

AfCTA negotiations: Services in Context

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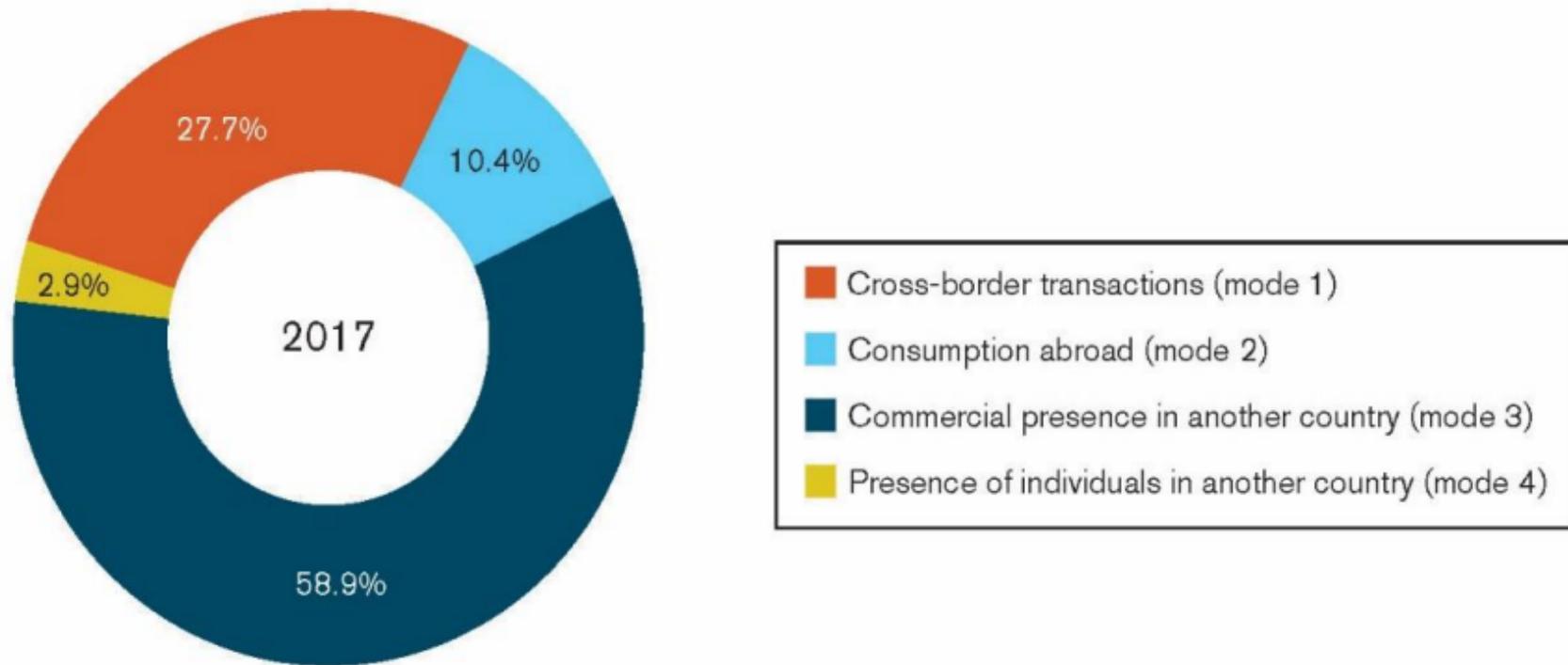
Introduction

This component will look at:

- Trade in services overview, globally and for Africa
- Focus on trade in services, mode 3 (foreign affiliates trade in services, FATS). This component of services trade is by far the greatest and is increasingly important in global trade

Trade in Services – Some Stats (Source WTO)

Commercial presence is the most important mode in trade in services

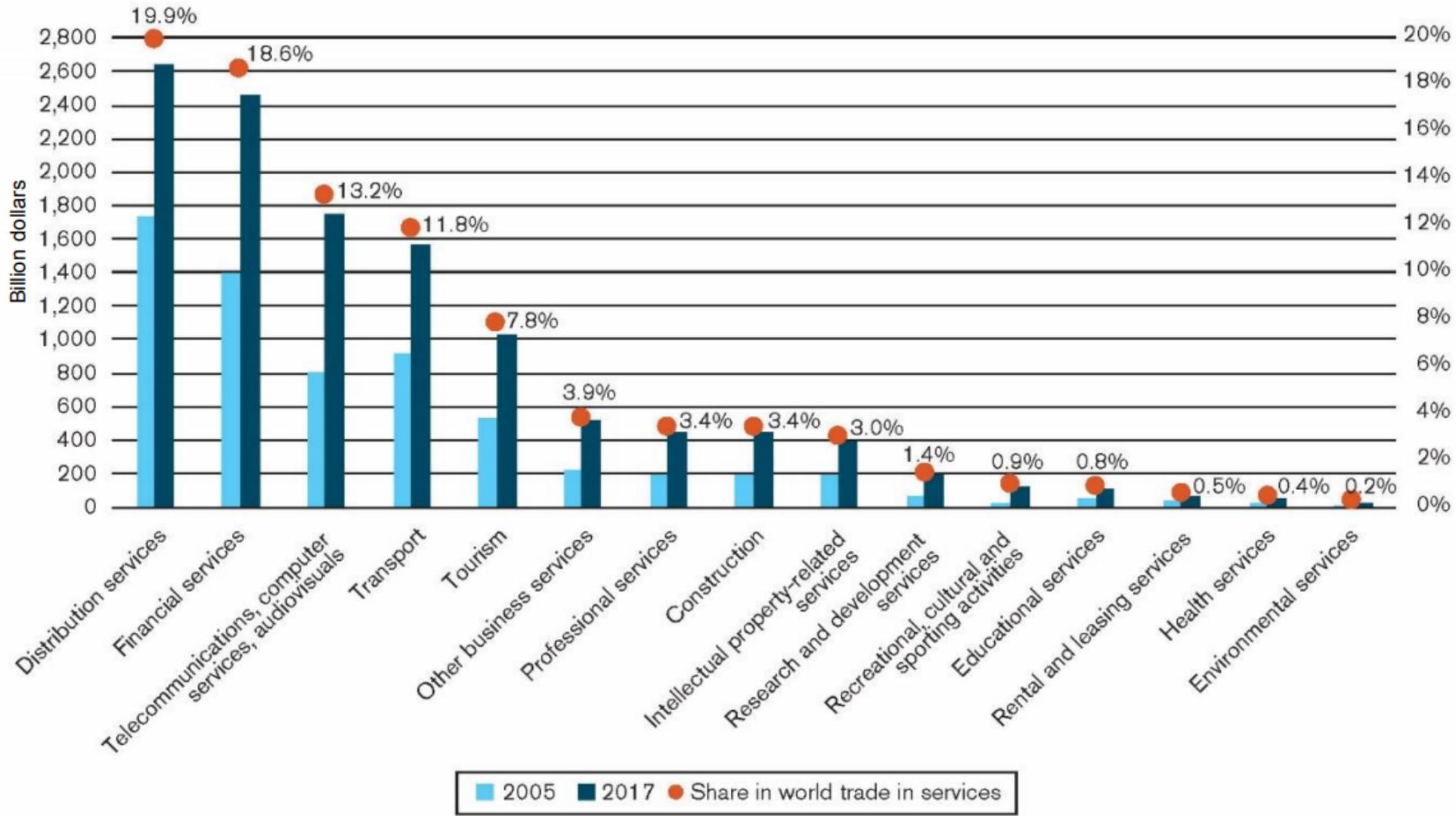


Source: WTO estimates (2019).

Note: World trade is calculated as the average of world exports and world imports.

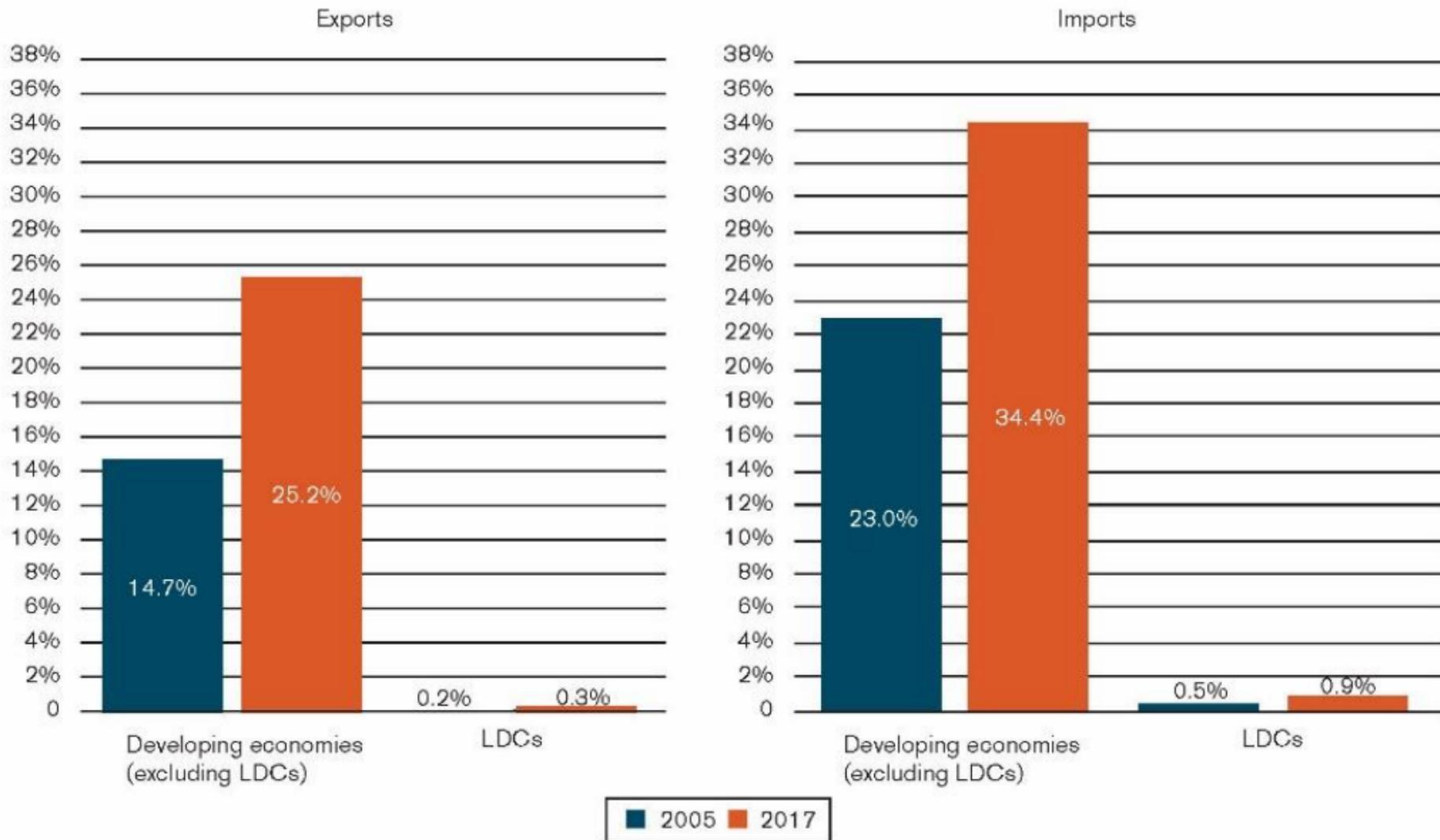
Trade in Services – Some Stats (Source WTO)

World trade in commercial services by sector: 2007-2017



Trade in Services – Some Stats (Source WTO)

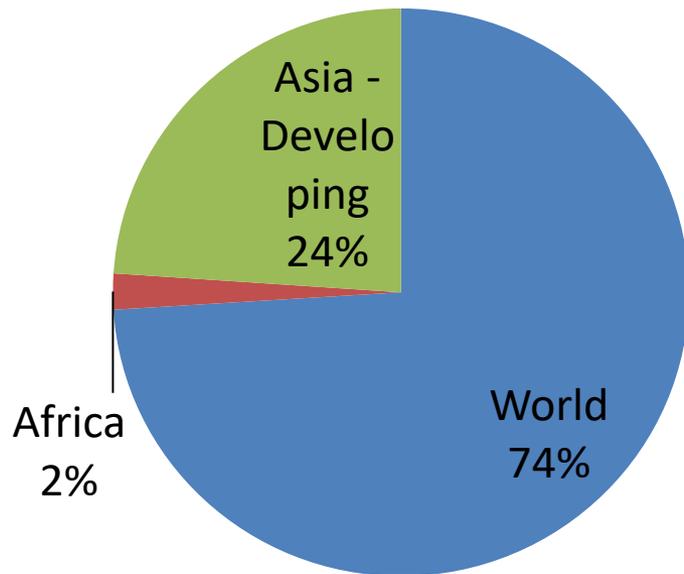
Services trade, shares developing vs LDCs: 2007-2017



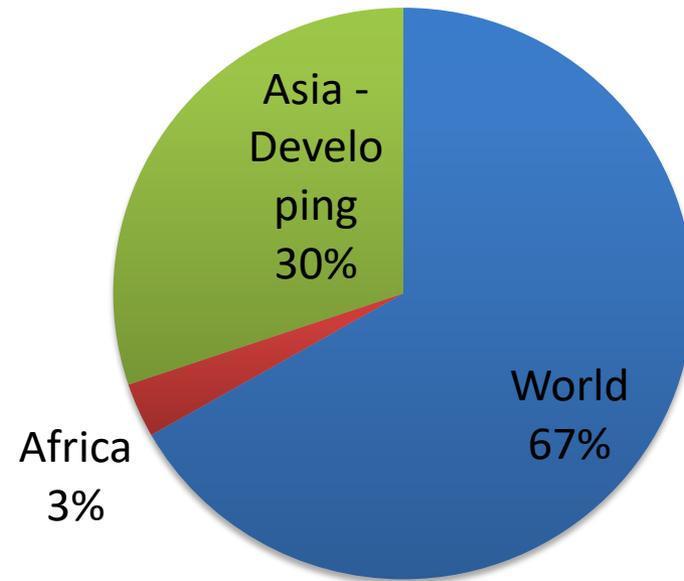
Africa vs Developing Asia in Services Trade (2017)

Source: UNCTAD

Exports



Imports



Africa: Top Services Importers and Exporters

Source: UNCTAD

(2018)

IMPORTS	
Nigeria	11.7%
Egypt	11.5%
South Africa	10.4%
Algeria	7.3%
Morocco	6.3%
Angola	8.9%
Ghana	6.1%
Ethiopia	3.2%
Mozambique	1.9%
Kenya	2.0%
Côte d'Ivoire	2.1%
ACP: Central Africa	16.8%
ACP: Eastern Africa	16.2%
ACP: Southern Africa	11.9%
ACP: Western Africa	26.2%

EXPORTS	
Egypt	12.2%
Morocco	13.7%
South Africa	12.8%
Ghana	5.7%
Kenya	3.7%
Ethiopia	2.8%
Nigeria	3.3%
Tunisia	2.9%
Tanzania	3.2%
Mauritius	2.5%
Algeria	3.1%
ACP: Central Africa	3.5%
ACP: Eastern Africa	19.2%
ACP: Southern Africa	14.3%
ACP: Western Africa	14.0%

Outward Investment and FATS (Mode 3)

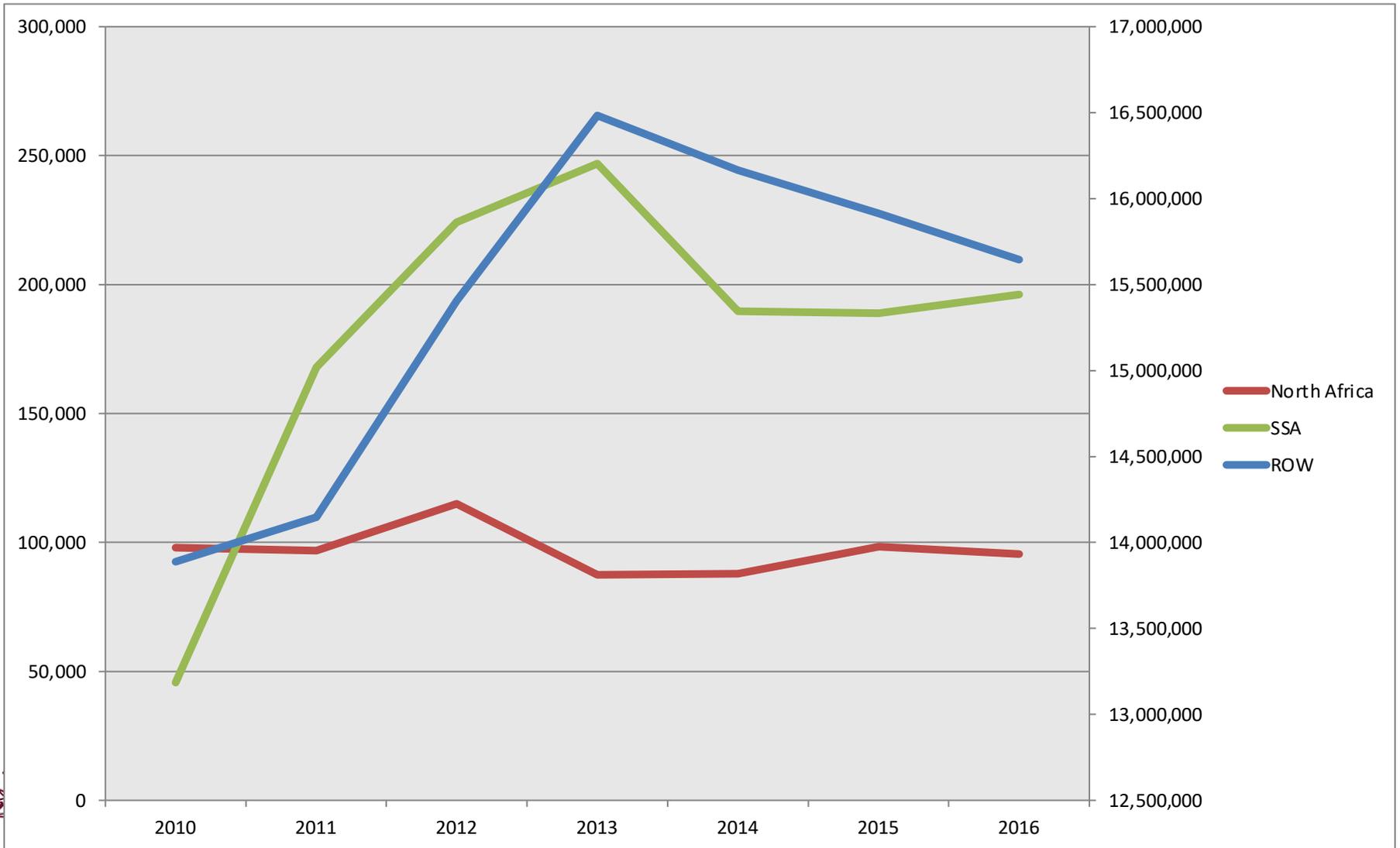
The following three charts plot outward investment to Africa. Observations:

- Total services outward investment (mode 3) shows strong growth in SSA in the 2010's, contrasting with reduction in manufacturing outward investment. The SSA pattern for FATS matches the global pattern
- North Africa growth is more muted, possibly reflecting the impact of the Libyan conflict
- Chart 3 – Outward investment to Africa is greatest **proportionally**, in total business, reflecting the importance of primary-based industry
- However, what is surprising is that for Africa, services (FATS) are greater than manufacturing investment, in absolute and relative terms

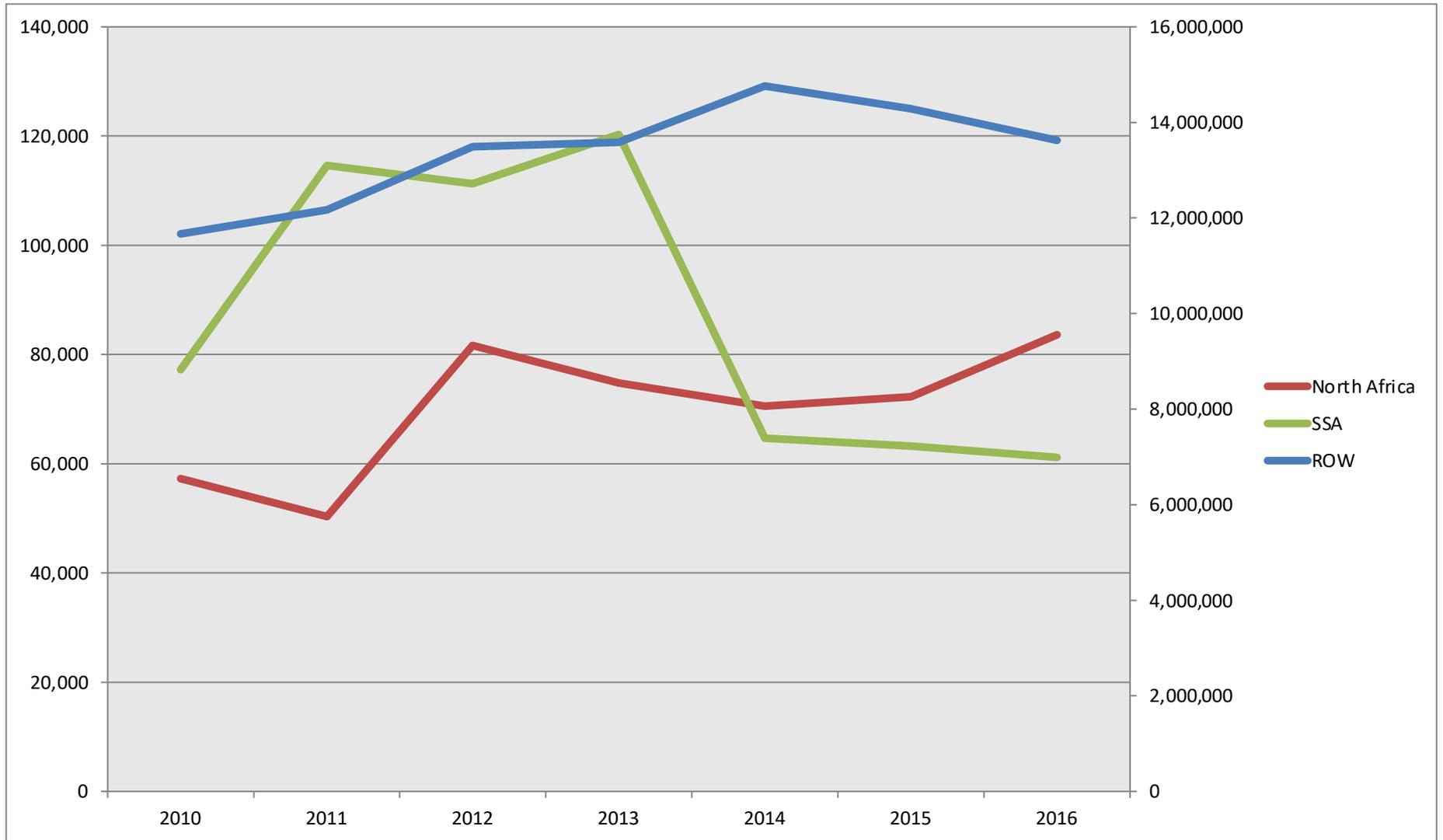
Notes to Outward Investment Data

- Source: OECD Stat
- Variable: total number of employees
- Date range: 2010 – 2016 (2017 is incomplete)
- ‘Outward investment’ is from all declaring countries, towards Africa

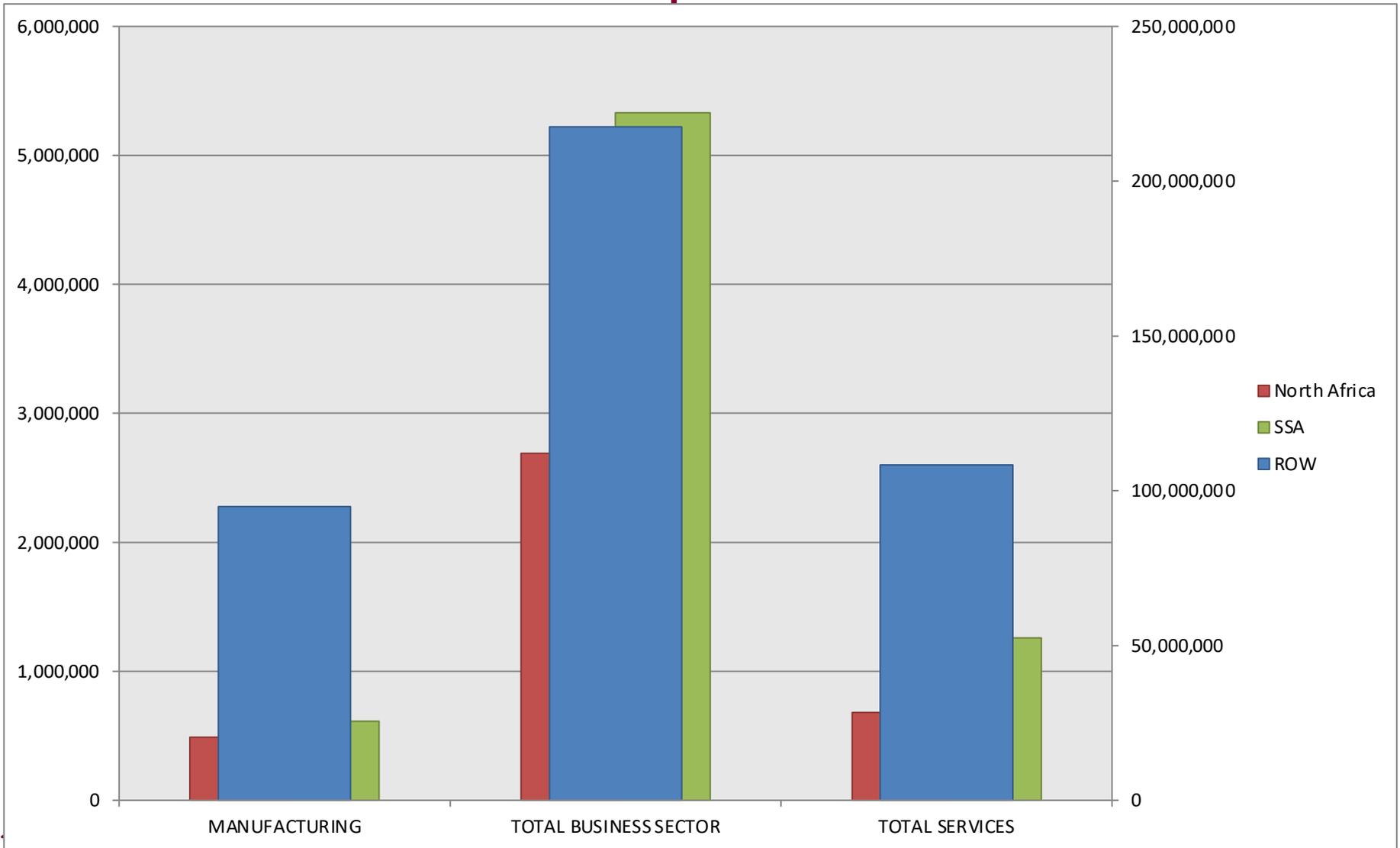
Outward Investment: FATS (mode 3)



Outward Investment: Manufacturing



Outward Investment 2010 - 2016: Comparison



Outward Investment and FATS (Mode 3)

Additional observations comparing total outward investment to SSA and North Africa from 2010 to 2016:

- SSA's total outward investment employment is about 2.5% of the global total. North Africa's is about half of this
- SSA's FATS is about 1% of the global total, North Africa's is again about half of this
- Africa's *total* share of outward investment in **manufacturing** is about 1% of the global total

END – THANK YOU

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