



The AfCFTA

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Blessing Chipanda and Jakkie Cilliers

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With the benefits of regional trade and globalisation in mind, the African Union (AU) announced its intention to embark on the African Continental Free Trade Area (AfCFTA) in 2012. Following a series of continuous engagements between the AU Commission and member states from 2012 to 2018, the AfCFTA agreement was opened for signature on March 21, 2018. After 24 of the 55 AU member states ratified, the AfCFTA came into force on May 30, 2019.

The AfCFTA is a free trade agreement treaty that regulates cross-border trade between African countries, building a single market for goods and services of nearly 1.5 billion people and a combined GDP of around US\$2.7 trillion (2023) across Africa. It will be the biggest trade agreement since the establishment of the World Trade Organisation (WTO) in 1995, if fully implemented. Unlike traditional trade agreements which cover trade in goods only, the AfCFTA agreement covers a range of additional trade-related disciplines such as trade in services, dispute settlement, investment, intellectual property rights, competition policy and electronic commerce among others.

The AfCFTA secretariat, an autonomous body within the AU is responsible for coordinating the implementation of this trade agreement. It is one of the AU's flagship projects in alignment with its Agenda 2063, which aspires to achieve "the Africa we want" and part of its plan to accelerate Africa's development.

The AfCFTA aims to utilise trade policies, including the creation of a single continental market and promote industrial development, as an engine of growth and sustainable development, through the elimination of tariff and non-tariff barriers trade, starting with the removal of tariffs on 90% of goods. The power of removing non-tariff barriers was illustrated by a study from the [Trade and Law Centre](#) (tralac), which found that reducing the time it takes to move goods across borders by just 20% would be more economically advantageous for Africa than removing all import tariffs.

The AfCFTA aims to create opportunities for the development of regional value chains and increase the continent's competitiveness in global value chains, thereby expanding both Africa's intra- and extra-trade. So, the AfCFTA agreement is not just about the exchange of goods and services; it is a roadmap for Africa's development and once attained would represent a milestone in reducing poverty in Africa.

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About the authors

Dr Blessing Chipanda joined the African Futures and Innovation (AFI) programme in January 2023. Before joining the ISS he worked as an assistant lecturer/research assistant at the University of Pretoria, Department of Economics. He is particularly interested in tasks within the wider realm of international trade, development economics, public policy, monetary policy, and econometric modelling. Equally interested in economic and socio-economic activities that impact social welfare. Blessing has a PhD in economics from the University of Pretoria, South Africa.

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute, and is an extraordinary professor at the University of Pretoria. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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