

1. Introduction

54 African countries have signed the Agreement Establishing the AfCFTA of which 29 have deposited their instruments of ratification. Of these 29 updated trade data for 2018 is available 18 countries. Although some countries have already submitted their tariff offers the configuration of the state parties for tariff negotiations and the level of ambition of liberalisation is uncertain - will negotiations only be among state parties that have deposited their instruments of ratification? what to do with RECs which have not yet achieved intra-REC liberalisation?

In December 2018 the modalities agreed to called for 90 percent liberalisation of tariff lines; with 7 percent sensitive products with a longer liberalisation timeframe (10 years for



AfCFTA Ratifications:

Deposited instruments of ratification + 2018 trade data		Deposited instruments of ratification but no 2018 trade data
Burkina Faso	Rwanda	Chad
Ivory Coast	São Tomé and Príncipe	Guinea
Egypt	Senegal	Mali
Eswatini	Sierra Leone	Congo
Gambia	South Africa	Togo
Ghana	Uganda	Djibouti
Kenya	Zimbabwe	Ethiopia
Mauritania		Gabon
Mauritius		Equatorial Guinea
Namibia		Cameroon
Niger		

developing and 13 years for least developed countries) and 3 percent excluded products. What will be included in the 90 percent

liberalisation and will the targeted tariff line coverage suffice the 'substantially all trade' requirement of the GATT?

2. Intra-Africa trade configurations

According to the negotiating principles the approach for the configuration of the negotiations is to build on the achievements of eight existing RECs as the *acquis* - COMESA, SADC, EAC, ECOWAS, ECCAS, CEN-SAD, IGAD & AMU.

Tariff negotiations and liberalisation will only be between state parties where there are currently no trade arrangement in place and the base rate for negotiations will be the applied Most Favoured Nation (MFN) tariff rates. Accordingly, the analysis excludes intra-REC trade.

Excluding intra-REC trade shows trade among most African countries and those countries outside existing RECs is limited, in most cases the number of tariff lines covered by trade is far below even half of the MFN tariff lines and trade is mostly in goods which are duty-free or with low tariffs.

Excluded REC member states from intra-Africa import data



ECOWAS + CENSAD

- Burkina Faso (8% of intra-Africa imports remaining)
- Ivory Coast (9%)
- Gambia (2%)
- Ghana (41%)
- Niger (8%)
- Senegal (14%)
- Sierra Leone (50%)



SACU + SADC

- South Africa (42% of intra-Africa imports remaining)
- Namibia (2%)



30% of intra-Africa imports from outside COMESA + CENSAD



13% of intra-Africa imports from outside EAC + COMESA + ECCAS



EAC + COMESA + IGAD

- Kenya (35% of intra-Africa imports remaining)
- Uganda (59%)



7% of intra-Africa imports from outside CENSAD + AMU



SADC + COMESA

- Mauritius (1% of intra-Africa imports remaining)
- Zimbabwe (0.2%)



6% of intra-Africa imports from outside ECCAS



0.1% of intra-Africa imports from outside SACU + SADC + COMESA

3. MFN tariff categories & % of tariff lines in each category

Duty-free

Mauritius	94%
SACU countries	55%
EAC countries	37%
Egypt	11%
Mauritania	4%

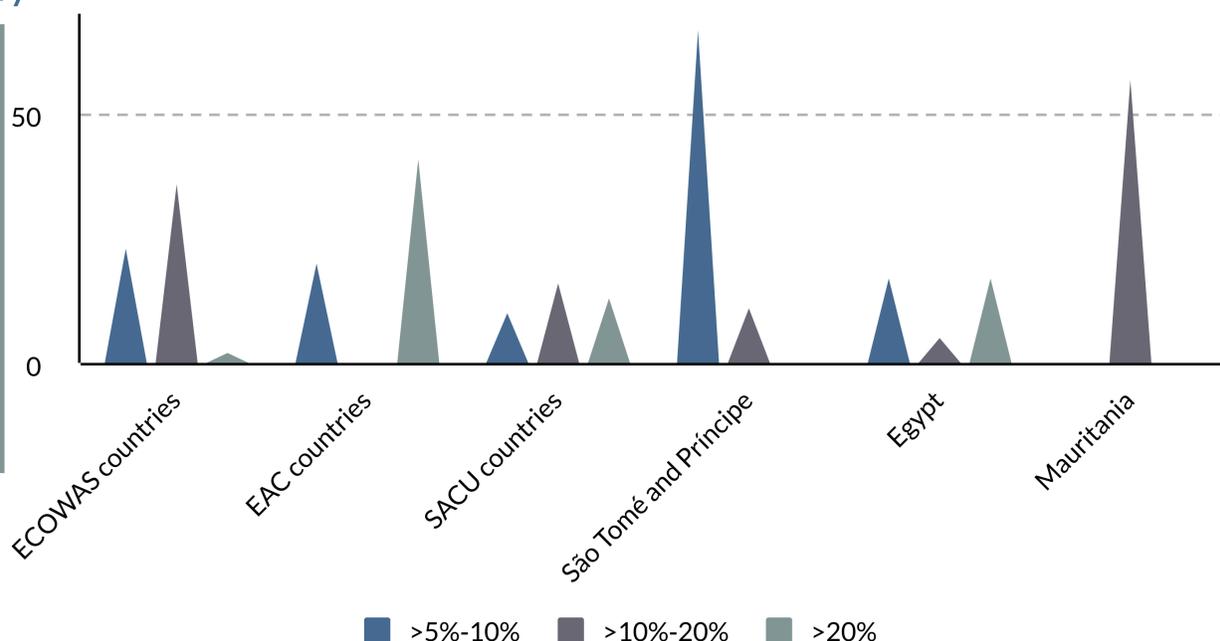
>0%-5%

49% of Egypt's tariff lines are either 2% or 5% tariffs

For most other countries, including west African countries 5% tariffs cover around 40% of tariff lines

For SACU CET only 3% of tariff lines are up to 5% tariffs

293, 80 & 21 specific tariff lines are also applicable to imports into SACU, EAC & Egypt respectively



Ghana (3% of tariff lines); & all other countries 2% of tariff lines

3. Intra-Africa trade and tariff coverage

Imports into the identified 18 countries from African countries outside their current RECs cover less than 50 percent of the individual countries' MFN tariffs.

Of all the countries imports by Ghana from countries outside ECOWAS & CENSAD covers the most MFN tariff lines (ECOWAS CET) - 43%.

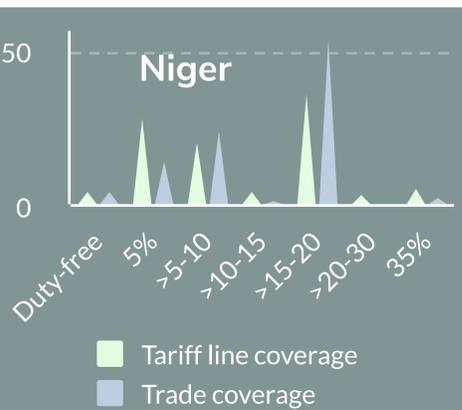
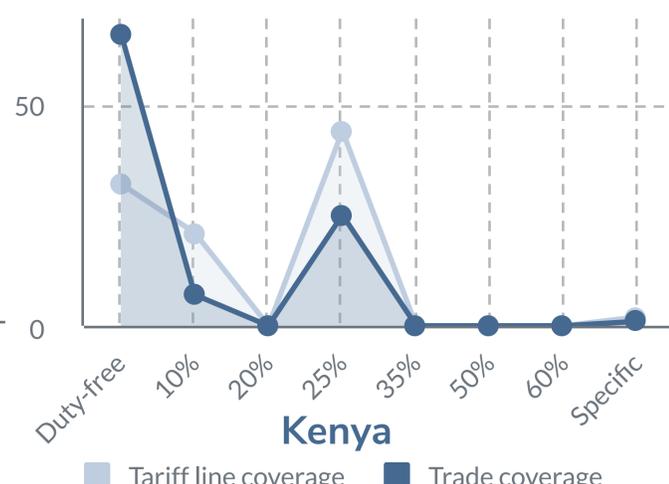
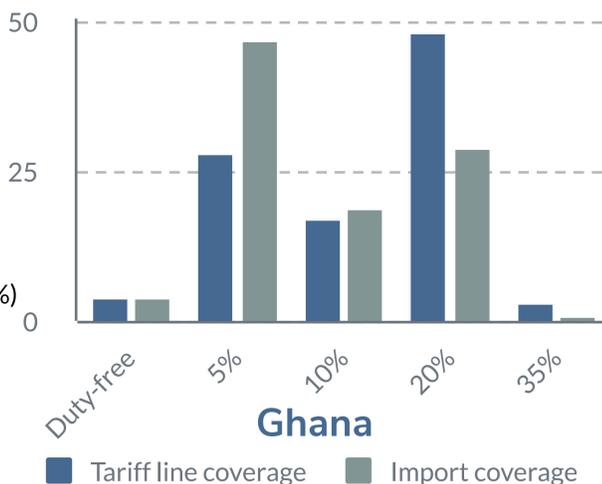
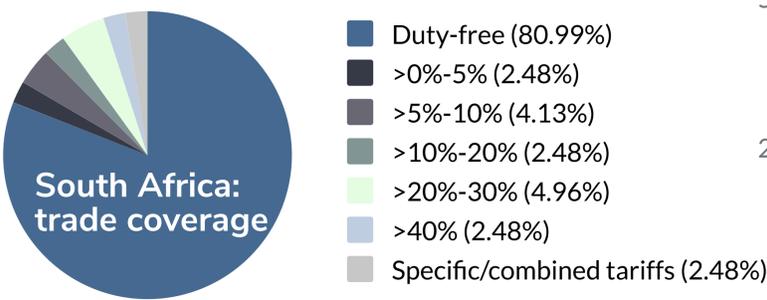
South Africa's imports from African countries outside SACU & SADC are only in 19 percent of the MFN tariff lines (SACU CET); Kenya's intra-Africa imports from outside EAC, COMESA & IGAD cover 37% of Kenya's MFN tariff lines (EAC CET); and Zimbabwe's intra-Africa imports from outside SADC & COMESA covers only 1 percent of Zimbabwe's MFN tariff lines.

In most cases intra-Africa imports are in less than 10 percent of the countries' respective tariff lines. Furthermore, in the cases where imports cover closer to 50 percent of tariff lines imports are mostly concentrated with a limited number of countries outside RECs.

	Tariffs with highest % tariff line coverage	% of tariff lines	Tariff lines with highest % of imports	% of imports
Burkina Faso	20% & 5%	74%	5%	50%
Ivory Coast	20%	47%	10%	52%
Egypt	5% & 10%	52%	5%	53%
Eswatini	0%	61%	0%	61%
Gambia	20%	54%	20%	78%
Ghana	20%	48%	5%	47%
Kenya	25% & 0%	76%	0%	66%
Mauritania	5% & 13%	66%	5%	46%
Mauritius	0%	90%	0%	74%
Namibia	0% & 20%	64%	Specific	61%
Niger	20% & 5%	64%	20%	54%
Rwanda	25% & 0%	68%	0% & 20%	52%
São Tomé and Príncipe	10%	69%	10% & 5%	61%
Senegal	20% & 5%	72%	5% & 10%	85%
Sierra Leone	20%	50%	10% & 20%	72%
South Africa	0% & 30%	66%	0%	98%
Uganda	25% & 0%	74%	0% & 25%	80%
Zimbabwe	0% & 10%	39%	5%	73%

Looking at the tariff line coverage in intra-Africa trade reveals that in most cases higher tariffs are the bigger portion of tariff line coverage, but lower tariffs are the larger portion of import value coverage. For most west African countries tariff line coverage is mainly 20% tariffs, but imports (in terms of value) are mainly of goods with tariffs of between 5% & 10%. Similarly, for EAC countries tariff line coverage is mainly 25% tariffs, but imports are mainly of duty-free goods. In the case of Eswatini, Mauritius & South Africa, tariff line coverage and the highest value of imports are the same - duty-free. Accordingly, while countries do import goods with higher tariffs from other African countries, imports are mainly of goods with lower tariffs. Namibia is one of the only exceptions - tariff line coverage is mainly duty-free, but 60% of imports are 2 products (light oils) with specific tariffs.

Categories of MFN duties & % of 2018 extra-REC intra-Africa imports in each category



Tariff line & trade coverage by sector (HS2 category classification)

Live animals; animal products

Ivory Coast - 2% of tariff lines (10% duties) & 28% of imports
 Gambia - 6% of tariff lines (10% duties) & 12% of imports
 Namibia - 5% of tariff lines (duty-free) & 16% of imports

Textiles & clothing

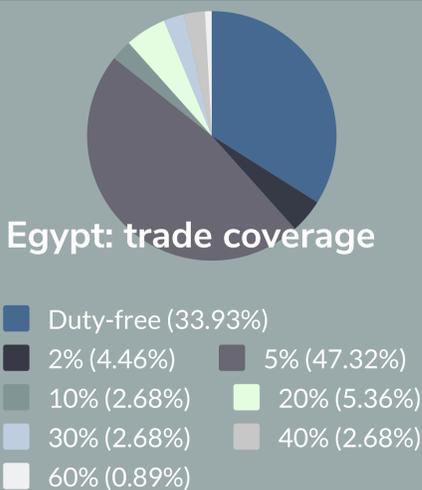
Eswatini - 11% of tariff lines (25 & 45% duties) & 21% of imports
 Mauritius - 28% of tariff lines (duty-free) & 15% of imports
 South Africa - 18% of tariff lines (45% duties) & 0.5% of imports
 São Tomé and Príncipe - 22% of tariff lines (10% duties) & 5% of imports

Vegetable products

Niger - 12% of tariff lines (20% duties) & 46% of imports
 Sierra Leone - 2% of tariff lines (20% duties) & 17% of imports
 South Africa - 8% of tariff lines (duty-free) & 0.7% of imports

Base metals

Burkina Faso - 16% of tariff lines (20% duties) & 30% of imports
 Kenya - 12% of tariff lines (10% duties) & 37% of imports
 Rwanda - 14% of tariff lines (10% duties) & 22% of imports
 Sierra Leone - 19% of tariff lines (20% duties) & 24% of imports



Food, beverage & tobacco products

Gambia - 13% of tariff lines (20% duties) & 14% of imports
 Mauritius - 5% of tariff lines (20% duties) & 31% of imports
 São Tomé and Príncipe - 7% of tariff lines (5-10% duties) & 22% of imports

Machinery

Burkina Faso - 34% of tariff lines (5% duties) & 26% of imports
 Ivory Coast - 27% of tariff lines (5% duties) & 9% of imports
 Mauritania - 36% of tariff lines (2% & 13% duties) & 33% of imports
 Sierra Leone - 32% of tariff lines (5% duties) & 34% of imports
 Zimbabwe - 41% of tariff lines (0-20% duties) & 5% of imports
 Ghana - 21% of tariff lines (5% duties) & 22% of imports

Mineral products

Namibia - 5% of tariff lines (duty-free & specific tariffs) & 72% of imports
 Senegal - 0.2% of tariff lines (10% duties) & 48% of imports
 South Africa - 2% of tariff lines (duty-free) & 94% of imports
 Egypt - 4% of tariff lines (0-5% duties) & 85% of imports

Transport equipment

Ghana - 3% of tariff lines (5% duties) & 22% of imports
 Mauritania - 5% of tariff lines (20% duties) & 27% of imports
 Rwanda - 4% of tariff lines (10% duties) & 18% of imports
 Senegal - 0.7% of tariff lines (10% duties) & 16% of imports

Chemical products

Eswatini - 22% of tariff lines (20% duties) & 71% of imports
 Zimbabwe - 6% of tariff lines (4 tariff lines - duty-free, 5%, 10% & 40% duties) & 77% of imports

