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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 640

Mr S S Zibi (Rise Mzansi) to ask the Minister of Trade, Industry and Competition:

What (a) progress has been made on the full implementation of the African Continental Free Trade Area (AfCFTA) and (b)(i) parts of the AfCFTA must still be implemented and (ii) is the time frame in this regard?

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REPLY:

(a)

To date, 54 of the 55 AU members have signed (except Eritrea), and 48¹ of these Members have ratified the Agreement Establishing the AfCFTA. Six (6) countries, namely Benin, Libya, Madagascar, Somalia, South Sudan, and Sudan, are yet to ratify the Agreement.

On **Trade in Goods**, preferential trade under the AfCFTA was launched on 1 January 2021 subject to the finalization of the necessary legal requirements (domestic legislation and tariff phase down schedules) on products where we have agreed Rules of Origin. South Africa fulfilled these legal requirements when it gazetted the SACU Provisional Schedule of Tariff Concessions on 26 January 2024. 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 Grinding Media South Africa (GMSA) and Defy to Ghana and Kenya under the African Continental Free Trade Area Agreement (AfCFTA). Following the gazetting of the SACU tariff offer, South Africa and SACU Member States are now able to trade preferentially with other AfCFTA countries that have finalized the necessary domestic legislation.

As of November 2024, 48 tariff offers have been verified by the AfCFTA Secretariat to be in accordance with the agreed modalities for tariff liberalization. Only six (6) Member States have not yet submitted offers, namely: Djibouti, Eritrea, Libya, Sahrawi Republic, Sudan and Somalia.

¹ South Africa deposited its instrument of ratification in February 2019.

To date, of the 48 adopted offers, **the following 20 countries have started implementing preferential trade² under the AfCFTA:**

Algeria, Cameroon, Egypt, Mauritius, Tanzania, Ghana, Kenya, Rwanda, Burundi, Uganda, Tunisia, South Africa, Botswana, Namibia, Lesotho, Eswatini, Seychelles, the Gambia, Malawi and Morocco. (South Africa and SACU member states' trade with Mauritius, Tanzania, Seychelles and Malawi will continue under the SADC Trade Protocol and preferences).

As other countries implement their approved tariff offers, the countries will be added to the list of names in South Africa's domestic legislation with whom preferential trade under the AfCFTA can take place.

The agreed Rules of Origin (RoO) amount to approximately 92.4%, with 7.6% of rules of origin remaining outstanding in the Textiles & Clothing and Automotive products. Negotiations are underway to conclude the outstanding Rules of Origin as soon as possible.

In respect of **Trade in Services**, 49 Member States have submitted initial services offers in the 5 priority sectors (financial, communications, transport, tourism and business services). Out of these initial offers, 24 draft Schedules of Specific Commitments have been adopted for provisional implementation. South Africa's draft schedule of specific commitments has been finalised and is awaiting tabling before the Cabinet of the 7th Administration.

In respect of the **Phase II Protocols³**, negotiations were finalised and all the Protocols were adopted by the the AU Summits in in February 2023 and in February 2024. These are on **Competition Policy; Investment, Intellectual Property Rights; Women and Youth in Trade; and Digital Trade**. There is a built-in agenda of negotiations on their Annexes and outstanding provisions of these Protocols. The Digital Trade Protocol Annexes have been concluded and approved by the AU Summit in February 2025.

In February 2025, Cabinet (South Africa) approved and recommended the Protocol on Competition Policy and the Protocol on Women and Youth in Trade to Parliament for ratification.

(b) (i) and (ii)

Work and negotiations on of the following nine (9) items have not yet been concluded and are underway:

² I.e. have gazette or domesticated their provisional schedules of tariff concessions covering 90% of the tariff book. (Category A)

³ Each Protocol needs to be ratified by 22 Member States for entry into force.

- Negotiations on outstanding Rules of Origin for Automotive and Textiles & Clothing are ongoing and scheduled to be finalised before the next Ordinary Session of the AU Summit in February 2026.
- Finalise SACU common offer and negotiation of outstanding 10% tariff category of the tariff book (Category B - 7% sensitive products for tariff liberalisation and Category C - 3% excluded products). This is to increase products that can be traded preferentially before the next Ordinary Session of the AU Summit in February 2026.
- Awaiting Cabinet approval of South Africa's schedule of specific commitments on the 5 priority sectors to the AfCFTA Secretariat. As soon as Cabinet has approved these Services Offers, they will be submitted to the AfCFTA for verification and to the AfCFTA Council of Ministers for approval by 2025. Thereafter, SA's Services Offer will be submitted for approval by the AU Summit in February 2026. Negotiation on the services sectors and commitments on additional services sectors will commence soon. Timeframes are to be decided by the AfCFTA Council of Ministers.
- Negotiation of Annexes to the Phase II Protocols (Investment and Intellectual Property Rights) are ongoing. Once agreement is reached on these Annexes, they will be submitted for ratification by SA Parliament once adopted by the African Union Heads of State and Government (expected by 2027).
- Finalisation of the draft Ministerial Regulation on Preferential Market Access for Women and Youth (expected in 2025).
- Finalisation of the eight (8) regulations to the Protocol on Competition Policy (2025/2026).
- Possible inclusion and negotiation of a dedicated Protocol on Industrial Development (to be decided by AfCFTA Council of Ministers following approval of this Protocol by the AU Summit in February 2025).
- Facilitate the inclusion of additional AfCFTA implementing countries for preferential trade with South Africa through amendment to the Customs and Excise Act (ongoing following the Member States conclusion of their legal processes).

Ratification of the following five Protocols:

- Ratification and deposit of instrument of ratification of the Protocols on Competition Policy, and on Women and Youth in Trade with the African Union Commission (early 2025).
- Ratification of Digital Trade Protocol (2025/2026).
- Ratification of Protocol on Investment and Protocol on Intellectual Property Rights pending finalisation of the Annexes and adoption by the AU Summit.

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