



Jackson, Etti & Edu

A photograph of a port yard under a clear blue sky. In the foreground, a red crane with a long boom is positioned on a paved surface. To the left, there are several stacks of shipping containers in various colors: orange, red, green, and blue. The containers have logos for 'Mag-Lloyd', 'COSCO', and 'HANJIN'. In the background, a large white gantry crane is visible. The overall scene is bright and clear.

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Afrexim, the premier pan-African multilateral financial institution exclusively devoted to financing and promoting intra- and extra-African trade, recently celebrated its 25th anniversary on the back of its thought-provoking and ground-breaking conference themed '*Eximbanking for an Emergent Africa: The next 25 years*'. That the event focused on the transformative power of trade and economic development across the continent was a glowing testament to the visionary leadership of Dr. Benedict Oramah, President and Chairman Board of Directors, Afrexim. The plenary sessions were empanelled with policy shapers and impeccable entrepreneurs re-thinking the underpinnings of intra and extra Africa trade whilst the breakout sessions provided an avenue for Afrexim to scintillate the audience with its ground breaking and catalytic trade reforms.

Unlike other conferences organised by development financial institutions, this conference was distinct because of the infusion of Afrexim's catalyst agenda, its contemporary views and panacea approach towards issues of de-commoditization. The conference emphasized Afrexim's increased value addition and export diversification mantra across Africa as well as its structural transformative programme to alter Africa's trade landscape and shape a better future for the continent.

Starting with the launch of the African Trade Report, conversations at the conference amplified the common theme but spanned diverse trade matters. There were insightful discussions around the dynamic conflicts surrounding the adoption of the African Continental Free Trade Agreement as well as matters relating to trade promotion and integration opportunities within the continent. These

topical issues were interspersed with the execution of landmark bilateral and multilateral trade agreements facilitated by Afrexim with private sector players.

Within the context of 'Eximbanking for an Emergent Africa', quite a number of takeaways emerged all of which have far reaching consequences and are impactful not only as a means of accelerating trade within the continent but also for improving market access and quality of life of Africans. Below, we have aggregated these takeaways under four pillars which in our opinion summarizes the conclusions reached at the various sessions.

Structural Transformation key for Intra-Regional Trade

While there was a lot of talk around tariffs, market access and trade integration, it was obvious that without fixing the key structural issues surrounding trade such as infrastructure, logistics, liquidity, payment settlements, harnessing and leveraging trade data, etc trade across Africa will continue to remain stunted. Afrexim, was at its best in thinking through solutions to these issues hence its incubation and berthing of some major reforms capable of addressing these issues and catalysing growth.



Most importantly, some of these innovative solutions are being driven by technology hence emphasizing the crucial role of digitization in the emerging African trade landscape. The transformative reforms are:

- a) Launch of the MANSA Repository, a pan-African customer due diligence and KYC platform that will provide a unified source of primary data required to conduct due diligence checks on counterparties;
- b) Together with AFDB, signing of the grant to support factoring firms in Africa and driving States to adopt the Factoring Model Law so as to create liquidity for SMEs;
- c) Provision of financing for industrial parks and export processing zones across the continent;
- d) Development of a Pan-African Payments and Settlements Platform to eliminate one of the major constraints of intra-African trade i.e. multiple currencies; and
- e) Provision of Letter of Credit confirmation and Refinancing Facility to be made available to African banks through Afrexim's partnership with other African and non-African LC confirmation banks for the benefit of African businesses.

Forget Protectionism, AFCFTA is the Real Deal

With globalization currently being assaulted by the rising tide of trade protectionism especially between US and its key trade partners, the case for the development of a continental free trade area is more germane now than ever before. With almost 49 out of 55 African countries (including South Africa) signing the AFCFTA treaty and about 6 ratifying it, the AFCFTA has huge potential to recalibrate trade dynamics across Africa and potentially make Africa the largest free trade area in the world.



Afrexim is unabashedly championing the AFCTA and for good reason also because of its inherent benefits e.g. regional cooperation, industrialisation, larger market access, and more trade of course.

Global partnerships integral for Trade Growth

Recognising the immense benefits of global partnerships that would enhance trade synergies and improve capabilities of African States, Afrexim in its typical role as both facilitator and catalyser entered into some key international partnerships including:

- a. Execution of an MOU with World Trade Centre Miami Inc. (WTCM), under which Afrexim and WTCM will use their resources to strengthen the commercial partnership between countries in the Americas and Africa

Deals, Deals, and More Deals.

The hallmark of the Afrexim conference; and this was less about the sheer volume of deals that were signed across jurisdictions but more about their critical impact. From the pioneering Telecom Egypt and Liquid Telecom MOU that completes the fibre optic network from Cape Town to Cairo; the joint venture between Shoreline and Mota-Engil that led to the phenomenal birth of Mota-Engil Nigeria, a potential reference operator in the engineering, procurement and construction (EPC) sector; to the \$750 million BOI financing, to mention but a few, it was deals galore all the way.



- b. Strategic partnership with the Exim Bank of China which will provide opportunity for more robust involvement by China's biggest ECAs in African trade
- c. Cooperation Agreement with Aenergy to develop a low carbon sustainable economy and a climate finance strategy to support projects and national initiatives in the sector across Africa.

CONCLUSION

If the reforms being championed by Afrexim across the continent are embraced and there is full adoption, greater enlightenment and alignment of AFCTA by African States, the next 25 years of Afrexim will definitely see it achieve stratospheric success.

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