

Ratification of the AfCFTA Protocols

Select Committee on
Economic Development and Trade

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Presentation Outline

- Ratification of the AfCFTA Protocol on Woman and Youth in Trade
- Ratification of the AfCFTA Protocol on Competition

African Economic Integration and African Continental Free Trade Area (AfCFTA)



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Background to the AfCFTA



- AfCFTA negotiations launched at AU Summit in June 2015.
- 54 out of the 55 AU members have signed (excluding Eritrea).
- 49 countries ratified the AfCFTA agreement (Benin, Eritrea, Libya; Somalia; Sudan; and South Sudan still have to ratify).
- CEMAC and SACU - only Customs Unions in which all its Members have ratified the AfCFTA.
- 6 EAC Members – Only South Sudan has not ratified.
- 15 ECOWAS Members - Benin has not ratified.
- Individual Members that have not ratified the AfCFTA - Libya, Somalia, Sudan and Eritrea.
- SA deposited instrument of ratification on 10 February 2019.
- The Agreement entered into force on 30 May 2019 (after 22 ratifications).

Progress in AfCFTA Negotiations and Implementation (1)

(1) Trade in Goods: Tariff offers

- 24 countries have gazetted their tariff schedules and have started trading preferentially under the AfCFTA:
Algeria, Botswana, Cameroon, Egypt, Ghana, Kenya, Mauritius, Namibia, Morocco, Rwanda, Tanzania, Tunisia, SA, Eswatini, Lesotho, Burundi, Malawi, Seychelles, the Gambia, Nigeria, Ethiopia, Zambia, Mozambique and Uganda - **New market access for SA is in the 13 non-SADC countries above.**
- All SACU Member States have gazetted the SACU Provisional Schedule on Tariff Concessions covering 90% of the tariff book (Category A).
- Implementation of the AfCFTA is ongoing and includes:
 - SA implementing tariff concessions under the AfCFTA since 26 January 2024
 - Including countries that have concluded their legal processes in its list of countries for preferential trade under the AfCFTA in the Customs and Excise Act - SA is currently in the process of including Nigeria and Ethiopia
 - Ratification of the Protocols for which negotiations have been finalized
 - Implementation of the tariff phase down in equal instalments over 10 years – applied retrospectively from 1 January 2021. SACU adopted an LDC tariff phase down offer like other Customs Unions to accommodate Lesotho (LDC). **This means we are implementing year 5 of tariff phase downs.**
 - Increase exports - since South Africa's launch of the start of trading under the AfCFTA on 31 January 2024, SA exports under the AfCFTA have been increasing steadily; exports reached ±R1.8 billion from February 2024-July 2025.
 - Challenges in implementation – non-adherence to the commitments in critical sectors
- Ongoing negotiations – negotiations ongoing on the remaining 10% of tariff lines (Category B – 7% sensitive products and Category C – 3% excluded products) and outstanding Rules of Origin on clothing and textile and autos (expected by February 2026).
- Conclude negotiations of the Annexes and Regulations on the various Protocols

Progress in AfCFTA Negotiations and Implementation (2)

2) Trade in Goods, Rules of Origin:

- RoO have been agreed on 92.4% tariff lines. The remaining 7.6% of tariff lines include Textiles and Clothing and Automotives. Negotiations are underway to finalise the outstanding Rules of Origin on these sectors (expected by February 2026).

(3) Trade in Services:

- 50 Member States have submitted initial services offers in the 5 priority sectors (financial, communications, transport, tourism and business services).
- 5 EAC State Parties namely: Burundi, Kenya, Rwanda, Uganda and Tanzania gazetted their adopted Schedules of Specific Commitments in the five priority sectors.
- SA's schedule of specific commitments on the 5 priority sector was approved by Cabinet in March 2025 and submitted to the AfCFTA Secretariat for verification. Pending the verification outcome, this will then be submitted for approval by the AfCFTA Council of Ministers (September 2025) and adoption by the AU Summit in February 2026. Negotiations on the further 7 sectors will then follow.

(4) Phase II issues:

- The AU Summit held on 18-19 February 2023 adopted the Protocols on Competition Policy, Investment and Intellectual Property Rights, with a built in agenda of negotiations on their Annexes and outstanding provisions.
- The AU Summit held on 17-18 February 2024 adopted the Protocols on Digital Trade and Women and Youth in Trade, with a built in agenda of negotiations on the digital trade annexes and a Ministerial Regulation on Preferential Market Access for Women and Youth in Trade. The Protocol On Digital Trade was also adopted.
- 8 Annexes to the Protocol on Digital Trade adopted by the AU Assembly in February 2025.
- These Protocols will require ratification prior to entry into force.

South Africa's ratification of the African Continental Free Trade Area (AfCFTA) Protocol on Women and Youth in Trade



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Objectives of the Protocol

- The AU Summit held in February 2024 adopted the Protocol on Women and Youth in Trade.
- The **broad objectives** of the Protocol are to maximise the opportunities presented through the implementation of the Agreement by addressing some of the challenges facing women and youth in trade.
- The **specific objectives** of this Protocol are to
 - Support and enhance the effective participation of Women and Youth in intra-Africa trade;
 - improve the inclusion of Women and Youth in Trade in the implementation of the AfCFTA to achieve sustainable economic development at the national, regional, and continental levels;
 - strengthen the capacity of and access to opportunities for Women and Youth in Trade;
 - promote value addition and innovation for increased imports and exports by Women and Youth in Trade;
 - support the inclusion of Women and Youth in regional and continental value chains; and
 - support measures that promote the formalisation of trade activities of Women and Youth.

Key provisions of the Protocol

- Elimination of Non-Tariff Barriers affecting Women and Youth in Trade
- Inclusive Socio-Economic Development to promote and facilitate the empowerment and the effective integration of Women and Youth in Trade
- Participation in Policy Formulation and National AfCFTA Implementation to promote and strengthen the full and active participation of Women and Youth in the formulation, implementation and review of policies and programmes related to this Protocol.
- Harmonisation of National, Regional and Continental Programmes to support Women and Youth in Trade
- Encourages Members to enhance access to Finance for Women and Youth in Trade
- Development of Productive and Export Capacity
- Access to Trade Information

Key provisions of the Protocol (cont.)

- Intellectual Property Rights with a specific focus on the establishment of mechanisms to assist Women and Youth in Trade in the registration and use of Intellectual Property Rights.
- Competition Policy to promote fair and equitable competition to support the entry and effective participation of Women or Youth-owned and Women or Youth-led Businesses in the AfCFTA Market.
- Participation in Formal Trade Activities by Women and Youth in Trade
- Protection against Harassment and Related Practices
- Digital Trade to ensure that digital regulatory and institutional frameworks support Women and Youth in Trade to facilitate access to digital trade platforms, tools and solutions to trade; and
- Measures to facilitate and support business associations and business clusters of Women and Youth in Trade and Women and Youth-owned or led Micro, Small and Medium size Enterprises
- The development of a Ministerial Regulation for Preferential Market Access

Importance of the Agreement for SA

The Protocol on Women and Youth in Trade aims to ensure the use of the AfCFTA Agreement as a jobs-driven strategy, with special focus on an expansion of labour-intensive sectors and those with strong rural and women-employment linkages. In view of the opportunities provided by this Protocol, there is a need for key government departments to jointly explore and enhance the implementation of national policies targeting women and youth, for example: incentives and export promotion activities and trade-related technical assistance to women and youth-owned enterprises, safety at border posts, etc.

Current status of Protocol in the ratification process:

- The Protocol was tabled in Parliament on 04 June 2025; considered and recommended by the Portfolio Committee; and approved by the National Assembly in July 2025. The Protocol was referred to the Select Committee on 25 August 2025 for consideration and report.

South Africa's ratification of the African Continental Free Trade Area (AfCFTA) Protocol on Competition



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Objectives of the Protocol

- AfCFTA Competition Protocol derives its existence from Article 7 of the AfCFTA Agreement.
- Protocol on Competition Policy adopted in February 2023 at the 36th AU Summit in Addis Ababa, Ethiopia.
- Establishes a continental competition regime.
- Enhances competition within AfCFTA for:
 - Market efficiency
 - Inclusive growth
 - Structural economic transformation
- Addresses anti-competitive practices across borders. Practices targeted:
 - **Cross-border cartels** not regulated effectively at national/regional level.
 - **Mega mergers** with continent-wide impact. Similar deals include: *Glaxo Welcome/SmithKline Beecham* (2000); *AB InBev/SABMiller* (2015)
 - **Abuse of dominance** by large multinational firms in key sectors, including in e-commerce

Importance of the Protocol for Africa

A need for the development of a competition policy to address competition issues, including:

- Establishing a mechanism to address cross-border cartels within continental markets which are not adequately regulated by existing national and regional competition authorities.
- Regulation of mergers between firms generating significant revenue within or from the continent.
- Address anti-competitive practices by dominant firms that reside outside of the African continent, such as platforms like e-commerce and social media firms.
- The Protocol will set rules regulating the conduct of firms, and not that of State Parties (Governments).
- The Protocol seeks to regulate competition issues related to economic activity on the continent that has a continental dimension, except those falling within the jurisdiction of individual State Parties.

Importance of the Agreement for SA

- The Protocol reinforces SA's ability to combat international anti-competitive practices and aligns to SA's policy objectives and existing national legislation.
- It supports establishment of a conducive environment to promote: Industrialisation; Innovation; Sustainable economic development; Consumer welfare
- Promotes sharing of experiences among competition authorities - South Africa's competition authorities, capabilities and legislative framework are highly regarded and emulated regionally, continentally and internationally.
- The Protocol complements SA's current competition legislative framework supports the creation of fair African markets, therefore no legal and financial implications
- To the extent that certain instances give rise to concurrent jurisdiction, such instances shall be governed by the regulation on concurrent jurisdiction – the terms of which remain subject to drafting and negotiation by the AfCFTA Competition Policy Committee.
- Next steps at AfCFTA level – negotiations to drafting accompanying regulations.

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Importance of the Agreement for Provinces

- The Protocols offer an opportunity for various industries, private sector and SMMEs engaged in cross border trade through these legal frameworks to maximise the opportunities of the AfCFTA.
- Provides an enabling environment for inclusive participation in intra-Africa trade by addressing anti-competitive practices and promoting participation of women and youth enterprises across South Africa in the AfCFTA.
- It is important to ensure enhanced coordination between national government, relevant authorities and provincial agencies in the implementation of the AfCFTA and its respective Protocols.
- Enhanced advocacy and capacity building at the provincial and local levels will remain imperative to ensure an inclusive approach to the implementation of the AfCFTA.

Thank you



Acronyms

| | |
|--------|--------------------------------------------------|
| BRICS | Brazil, Russia, India, China, South Africa |
| CBAM | Carbon Border Adjustment Mechanism |
| AfCFTA | Africa Continental Free Trade Agreement |
| AGOA | Africa Growth and Opportunity Act |
| AU | African Union |
| EPA | Economic Partnership Agreement |
| EU | European Union |
| GSP | Generalised System of Preferences |
| IPR | Intellectual Property Right |
| MFN | Most Favoured Nation |
| NEDLAC | National Economic Development and Labour Council |
| SACU | Southern African Customs Union |
| SADC | Southern African Development Community |
| SSA | Sub Saharan Africa |
| TFTA | Tripartite Free Trade Agreement |
| UK | United Kingdom |
| US | United States of America |
| WTO | World Trade Organization |

Annex A

Additional information

- African Economic Integration and African Continental Free Trade Area (AfCFTA)



Market integration through the AfCFTA

Traditionally, economic integration efforts merely focused on market/trade integration

Trade integration becomes unsustainable if the opportunities are not spread across all partners

Among countries of uneven levels of development, economic integration cannot merely be done through trade/market integration. Building a production/manufacturing base is essential to be able to benefit from market integration.

Therefore, new approach underpinned by a Developmental Integration model, i.e. focus on African integration to promote industrialisation (investment in productive capacity and regional value chains) and supported by infrastructure development (to facilitate movement of goods and services)



AfCFTA

sets out a framework for tariff liberalisation across Africa, the harmonisation trade related rules to encourage greater flows of intra-African trade and investment.

Largest FTA in the world by number of countries and is a comprehensive trade agreement focusing on Trade in Goods, Trade in Services, Rules and Procedures for the Settlement of Disputes, Competition Policy, Intellectual Property Rights, Digital Trade, Investment, as well as Women and Youth in Trade.

Preserves current sub-regional arrangements such as SADC as building blocs, i.e. involves negotiations amongst Members/Regions without existing preferential arrangements in place. Therefore, SA/SACU will continue to trade with SACU and SADC under existing regional trade arrangements but new market access opportunities beyond SADC.

Rationale for the AfCFTA

Intra-Africa Trade

- Intra-Africa exports grew to 16.6% in 2023, from 16.3% of Africa's total trade in 2018-2020; Low compared to intra-Asian trade (55%), intra-North American trade (49%), and intra-EU trade (63%)
- AfCFTA is critical to create a single market in Africa, to create economies of scale, increase intra-Africa trade, create regional value chains, promote beneficiation at source and promote investment

AFRICA

- 17% of world population
- 4% of global GDP
- 2% of world manufacturing
- 3% share of world trade



Key SADC markets for SA

- Mozambique, Botswana, Namibia, Zimbabwe, Zambia
- Huge opportunity to expand exports to West, Central, East and North Africa
- Preferential trade already taking place: SACU, SADC and AfCFTA) - priority is negotiation of concessions based on development integration agenda

African markets are vital to African exporters

- main export market for 22 African countries
- Over ¾ of intra-Africa trade within regional blocs
- Intra-Africa trade is largely in value-added manufactured products

What is needed?

- Development of value chains to increase trade and investment: export and investment-led approach to build industrial capacity in RoAfrica
- Improving SA competitiveness is critical: Competition in the RoAfrica is increasing

African market is important for SA manufactured goods and services

- SA accounted for 29.7% of intra-Africa exports in 2023 (R547 billion in 2023).
- In 2023, 61.1% of SA exports to Africa were manufactured products (compared to 38.7% in its global export basket).
- Significant imports into SA: oil, electricity and gas, and water.