



## SEIZING OPPORTUNITIES OF ONE AFRICAN MARKET

### AFCFTA IN AFRICA'S DEVELOPMENT AGENDA

Agreement establishing the **African Continental Free Trade Area (AfCFTA)** was signed at the 10<sup>th</sup> extraordinary Summit of the AU assembly on *21<sup>st</sup> March 2018* in Kigali, Rwanda.

The **AfCFTA** Agreement entered into force on *30<sup>th</sup> May 2019*. The AfCFTA is the continent's most ambitious integration initiative



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### HOW MANY COUNTRIES ARE IN AfCFTA

**54 African Countries** have signed the consolidated text of the *AfCFTA agreement*, Kenya was among the first to sign the agreement 47 Countries have complied with domestic requirement for the ratification of AfCFTA Agreement.

[bit.ly/AfCFTAresources](https://bit.ly/AfCFTAresources)



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### ARCHITECTURE OF THE AFCFTA

The **AfCFTA** Agreement is a comprehensive legal compact which includes the agreement establishing the **AfCFTA**, Protocols on Trade in Goods , Trade in Services, Dispute settlement, investment, intellectual property rights and competition policy.

Recently Digital Trade and women and youth have been added to the negotiating agenda



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### ARCHITECTURE OF THE AFCFTA

#### PHASE 1 NEGOTIATIONS

Negotiations cover trade in **goods**, trade in **services** and disputes settlement. The protocols on trade and trade in services each have several annexes covering substantive disciplines. Negotiations on a number of issues (e.g. tariff concessions, rules of origin for goods and schedules of specific commitments for services) are still ongoing.



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### ARCHITECTURE OF THE AFCFTA

#### PHASE 2 NEGOTIATIONS

This covers:

- Protocol on competition policy
- Protocol on intellectual property rights
- Protocol on Investment



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### ARCHITECTURE OF THE AFCFTA

#### PHASE 3 NEGOTIATIONS

This covers:

- Protocol on digital trade
- Protocol on women and youth



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## SEIZING OPPORTUNITIES OF ONE AFRICAN MARKET

### PROTOCOL ON TRADE IN GOODS WILL HANDLE

- Schedules of tariff concessions
- Rules of origin
- Custom cooperation and mutual administrative assistance
- Trade facilitation
- Non – tariff barriers
- Technical barriers to trade
- Sanitary and phytosanitary measures
- Transit
- Trade remedies: guidelines on implementation of trade remedies



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### ARCHITECTURE OF THE AFCFTA

#### PROTOCOL IN TRADE IN SERVICES WILL ADDRESS

- Schedules of specific commitments
- MFN exemptions
- Air transport services
- List of priority sectors
- Framework document on regulatory cooperation



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### PROTOCOL ON RULES AND PROCEDURES ON SETTLEMENT OF DISPUTES WILL ADDRESS

- Working procedures of the panel
- Expert review
- Code of conduct for arbitrators and panellist



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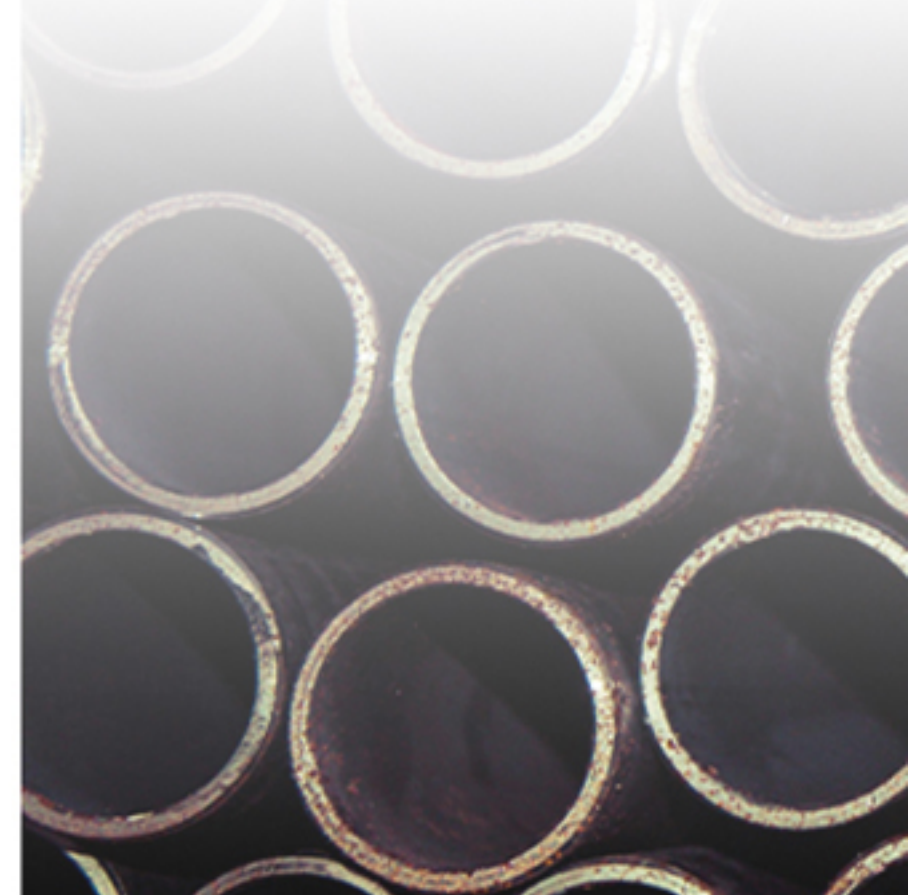
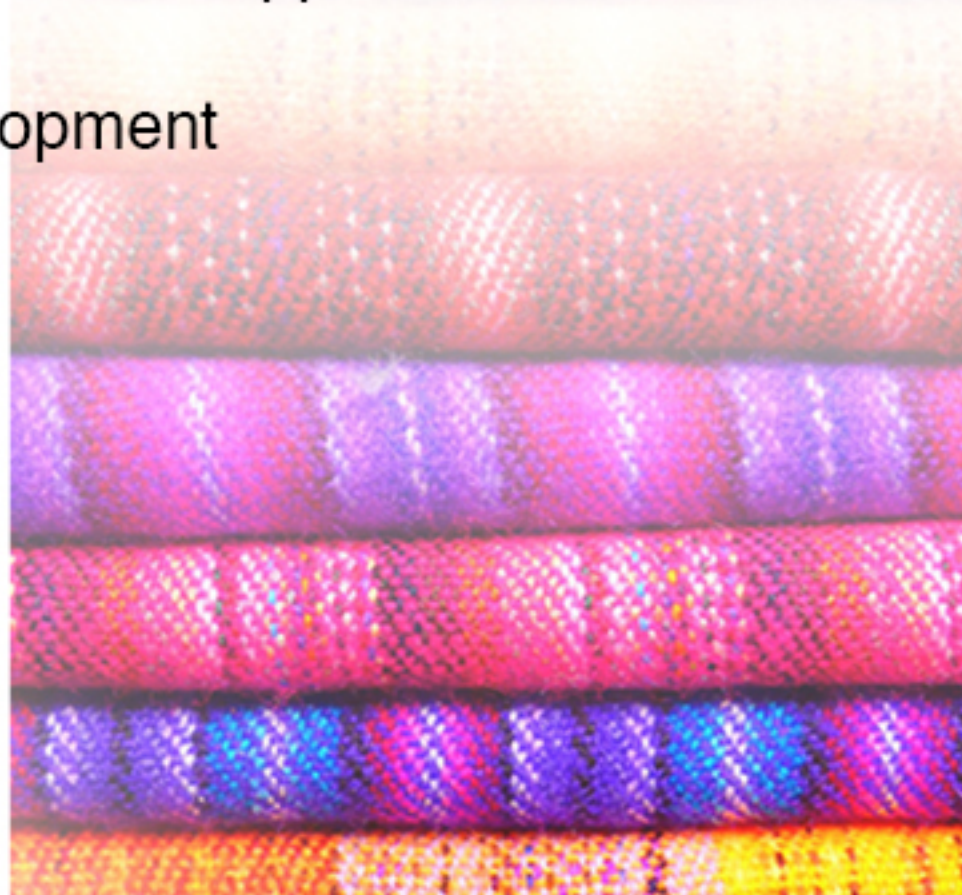
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## SEIZING OPPORTUNITIES OF ONE AFRICAN MARKET

### OBJECTIVES OF THE AFCFTA

- Create a single continental market for goods & services with free movement of business persons and investments
- Expand intra Africa trade across the regional economic communities and the continent in general
- Enhance competitiveness and support economic transformation
- Promote industrial development



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### WHAT IS EXPECTED OF THE AFCFTA?

As the largest trade pact among African countries, the AfCFTA is expected to :


- Eliminate trade barriers between members, making it easier for businesses to trade within Africa and benefit from their own growing market;
- Introduce regulatory measures such as sanitary standards and eliminating non-tariff barriers to trade;
- Establish a liberalized market for goods and services;
- Facilitate capital flow and investments by creating a sizable market;
- Catalyze the introduction of new technology to boost productivity;
- Increase the competitiveness of members' economies;
- Promote industrial development through diversification and develop value-added systems for products.


Establish, in the future, a Common Continental Market!

<https://www.macmap.org/en/learn/afcfta>

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## SEIZING OPPORTUNITIES OF ONE AFRICAN MARKET

### WHAT ADVANTAGES DOES THE AFCFTA OFFER AFRICAN MSMEs?


African MSMEs are recognized as a significant objective for the AfCFTA because they can profit from improved access to new markets and the potential economic transformation that competition in these areas could foster.


The agreement provides several advantages to African MSMEs, which are crucial given their significance to the continent's economy as up to 80% of firms and up to 40% of national GDP. These advantages include :


- Fostering specialization and accelerating industrialization;
- Expanding employment, investment opportunities and advancing technological development;
- Enabling African-owned businesses to enter new markets, broaden their clientele, and develop new goods and services;
- Bridging the manufacturing gap;
- Boosting investments that provide cash to indigenous companies; streamlining the process of importing raw materials from other African nations;
- Allow MSMEs to establish assembly companies in other African nations to provide more affordable production methods.

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### GUIDED TRADE INITIATIVE

At the 9<sup>th</sup> Meeting of the Council of Ministers ( 25- 26 July 2022) H.E Wamkele Mene, AfCFTA Secretary General presented the AfCFTA Secretariat proposed Guided Trade Initiative, The initiative was launched in Accra, Ghana on 7<sup>th</sup> October 2022.

The Seven states that are participating include:-

- Ghana
- Kenya
- Rwanda
- Tanzania

- Mauritius
- Egypt
- Cameroon



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### PRODUCTS TRADED UNDER GUIDED TRADE INITIATIVE INCLUDE


- Ceramic tiles
- Batteries
- Horticultural products and flowers
- Avacados
- Palm kernel oil
- Tea
- Rubber
- Components for air conditioners




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### THE OBJECTIVES OF THE GUIDED TRADE INITIATIVE INCLUDE


- Test the operational, institutional, legal and trade policy environment under the AfCFTA
- Allow commercially meaningful trading under the AfCFTA
- Send a positive message to African economic operators about the AfCFTA

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