



**SPECIAL
EDITION**



ELEMENTS OF MODALITIES FOR THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT MARKET ACCESS NEGOTIATIONS ON TARIFFS: SOME KEY ISSUES FOR CONSIDERATION



Modalities for tariff negotiations towards a Continental Free Trade Area (CFTA)

Some key issues for consideration

A technical note by the UNCTAD secretariat

This technical note has been prepared by the UNCTAD secretariat (Trade Negotiations and Commercial Diplomacy Branch of the International Trade Division) with a view to promoting informed policy discussion and negotiations on the CFTA. It covers trade in goods, particularly tariffs, and does not address other equally important aspects of non-tariff measures (NTMs) or trade in services. This note is unedited and represents a current work in progress.

Summary

Pan-African negotiations for a Continental Free Trade Area (CFTA) were launched in June 2015 with the indicative target date for conclusion set for 2017. The negotiators are yet to establish operational modalities for CFTA market access negotiations on trade in goods. Such modalities should not only serve for boosting intra-African trade but also effectively factor in specific trade and trade policy conditions, as well as underlying development needs, that characterize the continent. A coherent approach linking national trade policy, sub-regional integration processes and CFTA negotiations would be warranted. This note provides an initial discussion of some of the salient technical issues that would require policy attention in determining approaches to tariff elimination under CFTA.

Contents

Introduction

- I: Intra- and inter-REC trade and protection
- II: Possible effect of CFTA
- III: WTO rules
- IV: Basis of CFTA liberalization
- V: Tariff elimination modalities

Conclusion

Introduction

Pan-African negotiations for a Continental Free Trade Area (CFTA) were launched in June 2015 with the indicative target date for conclusion set for 2017, consistent with the African Union (AU)'s Action Plan for "Boosting Intra-African Trade and the Establishment of a CFTA" as endorsed by the 18th AU Summit of African Heads of States and Governments (January 2012).¹ The launch of the negotiations marks a major milestone in 35 years of pan-African continental integration efforts. The targeted date of 2017 for the CFTA represents fast-tracking by 2 years the completion of stage 4 in respect of free trade area as envisaged by the Abuja Treaty of 1991.² These negotiations, covering both goods and services, would be built upon the *acquis* of the progress made in Regional Economic Communities (RECs), including the recently-launched Tripartite Free Trade Area (TFTA) among COMESA, EAC and SADC. The agreed AU Roadmap provides that pan-African negotiations would be based on "consolidation of regional FTA processes into the CFTA", implying negotiations between the TFTA and other RECs, including possible inter-REC arrangements covering Northern-Central-Western African regions, and leaving the option of individual countries that are not ready to join at a later stage.³

The CFTA negotiations are charged with a number of challenges intrinsic in the African context. These include its sheer size, a large number of countries involved and heterogeneity among them, a multitude of sub-regional and inter-sub-regional integration processes, asymmetric level of integration achieved in different RECs, and the overlapping membership of several RECs. These add to underlying economic constraints characterizing the continent, including low income level and pervasive poverty, undiversified economies and high reliance on tariffs for fiscal revenue for many economies. These need to be effectively factored in the organization and structure of CFTA negotiations. The present note provides an initial discussion of some of the salient technical issues that would require policy attention in determining possible approaches to CFTA market access negotiations on trade in goods in respect of tariffs.⁴

I: Intra- and inter-REC trade and protection

The CFTA project started from the premise on the necessity to boost intra-African trade by fast-tracking continental FTA to support development in the continent. At the root lies the observed low level of intra-African trade, which hovered around 10 per cent of total African merchandise trade over the recent past.

¹ African Union (2015), Decision on the launch of Continental Free Trade Area negotiations (Assembly/AU/Dec.569(XXV)), adopted at the 25th ordinary session of the Assembly of the Union, 14-15 June 2015, Johannesburg, South Africa.

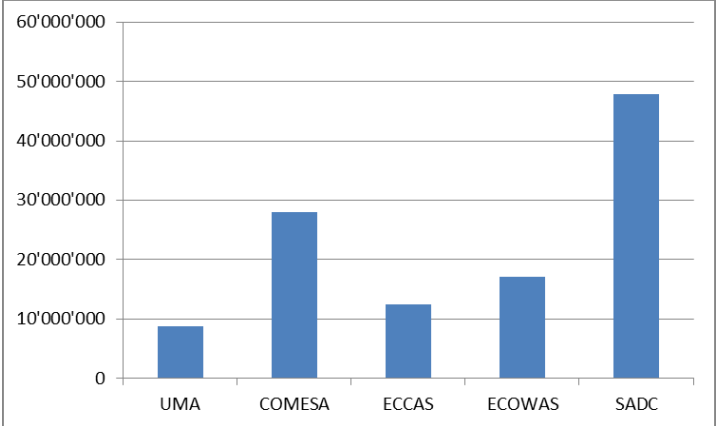
² For a discussion of boosting intra-African trade by fast-tracking CFTA, see UNCTAD and African Union (2012), Trade liberalization, investment and economic integration in African Regional Economic Communities towards the African Common Market (UNCTAD/DITC/TNCD/2011/2).

³ African Union (2012), Declaration on boosting intra-African trade and the establishment of a Continental Free Trade Area (CFTA) (Assembly/AU/Decl.1(XVIII)), adopted at 18th Ordinary Session of the Assembly of the Union, Addis Ababa, Ethiopia, 29-30 January 2012.

⁴ It may be noted that an integrated approach to market access requires, apart from modalities for tariff elimination, complementary modalities to deal with NTMs and related policies that could affect the competitiveness of CFTA members. For a discussion of a proposed strategy to tackle NTMS under SADC and the TFTA, see UNCTAD (2015), "Non-tariff measures and regional integration in the Southern African Development Community" accessible at: http://unctad.org/en/PublicationsLibrary/ditctab2014d5_en.pdf

Among RECs, SADC is by far the largest market for African exporters absorbing close to \$50 billion worth of intra-African imports in 2014 and representing 52 per cent of total intra-African imports, followed by COMESA (31 per cent), ECOWAS (19 per cent), ECCAS (14 per cent) and UMA (10 per cent) (figure 1). This reflects the absolute market size of SADC region but also the region's high propensity to import from African sources. The share of SADC in total intra-African imports is as high as 52 per cent, but this compares to its share in total African imports from the world, which is just 32 per cent. Hence the region remains an important market for the continent, to which CFTA is expected to further facilitate the access. In contrast, UMA (and to a lesser extent ECCAS) exhibits the opposite pattern with its imports heavily skewed towards the sources outside the continent given its geographical and economic ties with Europe. CFTA could potentially help other African countries to tap into this market which appear to be not fully exploited by other regions.

Figure 1: RECs’ market size: Imports from Africa, 2014 (\$ thousands)



Source: UNCTADstat.

There is a large disparity in trade flows among different RECs (table 1). SADC's strong propensity to import from Africa is largely a reflection of its large intra-REC trade with 80 per cent of SADC's total intra-African imports originating in other SADC countries. This is followed distantly by COMESA and ECOWAS while its trade with UMA is marginal. Generally all RECs import most intensively from the same REC partners with notable exceptions of ECCAS and COMESA. For both regions, SADC is the largest source of imports reflecting their proximity, the level of market integration achieved and complementarity. UMA registers a high rate of intra-REC imports, as well as imports from the neighboring COMESA. ECOWAS appears to enjoy a high level of reliance on its own regional sources. In general, the intra-African trade linkage appears to follow geographical congruity (e.g., UMA-COMEAS, COMESA-SADC, ECCAS-SADC) but weak essentially between remote areas, on the North-South, East-West, and North-Central-West axes.

Table 1: RECs' imports from RECs as a share of their total imports from Africa, 2014 (per cent)

		Exporter				
		UMA	COMESA	ECCAS	ECOWAS	SADC
Importer	UMA	61.4	34.0	0.7	3.8	5.8
	COMESA	17.1	39.9	7.0	1.1	58.6
	ECCAS	26.3	16.6	12.2	20.2	38.9
	ECOWAS	12.0	2.1	1.9	72.4	11.7
	SADC	1.7	19.0	9.4	12.7	80.2

Source: UNCTADstat.

Note: The figures do not add up to 100% due to double-counting of some countries in several RECs.

The initial protection patterns provide useful insights into the possible effect of CFTA. Average level of effective tariff protection (i.e., inclusive of preferential rates) applied to imports from different sources is indicative of the level of trade integration achieved within each REC and remaining barriers affecting their intra- and inter-REC trade (table 2). Tariff applicable to intra-REC trade is generally low reflecting existing preferential trade arrangements within each REC, particularly in UMA, SADC and COMESA where average rate of protection is in the order of 2-3 per cent. This does not seem to be the case with ECOWAS and ECCAS, which appear to continue to impose sizable protection on intra-REC trade. This however may be due to the fact that updated preferential tariffs data may not be fully captured, and care is needed in interpreting tariff and trade data. Extra-REC imports are generally faced with higher average protection than intra-REC imports, reflecting the prevalence of non-preferential MFN duties applied to these imports. The low tariff protection applied to COMESA's imports from UMA, SADC's imports from ECCAS and ECOWAS may reflect the intensity of mineral products in this trade, which generally face low tariffs on an MFN basis.

The table in annex provides average tariffs applied by each country on imports from different RECs.

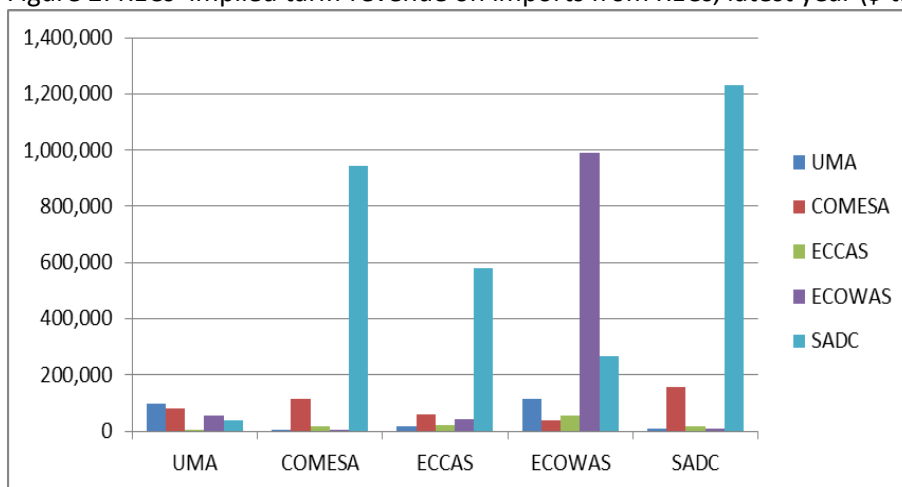
Table 2: RECs' weighted average tariffs effectively applied on imports from RECs, latest year available (per cent)

		Exporter				
		UMA	COMESA	ECCAS	ECOWAS	SADC
Importer	UMA	2.2	3.2	7.9	14.7	6.7
	COMESA	0.7	3.2	5.7	3.2	7.8
	ECCAS	20.1	6.6	9.3	11.2	11.5
	ECOWAS	9.9	8.9	5.7	8.6	9.7
	SADC	8.5	2.5	0.4	0.2	3.1

Source: TRAINS/WITS.

The value of tariff revenue for the importing government (and costs incurred by exporters) implied by average protection are indicative of the areas and magnitude of possible static gains from CFTA liberalization on account of tariff savings (figure 2).

Figure 2: RECs' implied tariff revenue on imports from RECs, latest year (\$ thousands)



Source: TRAINS/WITS.

SADC stands out in this regard as its exports appear to face sizable protection in COMESA, ECCAS and ECOWAS. In these markets, SADC faced an average tariff of 7.8 per cent, 11.5 per cent and 9.7 per cent respectively as reported in table 2. This may reflect the fact that relative competitiveness of SADC exports attracts higher protection in different markets. The large amount of tariff revenue registered in SADC totaling \$1.2 billion reflects the large absolute amount of intra-grouping trade, which magnified the relatively low average protection of 3 per cent. The high revenue implied for intra-ECOWAS trade of \$1 billion appears to be reflective of high tariffs applied within ECOWAS and its high intensity of intra-ECOWAS trade as reported. However, again, caution is warranted in interpreting the data, as this may be due to the fact that updated preferential tariffs data may not be fully captured for these regions.

II: Possible effect of CFTA

One of the critical issues in the CFTA negotiations is to ascertain the adequate level of ambition for CFTA. This should be ideally informed by possible economic gains and losses that may be expected from the continental CFTA liberalization. As the objective of the endeavor is to boost intra-African trade, including with a view to doubling the share of intra-African trade by 2020, and to foster the continent's broad-based development, the assumption of the negotiations is to aim at a highest level of ambition to realize zero tariffs for a large share of products.

A CGE model-based analysis assuming a full liberalization of all tariffs on all products in Africa suggests that CFTA liberalization would generate one-off increase in global welfare of \$7.3 billion in 2025 and the largest gains are expected from South Africa (\$5.7 billion), followed by Nigeria (\$2 billion) and Kenya (\$1.3 billion).⁵ Another study finds that CFTA would increase real income gains for African countries in the order of 0.2 per cent or \$296 million in 2022.⁶ In terms of trade, the CFTA would increase total African exports to the world by 4.0 per cent (or \$25.3 billion) in 2022 but intra-African trade would increase by 52.3 per cent (or \$34.6 billion), mainly in agriculture and food, industry and services sectors.

⁵ Hans Grinstead Jensen and Ron Sandrey, *The Continental Free Trade Area – A GTAP assessment*, TRALAC, 2015.

⁶ Simon Mevel and Stephen Karingi, *Deepening regional integration in Africa: A computable general equilibrium assessment of the establishment of a Continental Free Trade Area followed by a Continental Customs Union*, a paper for the 7th African Economic Conference, Kigali, Rwanda, 30 October 2012- 2 November 2012.

This is expected to increase the share of intra-African trade from the current 10.2 per cent (in 2010) to 15.5 per cent in 2022. Individually, African sub-regions and countries are generally expected to see their exports increase to a different degree, but many countries may see their real income worse off after CFTA liberalization due to increased competition, loss of tariff revenue and terms of trade effects. However, additional trade facilitation measures that would effectively reduce trade costs would further amplify the effect of internal liberalization.

The higher the level of ambition, the larger the trade and income gains; However, larger gains would also imply larger adjustment costs domestically. This is why the level of ambition is critical as a matter of policy in any trade negotiations. While generally welfare-improving, trade liberalization could have adverse implications for local industries, food security, government revenue, as well as possible welfare losses arising from trade diversion, there is a case that the tariff elimination approaches be carefully designed, including incorporating an adequate level of flexibilities. Such a need for balancing act to address adjustment challenges is strong in Africa, and particularly for weaker and smaller members within the region. While such flexibilities need to be carefully weighed against the expected gains from ambitious outcome, existing RTAs all contain a certain degree of flexibilities. The case of foregone tariff revenues is particularly important for countries that are less capable of introducing fiscal reforms (e.g., introduction of VAT) and remain dependent on import taxes.

III: WTO rules

As different from non-preferential multilateral tariff negotiations under WTO, preferential tariff negotiations towards an FTA aims at eliminating existing tariffs for almost all trade, be it measured by the number of tariff lines or the value of imports covered by the agreement. The level of ambition thus amounts to the question of how many products or how much trade should be covered by the agreement. The issue here is not the question of to what extent the existing tariffs are to be reduced but that of for how many products and how much trade tariff should be eliminated and brought down to zero. The traditional discussion on the level of ambition in the RTA context has therefore revolved around the issue of trade/tariff line coverage, for which tariff will be eliminated within a given period of time. These parameters have been driven by the desire of members to achieve a tariff-free trading environment, but also by the applicable WTO rules in this area.

Under GATT Article XXIV, the requirement for a FTA to be WTO-compatible is that "substantially all the trade" be covered (i.e. liberalized), and the interpretation of this concept in terms of what percentage of trade/products should be covered exactly has been a matter of persistent contention often in North-South RTAs, most notably ACP-EU EPAs. Under the latter's context, liberalization of 100 per cent by EU and at least by 80 per cent for the ACP side was the operational target with the argument being that the average liberalization ratio of 90 per cent should meet the "substantially all the trade" requirement as provided under GATT Article XXIV. It may be noted however that there is no consensually agreed definition of this threshold levels within WTO, neither whether this threshold should be applied to tariff lines or import values. This issue therefore remains largely a matter of interpretation by each WTO member.

The future CFTA being a South-South FTA, theoretically, it does not need to be covered under GATT Article XXIV but may be arguably covered under the Enabling Clause specifically designed for South-South preferential trade arrangements that does not contain any numerical thresholds or requirement as to the level of liberalization. However, there is recent trend whereby large South-South RTAs have been notified and examined under GATT Article XXIV (or both under Enabling Clause and GATT Article

XXVI) at the persistence of other WTO Members. This dual presentation was the case with MERCOSUR and SADC. Hence, it can be expected that the future CFTA could be required to meet the requirement of GATT Article XXIV. Thus the issue for the CFTA negotiations would be to ascertain what trade/product coverage should be the target (80%, 90% or 100%) as a matter of principle so as to meet the WTO-compatibility test.

IV: Basis of CFTA liberalization

The basis of CFTA market access negotiations would largely depend on the overall configuration of the parties to the CFTA negotiations. In principle, negotiations can either (i) encompass all CFTA countries addressing all bilateral trade conducted both on MFN and preferential bases; or (ii) be essentially between those RECs (and countries) without preferential trade arrangements. In the case of (i), intra-REC tariffs would also be subject to negotiations to achieve further liberalization at the CFTA level while case (ii) assumes that only inter-REC tariffs are subject to liberalization. The latter appears to be the approach preferred by the agreed AU Roadmap as endorsed by the AU Summit in 2012. Approach (i) would imply CFTA would simply override existing RECs. This does not appear to make sense and would be contrary to the premise of the CFTA built on RECs' achievement as *acquis*.

This approach implies that the base rates for CFTA negotiations would be applied MFN rates. In trade negotiations, base rates are usually defined as those applicable at the commencement of negotiations (i.e., June 2015 in the case of CFTA) and subject to standstill requirement not to increase them, so as to preempt any roll-back by members of existing MFN rates prior to CFTA commitments to improve their bargaining positions. WTO bound rates are irrelevant for the purpose of RTAs as RTAs are meant to achieve elimination of existing tariffs whereas WTO bound rates can be higher than applied MFN rates or non-existent for some products and countries. Other preferential rates applied under pre-existing inter-REC FTAs (such as TFTA) or RECs are governed and bound under those respective RTAs. So setting the base rates of positive MFN duties under CFTA does not mean any allowance for REC members to raise existing preferential (often zero) rates to the positive MFN base rates.

Approach (ii) however leaves the important question of how to deal with the cases where internal-REC liberalization is not effectively operational, as inter-REC CFTA negotiations would not address intra-REC tariff liberalization. Also approach (ii) is not free either from the challenge of possible complexity of negotiations, as many parties to RECs such as COMESA, SADC and TFTA, with these being FTAs and not customs union, would need to conclude their own liberalization schedules individually and not as groups, even if they may negotiate collectively. This implies that the number of negotiating parties will be significantly large. The negotiations are likely to be based on the following configuration (table 3):

Table 3: Possible CFTA configuration

	UMA members individually	TFTA members individually	ECCAS members individually	ECOWAS members as a group (as a CU)
UMA members individually	No negotiation	Negotiation	Negotiation	Negotiation
TFTA members individually	Negotiation	No negotiation	Negotiation	Negotiation
ECCAS members individually	Negotiation	Negotiation	No negotiation	Negotiation
ECOWAS members as a group (as a CU)	Negotiation	Negotiation	Negotiation	No negotiation

From this perspective, and recognizing the hierarchy of different preferential arrangements in a given REC/country, it is expected that CFTA will provide, generally, the degree of liberalization: (i) broader and deeper than existing extra-regional FTAs (such as ACP-EU EPAs and other bilateral FTAs); (ii) equal to, or lower than, existing inter-REC sub-continental FTAs such as TFTA⁷; (iii) equal to, or but more probably, lower than existing RECs (e.g., COMESA, SADC), and equal to but more certainly lower than, such more cohesive sub-regional entities as SACU, EAC or UEMOA. From this perspective, the following can be considered as among the general principles/understandings of possible liberalization approaches in the CFTA negotiations:

Each CFTA party will, as a matter of principle:

- (i) Offer to other CFTA parties market access conditions at least equal to those offered under other extra-regional RTAs (e.g., ACP-EU EPAs);
- (ii) Offer, or endeavor to offer, to other CFTA parties market access conditions which come as close as possible to those applicable under pre-existing inter-REC FTAs (e.g., TFTA) or if possible RECs themselves (e.g., COMESA, SADC), and;
- (iii) Cover, in the end, at least X per cent (e.g., 80-90-100 per cent) of products and imports from other CFTA parties for duty-free treatment by year Y after the entry into force.

⁷ TFTA negotiating modalities agreed in 2013 set the target of a liberalization threshold of between 60%-85%, with 15% of tariff lines allowed as exclusions from liberalization (and subject to further negotiations), and a tariff liberalization period of between 5 to 8 years (for those countries that have not liberalized their trade under existing RECs). Statement by Mr Sindiso Ngwenya, Secretary General of COMESA, January 2015. <http://www.tralac.org/news/article/6974-update-on-the-tripartite-free-trade-area-negotiations-statement-by-mr-sindiso-ngwenya-secretary-general-of-comesa.html>

Table 4: Example of hierarchy of preferences in a CFTA party

	MFN rates as applied to other CFTA parties in different RECs	Extra-regional FTA (e.g., EPA)	Inter-REC FTA (e.g., TFTA)	REC
	(A)	(B)	(C)	(D)
	--	Coverage = 80%	Coverage = 90%?	Coverage = 100%
Product A	0	0	0	0
Product B	5	0	0	0
Product C	10	0	0	0
Product D	20	20	0	0
Product E	35	35	35	0

Principle (i) would ensure that CFTA members enjoy market access to another African market at a better condition than extra-regional partners in support of deeper regional integration. This may provide a useful benchmark as some sub-regional groupings (such as ECOWAS and ESA configurations) have recently concluded their EPA negotiations with EU, providing a minimum tariff liberalization presumably covering 80 per cent of tariff lines and bilateral imports. While import structure differs between EU and other CFTA parties and thus adjustment would be required, this may set a potentially useful floor for CFTA commitments. Doing otherwise would imply that EU would enjoy better market access to a CFTA member, which is contrary to the objective of CFTA to boost intra-African trade. This means moving from column A to column B in the example of table 4.

To what extent principle (ii) above will be met appears to be critical in determining the overall level of ambition for the future CFTA. As the CFTA will be built upon RECs, and given the recent progress in TFTA, the best and most straightforward approach conceptually is to extend the existing TFTA or REC preferences to all CFTA parties on an MFN basis (i.e., restricted to CFTA parties), by moving from column A to column C or further to column D in the example of table 4. In particular, TFTA, negotiated recently between COMESA, EAC and SADC with an eye on supporting the continental integration, would form a natural basis for this purpose for TFTA members. However, CFTA would also be built on the principle of reciprocity and there is a legitimate case for TFTA members to expect their market access offer to be reciprocated by other REC configurations, and therefore that the extension of TFTA preferences to other REC members be conditional upon their equivalent market access offers. This may imply that the level of market opening for the CFTA would be less than that of TFTA or existing RECs, and that the level of intra-REC and inter-REC integration such as TFTA is one of the key determining factors of the level of liberalization under the CFTA.

Principle (iii) on setting a quantitative target for the overall product and trade coverage (e.g., 80%, 90%) is important not only to meet formally the WTO-compatibility test but also to induce effective liberalization under CFTA. This is also potentially useful for inducing intra-REC market opening in individual RECs which would not be subject to CFTA negotiations (e.g. UMA, ECCAS). This is because principle (i) above would not be relevant if an CFTA party does not have any extra-regional FTA, and principle (ii) would not be effective in inducing effective liberalization among RECs within CFTA if existing RECs have not achieved an effective and operational FTA among their members. In such a case, setting a quantitative target for minimal market opening vis-a-vis other REC party to CFTA negotiations could, in theory, also induce the REC members in question to undertake parallel intra-REC liberalization. This is because, similar to the case of principle (i) above, if some REC has an insufficient coverage of intra-REC

FTA and if the CFTA result in higher level of liberalization for extra-REC parties, the members of the REC in question would find it in their interest to undertake at least an equivalent degree of market opening internally within the REC. Because doing otherwise would imply extra-REC CFTA members would enjoy better market access condition in the REC.

If this is found to be insufficient and more direct explicit provisions needed, a complementary requirement may be envisaged, so that in case some RECs do not provide a sufficient level of operational intra-REC FTA, there is a requirement for each REC to achieve a minimal level of liberalization (e.g., 80-90% coverage, possibly in line with CFTA liberalization target). But again, if the CFTA negotiations are to take place among parties across different RECs, how the CFTA process can intervene on matters pertaining to individual RECs would need to be ascertained. Also, the inability of various RECs to advance intra-REC integration to date despite repeated efforts suggests that the quantitative target for the ambition of CFTA liberalization itself would be in large part dependent on the existing level of integration in each REC. Therefore, there is possibility that the overall level of CFTA ambition may also be reduced to the prevailing level of integration in participating RECs.

Such an eventuality appears to point to the case for devising some sequential and continuous processes of parallel integration efforts both at the levels of individual RECs and CFTA, so that an advance in intra-REC integration could be fed into further liberalization at the CFTA level and *vice versa*. This question appears to require careful consideration in the broader context of determining the overall structure and processes of longer-term continental integration processes.

V: Tariff elimination modalities

The CFTA tariff cut would be based on 100 per cent linear cuts⁸ in principle. The objective under CFTA, like under any RTA, is tariff elimination as distinct of tariff reduction. So the non-linear “formula” approach such as the "Swiss formula" as used in WTO's NAMA negotiations, or linear cut formula other than 100 per cut, is not relevant as these formulae do not eliminate initial tariffs but only reduce them (with a harmonizing effect in the case of Swiss formula). Rather, the general modality of CFTA is the 100 per cent linear cut applied across-the-board combined with various arrangements for staging, exclusion or limited liberalization as applied to different products. What matters for the efficient conduct of the negotiations appears to be to identify the modalities for "tariff elimination schedules" as different tariff lines would be subject to different tariff elimination patterns over different time periods.

Several different categories of treatment are conceivable for different products:

- | | | |
|-----------------|---|--|
| <u>Excluded</u> | { | (i) Complete exclusion (i.e., no liberalization); |
| | { | (ii) Subject to tariff reduction only and not elimination (with or without transition period); |
| <u>Covered</u> | { | (iii) Subject to longer transition period; |
| | { | (iv) Subject to shorter transition period, and; |
| | { | (v) Immediate elimination (i.e., zero tariffs at the entry into force). |

Categories (i) and (ii) refer to the so-called "sensitive products" which are basically excluded from the liberalization, and (iii)-(v) are those subject to liberalization.

⁸ "100% cuts" refers to the extent to which the base rate is reduced. Any positive initial duties irrespective of their level (e.g., 10% or 50%) would be reduced to 0%, i.e., reduction by 100%. "100%" thus does not refer to product coverage, which can be less than 100% under RTAs.

Accordingly, two stages of negotiations can be distinguished. The first stage of the negotiations would be to determine the overall level of ambition or exclusion; that is to determine how many products and how much trade should be assigned to (i) and (ii) (e.g., 10 per cent of tariff lines and import value which would mean liberalization coverage of 90 per cent). The second stage would be to determine different tariff phase-in arrangements ("staging") and assign different tariff elimination approaches to different products on a line-by-line basis. At this stage, a template of tariff elimination schedules, or "modalities", would prove to be useful and be expected to be the focus on the negotiation in the second stage.

V.1: Defining the level of ambition and product exclusion

The level of ambition, or the scope of product exclusion, would be expected to be at the heart of CFTA negotiations in the first stage. While it is straightforward to say that CFTA liberalization should cover at least 90 per cent of all products and imports, how to measure this requirement, thus to determine the ambition of CFTA liberalization for each party, may prove to be complex. Each country or REC is in a different situation. The 80-90 per cent of tariff lines and trade coverage can be easier or more difficult to be met depending on the individual situations of negotiating parties. How to measure the targeted coverage rate, hence "substantially all the trade" requirement, is also problematic. While tariff line coverage may be easier to measure, it may not be clear whether the "trade coverage" refers to a CFTA party's imports from (i) other RECs as a group; (ii) each and every CFTA parties; or (iii) from all CRTA members as a group. Also there are technical questions of at what point in time the targeted coverage rate should be measured; i.e., whether it is at the end of transition period of 10 years, 15 years or the longest one.

(a) Product coverage

A review of national tariff structures of five sample country members of the five RECs - namely Kenya, South Africa, Nigeria, Cameroon and Tunisia - reveals a wide diversity in this regard (table 5).⁹ Simple average MFN rate ranges from 8-19 per cent, and the distributions of tariff lines in different levels also demonstrate a high heterogeneity. High initial rates would indicate possible sources of gains but also relatively greater adjustment costs under liberation. For instance, while nearly 60 per cent of products are duty free on an MFN basis in South Africa, only 1-3 per cent of items enjoy the same treatment in Cameroon and Nigeria. For some countries, the bulk of tariff lines concentrate in the tariff range over 25 per cent. The large presence of high rates, which are presumably sensitive for economic and public policy reasons, would suggest a need for careful balancing act in designing their market opening in the CFTA context.

⁹ The table for Nigeria does not capture ECOWAS CET launched in 2015.

Table 5: Distribution of national tariff lines by applied MFN rates, 2014

	Kenya		South Africa		Nigeria		Cameroon		Tunisia*	
Simple Av MFN rates	12.8		7.9		12.5		19.2		17.4	
	%	Cumul've	%	Cumul've	%	Cumul've	%	Cumul've	%	Cumul've
X=0	36.7	36.7	58.2	58.2	3.3	3.3	1.0	1.0	27.5	27.5
0<X≤ 5	0.0	36.7	2.8	61.0	44.4	47.7	3.6	4.6	0.0	27.5
5<X≤ 10	21.8	58.5	9.1	70.1	11.4	59.0	42.1	46.7	16.6	44.1
10<X≤ 15	0.0	58.5	8.8	78.9	0.0	59.0	0.0	46.7	12.1	56.1
15<X≤ 20	0.0	58.5	8.0	86.9	34.6	93.6	12.2	58.9	0.0	56.1
20<X≤ 25	40.5	99.0	6.8	93.7	0.0	93.6	0.0	58.9	0.0	56.1
25<X≤ 30	0.0	99.0	2.5	96.2	0.0	93.6	41.1	100.0	26.9	83.1
30<X≤ 40	0.3	99.4	1.3	97.5	6.4	100.0	0.0	100.0	16.9	100.0
40<X	0.6	100.0	2.5	100.0	0.0	100.0	0.0	100.0	0.0	100.0
Total	100.0	Total TL (5425)	100.0	Total TL (7038)	100.0	Total TL (5775)	100.0	Total TL (6060)	100.0	Total TL (16614)

Source: TRAINS/WITS

Note: 2013 for Tunisia. Simple average MFN rates are for *ad valorem* rates only.

One implication for CFTA negotiations is that if each individual member country is to meet the threshold target for ambition, these higher MFN rates need to be reduced to zero, depending on the threshold level. If 80 per cent of tariff lines are to be covered under CFTA, Cameroon and Tunisia would need to cut into their tariff band of 25-30 per cent while South Africa and Nigeria may do so by eliminating those tariffs in the band of 15-20 per cent. If the target is set at 90 per cent, all but Nigeria would need to cut into 20-25 per cent band, Cameroon would need to do so by cutting into tariffs of 25-30 per cent, and Tunisia would need to cut into tariffs in the range of 30-40 per cent.

(b) Trade coverage

Trade volume coverage also matters in conducting effective and commercially meaningful liberalization under CFTA, as well as for meeting the "substantially all the trade" measurement of GATT Article XXIV. Intra-REC imports enjoy a high degree of duty-free treatment for each country, except Cameroon and Nigeria, either because intra-REC FTAs are not operational or preferential tariff data were not captured (more likely for Nigeria as noted above) (table 6). More interesting for the CFTA purpose, the extent of duty-free treatment is generally lower for external RECs, especially for Cameroon and Nigeria, largely reflecting the limited amounts of imports entering under MFN duty-free tariff lines. Depending on product composition of imports from respective RECs, duty-free coverage of imports can be higher or lower (e.g. the quasi totality of MFN duty-free imports in Kenya from ECCAS and in South Africa from ECCAS and ECOWAS is accounted for by oil). The low existing level of duty-free treatment represents the scope for CFTA liberalization.

Table 6: Share of duty-free imports from RECs, latest year available (per cent)

		Exporter				
		UMA	COMESA	ECCAS	ECOWAS	SADC
Importer	Tunisia	88.8	63.4	14.6	19.4	18.1
	Kenya	14.0	100.0	100.0	38.7	61.0
	Cameroon	0.1	0.3	0.0	0.0	0.9
	Nigeria	1.8	4.7	11.5	0.1	6.4
	South Africa	53.4	61.7	99.7	99.3	93.5

Source: TRAINS/WITS.

Particular product composition and trade patterns among respective RECs may pose some policy challenge. The limit on import value may pose binding constraints on the scope and selection of products to be excluded. For instance, in terms of tariff lines, 10 per cent of national tariff lines can represent 540-1660 lines, and 20 per cent, 1080-3320 lines, in the case of above five sample countries. Even at a higher level of aggregation, HS classification (2012) at 6-digit level contains 5205 tariff lines, and 10 and 20 per cent of which would amount to 520 and 1040 lines respectively. However, trade volume limits can place a significant constraint on the choice of excludable products as a few tariff lines may account for a sizable imports, and the actual number of products that may be excluded can be lower. Furthermore, as a corollary, the high product concentration characteristic of much of the bilateral trade between RECs may further reduce the scope for flexibilities, as certain products due to their relatively large import value, would need to be necessarily covered and cannot be excluded.

In order to ascertain the extent to which the limit on import value could pose on countries' ability to select "sensitive" products, the number of HS6-digit products the import value of which account for 10 per cent of total bilateral imports (i.e. liberalization coverage of 90 per cent) and 20 per cent (i.e. liberalization coverage of 80 per cent) of selected countries from different RECs were examined with the following methodology:

1. Three criteria for selecting "sensitive products" for both industrial and fiscal policy concerns were tested. These were (i) minimization of possible import surge; (ii) continued protection of highly protected products; and (iii) minimization of possible tariff revenue losses. For each criterion, the number of HS6-digit tariff lines that (i) attract highest dutiable imports; (ii) attract highest tariffs, or; (iii) account for highest tariff revenue, and that represent 10 per cent and 20 per cent of bilateral imports were counted.
2. In so doing, those dutiable HS6-digit imports that account for more than 5 per cent of total bilateral imports were identified as "essential products" that would need to be necessarily included in the CFTA coverage (i.e., not to be counted towards 10 per cent or 20 per cent exclusion). This is because by virtue of their weight, these products would easily use up much of the space allowed under the 10 per cent or 20 per cent exclusion.

Table 7 summarizes the results for Nigeria. First, among the three criteria tested, the one on highest tariff protection allows for a greater number of products to be excluded. This is intuitive as higher tariffs are associated with lower imports, and a greater number of products are needed to arrive at 10-20 per cent of total import value. In contrast, highest dutiable import value, as well as higher tariff revenue, is associated with higher imports by definition, and a fewer products are sufficient to cover 10-20 per cent

import-value thresholds. Second, the number and composition of the products that may be selected differ across import sources, depending on the amount and product composition of particular bilateral imports. This implies that the level of ambition, or exclusion, for a CFTA party is dependent on particular bilateral trade. Therefore, determining an adequate way to define CFTA trade coverage (and exclusion) appears to be important.

Table 7: Selection of "sensitive products" - Nigeria

	UMA (MFN)		COMESA (MFN)		ECCAS (MFN)		SADC (MFN)	
	10%	20%	10%	20%	10%	20%	10%	20%
Exclusion								
Highest dutiable imports	2	6	2	7	2	5	2	6
Highest tariffs & imports	51	56	39	264	15	22	68	75
Highest tariff revenue	2	7	6	15	2	7	3	8
	TL	Import %	TL	Import %	TL	Import %	TL	Import %
Dutiable imports	136	98.2	482	95.3	202	88.5	1682	93.6
of which "essential products"	2	63.9	4	44.3	3	29.5	1	7.3
Dutiable rest	134	34.2	478	51.0	199	59.0	1681	86.2
Duty-free	6	1.8	21	4.7	7	11.5	53	6.4
Total lines with imports	142	100.0	503	100.0	209	100.0	1735	100.0

Source: TRAINS/WITS.

Third, since Nigeria's imports from several RECs are concentrated in a limited number of tariff lines, imports in some HS6 lines account for such a large value that it is not possible to exclude them from the liberalization coverage. This is the case with imports from all RECs but particularly with UMA, COMESA and ECCAS where imports are concentrated in 142-503 HS6 lines as reported in table 7. There are 1-4 such "essential products" in imports from all RECs. For instance, 2 HS6 lines account for 64 per cent of Nigeria's imports from UMA, 4 lines for 44 per cent of imports from COMESA, and 3 lines for 30 per cent of imports from ECCAS. These products would need to be necessarily covered under CFTA liberalization.

Accordingly, the import value limit of 10 per cent and 20 per cent would appear to pose binding constraint on the selection of sensitive products for CFTA parties. While the selection of sensitive products can be based on different criteria, the number of products that may be selected as sensitive products ranges from 15-68 products if the limit is set on 10 per cent of import value, and 22-264 products if the limit is at 20 per cent of import value, even in the case of the criteria that allows for the largest number of products to be included (i.e., high tariffs and import value). These numbers are significantly smaller than those implied by 10 per cent or 20 per cent of tariff lines. Admittedly, CFTA parties are free to exclude those tariff lines with no imports, in which case sensitive products can go up to 520-1040 lines as implied by 10-20 per cent of HS6 tariff lines. However, as a matter of fact, the need for protection usually arises for those products with existing imports and in such a case, the volume limit would pose non-negligible constraint on the scope and composition of sensitive products.

V.2: Defining tariff elimination schedules

Once the scope of liberalization/exclusion is determined, the second stage of negotiations is expected to focus on determining the speed of liberalization for each covered product. Different RTAs have used different approaches on tariff elimination modalities (staging). In its simplest form, all base rates, whatever the level, can be subject to equal annual reduction of X per cent over Y years, and some low rates ("nuisance tariffs") such as lower than 5 per cent, can be immediately eliminated. In the example of table 8, equal annual reduction of 20 per cent applies to all tariffs above 5 per cent over 5 years. This may or may not be subject to subsequent bilateral discussion to address specific sensitivities over specific products in a process similar to "request and offer" process.

Table 8: Tariff elimination schedules - Example 1 (per cent of base rate)

X = base rate (applied MFN rate)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
5%<X	100	80	60	40	20	0
X ≤ 5%	100	0	0	0	0	0

Certain categories of tariffs may be considered for immediate elimination at the entry into force of the agreement.¹⁰ These may include those products that are already MFN duty-free or low MFN duty (e.g., less than 5 per cent), as well as those that already enjoy duty-free treatment under some sort of temporary tariff concession schemes and autonomous tariff quotas.

Key parameters of tariff elimination schedules include (i) the length of implementation period; (ii) the level of annual reduction; (iii) the number and levels for tariff bands; (iv) complementary staging methods such as grace period and stand-still; (v) SDT for countries with special needs; and (vi) reduction modalities for sensitive products if required. In addition, there exist also more systemic questions of: (a) whether a uniform modality apply to all tariffs mechanically (or different tariff lines can be negotiated line-by-line without any modalities) ; (b) whether a uniform modality is based solely on the level of initial base rates (or whether different modalities apply to the same initial tariff rates), and; (c) whether resulting preferential rates apply to all CFTA members (i.e., the application of MFN among CFTA parties).

As to the implementation period of RTAs, under GATT Article XXIV and its Understanding, the rule of thumb is that RTAs should be established within 10 years although there are numerous real-life cases of exception to this rule, and to what extent developing countries can deviate from this rules has indeed been a key contentious issue in the North-South RTA context, along with the question of "substantially all the trade" requirement.¹¹

(a) Equal annual reduction

Elimination over a certain period of time with equal annual reduction is a common approach to tariff reduction used in various trade agreements, either under RTAs or WTO. For instance under the Doha Round negotiations on NAMA, implementation periods of 5 years for developed countries, and 10 years for developing countries are allowed in reducing base rates to new lower rates resulting from the

¹⁰ UNCTAD (2015), Building the African continental free trade area: Some suggestions on the way forward.

¹¹ Under ACP-EU EPA, liberalization of 80 per cent of products and imports by ACP side over 15 years was the agreed basis of commitment.

application of a Swiss formula, and the reduction is based on equal annual reduction. In the case of RTAs, since reduction continues until tariffs are eliminated, gradual reduction is all the more important in softening the impact of liberalization. The United States under TPP, for instance, had 11 different schemes of equal annual reduction over the periods from 3 -20 years.

Under annual equal reduction approach, the speed of annual reduction is basically determined by the length of implementation period, as the longer the period, the smaller the annual cuts, and hence slower liberalization. In the case of table 8, since the length of the implementation period is uniform for all products above 5 per cent, this means the equal pace of reduction for all ranges of tariffs. Whatever the level of initial tariff, all tariffs are reduced by 20 per cent (100%/5years) annually with all tariffs converging to zero rates at year 5, and the pace of reduction is identical across all tariff rates (table 9 and figure 3).

Table 9: Tariff elimination schedules - Example 1 (applied rate)

X = based rate (applied MFN rate)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Annual cut (percentage points)	Annual cut (% of base)
5%<X	50	40	30	20	10	0	10	20
	35	28	21	14	7	0	7	20
	20	16	12	8	4	0	4	20
	10	8	6	4	2	0	2	20
X ≤ 5%	5	0	0	0	0	0	n.a.	n.a.

Figure 3 (a): Example 1 (Per cent of base rate)

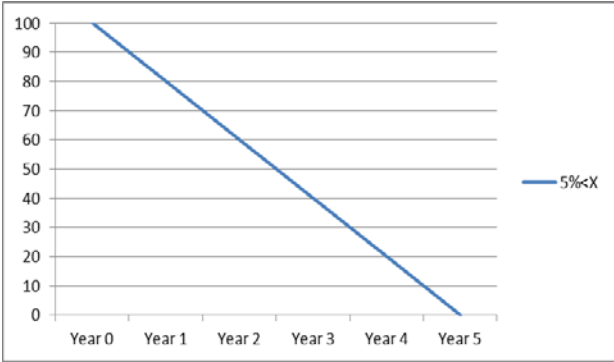
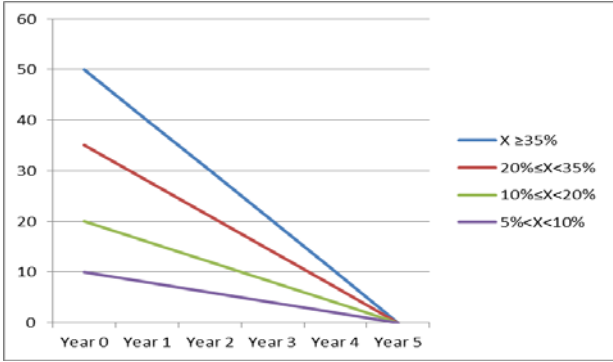


Figure 3 (b): Example 1 (Applied rates)



Equal reduction of 20 per cent however can entail different effect on different tariff rates, as the same 20 per cent reduction imply reduction of greater percentage points for higher tariff rates. For instance, initial rate of 50 per cent would need to be reduced by 10 percentage points annually while initial 10 per cent can be reduced only by 2 percentage points. This means the former would likely to incur greater effect on import price with greater commercial implications.

One major approach that aims to address import sensitivity of different tariff bands, particularly higher tariffs, would be to set different staging arrangements depending on the initial base rates, so that the higher the tariffs, the longer the implementation period. It may be noted that setting different tariff bands would make sense only when the applied staging is different across those bands. The example in table 10 assigns different implementation periods (of 3-10 years) for different tariff bands, with equal

annual reduction where all tariff bands are subject to 5 percentage point reduction (hence parallel lines in figure 4(b)) but this implies slower pace of reduction for higher tariffs (e.g., 10 per cent annually) than lower tariffs (50 per cent annually).

Table 10: Tariff elimination schedules - Example 2 (applied rate)

X= base rate	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Annual cut (percentage points)	Annual cut (% of base)
$X \geq 35\%$	50	45	40	35	30	25	20	15	10	5	0	5	10
$20\% \leq X < 35\%$	35	30	25	20	15	10	5	0	0	0	0	5	14
$10\% \leq X < 20\%$	20	15	10	5	0	0	0	0	0	0	0	5	25
$5\% < X < 10\%$	10	5	0	0	0	0	0	0	0	0	0	5	50
$X \leq 5\%$	5	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.

Figure 4 (a): Example 2 (Per cent of base rate)

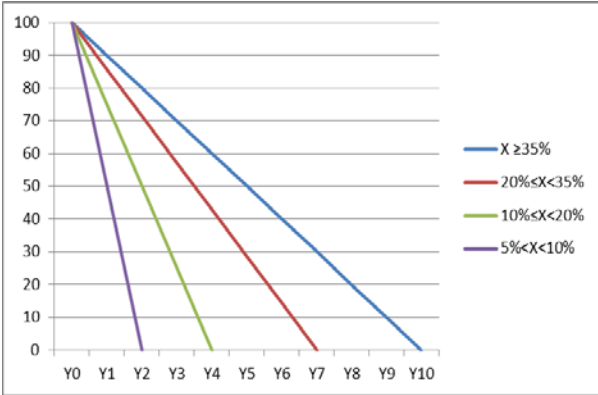
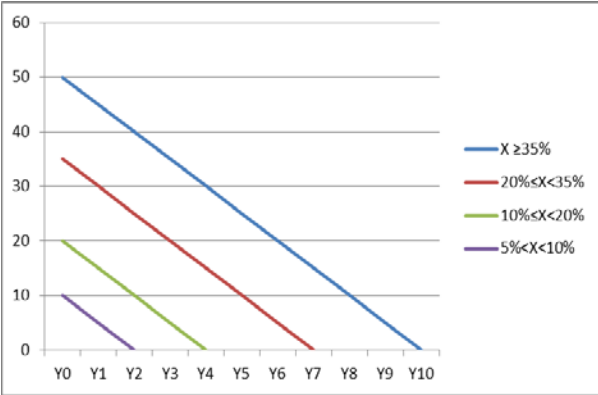


Figure 4 (b): Example 2 (Applied rates)



Extending this differentiation of implementation period according to tariff bands, assigning even smaller absolute annual reduction to higher tariff bands, would allow for even more lenient pace of tariff reduction for higher tariffs. In the example 3 (table 11), annual reduction in absolute terms and relative terms are both lower for higher tariff bands, implying disproportionately slower reduction for higher rates.

Table 11: Tariff elimination schedules - Example 3 (applied rate)

X= base rate	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15	Annual cut (percentage points)	Annual cut (% of base)
$X \geq 35\%$	50	47	43	40	37	33	30	27	23	20	17	13	10	7	3	0	3	7
$20\% \leq X < 35\%$	35	30	25	20	15	10	5	0	0	0	0	0	0	0	0	0	5	14
$10\% \leq X < 20\%$	20	13	7	0	0	0	0	0	0	0	0	0	0	0	0	0	7	33
$5\% < X < 10\%$	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	100
$X \leq 5\%$	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.

Figure 5 (a): Example 3 (Per cent of base rate)

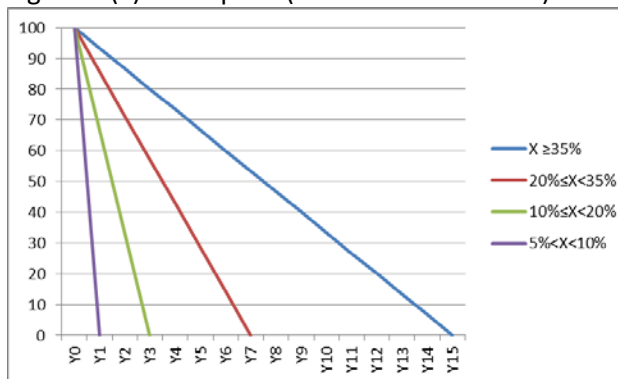
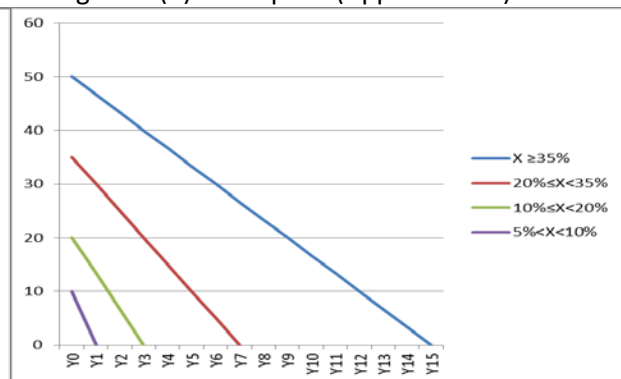


Figure 5 (b): Example 3 (Applied rates)



(b) Non-equal annual reduction

The use of non-equal annual reduction, combined with grace period and stand-still arrangements, will provide a variety of tariff reduction patterns. Table 12 below is an example of staging arrangements for 5 tariff bands over 5 years, which implies greater cuts for higher tariffs in each band in the first year. The pace of reduction is yearly unequal; hence the cuts are non-linear. The two panels in Figure 6 contain additional examples of non-equal annual tariff reduction, drawn from tariff elimination schedules of the United States under the recent Trans-Pacific Partnership Agreement (TPP).

Table 12: Tariff elimination schedules - Example 4 (applied rate)

X = base rate (applied MFN rate)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
$X \geq 35\%$	50	35	25	15	5	0
$20\% \leq X < 35\%$	35	20	13	10	5	0
$10\% \leq X < 20\%$	20	10	8	5	3	0
$5\% < X < 10\%$	10	5	3	0	0	0
$X \leq 5\%$	5	0	0	0	0	0

Figure 6 (a): Example 5 (Per cent of base rate)

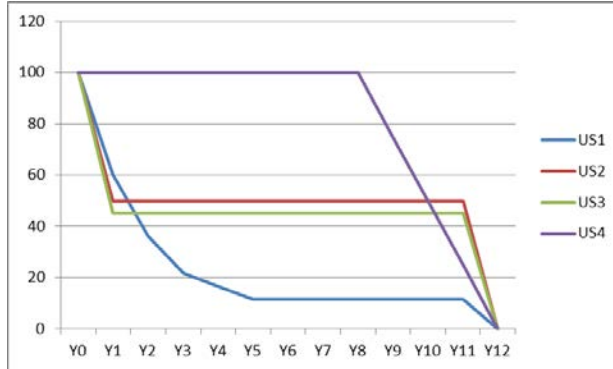
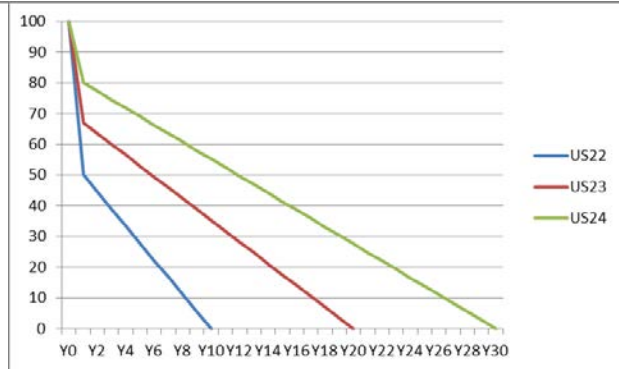


Figure 6 (b): Example 6 (Per cent of base rate)



(c) Other considerations

Products in a same tariff band may also represent different sensitivities because a single tariff band can contain different levels of tariffs, and the difference in tariff level is larger when the tariff band covers a broader range of tariff rates (e.g., $10\% \leq X < 35\%$ as compared to $10\% \leq X < 15\%$). Also different products with a same tariff rate (e.g., 10 per cent) may present different sensitivities for the importing country. In such a case, differentiating the treatment of products even in a same tariff band or with a same tariff rate, and applying different staging arrangements, may prove to be needed. Table 13 shows the example of ECOWAS tariff elimination schedules under the recently concluded ECOWAS-EU EPA.¹² In this example, tariffs in a same tariff rate (according to ECOWAS common external tariffs) are classified into different product groups depending on their sensitivities, and faster or slower pace of reduction schedules (including no reduction) are applied to different categories of products with same initial rate.

¹² UNECA (2015), *Economic Report on Africa*, Chapter 5 "Getting Trade Agreements to advance Africa's industrialization", p.162.

Table 13: ECOWAS tariff liberalization scheduled under ECOWAS-EU EPA

Product group	Product category	CET rate	Applied rate in (%)				
			2015	2020	2025	2030	2035
A	1	0	0	0	0	0	0
A	2	5	5	0	0	0	0
B	1	0	0	0	0	0	0
B	2	5	5	5	0	0	0
B	3	10	10	10	5	0	0
C	2	5	5	5	0	0	0
C	3	10	10	10	5	0	0
C	4	20	20	20	10	5	0
D	1	0	0	0	0	0	0
D	3	10	10	10	10	10	10
D	4	20	20	20	20	20	20
D	5	35	35	35	35	35	35

Source: Based on report from ECOWAS-EU-UEMOA Senior Officials' Meeting held in Dakar, Senegal, on 24 January 2014, as cited in ECA, Economic Report on Africa, Chapter 5 Getting Trade Agreements to advance Africa's industrialization, box 5.5, table 1.

Note: Product categories are defined as follows. 1 is for "essential social goods, including essential medicines", 2 represents "goods of primary necessity, raw materials and specific inputs", 3 relates to "inputs and intermediate goods", 4 is for "final consumption goods" and 5 refers to "specific goods for economic development".

Another approach would be to set different staging arrangements depending on particular sensitivities of particular products for the party, and assign different staging to different products on a line-by-line basis, not necessarily depending on the initial base rates, and different staging arrangements can apply to different RTA parties on a same product (i.e., no MFN is assumed between RTA parties). This seems to be the approach taken by the recently concluded TPP (Box1). The approach appears to have the merit of addressing well particular sensitivity in a tailor-made and specific fashion but may have the demerit of high complexity especially when a large number of countries are involved in the negotiations.

BOX 1: Tariff elimination approach under the TPP

Under the TPP, the United States has provided 38 different staging arrangements for tariff elimination, and different staging is applied to different products not necessarily depending on initial base rates as noted, and often to different partners, hence not applying MFN treatment among the TPP parties.¹³ This appears to be in part motivated to address asymmetric market access conditions prevailing in different TPP members, as well as to the perceived need to address particular concern with respect to competitive imports from Japan on certain sensitive products. The United States already had 6 bilateral FTAs in force (with Australia, Canada, Chile, Mexico, Peru and Singapore) among TPP members, and only five countries (Brunei, Japan, Malaysia, New Zealand and Viet Nam) were subjected to MFN treatment in

¹³ USTR, General notes: Tariff schedule of the United States, accessible at: <https://ustr.gov/sites/default/files/TPP-Final-Text-US-General-Notes-to-Tariff-Schedule.pdf>

the absence of any preferential trade arrangements. In the case of motor vehicles and trucks, long implementation periods of 25 and 30 years are applied in eliminating MFN duty rates of 2.5 per cent and 25 per cent respectively only for Japan. Other countries with which the United States had pre-existing FTAs enjoy immediate elimination while for the five countries without pre-existing FTAs, an implementation period of 10 years is uniformly applied.

Table A: The US tariff elimination schedule for motor car (HTS 87032300) and trucks (HTS 87042100)

	Base	AUS	BRN	CAN	CHL	JPN	MSA	MEX	NZ	PER	SGP	VNM
HTS 87032300	2.5%	EIF	B10	EIF	EIF	US15	B10	EIF	B10	EIF	EIF	B10
HTS 87042100	25%	EIF	B10	EIF	EIF	US17	B10	EIF	B10	EIF	EIF	B10

Note: "EIF" refers to duty elimination at the entry into force (year 1); "B10" refers to duty elimination over 10 years in ten annual stages; "US15" refers to a specific modality whereby the base rate will remain unchanged until year 14, then be reduced to 2.25% in year 15, to 1.25% in year 20, to 0.5% in year 22, and to 0% in year 25; "US17" refers to the modality whereby the base rate will remain unchanged until year 29 and be eliminated in year 30.

As special and differential treatment (SDT), consideration may be given to having separate staging arrangements for some CFTA parties requiring special considerations, such as LDCs and other vulnerable economies (e.g., countries maintaining a disproportionately high tariff structure or highly dependent on tariff revenue). At the level of determining product coverage, such SDT may consist of allowing those countries concerned narrower product coverage, i.e., greater product exclusion. At the level of tariff elimination schedules, slower and softer liberalization approach could be considered by the combined use of longer implementation periods, grace period, stand-still, tariff bands and reduction arrangements. Table 14 shows an example of such SDT provided specially for three ASEAN members under Korea-ASEAN FTA. It allows, among others, for standstill treatment of low tariffs and other tariffs in the course of implementation period; the flexibility to maintain tariffs lower than 5 per cent; and disaggregated tariff bands that allows for reduction schedules tailored to specific sensitivities of each band.

Table 14: Tariff liberalization scheduled for Cambodia, Lao PDR and Myanmar under Korea-ASEAN FTA

X = base rate (applied MFN rate)	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12
X ≥ 60%	60	50	40	30	30	20	20	20	10	10	10	0
45% ≤ X < 60%	45	40	35	25	25	15	15	15	10	10	10	0
35% ≤ X < 45%	35	30	30	20	20	15	15	15	5	5	5	0
30% ≤ X < 35%	30	30	25	20	20	10	10	10	5	5	5	0
25% ≤ X < 30%	25	25	20	20	20	10	10	10	5	5	5	0
20% ≤ X < 25%	20	20	15	15	15	10	10	10	0-5	0-5	0-5	0
15% ≤ X < 20%	15	15	15	10	10	5	5	5	0-5	0-5	0-5	0
10% ≤ X < 15%	10	10	10	8	8	5	5	5	0-5	0-5	0-5	0
7% ≤ X < 10%	7	7	7	7	7	5	5	5	0-5	0-5	0-5	0
5% ≤ X < 7%	5	5	5	5	5	5	5	5	0-5	0-5	0-5	0
X < 5%	Standstill											0

Note: Korea-ASEAN FTA contain three different tariff elimination schedules: one for Korea and ASEAN 6, one for specifically for Viet Nam and the third one for Cambodia, Lao PDR and Myanmar.

For the purpose of ensuring effective and timely tariff elimination throughout the implementation period, quantitative targets for liberalization in term of product (and trade) coverage at given points in time during the implementation period may be defined. For instance, under Korea-ASEAN FTA, Korea has made the commitment to eliminate at least 70 per cent of all tariff lines upon entry into force, 95 per cent by year 3 and 100 per cent by year 5. Six ASEAN countries made the commitment to reduce initial tariffs to below 5 per cent at the entry into force for at least 50 per cent of tariff lines, eliminate tariffs for 90 per cent of tariff lines by year 4, and eliminate tariffs for 100 per cent by year 5 with certain flexibility to maintain tariff less than 5 per cent.

Other complementary mechanisms to assure effective and progressive liberalization would deserve consideration. For instance, those products excluded from liberalization as "sensitive products" could still be subject to a certain degree of tariff reduction, which could serve for facilitating intra-African trade. Existing RTAs have included tariff reduction arrangements for sensitive products, such as (a) tariff capping at X per cent; (b) tariff reduction by X per cent (e.g., 50 per cent, 20 per cent); (c) tariff harmonization at a low level, while other genuinely sensitive products are subject to no reduction. Apart from liberalization approaches, horizontal and vertical safeguard measures may be envisaged so that in case of unforeseeable import surges with the risk of harming domestic industry, members may be allowed to raise the tariff to up to MFN rate. This could provide additional assurances for CFTA parties to make tariff elimination commitments. Rules of origin would need to be considered in tandem with tariff negotiations. More broadly, as noted above, since the level of CFTA liberalization may be influenced by ongoing internal integration processes in respective RECs, continued monitoring, review and follow-up negotiations for further liberalization could prove to be important.

Conclusion

The modalities for the CFTA tariff negotiations would need to effectively address specific trade and trade policy conditions prevalent in the African context. Different degree of market integration across RECs, and individual countries' intra-African trade pattern, would affect the ease with which the parties could engage in market opening under the CFTA. Preliminary issue of negotiations would be to define the level of ambition by determining the scope of product exclusion. In the second stage, it would be important to determine different tariff phase-in arrangements for different products where modalities for tariff elimination schedules would prove to be instrumental. Challenge for CFTA parties remains on calibrating adequate approach that would both meet the ambition embedded in the CFTA to boost intra-African trade and recognize the realities of African trade integration and specific trade and development needs facing the countries. More broadly, since CFTA advances are likely to be affected by progress in each REC, in particular TFTA, it would appear important to set credible liberalization objectives and find an optimal way to reconcile the parallel integration processes at REC, inter-REC and CFTA levels, including by ensuring continued monitoring, review and follow-up processes.

Annex

Table 1: Average tariffs applied by African countries on imports from different RECs, latest year available

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Algeria	UMA	15.0	8.4	0.0	30.0	1024010	2014	2013
Algeria	COMESA	14.3	8.4	0.0	30.0	820992	2014	2013
Algeria	ECCAS	16.4	16.4	0.0	30.0	6410	2014	2013
Algeria	ECOWAS	25.3	25.3	0.0	30.0	183777	2014	2013
Algeria	SADC	6.6	6.6	0.0	30.0	396788	2014	2013
Angola	UMA	6.0	6.0	2.0	50.0	9707	2014	2013
Angola	COMESA	6.6	6.6	2.0	50.0	2076	2014	2013
Angola	ECCAS	2.0	2.0	2.0	2.0	4	2014	2013
Angola	ECOWAS	9.1	9.1	2.0	50.0	22940	2014	2013
Angola	SADC	15.2	15.2	2.0	50.0	1506530	2014	2013
Benin	UMA	10.3	10.3	0.0	20.0	94601	2014	2014
Benin	COMESA	9.4	9.4	0.0	20.0	8009	2014	2014
Benin	ECCAS	6.5	6.5	0.0	20.0	93694	2014	2014
Benin	ECOWAS	10.3	7.3	0.0	20.0	425257	2014	2014
Benin	SADC	9.8	9.8	0.0	20.0	36966	2014	2014
Botswana	UMA	23.0	23.0	0.0	30.0	23	2014	2014
Botswana	COMESA	3.6	0.2	0.0	414.9	70616	2014	2014
Botswana	ECCAS	9.4	0.5	0.0	20.0	225	2014	2014
Botswana	ECOWAS	1.4	1.4	0.0	414.9	3148	2014	2014
Botswana	SADC	6.8	0.0	0.0	414.9	5434942	2014	2014
Burkina Faso	UMA	10.1	10.1	0.0	20.0	45844	2014	2014
Burkina Faso	COMESA	10.3	10.3	0.0	20.0	7520	2014	2014
Burkina Faso	ECCAS	10.8	10.8	0.0	20.0	2609	2014	2014
Burkina Faso	ECOWAS	9.9	6.5	0.0	20.0	1819800	2014	2014
Burkina Faso	SADC	8.4	8.4	0.0	20.0	51438	2014	2014
Burundi	UMA	8.2	8.2	0.0	25.0	194	2014	2014
Burundi	COMESA	19.7	0.0	0.0	0.0	69679	2014	2014
Burundi	ECCAS	17.7	0.0	0.0	0.0	20443	2014	2014
Burundi	ECOWAS	31.6	31.6	25.0	35.0	2	2014	2014
Burundi	SADC	22.1	1.7	0.0	100.0	59834	2014	2014
Cameroon	UMA	24.3	24.3	0.0	30.0	32831	2014	2013
Cameroon	COMESA	10.7	10.7	0.0	30.0	636	2014	2013
Cameroon	ECCAS	21.5	21.5	10.0	30.0	7	2014	2013
Cameroon	ECOWAS	13.7	13.7	0.0	30.0	9877	2014	2013
Cameroon	SADC	18.7	18.7	0.0	30.0	79124	2014	2013

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Cape Verde	UMA	6.5	6.5	0.0	50.0	2962	2013	2013
Cape Verde	COMESA	8.3	8.3	0.0	50.0	1447	2013	2013
Cape Verde	ECCAS	12.5	12.5	0.0	30.0	1167	2013	2013
Cape Verde	ECOWAS	11.6	11.6	0.0	50.0	7875	2013	2013
Cape Verde	SADC	13.2	13.2	0.0	40.0	2274	2013	2013
Central African Rep.	UMA	18.6	18.6	0.0	30.0	325	2013	2013
Central African Rep.	COMESA	15.1	15.1	5.0	30.0	372	2013	2013
Central African Rep.	ECCAS	30.0	30.0	30.0	30.0	0	2013	2013
Central African Rep.	ECOWAS	10.0	10.0	10.0	10.0	0	2013	2013
Central African Rep.	SADC	17.0	17.0	0.0	30.0	3768	2013	2013
Chad	UMA	18.5	18.5	0.0	30.0	3742	2013	2013
Chad	COMESA	17.9	17.9	0.0	30.0	241	2013	2013
Chad	ECOWAS	13.8	13.8	0.0	30.0	557	2013	2013
Chad	SADC	14.7	14.7	0.0	30.0	3015	2013	2013
Comoros	UMA	5.9	5.9	0.0	20.0	83	2014	2013
Comoros	COMESA	9.6	0.0	0.0	4.0	14344	2014	2013
Comoros	ECCAS	20.0	0.0	0.0	0.0	0	2014	2013
Comoros	SADC	8.9	2.6	0.0	20.0	21748	2014	2013
Congo, DR.	UMA	20.0	20.0	20.0	20.0	478	2014	2013
Congo, DR.	COMESA	12.8	12.8	0.0	20.0	413395	2014	2013
Congo, DR.	ECCAS	11.6	11.6	0.0	20.0	134911	2014	2013
Congo, DR.	ECOWAS	8.5	8.5	5.0	20.0	1058	2014	2013
Congo, DR.	SADC	9.3	9.3	0.0	20.0	2953517	2014	2013
Congo, Rep.	UMA	22.9	22.9	0.0	30.0	18464	2014	2014
Congo, Rep.	COMESA	15.0	15.0	0.0	30.0	3604	2014	2014
Congo, Rep.	ECCAS	18.2	18.2	0.0	30.0	231	2014	2014
Congo, Rep.	ECOWAS	9.8	9.8	0.0	30.0	4634	2014	2014
Congo, Rep.	SADC	20.3	20.3	0.0	30.0	183831	2014	2014
Cote d'Ivoire	UMA	9.8	9.8	0.0	20.0	252584	2014	2013
Cote d'Ivoire	COMESA	9.2	9.2	0.0	20.0	48163	2014	2013
Cote d'Ivoire	ECCAS	4.7	4.7	0.0	20.0	756064	2014	2013
Cote d'Ivoire	ECOWAS	1.3	0.8	0.0	20.0	3180156	2014	2013
Cote d'Ivoire	SADC	5.6	5.6	0.0	20.0	796045	2014	2013
Djibouti	UMA	17.3	17.3	1.0	26.0	1367	2014	2009
Djibouti	COMESA	12.5	12.5	0.0	26.0	44940	2014	2009

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Djibouti	ECCAS	21.7	21.7	13.0	26.0	4	2014	2009
Djibouti	ECOWAS	12.6	12.6	1.0	13.0	58	2014	2009
Djibouti	SADC	19.1	19.1	0.0	26.0	2328	2014	2009
Egypt	UMA	23.7	0.0	0.0	0.0	434349	2014	2014
Egypt	COMESA	2.8	0.1	0.0	30.0	485640	2014	2014
Egypt	ECCAS	2.1	2.1	0.0	30.0	54882	2014	2014
Egypt	ECOWAS	1.1	1.1	0.0	30.0	63738	2014	2014
Egypt	SADC	3.6	1.9	0.0	3000.0	213990	2014	2014
Equatorial Guinea	UMA	30.0	30.0	30.0	30.0	142	2007	2007
Equatorial Guinea	SADC	20.9	20.9	0.0	30.0	13421	2007	2007
Eritrea	UMA	17.6	17.6	2.0	25.0	181	2006	2003
Eritrea	COMESA	6.0	1.2	0.4	25.0	33297	2006	2003
Eritrea	ECCAS	19.3	3.9	0.4	5.0	15	2006	2003
Eritrea	ECOWAS	11.3	11.3	2.0	25.0	59	2006	2003
Eritrea	SADC	6.2	6.1	0.4	25.0	5482	2006	2003
Ethiopia	UMA	0.1	0.1	0.0	35.0	179391	2012	2012
Ethiopia	COMESA	14.0	12.6	0.0	31.5	164888	2012	2012
Ethiopia	ECCAS	13.2	13.2	0.0	35.0	698	2012	2012
Ethiopia	ECOWAS	8.5	8.5	0.0	35.0	4361	2012	2012
Ethiopia	SADC	12.1	11.9	0.0	35.0	146826	2012	2012
Gabon	UMA	18.5	18.5	0.0	30.0	28564	2013	2013
Gabon	COMESA	15.5	15.5	0.0	30.0	15119	2013	2013
Gabon	ECCAS	25.3	25.3	0.0	30.0	82	2013	2013
Gabon	ECOWAS	11.4	11.4	0.0	30.0	321044	2013	2013
Gabon	SADC	19.9	19.9	0.0	30.0	67267	2013	2013
Gambia, The	UMA	11.1	11.1	0.0	20.0	2130	2013	2013
Gambia, The	COMESA	10.7	10.7	0.0	20.0	1898	2013	2013
Gambia, The	ECCAS	14.1	14.1	0.0	20.0	65	2013	2013
Gambia, The	ECOWAS	16.8	16.8	0.0	20.0	102462	2013	2013
Gambia, The	SADC	17.5	17.5	0.0	20.0	2223	2013	2013
Ghana	UMA	6.8	6.8	0.0	20.0	206282	2013	2013
Ghana	COMESA	9.2	9.2	0.0	20.0	20365	2013	2013
Ghana	ECCAS	8.1	8.1	0.0	20.0	11837	2013	2013
Ghana	ECOWAS	11.0	8.5	0.0	20.0	424670	2013	2013
Ghana	SADC	9.9	9.9	0.0	20.0	430789	2013	2013
Guinea	UMA	18.8	18.8	0.0	20.0	19398	2012	2008
Guinea	COMESA	10.2	10.2	0.0	20.0	4692	2012	2008

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Guinea	ECCAS	13.2	13.2	5.0	20.0	38649	2012	2008
Guinea	ECOWAS	13.5	13.5	0.0	20.0	61319	2012	2008
Guinea	SADC	9.6	9.6	0.0	20.0	46291	2012	2008
Guinea-Bissau	UMA	16.7	16.7	5.0	20.0	126	2014	2013
Guinea-Bissau	COMESA	19.4	19.4	0.0	20.0	2523	2014	2013
Guinea-Bissau	ECOWAS	12.8	3.8	0.0	20.0	97037	2014	2013
Guinea-Bissau	SADC	6.1	6.1	0.0	20.0	670	2014	2013
Kenya	UMA	69.4	69.4	0.0	100.0	2908	2014	2014
Kenya	COMESA	23.1	0.0	0.0	0.0	417856	2014	2014
Kenya	ECCAS	19.9	0.0	0.0	0.0	82896	2014	2014
Kenya	ECOWAS	10.2	10.2	0.0	100.0	2656	2014	2014
Kenya	SADC	10.7	4.7	0.0	100.0	1144668	2014	2014
Lesotho	COMESA	15.8	0.0	0.0	0.0	761	2014	2014
Lesotho	SADC	10.3	0.0	0.0	0.0	1416688	2014	2014
Liberia	UMA	3.5	3.5	0.3	15.0	4002	2014	2014
Liberia	COMESA	6.4	6.4	0.0	25.0	80	2014	2014
Liberia	ECCAS	20.0	20.0	20.0	20.0	3	2014	2014
Liberia	ECOWAS	9.1	9.1	0.0	25.0	14465	2014	2014
Liberia	SADC	8.4	8.4	0.0	25.0	16516	2014	2014
Libya	UMA	0.0	0.0	0.0	0.0	154638	2006	2007
Libya	COMESA	0.0	0.0	0.0	0.0	459942	2006	2007
Libya	ECOWAS	0.0	0.0	0.0	0.0	440	2006	2007
Libya	SADC	0.0	0.0	0.0	0.0	3586	2006	2007
Madagascar	UMA	12.5	12.5	0.0	20.0	6349	2014	2013
Madagascar	COMESA	13.1	0.0	0.0	18.0	153301	2014	2013
Madagascar	ECCAS	9.0	1.3	0.0	20.0	3008	2014	2013
Madagascar	ECOWAS	13.8	13.8	0.0	20.0	10232	2014	2013
Madagascar	SADC	9.7	0.3	0.0	10.0	279906	2014	2013
Malawi	UMA	0.0	0.0	0.0	0.0	1	2014	2013
Malawi	COMESA	13.8	0.0	0.0	14.0	7347	2014	2013
Malawi	ECCAS	25.0	0.0	0.0	0.0	23	2014	2013
Malawi	ECOWAS	17.8	17.8	0.0	25.0	53	2014	2013
Malawi	SADC	10.5	0.0	0.0	25.0	789306	2014	2013
Mali	UMA	7.5	7.5	0.0	20.0	41994	2014	2012
Mali	COMESA	8.4	8.4	0.0	20.0	7808	2014	2012
Mali	ECCAS	13.8	13.8	0.0	20.0	1095	2014	2012
Mali	ECOWAS	10.6	5.6	0.0	20.0	1607357	2014	2012
Mali	SADC	12.4	12.4	0.0	20.0	107358	2014	2012
Mauritania	UMA	9.2	9.2	0.0	20.0	60587	2014	2013

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Mauritania	COMESA	5.2	5.2	0.0	20.0	3108	2014	2013
Mauritania	ECOWAS	8.4	8.4	0.0	20.0	1710	2014	2013
Mauritania	SADC	9.4	9.4	0.0	20.0	29961	2014	2013
Mauritius	UMA	1.0	1.0	0.0	34.7	11552	2014	2014
Mauritius	COMESA	1.3	0.0	0.0	1.5	163233	2014	2014
Mauritius	ECCAS	0.4	0.4	0.0	30.0	1534	2014	2014
Mauritius	ECOWAS	0.1	0.1	0.0	30.0	20092	2014	2014
Mauritius	SADC	0.9	0.0	0.0	0.0	487936	2014	2014
Morocco	UMA	5.6	0.0	0.0	49.0	1523067	2014	2013
Morocco	COMESA	13.0	0.4	0.0	47.0	551690	2014	2013
Morocco	ECCAS	6.5	6.5	0.0	40.0	55880	2014	2013
Morocco	ECOWAS	5.3	3.5	0.0	50.0	157476	2014	2013
Morocco	SADC	7.1	5.0	0.0	49.0	112902	2014	2013
Mozambique	UMA	5.7	5.7	2.5	20.0	3306	2014	2014
Mozambique	COMESA	7.3	1.6	0.0	20.0	117188	2014	2014
Mozambique	ECCAS	13.1	4.2	0.0	20.0	2739	2014	2014
Mozambique	ECOWAS	13.3	13.3	0.0	20.0	1271	2014	2014
Mozambique	SADC	8.0	1.1	0.0	20.0	3108695	2014	2014
Namibia	UMA	0.0	0.0	0.0	30.0	9252	2014	2013
Namibia	COMESA	1.7	0.2	0.0	359.9	46126	2014	2013
Namibia	ECCAS	0.9	0.4	0.0	359.9	26541	2014	2013
Namibia	ECOWAS	3.0	3.0	0.0	45.0	11477	2014	2013
Namibia	SADC	10.1	0.0	0.0	359.9	5157312	2014	2013
Niger	UMA	15.8	15.8	0.0	20.0	34067	2014	2014
Niger	COMESA	9.9	9.9	0.0	20.0	5368	2014	2014
Niger	ECCAS	7.8	7.8	5.0	20.0	2317	2014	2014
Niger	ECOWAS	15.5	6.6	0.0	20.0	371554	2014	2014
Niger	SADC	13.0	13.0	0.0	20.0	9105	2014	2014
Nigeria	UMA	10.1	10.1	0.0	35.0	237332	2014	2013
Nigeria	COMESA	8.0	8.0	0.0	35.0	266705	2014	2013
Nigeria	ECCAS	10.6	10.6	0.0	35.0	32367	2014	2013
Nigeria	ECOWAS	27.1	27.1	0.0	35.0	2205469	2014	2013
Nigeria	SADC	12.5	12.5	0.0	35.0	1015184	2014	2013
Rwanda	UMA	7.0	7.0	0.0	25.0	327	2014	2014
Rwanda	COMESA	20.6	0.4	0.0	60.0	364828	2014	2014
Rwanda	ECCAS	18.9	9.0	0.0	60.0	14877	2014	2014
Rwanda	ECOWAS	8.5	8.5	0.0	60.0	1026	2014	2014
Rwanda	SADC	13.5	3.6	0.0	100.0	124588	2014	2014

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Sao Tome and Principe	UMA	5.8	5.8	5.0	20.0	46	2014	2014
Sao Tome and Principe	COMESA	9.0	9.0	5.0	20.0	7	2014	2014
Sao Tome and Principe	ECCAS	6.1	6.1	0.0	20.0	40143	2014	2014
Sao Tome and Principe	ECOWAS	10.2	10.2	0.0	20.0	1261	2014	2014
Sao Tome and Principe	SADC	5.5	5.5	0.0	20.0	36835	2014	2014
Senegal	UMA	11.6	11.6	0.0	20.0	174322	2014	2013
Senegal	COMESA	12.3	12.3	0.0	20.0	41162	2014	2013
Senegal	ECCAS	10.0	10.0	0.0	20.0	18134	2014	2013
Senegal	ECOWAS	3.1	0.7	0.0	20.0	899413	2014	2013
Senegal	SADC	9.6	9.6	0.0	20.0	107922	2014	2013
Seychelles	UMA	7.9	7.9	0.0	100.0	7	2007	2007
Seychelles	COMESA	10.0	10.0	0.0	3000.0	31545	2007	2007
Seychelles	ECCAS	0.0	0.0	0.0	0.0	205	2007	2007
Seychelles	ECOWAS	0.3	0.3	0.0	50.0	190	2007	2007
Seychelles	SADC	12.9	12.9	0.0	3000.0	74226	2007	2007
Sierra Leone	UMA	17.1	17.1	0.0	30.0	5454	2012	2012
Sierra Leone	COMESA	9.7	9.7	5.0	30.0	4940	2012	2012
Sierra Leone	ECCAS	5.0	5.0	5.0	5.0	10	2012	2012
Sierra Leone	ECOWAS	12.0	10.8	0.0	30.0	105959	2012	2012
Sierra Leone	SADC	10.4	10.4	0.0	30.0	121963	2012	2012
South Africa	UMA	11.7	11.7	0.0	360.6	52378	2014	2014
South Africa	COMESA	12.2	2.4	0.0	360.6	1844468	2014	2014
South Africa	ECCAS	0.1	0.0	0.0	45.0	2528401	2014	2014
South Africa	ECOWAS	0.1	0.1	0.0	45.0	5833901	2014	2014
South Africa	SADC	5.7	0.6	0.0	360.6	6756906	2014	2014
Swaziland	COMESA	4.3	0.0	0.0	361.0	1500	2014	2014
Swaziland	ECOWAS	12.5	12.5	0.0	361.0	46	2014	2014
Swaziland	SADC	9.0	0.0	0.0	361.0	1526324	2014	2014
Tanzania	UMA	10.1	10.1	0.0	100.0	3267	2014	2013
Tanzania	COMESA	17.7	5.2	0.0	100.0	508856	2014	2013
Tanzania	ECCAS	6.4	2.8	0.0	50.0	4944	2014	2013
Tanzania	ECOWAS	1.8	1.8	0.0	75.0	35805	2014	2013
Tanzania	SADC	9.9	9.9	0.0	100.0	943861	2014	2013
Togo	UMA	9.4	9.4	0.0	20.0	26516	2014	2013
Togo	COMESA	10.5	10.5	0.0	20.0	10869	2014	2013

Importer	Partner (Exporter)	MFN (weighted)	Effectively applied rates (weighted)	Minimum Rate (Effective)	Maximum Rate (Effective)	Imports Value in 1000 USD	Tariff Year	Trade Year
Togo	ECCAS	8.6	8.6	0.0	20.0	10932	2014	2013
Togo	ECOWAS	11.4	8.4	0.0	20.0	206154	2014	2013
Togo	SADC	8.1	8.1	0.0	20.0	21640	2014	2013
Tunisia	UMA	1.8	0.5	0.0	36.0	1691251	2013	2013
Tunisia	COMESA	6.8	1.4	0.0	36.0	671669	2013	2013
Tunisia	ECCAS	11.8	11.8	0.0	36.0	5682	2013	2013
Tunisia	ECOWAS	8.5	8.5	0.0	36.0	24441	2013	2013
Tunisia	SADC	17.7	17.7	0.0	36.0	17933	2013	2013
Uganda	UMA	53.7	53.7	0.0	100.0	3950	2014	2013
Uganda	COMESA	17.1	0.7	0.0	100.0	647896	2014	2013
Uganda	ECCAS	6.9	3.0	0.0	100.0	15379	2014	2013
Uganda	ECOWAS	4.6	4.6	0.0	60.0	9248	2014	2013
Uganda	SADC	10.6	7.8	0.0	100.0	325251	2014	2013
Zambia	UMA	0.7	0.7	0.0	25.0	1400	2013	2013
Zambia	COMESA	6.1	0.0	0.0	25.0	2788375	2013	2013
Zambia	ECCAS	0.1	0.0	0.0	25.0	1846800	2013	2013
Zambia	ECOWAS	6.4	6.4	0.0	25.0	4890	2013	2013
Zambia	SADC	7.4	0.1	0.0	25.0	5287373	2013	2013
Zimbabwe	UMA	36.4	36.4	0.0	60.0	42	2012	2012
Zimbabwe	COMESA	17.5	17.5	0.0	140.0	147018	2012	2012
Zimbabwe	ECCAS	6.5	6.5	0.0	60.0	2260	2012	2012
Zimbabwe	ECOWAS	25.6	25.6	0.0	60.0	1437	2012	2012
Zimbabwe	SADC	14.0	14.0	0.0	140.0	3989098	2012	2012

Source: TRAINS/WITS.

Note: "Effectively applied rates" are inclusive of preferential tariff rates when available.