

AFCFTA agreement, which was already signed by more than 20 African countries, already has come into force since May 30, 2019, serving 1.2 billion African people.

The **African Continental Free Trade Agreement (AFCFTA)** is a trade agreement which is in force between 27 African Union member states. It was signed in Kigali, Rwanda, on 21 March 2018. As of July 2019, 54 states have signed the agreement. Ratification by 22 countries was required for the AFCFTA to enter into force and the African Continental Free Trade Area to become effective. The agreement will function as an umbrella to which protocols and annexes will be added.

Negotiations continued in 2018 with Phase II, including Competition Policy, Investment and Intellectual Property Rights. A draft shall be submitted for the January 2020 AU Assembly.

Kenya and Ghana were the first countries to deposit the ratification instruments on 10 May 2018, after ratification through their parliaments. With ratification by Sierra Leone and the Sahrawi Republic on 29 April 2019, the threshold of 22 ratifying states for the free trade area to formally exist was reached. As a result, the AFCFTA came into force on 30 May 2019. Outstanding issues like the trade concession agreements and rules of origin remain under negotiation. On 7 July 2019, at a summit in Niger, the AFCFTA entered its operational phase.



History

Background

In 1963, the Organization of African Unity (OAU) was founded by the independent states of Africa. The OAU aimed to promote cooperation between African states. The 1980 Lagos Plan of Action was adopted by the organization. The plan suggested Africa should minimize reliance upon the West by promoting intra-African trade. This began as the creation of a number of regional cooperation organizations in the different regions of Africa, such as the Southern African Development Coordination Conference. Eventually this led to the Abuja Treaty in 1991, which created the African Economic Community, an organization that promoted the development of free trade areas, customs unions, an African Central Bank, and an African common currency union.

In 2002, the OAU was succeeded by the African Union (AU), which had as one of its goals to accelerate the "economic integration of the continent". A second goal was to "coordinate and harmonize the policies between the existing and future Regional Economic Communities for the gradual attainment of the objectives of the Union." At the 2012 African Union summit in Addis Ababa, leaders agreed to create a new Continental Free Trade Area by 2017. At the 2015 AU summit in Johannesburg, the summit agreed to commence negotiations. This began a series of ten negotiating sessions which took place over the next three years.

2018 Kigali Summit



In 2018, at the 10th Extraordinary Session of the African Union on AFCFTA, three separate agreements were signed: the African Continental Free Trade Agreement, the Kigali Declaration; and the Protocol on Free Movement of Persons. The Protocol on Free Movement of Persons seeks to establish a visa-free zone within the AFCFTA countries, and support the creation of the African Union Passport. At the summit in Kigali on 21 March 2018, 44 countries signed the AFCFTA, 47 signed the Kigali Declaration, and 30 signed the Protocol on Free Movement of

People. While a success, there were two notable holdouts: Nigeria and South Africa, the two largest economies in Africa

One complicating factor in the negotiations was that Africa had already been divided into eight separate free trade areas and/or customs unions, each with different regulations. These regional bodies will continue to exist; the African Continental Free Trade Agreement initially seeks to reduce trade barriers between the different pillars of the African Economic Community, and eventually use these regional organizations as building blocks for the ultimate goal of an Africa-wide customs union.

Declarations signed at the 2018 Kigali summit ^[26]				
Country	Signed By	afCFTA Consolidated Text (signature)	Kigali Declaration	Free Movement Protocol
 Algeria	Prime Minister Ahmed Ouyahia	Yes	Yes	No
 Angola	President João Lourenço	Yes	Yes	Yes
 Central African Republic	President Faustin Archange Touadéra	Yes	Yes	Yes
 Chad	President Idriss Déby	Yes	Yes	Yes
 Comoros	President Azali Assoumani	Yes	Yes	Yes
 Djibouti	President Ismaïl Omar Guelleh	Yes	Yes	No
 Equatorial Guinea	Prime Minister Francisco Pascual Obama Asue	Yes	Yes	Yes
 Eswatini	Prime Minister Barnabas Sibusiso Dlamini	Yes	Yes	No

Declarations signed at the 2018 Kigali summit^[26]

Country	Signed By	afCFTA Consolidated Text (signature)	Kigali Declaration	Free Movement Protocol
 Gabon	President Ali Bongo Ondimba	Yes	Yes	Yes
 Gambia	President Adama Barrow	Yes	Yes	Yes
 Ghana	President Nana Akufo-Addo	Yes	Yes	Yes
 Ivory Coast	Vice President Daniel Kablan Duncan	Yes	No	No
 Kenya	President Uhuru Kenyatta	Yes	Yes	Yes
 Lesotho	Prime Minister Tom Thabane	No	Yes	Yes
 Mauritania	President Mohamed Ould Abdel Aziz	Yes	Yes	Yes
 Morocco	Prime Minister Saadeddine Othmani	Yes	No	No
 Mozambique	President Filipe Nyusi	Yes	Yes	Yes
 Niger	President Mahamadou Issoufou	Yes	Yes	Yes

Declarations signed at the 2018 Kigali summit^[26]

Country	Signed By	afCFTA Consolidated Text (signature)	Kigali Declaration	Free Movement Protocol
 Republic of the Congo	President Denis Sassou Nguesso	Yes	Yes	Yes
 Rwanda	President Paul Kagame	Yes	Yes	Yes
 Sahrawi Arab Democratic Republic	President Brahim Ghali	Yes	Yes	No
 Senegal	President Macky Sall	Yes	Yes	Yes
 Seychelles	Vice President Vincent Meriton	Yes	Yes	No
 South Africa	President Cyril Ramaphosa	No	Yes	No
 Sudan	President Omar al-Bashir	Yes	Yes	Yes
 Tanzania	Prime Minister Kassim Majaliwa	No	Yes	No
 Uganda	President Yoweri Museveni ^[27]	Yes	Yes	Yes
 Zimbabwe	President Emmerson Mnangagwa	Yes	Yes	No


Ratification

After the Kigali summit, more signatures were added to the AFCFTA. At the African Union summit in Nouakchott on 1 July 2018, five more nations joined the agreement, including South Africa. Kenya and Ghana were the first nations to ratify the agreement, depositing their ratifications on 10 May 2018. Of the signatories, 22 needed to ratify the agreement for it to come into effect, and this occurred on 29 April 2019 when both Sierra Leone and the Saharawi Arab Democratic Republic ratified the agreement. As a result, the agreement came into force 30 days later on 30 May 2019; at this point, only Benin, Nigeria, and Eritrea had not signed. Eritrea was not part of the initial agreement due to an ongoing state of war, but the 2018 peace agreement between Ethiopia and Eritrea ended the conflict and ended the barrier to Eritrean participation in the free trade agreement. The unrecognized state of Somaliland was not a party to the discussions related to the creation of the agreement.











The 12th Extraordinary Session of the African Union on AFCFTA was called to launch the new agreement, which was hosted in Niamey on 7 July 2019. At this summit, Benin and Nigeria signed the agreement, leaving Eritrea as the only African state not a part of this agreement; Eritrea has since asked to join the agreement. Gabon and Equatorial Guinea also deposited their ratifications at this summit. At the date of the launch, there were 27 states who had ratified the agreement.

Partner states










As of July 2019, 54 of the 55 African Union states had signed the agreement, with Eritrea the only country not signing the agreement. Of these member states 27 have deposited their instrument of ratification .The 27 countries that have deposited their instruments of AFCFTA ratification with the AUC Chairperson are Ghana, Kenya, Rwanda, Niger, Chad, Congo Republic, Djibouti, Guinea, Eswatini, Mali, Mauritania, Namibia, South Africa, Uganda, Ivory Coast (Côte d'Ivoire), Senegal, Togo, Egypt, Ethiopia, The Gambia, Sierra Leone, Saharawi Republic, Zimbabwe, Burkina Faso, São Tomé and Príncipe, Gabon, and Equatorial Guinea

Ratification Status of African Nation						
Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
 Algeria	Yes	21 March 2018	No		No	








Ratification Status of African Nation

Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
 Angola	Yes	21 March 2018	No		No	
 Benin	Yes	7 July 2019	No		No	
 Botswana	Yes	10 February 2019	No		No	
 Burkina Faso	Yes	21 March 2018	Yes	27 May 2019	Yes	29 May 2019 [1]
 Burundi	Yes	2 July 2018	No		No	
 Cameroon	Yes	21 March 2018	No		No	
 Central African Republic	Yes	21 March 2018	No		No	
 Cape Verde	Yes	21 March 2018	No		No	
 Chad	Yes	21 March 2018	Yes	29 June 2018	Yes	2 July 2018 [2]
 Ivory Coast	Yes	21 March 2018	Yes	13 November 2018	Yes	23 November











Ratification Status of African Nation

Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
						2018
 Comoros	Yes	21 March 2018	No		No	
 Republic of the Congo	Yes	21 March 2018	Yes	7 February 2019	Yes	10 February 2019
 Democratic Republic of the Congo	Yes	21 March 2018	No		No	
 Djibouti	Yes	21 March 2018	Yes	5 February 2019	Yes	11 February 2019
 Egypt	Yes	21 March 2018	Yes	27 February 2019	Yes	8 April 2019 [3]
 Equatorial Guinea	Yes	21 March 2018	Yes	28 June 2019	Yes	2 July 2019 [4]
 Eritrea	No		No		No	
 Eswatini	Yes	21 March 2018	Yes	21 June 2018	Yes	2 July 2018 [5]
 Ethiopia	Yes	21 March 2018	Yes	23 March 2019	Yes	10 April 2019 [6]











Ratification Status of African Nation

Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
 Gabon	Yes	21 March 2018	Yes	2 July 2019	Yes	7 July 2019 [7]
 Gambia	Yes	21 March 2018	Yes	11 April 2019	Yes	16 April 2019
 Ghana	Yes	21 March 2018	Yes	7 May 2018	Yes	10 May 2018 [8]
 Guinea	Yes	21 March 2018	Yes	31 July 2018	Yes	16 October 2018
 Guinea-Bissau	Yes	8 February 2019	No		No	
 Kenya	Yes	21 March 2018	Yes	6 May 2018	Yes	10 May 2018 [9]
 Lesotho	Yes	2 July 2018	No		No	
 Liberia	Yes	21 March 2018	No		No	
 Libya	Yes	21 March 2018	No		No	
 Madagascar	Yes	21 March 2018	No		No	

Ratification Status of African Nation

Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
 Malawi	Yes	21 March 2018	No		No	
 Mali	Yes	21 March 2018	Yes	11 January 2019	Yes	1 February 2019
 Mauritania	Yes	21 March 2018	Yes	31 January 2019	Yes	11 February 2019 [10]
 Mauritius	Yes	21 March 2018	No		No	
 Morocco	Yes	21 March 2018	No		No	
 Mozambique	Yes	21 March 2018	No		No	
 Namibia	Yes	2 July 2018	Yes	25 January 2019	Yes	1 February 2019
 Niger	Yes	21 March 2018	Yes	28 May 2018	Yes	19 June 2018 [11]
 Nigeria	Yes	7 July 2019	No		No	
 Rwanda	Yes	21 March 2018	Yes	25 May 2018	Yes	26 May 2018 [12]

Ratification Status of African Nation

Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
 Sahrawi Arab Democratic Republic	Yes	21 March 2018	Yes	27 April 2019	Yes	30 April 2018 [13]
 São Tomé and Príncipe	Yes	21 March 2018	Yes	28 May 2019	Yes	27 June 2019 [14]
 Senegal	Yes	21 March 2018	Yes	12 March 2019	Yes	2 April 2019
 Seychelles	Yes	21 March 2018	No		No	
 Sierra Leone	Yes	2 July 2018	Yes	7 November 2018	Yes	30 April 2018 [15]
 Somalia	Yes	21 March 2018	No		No	
 South Africa	Yes	2 July 2018	Yes	31 January 2019	Yes	10 February 2019 [16]
 South Sudan	Yes	21 March 2018	No		No	
 Sudan	Yes	21 March 2018	No		No	
 Tanzania	Yes	21 March	No		No	

Ratification Status of African Nation						
Country	Signed	Date of Signing	Ratified	Date of Ratification	Deposited	Date of Deposit
	Yes	2018	No		No	
 Togo	Yes	21 March 2018	Yes	9 January 2019	Yes	2 April 2019
 Tunisia	Yes	21 March 2018	No		No	
 Uganda	Yes	21 March 2018	Yes	20 November 2018	Yes	9 February 2019 [17]
 Zambia	Yes	10 February 2019	No		No	
 Zimbabwe	Yes	21 March 2018	Yes	25 April 2019	Yes	24 May 2019 [18]

Implementation

The AFCFTA is set to be implemented in phases, and some of the future phases still under negotiation.

At the Kigali summit, areas of agreement were found on trade protocols, dispute settlement procedures, customs cooperation, trade facilitation, and rules of origin. This was part of Phase I of the agreement, which covers goods and services liberalization. There was also agreement to reduce tariffs on 90% of all goods. Each nation is permitted to exclude 3% of goods from this agreement.

At its launch on 7 July 2019, five operational instruments that will govern the AFCFTA were activated: "the rules of origin; the online negotiating forum; the monitoring and elimination of non-tariff barriers; a digital payment system; and the African Trade Observatory."

Some Phase One issues that remain to be negotiated include the schedule of tariff concessions and other specific commitments. Negotiations are also underway to see which city will host the AFCFTA.

Negotiations for Phase II began in February 2019. These negotiations will cover protocols for competition, intellectual property, and investment. Negotiations on Phase II issues are expected to finish in 2020.

Nigerian opposition

Nigeria was one of the last nations to sign the agreement. At 200 million people, Nigeria is Africa's most populous country and has about the population of the second and third most-populous countries, Ethiopia and Egypt, combined, each of which have a population around 98 million. With a nominal GDP of US\$376 billion, or around 17% of Africa's GDP, it is just ahead of South Africa, which accounts for 16% of Africa's economy. Because Nigeria is such a significant country in terms of its population and its economy, its absence at the initial signing of the agreement was particularly conspicuous. South African President Cyril Ramaphosa underscored this in comments on 12 July 2018, saying "The continent is waiting for Nigeria and South Africa. By trading among ourselves, we are able to retain more resources in the continent." South Africa later signed the agreement.

44 countries initially signed the agreement on 21 March 2018. Nigeria was one of 11 African Union nations to avoid initially signing. At the time, Nigerian President Muhammadu Buhari said that Nigeria couldn't do anything that would undermine local manufacturers and entrepreneurs. The Manufacturers Association of Nigeria, which represents 3,000 Nigerian manufacturers, praised the decision to back out of the agreement..The Nigerian foreign minister tweeted that more domestic consultation was needed before Nigeria could sign the agreement.[38] Former president Olusegun Obasanjo said Nigeria's delay was regrettable.[39] The Nigeria Labour Congress called the agreement a "renewed, extremely dangerous and radioactive neo-liberal policy initiative", suggesting increased economic pressure would pressure workers into migration under difficult and unsafe conditions.

On 21 July 2018, five more nations signed the agreement, including South Africa. At that time, the Nigerian government emphasized its non-participation was a delay, not a withdrawal, and promised to soon sign the agreement[.As the foreign minister had earlier emphasized, the Nigerian government intended to consult further with local businesses in order to ensure private sector buy-in to the agreement.

As the Nigerian government continued to consult with local business groups in the latter half of 2018, a key concern was whether the agreement adequately prevented anti-competitive practices such as dumping. As 2018 drew to a close, former President Olusegun Obasanjo said the delay was "regrettable", emphasizing the lack of trade in goods amongst African countries, the difficulties in travelling from one African country to another, and the colonial legacy which these restrictions on Africa's growth represented. The government steering committee in charge of the consultative process was due to release its report on the agreement in January 2019.

Nigeria's president announced on 2 July 2019 that Nigeria would sign the AFCFTA in Niger the following week. Nigeria signed the AFCFTA on 7 July 2019.

https://en.wikipedia.org/wiki/African_Continental_Free_Trade_Agreement