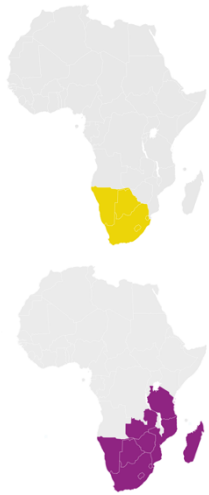




# Trading Under the AfCFTA – a Guide for South Africa

The African Continental Free Trade Agreement states that existing regional economic communities (RECs) will remain in place. South Africa’s trade with SACU and SADC member states will therefore continue under existing regimes.



## Southern African Customs Union (SACU)

Botswana, Eswatini, Lesotho, Namibia and South Africa

## Southern African Development Community (SADC) – FTA members

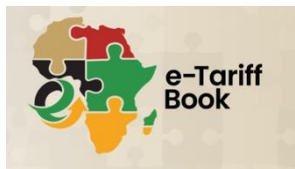
SACU + Madagascar, Malawi, Mozambique, Mauritius, Seychelles, Tanzania, Zambia, and Zimbabwe

As a customs union, the Southern African Customs Union (SACU) has a **common external tariff** and a **common customs territory**. There are no customs duties on intra-SACU trade. To protect the integrity of the customs union, SACU member states have made a collective offer of tariff concessions in the AfCFTA, covering 90% of its tariff book (7111 lines) in February 2023. The implementation of the AfCFTA is one of the priority areas in the Strategic plan of the SACU region. **South Africa will continue to trade in goods with other SACU member states under SACU rules. Trade in services** is not covered in SACU, so each member state will have its own commitments in the AfCFTA. All SACU member states are also members of the Southern African Development Community (SADC).

South Africa, together with the 12 other SADC member states that are **party to the SADC Free Trade Area**, will continue to trade with one another under **SADC FTA rules**. Angola, Comoros and DRC are members of SADC, but have not joined the SADC FTA. Angola has submitted a tariff offer to join the FTA.

➔ New preferential trade opportunities for South Africa under the AfCFTA will be with *non-SACU, non-SADC FTA* countries in East, West, North and Central Africa with whom South Africa does not trade under any existing FTA or CU rules.

## AfCFTA Operational instruments



The *AfCFTA e-tariff book* is a digital platform containing the tariff schedules with applicable tariff rates for all AfCFTA State Parties based on the WCO 6-digit Harmonised System (HS). Goods are classified in three Categories: i) Category A – non sensitive products, ii) Category B – sensitive products, and iii) Category C – products that are excluded from liberalisation.

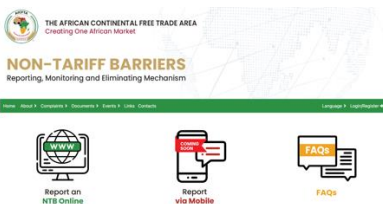
<http://etariff.au-afcfta.org/>



## RULES OF ORIGIN MANUAL

The *AfCFTA Rules of Origin Manual* provides detailed information on how to determine the national origin of goods so that they can be traded between State Parties under the AfCFTA preferential tariff rates.

<https://au-afcfta.org/rules-of-origin/>



The *AfCFTA Online Mechanism for Reporting, Monitoring and Elimination of NTBs* is a portal for online reporting of identified non-tariff barriers (NTBs), including for reporting via SMS. Reported NTBs and the status of their resolution can be tracked.

[www.tradebarriers.africa](http://www.tradebarriers.africa)



The *Pan-African Payment and Settlement System (PAPSS)*, developed by the African Export-Import Bank (Afreximbank) in collaboration with the African Union and AfCFTA Secretariat, is a cross-border payment and settlement infrastructure for transactions across Africa. PAPSS allows for payment and settlement using local currencies.

<https://papss.com/>



The AfCFTA Secretariat has partnered with AfroChampions, governments and industry to launch the *AfCFTA Hub* platform. The AfCFTA Hub aims to simplify AfCFTA rules for SMEs and startups, level the playing field in e-commerce & e-logistics so everyone can participate and benefit from the stated objectives of the AfCFTA, and facilitate the integration of African economies.

<https://hub.au-afcfta.org/>



# South Africa's participation in the AfCFTA

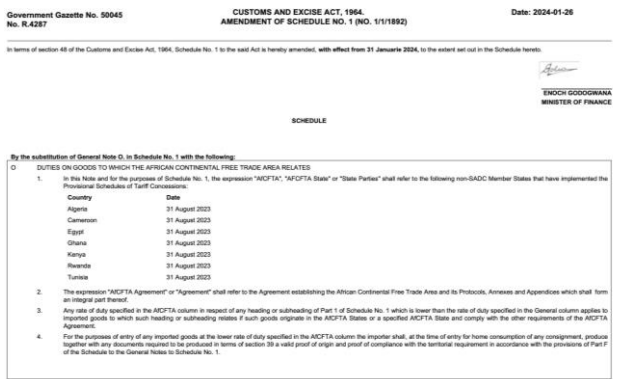
South Africa signed the AfCFTA Agreement on 2 July 2018, ratified the Agreement on 31 January 2019, and deposited its instrument of ratification with the AUC Chairperson on 10 February 2019. South Africa, the first member of SACU, was among the second group of countries to express interest in participating in the Guided Trade Initiative, launched by the AfCFTA Secretariat in October 2022.

South Africa began trading under the GTI on **31 January 2024**. Two consignments of goods departed from the port of Durban bound for Kenya and Ghana for the approved tariff offers. The South African Revenue Service (SARS) notified external stakeholders/traders of the implementation of the AfCFTA in a letter dated 1 February 2024: <https://bit.ly/4cvVMsV>. The necessary legal instruments published on 26 January 2024 can be found here: <https://bit.ly/3XVpXFG>.

Under the GTI, South Africa (and hence SACU) can trade with the following countries, as listed in Government Gazette 50045, Notice number R.4287: Algeria, Cameroon, Egypt, Ghana, Kenya, Rwanda and Tunisia. Trade with SADC countries will continue under the SADC Protocol on Trade.

**South Africa (SACU) Tariff Book:** The latest Provisional Schedule of Tariff Concessions was published on 28 June 2024 in an Amendment to the Customs and Excise Act, Part 1 of Schedule 1 (Customs Duty): <https://bit.ly/3VVqcOI>. The tariff phasedown is calculated from 1 January 2021, the date that had been indicated at the Thirteenth Extraordinary session of the African Union Assembly on the AfCFTA in December 2020 as the start of trading.

Note: These products are in **Category A** (to be liberalised over 10 years – in a linear fashion). We are now in year 4 of the 10-year tariff phase-down (i.e. reduced by 2.5% per year).



SCHEDULE 1 / PART 1 / SECTION I  
Customs & Excise Tariff

Heading / Subheading	CD	Article Description	Statistical Unit	Rate of Duty						
				General	EU / UK	EFTA	SADC	MERCOSUR	ACFTA	
01.01	-	Live horses, asses, mules and hinnies.								
0101.2	-	Other.								
0101.21	1	Placed breeding animals	u	free	free	free	free	free	free	free
0101.29	2	Other	u	free	free	free	free	free	free	free
0101.30	4	Asses	u	free	free	free	free	free	free	free
0101.30	7	Other	u	free	free	free	free	free	free	free
01.02	-	Live bovine animals.								
0102.2	-	Other.								
0102.21	5	Placed breeding animals	u	free	free	free	free	free	free	free
0102.29	6	Other	u	free	free	free	free	free	free	free
0102.31	5	Placed breeding animals	u	free	free	free	free	free	free	free
0102.39	6	Other	u	free	free	free	free	free	free	free
0102.40	0	Other	u	free	free	free	free	free	free	free
01.03	-	Live swine.								
0103.2	-	Other.								
0103.21	6	Placed breeding animals	u	free	free	free	free	free	free	free
0103.29	7	Other	u	free	free	free	free	free	free	free
0103.31	0	Of a mass of less than 50 kg	u	free	free	free	free	free	free	free
0103.32	7	Of a mass of 50 kg or more	u	free	free	free	free	free	free	free
01.04	-	Live sheep and goats.								
0104.30	1	Sheep	u	free	free	free	free	free	free	free
0104.30	6	Goats	u	free	free	free	free	free	free	free
01.05	-	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls:								
0105.1	-	Of a mass not exceeding 180 g.								
0105.11	1	Fowls of the species Gallus domesticus	u	free	free	free	free	free	free	free
0105.12	6	Turkeys	u	free	free	free	free	free	free	free
0105.13	4	Ducks	u	free	free	free	free	free	free	free
0105.14	0	Geese	u	free	free	free	free	free	free	free
0105.15	7	Guinea fowls	u	free	free	free	free	free	free	free
0105.1	-	Other.								
0105.24	7	Fowls of the species Gallus domesticus	u	free	free	free	free	free	free	free

## Authorised Economic Operators

An Authorised Economic Operator (AEO) is a company involved in the international movement of goods and approved as complying with World Customs Organisation or equivalent compliance and supply chain security standards. AEOs may include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders. Businesses must meet specific requirements and go through a thorough evaluation by customs authorities in order to become an AEO.

In Africa, the following RECs have established **regional AEO Programmes**: SACU, EAC, COMESA, and ECOWAS. Regional blocs can enter into Mutual Recognition Arrangements (MRAs) to confer AEO status to qualifying businesses in other RECs that are trading in their territories to ease entry into each other's markets. The regional AEO Programmes operate under a common set of criteria, instruments, authorisation processes, and monitoring systems.

The aim is to achieve compliance and uniformity in regulations and to rely less on physical intervention, achieving greater efficiency and speed in the cross-border movement of goods without compromising safety and security, revenue collection, and enforcement responsibilities. The ripple effect of full implementation of the AEO Programme could result in the reduction of Non-Tariff Barriers to Trade.

### AEO Programme in SACU (South Africa)

South Africa participates in the SACU AEO programme – a flagship Programme that is envisaged to support industrialisation and the trade agenda (with AfCFTA as a priority). To achieve its objectives, it is critical for Customs Administrations, Partner Government Agencies, and private Businesses to collaborate and establish mutually beneficial partnerships. See the Factsheet here for more details: <https://bit.ly/4bzVq3f>

