

# tralac Newsletter



tralac Newsletter • Issue 1 • June 2018

## Welcome to tralac's first monthly newsletter

The theme for this newsletter is the *African Continental Free Trade Area (AfCFTA)*.

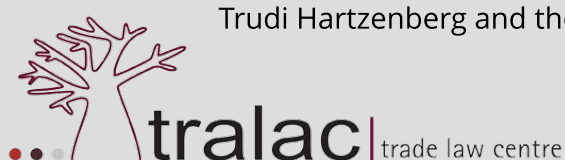
Following the Kigali Summit, at which 44 Member States signed the Agreement establishing the AfCFTA, a Bureau of African Union Ministers of Trade (Uganda, Democratic Republic of Congo, Mauritania, South Africa and Côte d'Ivoire) has been established to support the negotiations over the next 12 months. It is tasked to support the completion of Phase 1 of the negotiations, and the launch of Phase 2 which will focus on investment, competition and intellectual property rights and possibly e-commerce.

The 6th meeting of the Africa Union Ministers of Trade concluded 4 June, following the 11th meeting of the AfCFTA Negotiating Forum and the 6th meeting of the Committee of Senior Trade Officials. The Trade Ministers adopted recommendations on the legally scrubbed Annexes to the Protocol on Trade in Goods and the Protocol on Rules and Procedures on the Settlement of Disputes. Five priority services sectors have been agreed (*transport, communications, financial, tourism and business services*), together with the approach to be followed to develop the Schedules of Specific Commitments on Trade in Services. Templates for Schedules of Tariff Concessions for Trade in Goods and Schedules of Specific Commitments on Trade in Services, are expected to be agreed by the end of July 2018. Schedules of Tariff Concessions and for Specific Commitments on Trade in Services are to be submitted to the January 2019 Session of the AU Assembly of Heads of State and government for adoption.

Ghana, Kenya, Rwanda and Niger have deposited their instruments of ratification with the Chairperson of the African Union Commission; the designated Depository for this purpose. More ratifications are expected as African Union Member States prepare for the 31st Ordinary Session of the Assembly of the Heads of State and Government of the African Union, to be held in Mauritania, 1-2 July. While signature of the AfCFTA is significant for political / diplomatic reasons; ratification is integral to the entry into force of the AfCFTA and takes place in accordance with the constitutional provisions of the Member States. 22 ratifications are required for the AfCFTA to enter into force.

We look forward to hearing from you.

Trudi Hartzenberg and the **tralac** team



### In this issue

Welcome	1
Launch of tralacBlog	2
Highlights	2
Questions & Answers	2
Publications	3
Trade Data Updates	3
AGOA.info	4

# tralacBlog

Perspectives on Africa's trade and integration



We are pleased to launch **tralacBlog**, a forum for the views of Trade Law Centre researchers and Associates, as well as guest contributors, on pressing regional integration and trade policy issues affecting African countries. Check out our first three posts:

- [AfCFTA negotiations after Kigali – keeping an eye on the end game](#)
- [Is the AfCFTA a Legal Person? Does it matter?](#)
- [How might Africa benefit from e-commerce technology?](#)

[Visit tralacBlog](#)

## Coming soon

Training and capacity building opportunities at tralac:

- [Geek Week, 18-22 June 2018](#)
- [Geek Week, 25-29 June 2018](#)

Three new short courses (August, September and October)

- I. Introduction to International Trade Policy
- II. Introduction to International Trade Law
- III. Africa's trade and integration agenda (including AfCFTA)

[View the Events Calendar](#)

## Welcome



**Kyle Perel** is currently pursuing a Bachelor of Science, double majoring in International Politics and Business Administration at Washington and Lee University in Lexington, VA. He has joined tralac for the next two months as an intern.

## Questions & Answers



### African Continental Free Trade Area (AfCFTA) FAQs

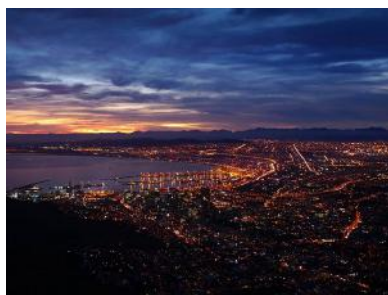
The main objectives of the AfCFTA are to create a single continental market for goods and services, with free movement of business persons and investments, and thus pave the way for accelerating the establishment of a continental customs union. It is called a 'Free Trade Area' but will be more akin to a comprehensive partnership agreement because the disciplines will go beyond trade in goods to over services, investment, competition and intellectual property.

At the Kigali Summit (21 March 2018), one AfCFTA document was open for signature – the consolidated text of the AfCFTA, including the *Agreement establishing the AfCFTA*, the Protocol on Trade in Goods, the Protocol on Trade in Services and the Protocol on Rules & Procedures on the Settlement of Disputes. In total, 44 out of the 55 AU Member States signed the consolidated text of the AfCFTA Agreement – see the full list [here](#). Notable absences were South Africa – and other SACU members, except eSwatini (Swaziland) – and Nigeria. However, positive signals have been given from both countries with respect to their commitment to the agreement. More signatures are expected at or before the next African Union Summit in July.

*This FAQs document is based on tralac's understanding of the legal texts and modalities as of 1 June 2018.*

[Download the AfCFTA FAQs](#)

## Publications



### **The AfCFTA: What has been achieved and when will it become operational?**

*Gerhard Erasmus - 11 Jun 2018*

The Extraordinary Summit of the African Union (AU) held in Kigali, Rwanda, on 21 March 2018 adopted the Agreement Establishing the African Continental Free Trade Area (AfCFTA). There are strong indications of high levels of political support for the AfCFTA. However, final entry into force will only happen once the negotiations have been completed and the required number of ratifications have been deposited.



### **What will happen to the Regional Economic Communities and other African Trade Arrangements once the AfCFTA is operational?**

*Gerhard Erasmus - 11 Jun 2018*

The text of the AfCFTA Agreement contains several provisions about how this new trade arrangement will co-exist with the Regional Economic Communities (RECs), as well as other trade agreements with third parties. This Trade Brief discusses them in order to find out how trade will be conducted once the AfCFTA becomes operational.



### **Dispute Settlement under the AfCFTA**

*Gerhard Erasmus - 11 Jun 2018*

Formal dispute settlement has not been a feature of intra-African trade. African Governments simply do not litigate against each other. The AfCFTA has the potential to bring about change, at least as far as the use of trade remedies (TRs) and safeguards is concerned. Present indications are that the AfCFTA regime wants, on this score, to be rules-based and transparent, and to provide for effective TRs.



### **Trade Facilitation in Africa: Progress, Performance and Potential**

*John Stuart - 30 May 2018*

Trade facilitation refers to measures taken by a sovereign nation and its agencies to remove hindrances to cross-border trade of goods and services. Using data-driven analysis and visualisation to assess logistics performance, customs performance, postal performance and Trade Facilitation Agreement (TFA) performance scores, this brief attempts to paint a holistic picture of Africa's trade facilitation readiness.

## Trade Data Analysis

### **Intra-Africa trade and tariff profiles**

The following Trade Data Updates provide an overview of the intra-African trading relationships of select African countries; the top import and export products traded; and applicable tariffs. Data is sourced from the ITC TradeMap database and the WTO Tariff Database. Each country update is accompanied by a visual representation of key data and trends in an infographic.

- **South Africa**
- **Uganda**
- **Egypt**
- **Algeria**





# AGOA.info

African Growth and Opportunity Act

Save the date: AGOA Forum 2018

Washington D.C. 9 - 12 July 2018

See details: [www.AGOA.info/forum](http://www.AGOA.info/forum)



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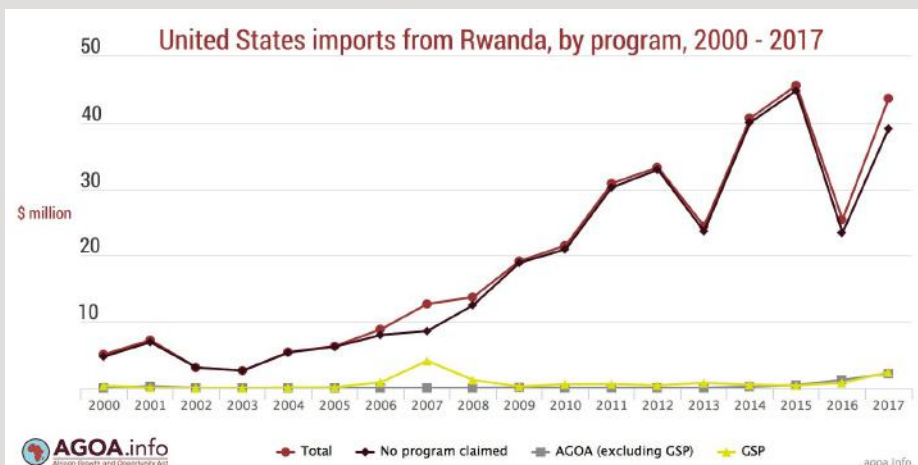
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## President Trump updates trade preference program eligibility for Rwanda

On 29 March 2018, President Trump gave notice to the US Congress of the pending suspension (after 60 days – from 29 May 2018 onwards) of some of Rwanda’s US market preferences under AGOA, and *specifically for the country’s textile and clothing exports to the US*. This follows the out-of-cycle review undertaken by the United States in the context of Rwanda’s decision to implement restrictions on the importation of worn clothing into the country.

[Read more](#)



## Background

On March 21, 2017, the Secondary Materials and Recycled Textiles Association (SMART), asserted that the East African Community (EAC)’s 2016 decision to phase in a ban on imports of used clothing and footwear imposes significant economic hardship on the US used clothing industry, and is inconsistent with AGOA beneficiary criteria for countries to establish a market-based economy and eliminate barriers to U.S. trade and investment.

[Click here](#) to view the out-of-cycle review documents and submissions.

## Latest AGOA news updates



Nigeria-America Chamber vows to increase Nigeria's non-oil export through AGOA



Rwanda: Government to pay taxes for affected AGOA exporters



US Commerce Secretary set for Kenya visit



'How the United States and Rwanda have fallen out over second-hand clothes' - BBC



'AGOA still available for Nigeria till 2025' - Nigerian-American Chamber



South African car manufacturers threatened by potential US tariffs



Trump versus Rwanda in trade battle over used clothes



Ghana: Textile and garments committee inaugurated

### President's Advisory Council on Doing Business in Africa: Findings

The President's Advisory Council on Doing Business in Africa (PAC-DBIA), under the US Secretary of Commerce Wilbur Ross, has adopted its *Issues Report* which identified the top obstacles US companies face when approaching, competing in, and operating in African markets. It has now developed a set of recommendations.

[Click here](#) to find out more and download the report below.

[Download](#)

### Key trade statistics for AGOA beneficiaries to April 2018

Aggregate exports to US: Year to Date: **\$8.52 billion**

Share of AGOA exports: Year to Date: **\$4.03 billion**

[Visit the Data Center](#)

## AGOA and related resources



Access a wide selection of **web resources** related to AGOA, including national chambers of commerce, export promotion agencies, development and finance agencies, regulatory authorities and trade resources. Click on the various section headings for specific web links.

An extensive range of **FAQs on AGOA** can be accessed on AGOA.info. For example:

- What are the rules of origin requirements?
- What are the AGOA trade benefits?
- Where do I find the text of the legislation?