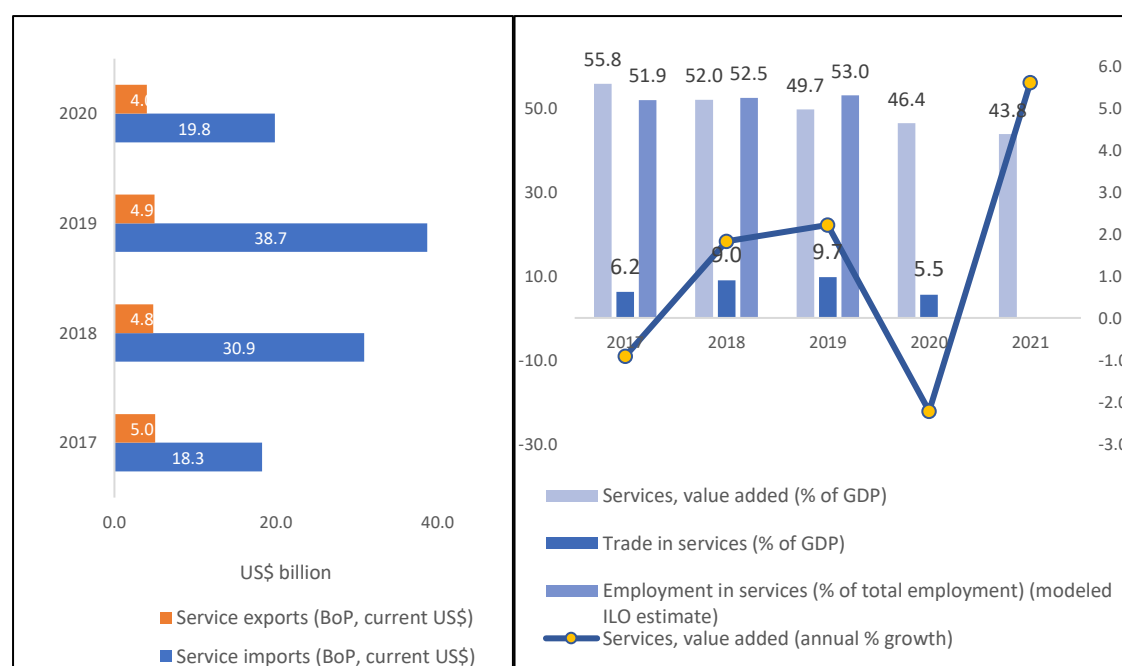
The rest of the report is organised as follows. Section 2 presents a snapshot of the services sector in Nigeria, highlighting its size in terms of gross domestic product (GDP) contribution, employment and trade values. It also describes the two sectors that are the focus of this study: financial services and other business services in Nigeria. Section 3 illustrates the export and import trends of these two services from Nigeria, disaggregated by the four modes of supply for services, followed by identification of the top potential export destinations. Section 4 explores the state of the market access available to Nigerian exporters. Finally, Section 5 provides concluding remarks and offers recommendations to help services suppliers expand their exports on the continent under the AfCFTA.

2 The services sector in Nigeria

The services sector in Nigeria has contributed an average of 50% of GDP in the past decade. At the same time, although Nigeria is one of the largest producers of oil in the world, the export-led sector contributed less than 10% of GDP, belying the claim that Nigeria is primarily an oil-led economy (Pesce et al., 2018). In terms of trade, services have remained dormant, with a share of 9% in 2018, which dropped to just 5.5% during the pandemic – suggesting that most of the services Nigeria produces are consumed locally. The trend is different in the case of imports, which exceeded exports in 2019, valued at \$38.7 billion; they plummeted by almost half to \$19.8 billion at the peak of the pandemic but still exceeded exports by over \$15 billion.

The overall sector also suffered a major blow during the pandemic, with a negative growth rate of 2.2%. However, a swift recovery was indicated by the highest growth rate in half a decade, of 5.6%, in 2021. The sector also continued to employ about 50% of the workforce till the last year of data availability (2019).

Figure 1 Size of the services sector in Nigeria



Source: World Bank World Development Indicators.

It has been recognised that financial services and business and professional services have tremendous scope for growth and sophistication to cater to the domestic and regional market.

The Nigerian financial services sector comprises banking and non-banking financial institutions, including non-interest finance, microbanks, bancassurance and payment

service banks (Oxford Business Group, 2022). It is highly diversified, with large commercial banks, niche segment institutions and the new-age segment of mobile money and financial technology (fintech). As of March 2021, the Central Bank of Nigeria had licensed the functioning of 22 commercial banks, 33 mortgage institutions, 45 finance companies and more than 900 microfinance institutions. Some of the largest banks are First Bank of Nigeria, Zenith Bank, Access Bank and United Bank of Africa. Together with other non-banking financial institutions, the sector contributed 3.1% to GDP (ibid.). The potential of the sector remains enormous, although it is restricted by the population's limited access to financial services in the country and high levels of bureaucratic regulation (ITA, 2021).

However, rapid adoption of mobile services has increased financial inclusion in Nigeria through fintech services. In fact, 42% of Nigerian banking customers now use online banking platforms. One of the largest fintech companies is Paga, which has 6 million registered clients that exchanged mobile payments worth \$500 million in 2016 (KPA, nd). The Central Bank of Nigeria has also reported that the number of mobile payment transactions increased from 377.3 million in 2019 to 449.7 million in the first eight months of 2020 – a rise fuelled by the pandemic (Oxford Business Group, 2022).

The professional (including scientific and technical) services sector was valued at \$5.72 billion in 2020, accounting for just 3.4% of real GDP (Oyekanmi, 2021). However, to meet growing domestic demand, businesses have imported technical and professional services from expatriates, causing an uproar in the local workforce about replacing Nigerian jobs with foreign hires (ibid.).

A study on the demand and supply of auditing and accounting services by small-scale businesses in Nigeria points to the importance of these services for Nigeria to guarantee dissemination of vital information on the accountability and trust of business entities, as well as to lend credibility to financial statements of businesses. This can be achieved through government-led collaboration with the Institute of Chartered Accountants of Nigeria and the Association of National Accountants of Nigeria (Adediran et al., 2011). Table 1 lists other active associations or professional bodies across various services in Nigeria. Cross-border collaboration with equivalent professional bodies in partner countries could also lead to enhanced trading opportunities.

Table 1 List of professional bodies and associations in Nigeria

Type of service	Professional body or association
Accounting and auditing	Institute of Chartered Accountants of Nigeria; Association of National Accountants of Nigeria; Institute of Certified Public Accountants of Nigeria
Legal	Nigerian Bar Association; Centre for Law and Development
Financial, banking and insurance	Chartered Institute of Bankers of Nigeria; Chartered Insurance Institute of Nigeria; Financial Institutions Training Centre; Institute of Credit & Risk Management; Portfolio & Debt Management Institute; Nigeria Insurers Association
Medical	Association of General & Private Medical Practitioners of Nigeria; Nigerian Medical Association; West African College of Physicians; Pharmacist Council of Nigeria; Pharmaceutical Society of Nigeria; Medical & Dental Council of Nigeria

Engineering	Nigerian Society of Engineers; Council for the Regulation of Engineering in Nigeria; Nigeria Institute of Civil Engineers
Business	The Institute of Business Development; Nigerian Institute of Professional Secretaries; The Institute of Chartered Secretaries of Nigeria
Architectural and construction	Nigerian Institute of Architects; Nigerian Institute of Building; Society of Construction Industry Arbitrators of Nigeria

Source: <https://nairametrics.com/wp-content/uploads/2012/10/A-LIST-OF-PROFESSIONAL-BODIES.pdf>

3 Export and import profiling

3.1 Trend and composition of services trade

Exports of financial services more than doubled between 2015 and 2019, from \$254 million to \$685, while those of other business services¹ fell from \$88 million to just \$50 million in the same period, marking a decline of 43.2%. Figure 2B shows year-on-year growth rates for both these services along with exports of total services. Yearly growth peaked in 2013/14 for other business services (including scientific, technical and professional services); it peaked in 2015/16 for financial services.

When compared with other traditional services exported by Nigeria, financial services and other business services comprised a share of only 17% in 2021 (see Figure 2C). There is scope for expanding these services exports to regional and international markets. In particular, measures implemented in 2020 to restructure loans, enhance oversight and boost accountability are expected to create a stronger financial sector that will be capable of expanding exports to neighbouring countries (Oxford Business Group, 2022).

Figure 2A Value of exports (US\$ million)

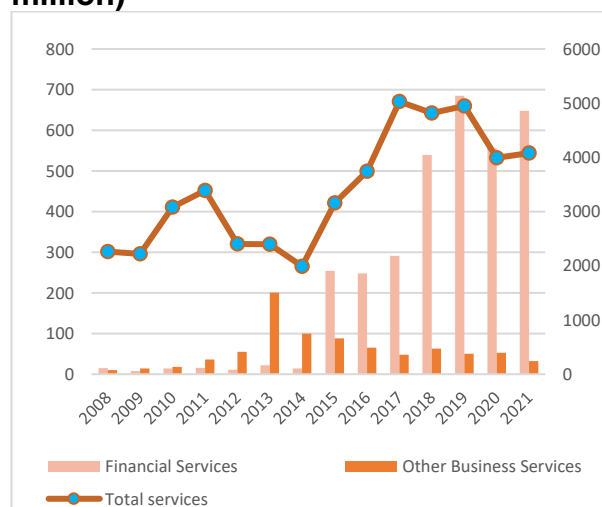
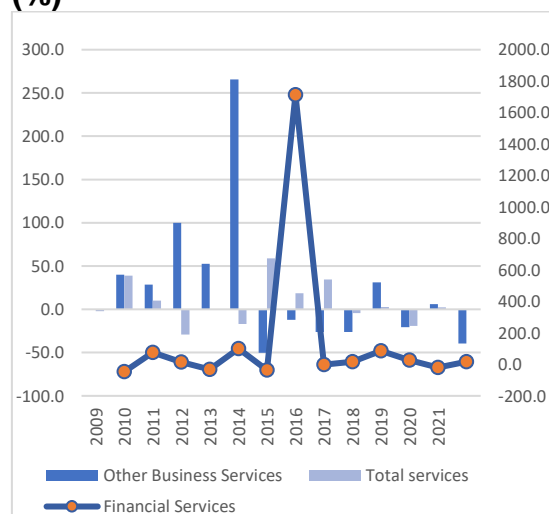


Figure 2B Growth rate of exports (%)



Source: WTO Trade in Services Database

¹ Other business services include research and development services; professional and management consulting services; and technical, trade-related and other business services.

Figure 2C Composition of services exports in 2021 (% of total)

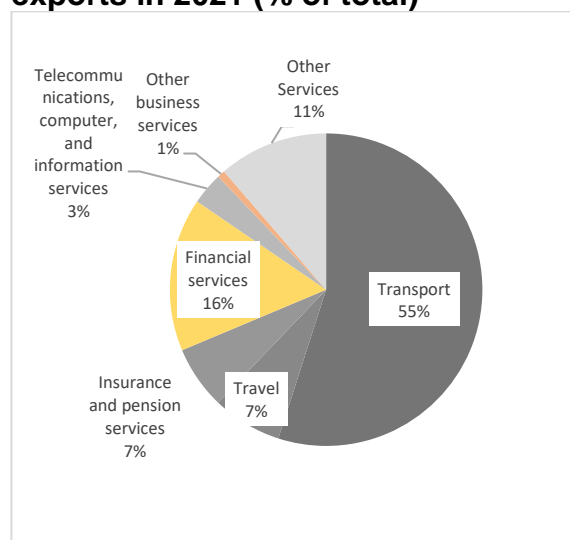
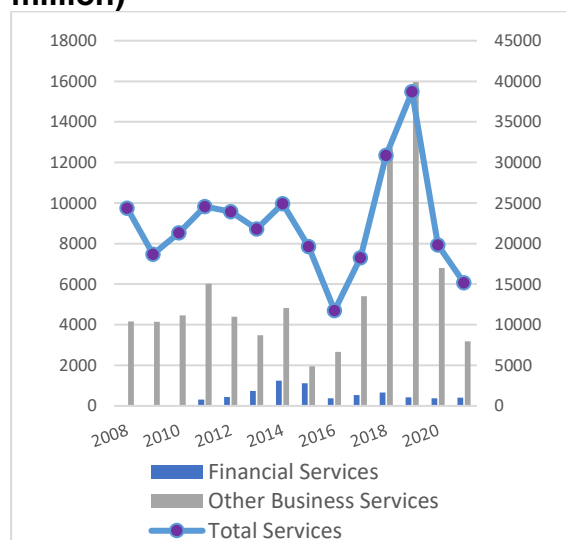


Figure 2D Value of imports (US\$ million)



Source: WTO Trade in Services Database

Imports, on the other hand, have far exceeded the value of exports in the past decade, especially for other business services. As previously mentioned, Nigeria continues to import a large value of professional and technical services. In 2019, 41.2% of all services imports were concentrated in this sector, valued at \$15.9 billion (Figure 2D). Financial services imports peaked in 2014 at \$1.2 billion but fell thereafter.

3.2 Major destinations

Ghana, South Africa, Egypt and Mauritius have been the main regional destinations for exports of Nigerian financial services for the past decade, bringing total intra-African exports to \$15.2 million in 2019, making up a share of 6.15% of total exports of financial services by Nigeria. However, the peak for intra-African exports happened in 2018, at 7.1% of total exports, with Nigeria’s immediate neighbour, Ghana, the top destination. Ghana was followed by South Africa and Egypt.

In terms of exports of other business services, Ghana once again emerged as the top destination, with exports reaching \$15.7 million, followed by Egypt, South Africa and Angola, making up 69.4% of all intra-African exports from Nigeria, which stood at \$37.6 million in 2019 but comprised less than 3% of total exports of such services. In fact, exports to Ghana increased quickly after 2014 following a significant reduction in non-tariff barriers to trade, by an average rate of 28.6% per year between 2014 and 2019; the total value of exports in 2019 was 3.5 times the value in 2014. Although bilateral data for this trade after 2019 are not available, the ongoing dispute since 2020 between the two countries is likely to result in a reduction in trade volumes.

Figure 3A Intra-African exports of financial services from Nigeria (US\$ million (LHS) and %(RHS))

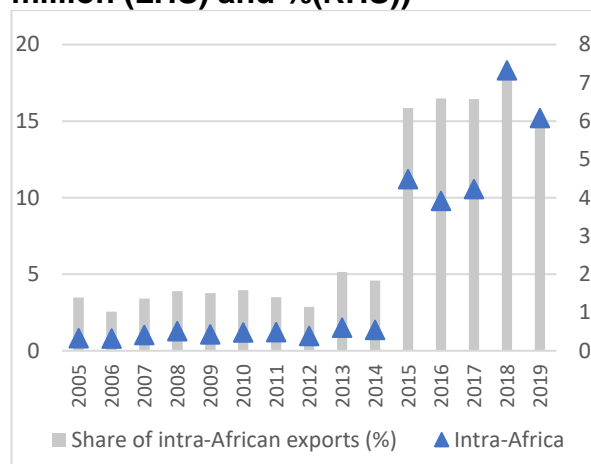
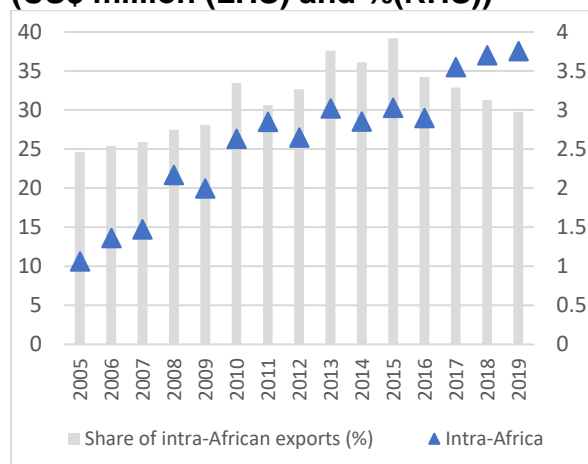


Figure 3B Intra-African exports of other business services from Nigeria (US\$ million (LHS) and %(RHS))



Source: WTO's Bilateral Trade in Services (BaTiS).

Table 2 Top destinations for financial services (US\$ thousand)

Destination	2005	2012	2019
Ghana	113.4	225.5	8,396.6
South Africa	73.3	82.5	1,754.4
Egypt	51.3	27.9	992.0
Mauritius	69.5	69.1	912.9
Cameroon	14.6	25.0	653.9
Swaziland	262.5	200.6	384.7
Angola	16.4	16.6	346.4
Mozambique	6.5	16.0	284.0
Togo	3.6	5.6	272.9
Namibia	10.3	12.5	260.4

Source: Authors' estimations.

Table 3 Top destinations for other business services (US\$ thousand)

Destination	2005	2012	2019
Ghana	400.5	3,110.4	15,734.6
Egypt	1,514.9	2,185.6	3,875.3
South Africa	955.0	3,033.2	3,588.3
Angola	2,296.5	4,712.4	2,860.1
Mozambique	84.2	311.4	1,104.9
Cameroon	645.3	623.1	954.3
Algeria	576.3	1,176.1	869.2
Morocco	398.4	780.9	852.5
Mauritius	277.6	1,343.6	832.0
Kenya	264.2	551.5	809.5

Source: Authors' estimations.

After identifying the top destinations for the export of Nigerian financial services and other business services, we determine the scope for increasing these exports from the country. To this end, it is essential to confirm the potential that exists in the importing countries to absorb more imports. Table 4 illustrates this by presenting the share of financial services and other business services imports in total services imports in 2017 and 2021 (using latest data availability).

Angola, for instance, imported 39% of all services in the form of other business services, mainly from Ghana, Congo, South Africa and Egypt. Nigeria was its seventh largest supplier but has the potential to increase its exports. A similar argument can be made for Egypt (other business services), Kenya (financial services and other business services), Morocco (other business services) and Tanzania (other business services). However, the case for Côte d'Ivoire is the opposite: Nigeria is already the fourth largest supplier of financial services and other business services, both of which are not large imports by Côte d'Ivoire; therefore, it might be a difficult market for expansion for Nigerian exporters. Ghana is also a large importer but Nigeria is already the second largest supplier. However, given the alignment and proximity of Ghana to Nigeria, there may be scope to replace South Africa as the largest supplier of both kinds of services.

Table 4 Importance in total service imports (%)

Major importers (current and potential)	Financial services			Other business services		
	2017	2021	Top suppliers	2017	2021	Top suppliers
Angola	1.75	1.99	Mauritius, South Africa, Algeria, Egypt	38.59	24.26	Ghana, Congo, South Africa, Egypt
Côte d'Ivoire	1.05	1.23	Mauritius, Algeria, South Africa, Nigeria	12.42	9.43	Ghana, Swaziland, Gabon, Nigeria
Egypt	0.08	0.08	South Africa, Algeria, Nigeria, Mauritius	19.46	14.98	Eritrea, Morocco, South Africa, Ghana
Ghana	0.00	3.31	South Africa, Nigeria, Kenya, Guinea	58.87	54.99	South Africa, Nigeria, Guinea, Egypt
Kenya	4.82	6.39	Mauritius, Uganda, South Africa, Algeria	15.75	26.75	South Africa, Mauritius, Egypt, Zambia
Morocco	0.93	1.51	Algeria, South Africa, Egypt, Nigeria	14.15	13.01	Egypt, Ghana, South Africa, Gabon
South Africa	1.89	2.42	Mauritius, Nigeria, Algeria, Egypt	13.21	11.74	Shana, Swaziland, Mauritius, Nigeria
Tanzania	0.69	0.87	Liberia, Seychelles, Mauritius, Algeria	11.91	19.37	Swaziland, South Africa, Eritrea, Nigeria

Source: Authors' estimation.

3.3 Modes of supply

Services are traded across four modes of supply,² which highlight the pathways to increase future trade and address pending barriers to trade in services. The latest data for Nigeria are from 2017 and presented in Table 5. An interesting observation is that financial services are traded solely via cross-border trade – or, in other words, via online platforms or through digital tools by Nigeria. On the contrary, other business services are traded equally by mode 1 and by mode 3 and 4 combined. This reveals that Nigerian professionals (architects, accountants, engineers), technicians and scientists travel abroad (mode 4) to deliver these services, and, in some cases, Nigerian firms providing such services set up subsidiaries in their destination markets to supply these services (mode 3). However, data on mode 3 are not available at a disaggregated level for this category. Perhaps if Nigerian firms

² The General Agreement on Trade in Services (GATS) defines trade in services as the supply of a service through any of the four modes of supply: mode 1 (cross-border trade), mode 2 (consumption abroad), mode 3 (commercial presence) and mode 4 (presence of natural persons). More information can be found here: https://www.wto.org/english/tratop_e/serv_e/cbt_course_e/c1s3p1_e.htm

and personnel were to better understand the regulations and procedures in destination countries, they could increase their exports of such services via mode 3 and mode 4.

Table 5 Value of exports by mode, 2017 (US\$ million)

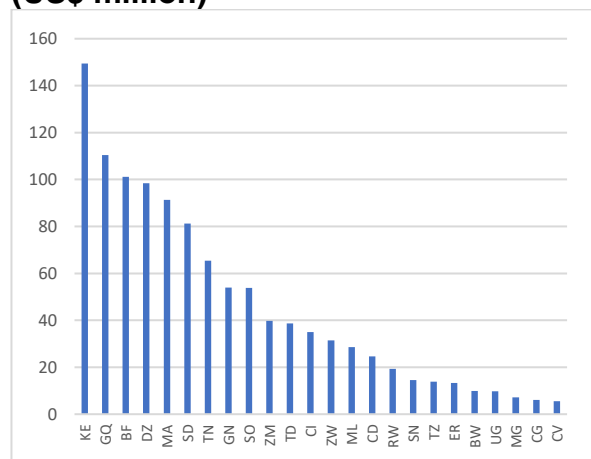
Type of services export	Mode 1	Mode 2	Mode 3	Mode 4
Financial services	290			
Other business services (total)	30	4.3	16	14
Architectural services	1.1			0.4
Engineering services	15			4.9
Scientific and other technical services	1			0.3

Source: WTO TiSMoS database.

Moreover, given that financial services and other business services have been transacted mainly through mode 1 (online cross-border trade), it could benefit Nigeria and its destination countries to harmonise their digital laws around, among other things, cybersecurity and data security. For example, Figures 4A and 4B recognise the largest importers of such services on the continent, some of which do not currently trade with Nigeria. There is, therefore, scope to expand:

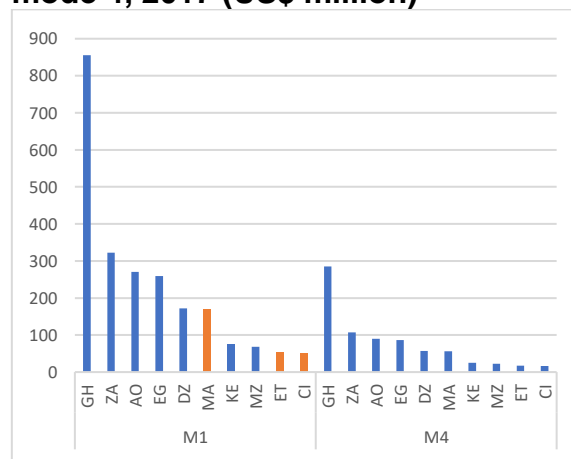
- Cross-border Financial Services exports to Kenya, Equatorial Guinea, Burkina Faso, Morocco, Sudan and Tanzania
- Cross-border Engineering services to Morocco, Ethiopia, and Cote d'Ivoire
- Engineering services through Nigerian personnel abroad to Morocco, Ethiopia, and Cote d'Ivoire

Figure 4A Potential importers of financial services via mode 1, 2017 (US\$ million)



Source: WTO TiSMoS database.

Figure 4B Potential importers of engineering services in mode 1 and mode 4, 2017 (US\$ million)



4 Current and potential market access

The available evidence confirms that, while Nigerian services providers are exporting financial services and business and professional services abroad, the destination markets for these exports are narrow. The underlying reasons for this are likely many, including historical and cultural ties; limited market access may also be playing a key role.

This section explores the state of market access for Nigerian services providers in financial services and in select business and professional services based on the analysis of existing and proposed commitments by key trading partners. Where this is available, it also cross-references domestic regulatory information in select trading partners so as to provide a sense of the actual (or 'applied') domestic regulatory regime confronting Nigerian exporters.³

By reviewing the available information on proposed AfCFTA trade in services commitments (i.e. offers) and existing General Agreement on Trade in Services (GATS) trade in services commitments, alongside insights on the actual domestic regulatory regime, this section aims to support Nigeria's efforts to prepare bilateral market access requests to other major AfCFTA trading partners. As touched on in the following section, additional insights from relevant private sector stakeholders can help further refine possible requests.

Of note, this information may also prove useful in guiding Nigerian exporters to better understand the domestic regulatory regimes they would need to navigate in accessing new export markets.

4.1 Côte d'Ivoire

Despite Côte d'Ivoire being a significant importer of engineering services, via both mode 1 and mode 4, these imports rank relatively low in Nigerian engineering services exports. Securing commitments in integrated engineering services and deepening commitments in engineering services, especially via mode 1, could assist Nigerian services firms to boost these exports. Securing commitments in other business services, notably market research, management consulting, and related scientific and technical consulting services, could also provide new market opportunities for Nigerian services exporters.

³ The information on domestic regulatory regimes has been sourced via publicly available information, the WTO/World Bank *Services Trade Policy Database*, as well as the regulatory audits prepared by the World Bank, WTO, and GIZ, in cooperation the AfCFTA Secretariat.

Table 6 Côte d'Ivoire (draft revised offer 13 March 2022)

Sub-sector	Mode	Possible request
Horizontal	3	<p>Côte d'Ivoire's mode 3 commitments include limitations on the acquisition of land, and limit the establishment of branches of foreign companies to 2 years. As Côte d'Ivoire did not take any mode 3 commitments under GATS, in sectors⁴ where GATS commitments have been made the AfCFTA mode 3 commitments could be considered GATS-minus.</p> <p>Nigeria could request that Côte d'Ivoire ensure no mode 3 commitments are GATS-minus, though they would have to navigate the fact that <i>Loi No. 98-750 of 1998</i> effectively seems to prohibit this.</p> <p>In that the domestic legal requirement is unclear, Nigeria could also request the removal of the 2-year limitation on the establishment of branches.</p>
Horizontal	4	<p>Côte d'Ivoire's mode 4 commitments are notable for their inclusion of new categories of services providers (intra-corporate transferees, contractual services suppliers and independent professionals). However, as Côte d'Ivoire did not take any mode 4 commitments under GATS, in sectors⁵ where GATS commitments have been made the AfCFTA mode 4 commitments could be considered GATS-minus.</p> <p>Nigeria could request that Côte d'Ivoire ensure that no mode 4 commitments are GATS-minus.</p>
1.A Professional services	1, 2, 3, 4	<p>Côte d'Ivoire has not taken commitments in integrated engineering services.</p> <p>Its mode 1 commitments in architectural and engineering services are <i>unbound</i> (i.e. no meaningful commitment). A request for a mode 1 commitment in architectural services would need to navigate the reciprocity requirement for non-WAEMU nationals found in <i>Loi No. 2018-868 of 2018</i>. No domestic regulations appear to restrict the import of mode 1 engineering services, though Article 120 of <i>l'Acte uniforme relatif au droit des sociétés commerciales et du groupement d'intérêt économique (OHADA)</i> does include conditions on the form of entry for foreign-owned branches.</p> <p>Nigeria could request that Côte d'Ivoire take commitments in all four modes of supply in integrated engineering services, and deepen its commitments in engineering services.</p>
1.B Other business services	1, 2, 3, 4	<p>Côte d'Ivoire has not taken commitments in advertising, market research, management consulting, services incidental to energy distribution, and related scientific and technical consulting services.</p>

⁴ The sectors covered under GATS are engineering services, technical testing and analysis services, maintenance and repair of equipment (not including maritime vessels, aircraft), telecommunication services, construction and related engineering services, insurance, banking, tourism, inland waterways, road (passenger and freight transportation, maintenance and repair) and training centres.

⁵ See above.

Sub-sector	Mode	Possible request
		<p>Its mode 1 commitments in technical testing and analysis services are <i>unbound</i> (i.e. no meaningful commitment), though there does not appear to be any relevant domestic regulation restricting such imports.</p> <p>Nigeria could request that Côte d'Ivoire take commitments in all four modes of market research, management consulting, and related scientific and technical consulting services. It could also request that Côte d'Ivoire deepen its commitments in technical testing and analysis services. It could also request commitments in services incidental to energy distribution, including, if necessary, with limitations for the relevant Economic Needs Test (ENT) governing modes 1 and 3 found in <i>Loi No. 2014-132 of 2014</i>.</p>
7.A Insurance and insurance-related services	3	<p>Côte d'Ivoire maintains an unspecified ENT for mode 3 in life, accident and health insurance services, as well as non-life insurance services.</p> <p>Nigeria could request that Côte d'Ivoire provide additional details on the parameters of the ENT, notably in relation to Article 20-1 of the <i>CIMA Treaty</i>.</p>
7.B Banking and other financial services	1	<p>Côte d'Ivoire's mode 1 market access commitment for the acceptance of deposits and other repayable funds is more restrictive (<i>unbound</i>) than the commitment under GATS (<i>none</i>), making the commitment GATS-minus.</p> <p>In theory, Nigeria could request that Côte d'Ivoire modify its commitment to align with GATS; however, this issue relates to an inconsistency between its GATS commitment and Article 2 of the <i>WAEMU regulations on external financial relations</i>.</p>

4.2 Egypt

As one of the top destination markets for existing Nigerian exports of both financial services and business and professional services, Egypt is an important market for Nigerian services firms. To the extent possible, securing binding commitments from Egypt in the sectors touched on below would help provide greater certainty and predictability for Nigerian services firms, and potentially support further investments and scaling-up of activities. Securing commitments in market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services could provide Nigerian services exporters with new market opportunities.

Table 7 Egypt (draft revised offer [date unknown])

Sub-sector	Mode	Possible request
Horizontal	4	Intra-company transferees (specialists) categories are subject to an ENT. Nigeria could request that additional details be provided on the parameters of the ENT, including with regard to Article 174 of <i>Companies Law No. 159</i> and Article 5 of <i>Ministry of Manpower and Immigration Decree No. 305</i> .

Sub-sector	Mode	Possible request
1.A Professional services and 1.B Other business services	1, 2, 3, 4	<p>Egypt has not made any commitments in professional services or other business services.</p> <p>Nigeria could request that Egypt make commitments across these sectors in all four modes of supply, including in accounting, auditing, architectural, engineering and integrated engineering services, as well as market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services. Commitments in services incidental to other activities, notably mining and energy distribution, could also be requested.</p> <p>A number of laws restrict foreign access to the architectural and engineering sectors, notably <i>Resolution No. 1684 of 1972</i> regarding the establishment of a registry of consulting engineers and a licence to establish consulting engineering offices, as well as <i>Law No. 66 of 1974 Concerning the Engineers Syndicate</i> (and updates of 1980, 1983 and 1993).</p> <p>No domestic regulations appear to restrict imports of market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services.</p>
7.A.2 Non-life insurance services	1	<p>Mode 1 for this sector is currently <i>unbound</i>.</p> <p>To the extent feasible under <i>Insurance Law No. 10 of 1981</i> (which appears to impose restrictions on scope of cross-border service and a need to demonstrate domestic unavailability), Nigeria could request that Egypt make mode 1 commitments in this sector.</p>
7.B.2 Foreign bank branches	3	<p>This sector is subject to an ENT, seemingly governed by <i>Central Bank Law No. 194/2020</i>.</p> <p>Nigeria could request that Egypt provide additional details on the parameters of the ENT.</p>

4.3 Ghana

Ghana is one of Nigeria's most important trading partners, including for financial services and business and professional services. Enhancing the predictability and security of existing market access for Nigerian services firms already exporting to Ghana could help increase their willingness to expand. Securing commitments in other business services, notably market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services, could also support increased exports from Nigeria.

Table 8 Ghana (draft revised offer 13 March 2022)

Sub-sector	Mode	Possible Request
Horizontal	3	<p>Ghana's mode 3 market access commitments are not GATS-plus.</p> <p>Nigeria could request that Ghana reduce the thresholds of minimum capital investment for wholly foreign-owned companies and/or for joint ventures; however, these thresholds in the <i>GIPC Act of 2013 (865)</i> are already higher than those found under GATS.</p>
1.A Professional	1, 2, 3, 4	<p>Ghana has not made any commitments in professional services or other business services.</p>

Sub-sector	Mode	Possible Request
services and 1.B Other business services		<p>Nigeria could request that Ghana make commitments across these sectors in all four modes of supply, including in accounting, auditing, architectural, engineering and integrated engineering services, as well as market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services. Commitments in services incidental to other activities, notably mining and energy distribution, could also be requested.</p> <p>Alongside the <i>GIPC Act of 2013</i>, the <i>Architects Act of 1969 (357)</i> restricts foreign access to the architectural sector. This includes limits on the scope of service that can be provided, as well residency requirements for a licence to practice. The <i>Engineering Council Act of 2011 (819)</i> provides for similar restrictions in the engineering sector.</p> <p>No domestic regulations appear to restrict imports of market research, management consulting, technical testing and analysis services, and related scientific and technical consulting services.</p>
7.A. Insurance and insurance- related services	3	<p>Ghana's commitments for mode 3 in reinsurance are GATS-minus, adding a new 20% government ownership requirement and removing the allowance for foreign partners to hold management control of local insurance firms.</p> <p>Nigeria could request that Ghana amend this commitment to at a minimum align with its GATS commitment, and ideally go beyond those commitments. Of note, the <i>Insurance Act of 2006 (724)</i> does not appear to include this 20% government ownership requirement; however, this may have changed in the newly passed <i>Insurance Act of 2021 (1061)</i>.</p>
7.B. Banking and other financial services	3	<p>Ghana's commitments in this sector align with its GATS commitments, which are already fairly open/liberal.</p> <p>Nigeria may seek clarity on the mode 3 prudential licensing requirements specified in the offer, including how these align with <i>The Banks and Specialised Deposit-taking Institutions Act of 2016 (930)</i>.</p>

4.4 Kenya

Despite being a top importer of financial services via mode 1 on the continent, imports from Nigeria are nominal. While unclear whether regulatory issues, including as related to market access or national treatment, underpin the lack of Nigerian financial services exports to Kenya, the enhanced access that should materialize via the AfCFTA is likely to support increased exports for Nigerian exporters. Enhancing access for mode 1 non-life insurance services may also prove helpful. Enhancing access to professional services, notably architectural services via modes 1 and 3, should help support the ability of Nigerian services firms to more easily access Kenya's market, as would securing commitments in other business services, especially advertising, market research, management consulting, or related scientific and technical consulting services.

Table 9 Kenya (draft offer 22 June 2022)

Sub-sector	Mode	Possible Request
Horizontal	3	<p>In sectors newly covered under the AfCFTA (i.e. not those sectors covered under GATS), Kenya has introduced a local content requirement to non-Kenyan services and services suppliers. Neither this new requirement nor the existing GATS mode 3 limitation that 'foreign service providers [in all sectors] incorporate or establish the business locally' would appear to exist in the domestic regulatory regime (e.g. <i>Companies Act No. 17 of 2015</i>).</p> <p>Nigeria could request that Kenya remove the local content requirement, or at a minimum provide additional details on its parameters. Nigeria could also request that Kenya remove the GATS horizontal limitation in the AfCFTA, and, if need be, embed that only in the relevant sector-specific commitments.</p>
Horizontal	4	<p>In addition to the provisions included under the AfCFTA, Kenya's <i>Citizenship and Immigration Act of 2011</i> appears to provide for a Special Pass (i.e. not a full-fledged work permit), which may be obtained for a period not exceeding 6 months.</p> <p>Nigeria could request that Kenya include this pass in its mode 4 commitments.</p>
1.A Professional services	1, 3	<p>Kenya's mode 1 commitments in the following sectors are <i>unbound</i> (i.e. no meaningful commitment): architectural services, engineering services, integrated engineering services, and medical and dental services.</p> <p>In architectural services, Nigeria could request that Kenya deepen its mode 1 commitment, and remove the mode 3 requirement for a joint venture having a maximum 49% foreign shareholding. The latter requirement does not appear to feature in the relevant domestic regulatory regime (e.g. the <i>Architects and Quantity Surveyors Act, Chapter 525</i>, the <i>Board of Registration of Architects and Quantity Surveyors Practice Notes</i> or <i>Companies Act No. 17 of 2015</i>).</p>
1.B Other business services	1, 2, 3, 4	<p>Kenya has not taken commitments in advertising, market research, management consulting, or related scientific and technical consulting services.</p> <p>No domestic regulations appear to restrict imports in advertising, market research, management consulting, or related scientific and technical consulting services, hence Nigeria could request that Kenya take commitments, notably in modes 1, 3 and 4.</p>
7.A.2 Non-life insurance services	1, 3	<p>The mode 1 market access commitment for this sector is <i>unbound, except for aviation, marine and engineering</i>. National treatment is fully <i>unbound</i>. The mode 3 commitment in this sector appears to be GATS-minus.</p> <p>To the extent allowed under the <i>Insurance Act</i>, Nigeria could request that Kenya expand the sectoral scope of the mode 1 market access commitment in this sector, and deepen the mode 1 national treatment commitment.</p> <p>It could also request that Kenya improve the mode 3 commitment to be at least the same as its GATS commitment; however, this</p>

Sub-sector	Mode	Possible Request
		would require navigating the provision of Section 22 of the <i>Insurance Act</i> governing foreign ownership.
7.B Banking and other financial services	1, 2, 3, 4	Kenya's AfCFTA offer in this sector is generally GATS-plus, especially with respect to its mode 3 commitments.

4.5 Mauritius

Mauritius has long been a top destination for Nigerian financial services exports. The improved mode 4 access that should materialise under the AfCFTA is likely to help support this trend. Securing mode 1 and 3 commitments in architectural services and greater precision on the 'collaboration' requirements for mode 3 supply of engineering and integrated engineering services may also prove valuable to Nigerian services firms looking to increase these exports to Mauritius. New commitments in modes 1 and 3 for advertising and market research services may also avail new market opportunities for Nigerian services firms.

Table 10 Mauritius (revised offer 25 May 2022)

Sub-sector	Mode	Possible request
Horizontal	3, 4	Mauritius' mode 3 and 4 commitments are GATS-plus, providing meaningful mode 4 access across four different categories of services suppliers.
1.A Professional services	1, 2, 3, 4	Mauritius has not taken commitments in architectural services, and requires 'collaboration with a local counterpart' for mode 3 engineering and integrated engineering services. Nigeria could request that Mauritius take commitments in all four modes of supply in architectural services (per the <i>Professional Architects' Council Act of 2011</i>), and add greater specificity to the nature of the collaboration required in engineering and integrated engineering services. Notably, this requirement does not seem to feature in the domestic regulatory regime (e.g. the <i>Companies Act 2001</i> or the <i>Construction Industry Development Board Act 2008</i>).
1.B Other business services	1, 2, 3, 4	Mauritius has not taken commitments in advertising and market research services, nor in services incidental to energy distribution. Nigeria could request that Mauritius take commitments in all four modes of supply in advertising services (per the <i>Advertisements Regulation Act of 1930</i>) and market research services.
7.A Insurance and insurance-related services	1, 2, 3, 4	Mauritius' commitments on insurance services include various GATS-plus elements, notably for modes 1 and 4. The footnote in its offer suggests some misalignment between the applied regulatory regime and its WTO commitments, for which it is seeking amendments at the WTO. As such, 'the current commitments under the AFCFTA would be replaced by the new ones.'
7.B Banking and other financial services	1, 2, 3, 4	Mauritius' commitments on banking and other financial services are relatively open, and on a par with the wide-ranging commitments under GATS. Mode 4 commitments, as per the horizontal commitments, have improved.

Sub-sector	Mode	Possible request
		To the extent permitted under the <i>Banking Act of 2004</i> , Nigeria could request that Mauritius take commitments in financial leasing and trading in derivative products.

4.6 Morocco

Morocco represents a prospective export market of significant interest to Nigerian services firms. While Nigeria does already export financial services via mode 1 to Morocco, the scale of those exports as compared to Morocco's overall imports of such services suggest that there is scope to expand for Nigerian financial services firms. Similarly, when it comes to engineering services, there appears to be scope for Nigerian firms to boost exports via modes 1, 3, and 4. Expanding the types of categories of mode 4 services providers that have guaranteed access to the Moroccan market could prove highly beneficial, as could expanding access via modes 1 and 3 for engineering services, and expanding the sectoral coverage for integrated engineering services. Additional opportunities for Nigerian professional services exporters could also be availed via deeper mode 1 commitments in management consulting, and commitments in services incidental to mining, services incidental to energy distribution, advertising, market research, and technical testing and analysis services.

Table 11 Morocco (initial offer September 2021)

Sub-sector	Mode	Possible request
Horizontal	4	<p>Morocco's mode 4 commitments are the same as its GATS mode 4 commitments and apply only to intra-corporate transferees and business visitors. No details are provided regarding the duration of stay for intra-corporate transferees.</p> <p>Nigeria could request that Morocco make GATS-plus mode 4 commitments by expanding the coverage of categories of services providers to include contractual services suppliers and independent professionals, and by specifying a duration of stay of up to 3 months. This appears to be feasible based on the applicable domestic regime (<i>Dahir No. 1-03-196 of 16 ramadan 1424 (11 November 2003) promulgating Law No. 02-03 relating to the entry and stay of foreigners in the Kingdom of Morocco, emigration and immigration irregular</i>).</p>
1.A Professional services	1 & 3	<p>Morocco's mode 1 commitments in engineering services and integrated engineering services are <i>unbound</i> (i.e. no meaningful commitment) and its mode 3 commitments require some form of association with a Moroccan company (e.g. joint venture, subcontracting). Its commitments in integrated engineering services are also limited to turnkey transport infrastructure construction projects (CPC 86731) and turnkey industrial plan construction projects (CPC 86733).</p> <p>Nigeria could request that Morocco expand the sectoral coverage for integrated engineering services and also deepen its modes 1 and 3 commitments in engineering and integrated engineering (which would appear feasible under the applicable domestic regime, including <i>Dahir No. 1-96-83 of 15 rabii 1417 (1 August 1996) promulgating Law No. 15-95 forming the commercial code and Dahir No. 1-94-126 of 14</i></p>

Sub-sector	Mode	Possible request
		<i>ramadan 1414 (25 February 1994) promulgating Law No. 30-93 relating to the exercise of the profession of surveyor-topographer engineer and instituting the National Order of Surveyor Engineers-Topographers, as well as Decree No. 2-94-266 of 18 chaabane 1415 (20 January 1995) and Article 1 of Decree No. 2-15-981 of 6 jourmada I 1437 (15 February 2016)).</i>
1.B Other business services	1, 2, 3, 4	<p>Morocco has not taken commitments in advertising, market research, or technical testing and analysis services, nor in services incidental to mining or services incidental to energy distribution. Its commitment in management consulting applies only to mode 3 (mode 1 is <i>unbound</i>). Its commitment for related scientific and technical consulting services applies only to a subset of mining services.</p> <p>Outside the applicable horizontal regulations, no domestic regulations appear to impact imports in the above sectors, hence Nigeria could request that Morocco deepen its mode 1 commitments in management consulting, and take commitments in all four modes of supply in services incidental to mining, services incidental to energy distribution, advertising, market research, and technical testing and analysis services. For the latter, commitments would need to account for the relevant limitations related to bidding on public tenders (per <i>Decree No. 2-01-437 of 1 rejeb 1422 (19 September 2001)</i> instituting, for the award of contracts on behalf of the state, a system of qualification and classification of building and public works laboratories, and related amendments). Nigeria could also request that Morocco expand the sectoral coverage of its commitments in related scientific and technical consulting services.</p>
7.A.1 Direct, life and non-life insurance services	1, 3	<p>Morocco's chapeau on its financial services commitments includes a number of conditions that should likely feature within the specific commitments directly. These include the limitation that mode 3 commitments are granted on a reciprocal basis, which raises issues regarding most-favoured nation compliance.</p> <p>The conditions governing modes 1 and 2 market access for Morocco in this sector are unclear (they make unspecified references to 'restrictions imposed by ... insurance regulations').</p> <p>To the extent allowed by the relevant domestic regulations (including Article 162 of <i>Dahir No. 1-02-238 of 25 rejeb 1423 (3 October 2002) promulgating Law No. 17-99 on the insurance code</i>), Nigeria could request that Morocco remove the mode 3 reciprocity condition, and that it clarify and make commitments regarding the specific restrictions that apply to relevant insurance services providers.</p>
7.B Banking and other financial services	1, 2, 3, 4	<p>As noted above, Morocco's chapeau on its financial services commitments includes a number of conditions that should likely feature within the specific commitments directly. These include the limitation that mode 3 commitments are granted on a reciprocal basis, which raises issues regarding most-favoured nation compliance.</p> <p>To the extent allowed by the relevant domestic regulations (including <i>Dahir No. 1-14-193 of 1 rabii 1436 (24 December 2014) promulgating Law No. 103-12 relating to credit institutions and similar organisations</i>) Nigeria could request that Morocco remove the mode 3 reciprocity condition.</p>

4.7 South Africa

Like Ghana, South Africa is one of Nigeria's most important trading partners, including for financial services and business and professional services. Seeking enhanced access for a broader range of mode 4 services supplier categories, including for categories of engineers, could prove meaningful to Nigerian services exporters. As could seeking deeper mode 1 commitments in architectural services, and commitments in advertising services as well as services incidental to energy distribution. While Nigeria's financial services market access to South Africa looks to be increasing under the AfCFTA, input from the Nigerian private sector may help identify specific sub-sectors or modes where additional improvements could prove useful.

Table 12 South Africa (initial offer mid/late 2021)

Sub-sector	Mode	Possible request
Horizontal	4	<p>South Africa's mode 4 commitments are the same as its GATS mode 4 commitments, which do not provide access for certain categories of services providers.</p> <p>As provided for under the <i>Immigration Regulations (Immigration Act No. 13 of 2002)</i>, Nigeria could request that South Africa expand its mode 4 commitments to include contractual services suppliers and independent professionals. Any such commitments should include details regarding the respective ENT requirements and relevant exceptions for the different categories of engineers.</p>
1.A Professional services	1, 2, 3, 4	<p>South Africa's commitments for professional services, including engineering and integrated engineering services, are quite open/liberal. As also found in GATS, the threshold conditions governing market access for architectural services in modes 1 are quite low (building plans of 500 m² and over must use the services of a locally registered architect).</p> <p>In that this requirement does not appear to feature in the <i>Architecture Profession Act</i>, Nigeria could request that South Africa remove this limitation, or at a minimum increase the threshold.</p>
1.B Other business services	1, 2, 3, 4	<p>South Africa's commitments for other business services are quite open/liberal, though it has not taken commitments in advertising services, nor in services incidental to energy distribution.</p> <p>Nigeria could request that South Africa take commitments in all four modes of supply in advertising services, as well as services incidental to energy distribution.</p>
7.A Insurance and insurance-related services	1, 2, 3, 4	<p>South Africa's commitments on insurance services appear to be governed by largely prudential regulations (per <i>Insurance Act 18 of 2017</i>), with some minor substantive and technical improvements relative to its similar GATS commitments.</p>
7.B Banking and other financial services	1, 2, 3, 4	<p>South Africa's commitments on banking and other financial services have been improved under the AfCFTA as compared with GATS. This includes for market access under mode 1 for asset management, collective investment schemes and advisory services, and for mode 2 for asset management, collective investment schemes, advisory services, and provision and transfer of financial</p>

Sub-sector	Mode	Possible request
		information and financial data processing. Commitments governing mode 3 have also been deepened, with a number of GATS limitations being removed.
		Nigeria could request that South Africa expand the improved banking and other financial services commitments to other sub-sectors of strategic interest.

5 Implications on gender, climate, and poverty

The AfCFTA and trade in services under it across African countries is likely to have gender implications, climate-related ramifications, and an impact on inequality and poverty in Nigeria. Therefore, it will be vital for the Government of Nigeria to take steps to make trade under the AfCFTA inclusive and sustainable for it to benefit the economy and the society.

5.1 Gender

The participation of women in Sub-Saharan Africa is low, at about 39.7% in 2019 and concentrated in the least tradable services- education, health and social services, along with wholesale and retail sectors. Higher-paying sectors of financial and insurance services, and business services are severely underrepresented by women (van der Nest, 2021) in the region. However, trade in services under the AfCFTA has the potential to create opportunities for women to fully realise their potential. In particular, there is scope to expand the participation of women in continental trade in professional services via modes 1 (cross-border) and mode 4 (mobility) (van der Nest, 2021).

For Nigeria in particular, the latest National Gender Policy 2021 aims to promote gender equality in the government that may also have spill overs into the economy and trade sectors of Nigeria. One of the biggest barriers to women participation in trade is the lack of education and business literacy (Obinna and Muntaka, 2022), coupled with inaccessibility to financial services and digital technologies, women are left out of some tradable sectors of the economy (World bank and WTO, 2020).

Some policy steps that can reverse this trend can be centred around providing higher education and skills to women to encourage participation in financial and professional service sectors, supplemented by mentorship and sponsorship programs headed by the industry-specific private organisations. For example, the Women in Management, Business, and Public Service (WIMBIZ) organisation in Nigeria can be supported by sectoral organisations to support development of women employees and entrepreneurs. This could be in the form of training in high-demand skills in information and technology, business management, and finance.

There is also scope for addressing gender-based barriers that discourage women from participating in exporting sectors and the workforce. This can be amended through sensitisation workshops that promote the value of women's contribution to

the services and export sectors. Additionally, access to funding opportunities is vital for women to establish and grow service-exporting businesses. The Government of Nigeria and the private sector can provide funding options for women-owned businesses.

5.2 Climate

The financial services sector can use the opportunities under the AfCFTA to attract climate or green financing. For instance, it can develop innovative financial products such as green bonds, loans, and green investment to channel funds to green projects. These financial products can help attract investors from large countries and businesses in Africa under the AfCFTA to invest in sustainable projects in Nigeria.

Moreover, exporting firms in the sector can strengthen their environmental, social, and governance (ESG) standards by integrating high environmental considerations into their lending and banking decisions across borders. Preference can be given to projects that are environmentally favourable in partner countries. Collaborating with development finance institutes can also help to guide the flow of green funds to Nigeria and the rest of the continent, as well as improve the effectiveness of existing green financial products.

On the fiscal and regulatory end, the government and associated ministries can grant tax incentives for exporting firms for undertaking green investments across borders, and ensure the integration of climate risk into financial regulations and insurance calculations. Moreover, exporters of professional services can provide sustainable and green solutions to the problem faced by overseas clients with built-in regular sustainability audits in line with the African Regional Partnership and SDG Reporting (ARP)⁶.

Climate-friendly steps can be taken by exporters of professional services in Nigeria. For instance, Nigerian exporters of architectural services can design energy-efficient buildings, use sustainable materials during construction phase, incorporate green spaces in buildings, and integrate renewable energy systems. In terms of provision of financial and professional services via mode 4 (movement of people), firms can promote virtual meetings and remote work to minimise the carbon footprint associated with travel. This will include the development of ICT skills such as cloud-based collaboration, use of video conferencing, among others.

⁶ More information here: <https://isar.unctad.org/african-regional-partnership-for-sustainability-and-sdg-reporting-arp/>

5.3 Poverty

The banking and insurance sectors can help attract foreign investment into the sector through increased exports. Fresh investment can improve exports, jobs, productivity, and overall help to strengthen the overall financial services infrastructure in Nigeria. A strong domestic financial services sector will include well-rounded and developed banking system, insurance services, and other non-banking services. To this end, it can directly help the Nigerian society by addressing economic inequalities that exacerbate the incidence of poverty through increased credit facilities, financial planning, and risk mitigation for the most vulnerable Nigerians. This can be integrated with the National Social Protection Policy adopted in 2017 to empower and protect the poor from economic shocks. A strong domestic sector will also be able to handle larger remittances in a consistent and predictable manner, thus improving inward flow that could help poor families.

The development of the services sector through increased export activity, whether financial or other business services can help in job creation, especially for skilled labour that is a requirement of such sectors. Supplementary efforts to increase the skill intensity of the working age population and youth of the country can promote economic development. Increased exports could also lead to knowledge transfer to local firms and businesses, for example in marketing and advertising services that can improve domestic competitiveness, especially of SMEs that need training workshops and skill development to export to the large African market under the AfCFTA.

6 Concluding remarks

This report provides an essential baseline of information to support Nigeria's efforts to leverage the AfCFTA to enhance market access for its financial services and business and professional services suppliers throughout the continent. In a nutshell, it finds that enhanced market access can help some services suppliers expand exports in the following markets (Table 13).

Table 13 Enhanced market access for Nigerian exporters

Country	Service type	Mode of delivery
Angola	Other business services	
Côte d'Ivoire	<ul style="list-style-type: none"> • Engineering services • Integrated engineering services 	<ul style="list-style-type: none"> • Cross-border/digital • Cross border/digital, commercial presence
Egypt	Other business services	Cross border/digital, commercial presence, local presence of Nigerian professionals
Equatorial Guinea	Financial services	Cross-border/digital
Ethiopia	Engineering services	Cross border/digital, local presence of Nigerian professionals
Ghana	<ul style="list-style-type: none"> • Professional services • Other business services 	<ul style="list-style-type: none"> • Commercial presence • Cross border/digital, commercial presence, local presence of Nigerian professionals
Kenya	<ul style="list-style-type: none"> • Financial services • Other business services 	<ul style="list-style-type: none"> • Cross-border/digital • Cross border/digital, commercial presence, local presence of Nigerian professionals
Mauritius	<ul style="list-style-type: none"> • Financial services • Engineering services 	<ul style="list-style-type: none"> • Local presence of Nigerian professionals and contractual services suppliers • Commercial presence
Morocco	<ul style="list-style-type: none"> • Financial services • Engineering services • Management consulting 	<ul style="list-style-type: none"> • Cross border/digital, commercial presence • Cross border/digital, commercial presence, local presence of Nigerian professionals • Cross border/digital
South Africa	<ul style="list-style-type: none"> • Financial services • Other business services 	<ul style="list-style-type: none"> • Local presence of Nigerian professionals and contractual services suppliers • Cross border/digital, commercial presence, local presence of Nigerian professionals
Tanzania	Other business services	

However, additional support will be required to help others take advantage of the new and expanded opportunities. Going forward, Nigeria may wish to consider a number of avenues to take in helping support its services providers in leveraging the AfCFTA to expand services exports in Africa. These may include:

- supplementing and further refining the recommendations outlined in this report, undertaking sector-specific consultations to engage stakeholders and

finalising bilateral AfCFTA trade in services requests to strategic trading partners

- consulting with existing and prospective services exporters to better understand the other constraints that may be limiting their ability to take advantage of new and expanded market access opportunities across Africa
- initiating collaboration with sector-specific regulatory, professional or private sector bodies in partner countries to promote the harmonisation of rules and requirements; this could include harmonisation of professional certification requirements, mutual recognition of qualifications, increased ease of doing business and standardisation of regulatory requirements to set up businesses, with the potential to increase bilateral trade in services and expand exporting opportunities for Nigerian services providers
- considering the gender, climate and poverty related aspects of businesses and service providers to make growth of exports more inclusive and sustainable.
- in line with the four modes of supply of services, making efforts to address mode-specific constraints; for example, digital access (bandwidth, internet stability) and laws (data protection, cybersecurity) can be strengthened to enhance cross-border exports (mode 1). These could target women workers and female-run businesses, as well as SMEs to benefit from digital technologies and increase exports
- considering undertaking a more in-depth exercise to develop a *Nigerian National Trade in Services Export Strategy*, which would bring together considerations related to enhancing market access (to create new export opportunities) *and* considerations related to supporting more Nigerian firms to develop and improve their productive and export capacities (to be able to take advantage of those opportunities). The latter requires, among other things, supporting Nigerian services firms to exploit linkages with existing and new sectors of the economy, and to develop the networks and capabilities needed to both participate in, and upgrade within, regional and global value chains.

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