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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR ORAL REPLY

#### QUESTION NO. 221

**Mr CN Malematja (ANC) to ask the Minister of Trade, Industry and Competition:**

What (a) is the progress with the implementation of the African Continental Free Trade Area (AfCFTA) agreement and (b) are the relevant details of the number of domestic enterprises that are trading through the AfCFTA? NO880E

#### REPLY:

- (a) **Under the Trade in Goods** Protocol of the AfCFTA, preferential trade under the AfCFTA was officially scheduled from 1 January 2021 subject to the finalisation of the necessary legal requirements by AU Member States (i.e. domestic legislation and approved tariff phase down schedules being in place) on products where Rules of Origin have been agreed. South Africa and SACU's tariff phase down schedule was approved by the AfCFTA Council of Ministers in May 2023 and South Africa finalised its legal requirements to start preferential trade in January 2024 after SARS gazetted the SACU tariff schedule on 26 January 2024.

To date 48 of the 54 African countries that have signed the AfCFTA have submitted their tariff offers and 45 of these offers have been verified as being in conformity with agreed tariff phase-down modalities. Twelve countries, including South Africa, have started preferential trade in products with agreed Rules of Origin after they finalised their domestic legislation to implement their tariff schedules on reciprocal basis. Rules of Origin have been finalised on 92.3% of tariff lines and remain to be finalised

on 7.7% of tariff lines; these outstanding rules relate to Textiles and Clothing and Automotives.

Under **the Trade in Services Protocol**, negotiations have been finalised in the five Priority sectors which include: Finance, Tourism, Transport, Communication, and Business Services. To date 48 African countries have submitted draft Schedules of Specific Commitments. Of these 48 schedules, 22 were approved for provisional implementation by the Extra-Ordinary Summit on the AfCFTA held on 25 November 2022. South Africa's revised services offer, which results from consultations with other AfCFTA countries, will be tabled for Cabinet approval in due course.

Regarding Phase II Protocols, the **Protocols on Competition Policy, Investment, Intellectual Property Rights, Digital Trade**, and on **Women and Youth in Trade** with a built in agenda of negotiations on their Annexes and outstanding provisions were approved by the AU Summit.

These Phase II Protocols will require ratification prior to entry into force in South Africa.

- (b) South Africa launched the start of preferential trade under the AfCFTA on 31 January 2024 at the Port of Durban. During the launch, South Africa exported its first shipment of goods by two local companies, Grinding Media South Africa (GMSA) and Defy Appliances to Ghana and Kenya. The products exported included fridges, and home appliances and grinding media, amongst others. In the coming months it is envisaged that more South African companies will start trading under the AfCFTA preferences.

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