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1. Chapter

Bilateral Trade Flows, Trade Facilitation, and RTAs: Lessons from ECOWAS

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Abstract

Despite the drive to reduce and eliminate tariff barriers between Economic Community of West African States (ECOWAS) member states, there has been a proliferation in non-tariff barriers (NTBs), which, according to research, are more harmful to trade than tariff barriers. The constituents of these barriers include, but are not limited to, lengthy documentation requirements, cumbersome customs procedures, unavailability of information, weak institutional quality, and so on. A combination of these has proliferated the ECOWAS trade corridor, resulting in the inability of the region to fulfil her intra-regional trade potentials and achieve her goals of increased bilateral

trade within the region. This study utilizes the gravity model to examine the impact of administrative barriers on bilateral trade flows in the region. A dynamic gravity model was estimated for this study and the results obtained were mixed, such that various estimation techniques showed varying degrees of statistical significance for key independent variables. However, the Poisson Pseudo-Maximum Likelihood (PPML) estimates showed that our independent variables are not statistically significant.

Keywords

- [**Bilateral trade**](#)
- [**Gravity model**](#)
- [**Regional trade agreement**](#)
- [**Barriers to trade**](#)
- [**Poisson Pseudo-Maximum Likelihood \(PPML\)**](#)
- [**Generalized Method of Moments \(GMM\)**](#)
- [**ECOWAS**](#)
- [**West Africa**](#)

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