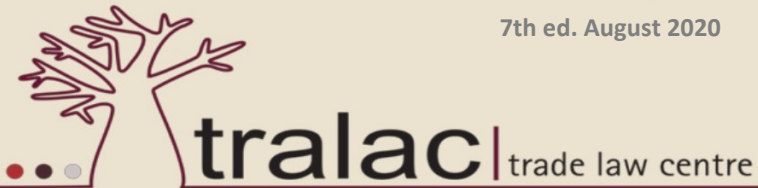




# The African Continental Free Trade Area

A tralac guide

7th ed. August 2020



# Where does the AfCFTA fit in Africa's development agenda?

The Agreement establishing the African Continental Free Trade Area (AfCFTA) was signed at the 10th Extraordinary Summit of the AU Assembly on 21 March 2018 in Kigali, Rwanda. The AfCFTA Agreement entered into force on 30 May 2019. The AfCFTA is the continent's most ambitious integration initiative. The AfCFTA is the continent's most ambitious integration initiative.

The main objectives of the AfCFTA are:

- create a single continental market for goods and services, with free movement of business persons and investments
- expand intra-Africa trade across the regional economic communities and the continent in general
- enhance competitiveness and support economic transformation

Eight RECs have been officially recognised as building blocs of the AfCFTA: ECCAS, ECOWAS, EAC, SADC, COMESA, AMU, CEN-SAD and IGAD.

Agenda 2063 is Africa's framework for structural transformation. It builds on and aims to facilitate the implementation of existing continental initiatives (AIDA, PIDA, BIAT and CAADP). The establishment of the AfCFTA, a single African air transport market (SAATM), and the free movement of people are Agenda 2063 flagship projects. The AU has adopted legal instruments for the effective implementation of these flagship projects. Importantly, the UN Agenda 2030's 17 SDGs are incorporated in the 20 goals of Agenda 2063. By implementing Agenda 2063, Africa will also meet its global commitments under the SDGs.

**AIDA**

**PIDA**

**BIAT**

**CAADP**

**Agenda  
2063**

**Protocol  
on Free  
Movement of  
People**

**SAATM  
Decision**

**AfCFTA  
Agreement**

**Yamous-  
soukro  
Decision**

# Architecture of the AfCFTA

The AfCFTA Agreement is a framework agreement covering Trade in Goods and Services, Investment, Intellectual Property Rights and Competition Policy.

The Protocols on Trade in Goods, Trade in Services, Investment, Intellectual Property Rights, and Competition Policy, as well as Dispute Settlement, form an integral part of the Agreement. The Protocols on Trade in Goods and Trade in Services each have several Annexes covering substantive disciplines.

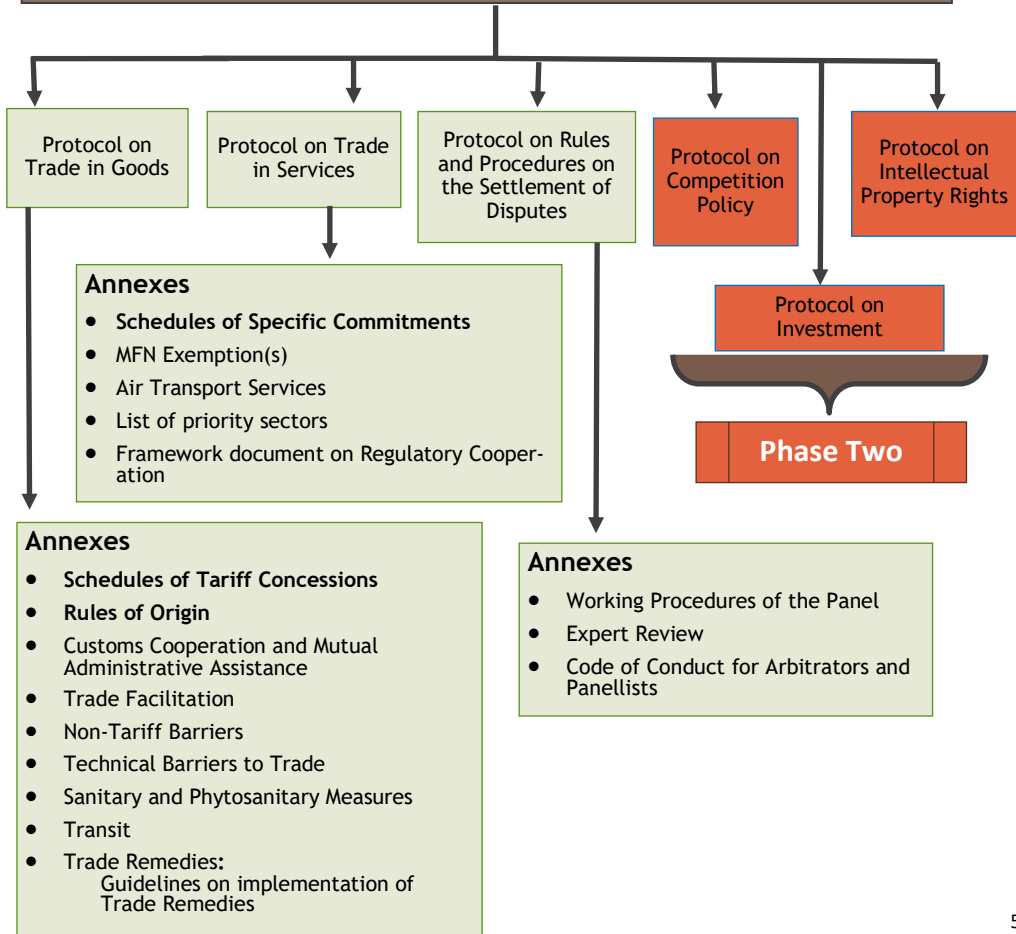
Trade in Goods and Trade in Services are being negotiated in Phase 1; with negotiations on a number of issues (e.g. tariff concessions, rules of origin for goods and schedules of specific commitments for services) still ongoing. Phase 2 of the negotiations will cover Investment, Competition Policy and Intellectual Property Rights.

Phase 2 negotiations and the draft texts of the Protocols on Investment, Competition Policy and Intellectual Property Rights are expected to be finalised by December 2020.\* The Assembly has also decided to add e-commerce to the AfCFTA negotiations – AfCFTA Protocol on E-Commerce.\*\*

\*Phase 2 Protocols shall enter into force 30 days after the deposit of the 22nd instrument of ratification.

\*\*Decision on the AfCFTA Doc. Assembly/AU/4(XXXIII) Assembly/AU/Dec.751(XXXIII) available at [https://au.int/sites/default/files/decisions/38180-assembly\\_au\\_dec\\_749-795\\_xxxiii\\_e.pdf](https://au.int/sites/default/files/decisions/38180-assembly_au_dec_749-795_xxxiii_e.pdf)

# Agreement establishing the AfCFTA



# Institutions of the AfCFTA

The institutions established under the AfCFTA, and their powers, represent a compromise between the typical institutional arrangements of a stand-alone Free Trade Agreement (FTA) and the AfCFTA as a flagship project of the African Union (AU) under Agenda 2063.

The founding Agreement does not state that this arrangement will be a legal person (as is the case in several regional economic communities, including SADC and EAC). It does provide an institutional architecture for this arrangement (shown below). Notably, the apex institution is the Assembly – this is the Assembly of the African Union.

**The Assembly** of the African Union comprises all AU Heads of State and Government, not just those of State Parties to the Agreement. It provides oversight and guidance on the AfCFTA and is the ultimate decision-making body for the AfCFTA.

**The Council of Ministers** comprises Ministers for Trade or other nominees from State Parties. It has authority to take decisions in accordance with the AfCFTA Agreement, and works in collaboration with the relevant AU organs and institutions. It reports to the Assembly through the Executive Council of the AU and makes recommendations to the Assembly for the adoption of an authoritative interpretation of the Agreement. It is separate from the African Union Ministers of Trade (AMOT) committee under the AU.

**The Committee of Senior Trade Officials** consists of Permanent Secretaries or other officials designated by State Parties. It is responsible for the development of programmes and action plans for the implementation of the AfCFTA Agreement.

**The AfCFTA Secretariat** is the administrative organ to coordinate the implementation of the AfCFTA. It is based in Accra, Ghana. The Parliament of Ghana ratified the Agreement to host the AfCFTA Secretariat on 03 August 2020.

**The Dispute Settlement Mechanism** replicates, with the necessary adaptations, the WTO dispute settlement system. The principles and procedures appear in a dedicated Protocol. Only State Parties will be able to bring applications. Private party litigation is not possible.



# Assembly



**Council of  
Ministers**



**Dispute Settlement  
Mechanism**



**Committee of  
Senior Trade  
Officials**



**Dispute  
Settlement  
Body**



**Secretariat**



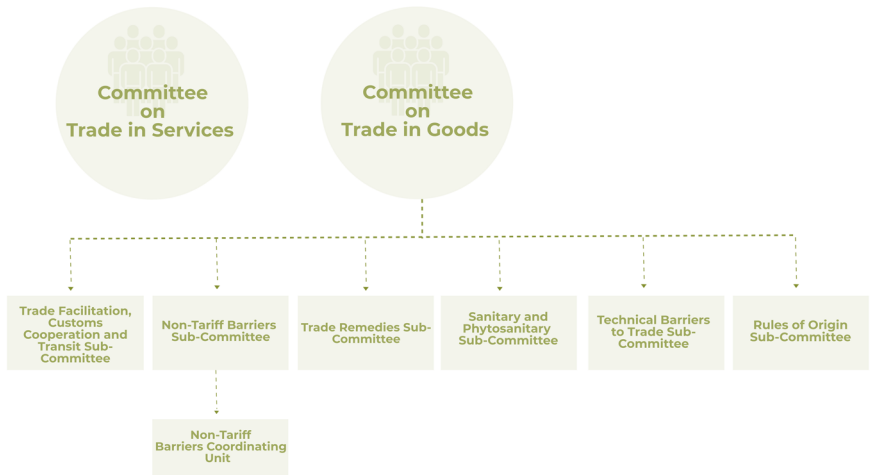
**Panels**



**Appellate  
Body**

# AfCFTA Committees

The Protocols of the AfCFTA Agreement establish various technical committees to assist with the implementation of the Agreement. The committees will comprise designated representatives from State Parties. The Committee on Trade in Goods will facilitate the operation of the Protocol on Trade in Goods. The Committee will establish sub-committees responsible for the operationalisation of the annexes of the Trade in Goods Protocol. The Committee on Trade in Services will facilitate the operation of the Protocol on Trade in Services





# Other AfCFTA initiatives

**African Trade Observatory:** the African Trade Observatory (ATO) aims to create a continent-wide trade information portal to facilitate intra-African trade and to support the roll-out of the AfCFTA. The ATO will seek to collect trade-related data from member states and provide trade intelligence to both market players and governmental and non-governmental agencies. The ATO will also include services trade, exchange rate and competitiveness indicators, internal tax data and foreign direct investment data.

The **AfCFTA Online Mechanism for Reporting, Monitoring and Elimination of NTBs\*** provides a facility for online reporting of identified non-tariff barriers (NTBs) including for reporting via SMS. Reported NTBs and the status of their resolution can be accessed on the public domain. Various informative pages on the website, including FAQs, assist in the use of the system. NTB notifications will be received by the focal points of the reporting country, the responding country and the AfCFTA Secretariat for processing. In a non-public space, the system then allows information exchange between the concerned State Parties to monitor and resolve NTBs.

\*Available at <https://tradebarriers.africa/about>



# Intra-African trade at a glance

For 2019\* intra-African exports were valued at US\$69 billion; 15% of Africa's world exports. Between 2018 and 2019 intra-Africa exports and Africa's world exports respectively declined by 5% and 8%

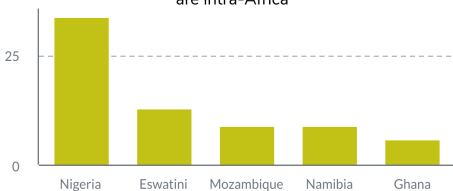
- Although South Africa is the main intra-Africa exporter and importer; (accounting for 35% of intra-Africa exports and 17% of intra-Africa imports), South Africa's intra-Africa trade declined while intra-Africa exports from Nigeria and Zimbabwe and intra-Africa imports by Ghana and Mozambique increased significantly.
- Other main intra-African exporters Nigeria, Egypt, Ivory Coast and Zimbabwe account for 31% of intra-Africa exports.
- 23% of intra-Africa exports are mineral fuels, followed by exports of machinery, floating structures, vehicles and precious metals.
- Apart from South Africa, all other main intra-Africa imports except Ghana are also in southern Africa (Botswana, Mozambique, Namibia and Zambia). Between 2018 and 2019 Ghana's intra-Africa imports more than doubled, while Mozambique's imports increased by 22%.
- The biggest portion of Africa's world exports of cereals, photographic equipment, arms and ammunitions, printed books and articles of base metals are intra-Africa exports.

\* Intra-Africa data is based on the up-to-date trade data from 26 African countries as of the end of August.

# Intra-Africa imports

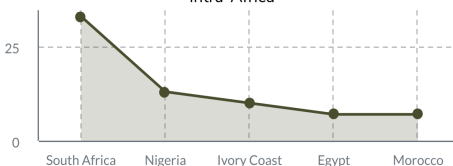
## #1 South Africa

17% of intra-Africa imports; 12% of South Africa's imports are intra-Africa



## #2 Ghana

7% of intra-Africa imports; 11% of Ghana's imports are intra-Africa



## #3 Botswana

7% of intra-Africa imports; 69% of Botswana's imports are intra-Africa



Sources: ITC TradeMap 2020, tralac calculations

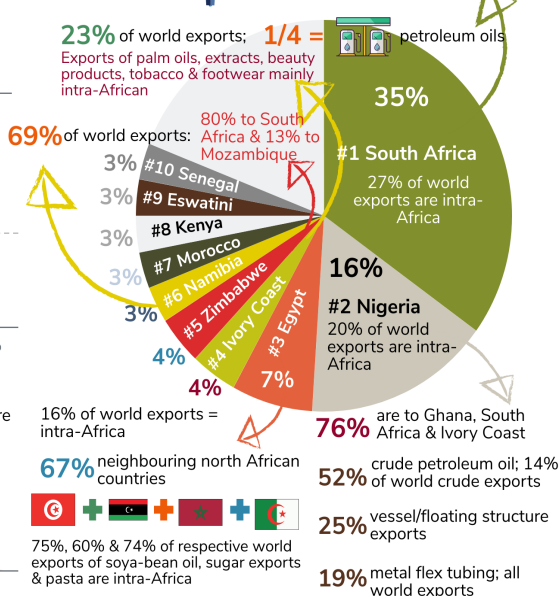
# Intra-Africa exports

The main destination markets are all located in southern Africa =



The main export products are petroleum oils + vehicles + electrical energy

23% of world exports: 1/4 = petroleum oils  
Exports of palm oils, extracts, beauty products, tobacco & footwear mainly intra-African



# Intra-REC trade\*

For 2019 the share of intra-SACU exports in intra-Africa exports by all African countries is 21% and the respective shares of intra-ECOWAS, intra-EAC and intra-CEMAC exports are 17%, 3% and 0.4%. Intra-REC exports as a percentage of total African exports by a REC show most countries trade more with their REC counterparts with the exceptions being AMU and ECCAS members.

## Intra-REC intra-Africa exports

Overlapping membership - SADC & SACU				
	Intra-SACU as % of intra-Africa	Intra-SADC as % of intra-Africa	% Intra-SADC excluding SACU	% to the rest of Africa
South Africa	43%	88%	45%	12%
Botswana	89%	99,6%	10%	0,4%
Namibia	74%	98%	25%	2%

Overlapping membership - SADC & COMESA				
% to the rest of Africa	% Intra-COMESA excluding SADC	Intra-COMESA as % of intra-Africa	Intra-SADC as % of intra-Africa	
14%	11%	39%	74%	Madagascar
2%	46%	63%	52%	Malawi
1%	13%	53%	86%	Mauritius
15%	8%	75%	77%	Seychelles
0,3%	7%	73%	93%	Zambia
0,002%	1%	5%	99%	Zimbabwe

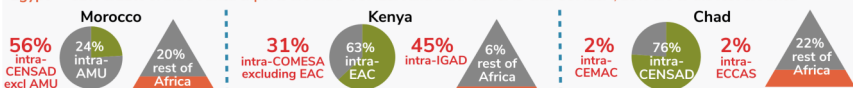
Overlapping membership - ECOWAS & CENSAD				
	Intra-ECOWAS as % of intra-Africa	Intra-CENSAD as % of intra-Africa	% Intra-ECOWAS excluding CENSAD	% to the rest of Africa
Ivory Coast	76%	76%	2%	22%
Benin	67%	87%	20%	13%
Burkina Faso	96%	96%	1%	3%
Nigeria	57%	57%	0,1%	43%
Senegal	88%	86%	6%	6%
Togo	96%	97%	1%	2%

Eswatini = 75%, 86% & 12% of respective intra-Africa exports are intra-SACU, intra-SADC & intra-COMESA; 6% are exports to the rest of Africa

Mozambique = 98% of intra-Africa exports are intra-SADC

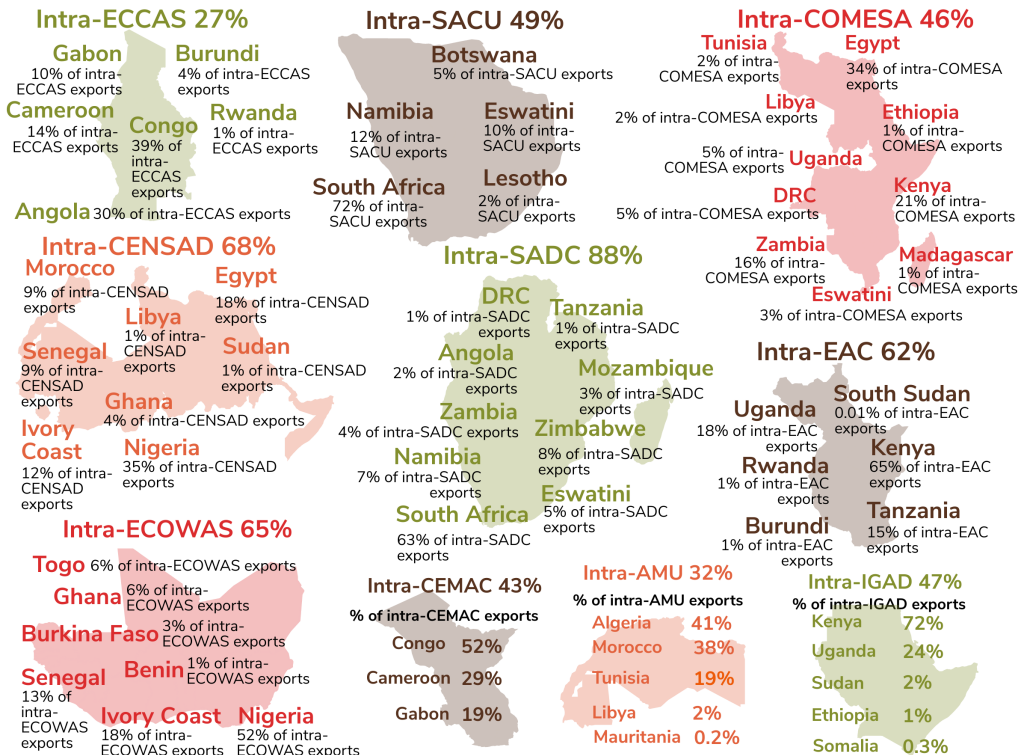
Cape Verde = 70% of intra-Africa exports are intra-ECOWAS

Egypt = 62% & 22% of intra-Africa exports are intra-COMESA and intra-CENSAD excl COMESA; 16% are to the rest of Africa



\*Measuring intra-REC trade is complicated by overlapping membership to different RECs and bilateral trade agreements in place. Accordingly, it is difficult to gauge under which agreement countries are trading with one another.

# Intra-REC exports as a % of the RECs total intra-Africa exports



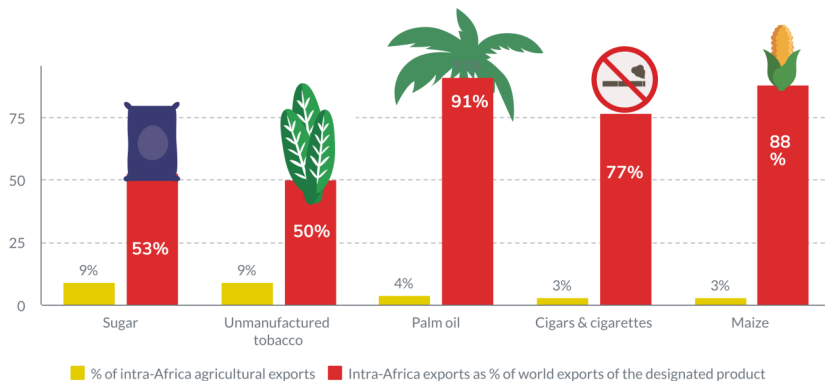
Sources: ITC Trademap 2020, tralac calculations

# Agricultural trade

In 2019, total intra-African agricultural trade was valued at US\$24 billion (US\$11.6 billion exports and US\$10.7 billion imports) representing some 17% of total intra-African exports and 16% of intra-African imports. Only 23% of Africa's total agricultural exports are intra-Africa exports, while only 15% of Africa's total agricultural imports are sourced from within the continent.

South Africa is the main exporter of agricultural commodities to the rest of the continent, followed by Zimbabwe, Egypt, Kenya and Ivory Coast. Ivory Coast (mainly cocoa beans) accounts for most of the agricultural exports to beyond the continent, followed by South Africa (citrus & wine) and Egypt (citrus, onions & potatoes). South Africa, Kenya, Botswana, Namibia and Egypt are the main intra-Africa agricultural importers. A quarter of agricultural imports African sourced from outside the continent are imports by Egypt, mainly wheat, maize, soya beans and frozen beef.

## Main intra-Africa agricultural export products



# Intra-Africa agricultural trade

## South Africa (33%)

Main products & destination markets



### MAIZE

86% of South Africa's world maize exports

#### Main destinations:

Botswana, Namibia & Mozambique



### FOOD PREPARATIONS

85% of South Africa's world food preparation exports

#### Main destinations:

Mozambique, Namibia, Zambia & Botswana



### APPLES

39% of South Africa's world apple exports

#### Main destinations:

Nigeria, Senegal & Kenya



### SUGAR

72% of South Africa's world sugar exports

#### Main destinations:

Mozambique, Namibia & Botswana

## Zimbabwe (8%)

Main destinations & products



## Egypt (8%)

Main products & destinations

### 12% Wheat flour

Main destinations:

Eritrea (45%)  
Somalia (38%)  
Libya (10%)

### 5% Uncooked pasta

Main destinations:

Kenya (27%)  
Eritrea (25%)  
Zimbabwe (11%)

### 4% Sugar

Main destinations:

Kenya (30%)  
Uganda (19%)  
Libya (17%)

### 4% Processed cheese

Main destinations:

Libya (80%)  
Eritrea (8%)  
Mauritius (5%)

### 4% Waste from sugar production

Main destinations:

Morocco (98%)  
Tunisia (2%)

## Kenya (7%)

Main export products



20% of Kenya's total tea exports & 3% of global tea exports = intra-Africa exports



99% of Kenya's total palm oil exports & 0.3% of global palm oil exports = intra-Africa exports



Intra-Africa exports account for 96% of Kenya's total cigarette exports & 0.3% of global cigarette exports



Intra-Africa exports = 99% of Kenya's total sugar confectionery exports & 0.4% of global sugar confectionery exports

## Ivory Coast (6%)

Main destinations & products

### 78%



Burkina Faso



Mali



Ghana



Algeria



Senegal

### 64%



Palm oil



Coffee



Extracts



Tobacco



Soups & broths

Sources: ITC Trademap 2020, tralac calculations

# Trade in Commodities

Commodities include both agricultural and non-agricultural goods - intra-Africa commodity exports for 2019 accounted for 29% of intra-Africa exports. However, 62% are exports of petroleum oil. The rest are mainly gold, petroleum gas, ores and concentrates and limited agricultural commodities\*.

Traded commodities include:

**Energy—natural gas and oil—19% of intra-Africa exports**

**Precious metals—gold—2% of intra-Africa exports**

**Industrial metals—copper, nickel and iron ore—3% of intra-Africa exports**

**Agriculture—including sugar, maize, palm oil and cocoa—5 % of intra-Africa exports**

Only 1% of cocoa, 6% of iron ore and 5% of petroleum gas remain on the continent. On the contrary, almost all wheat, oats, live cattle and soybean oil remain on the continent.

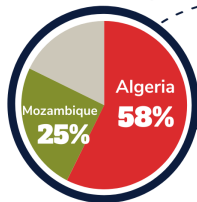
Gold is mainly exported by Zimbabwe and Ivory Coast; almost all of which destined for South Africa. Almost all of the crude petroleum oil exports are by Nigeria, while half of the non-crude exports are from South Africa and Egypt. Algeria and Mozambique account for 82% of intra-Africa petroleum gas exports; 86% of these gas exports are destined for Morocco, South Africa and Egypt.

\*Diamonds are excluded here due to it not being a standardised commodity like gold as each diamond has its own cut, clarity, colour & size that determines its value. Accordingly intra-Africa diamond trade is included under trade in non-commodity and non-agriculture products.



# Intra-Africa trade in specific commodities

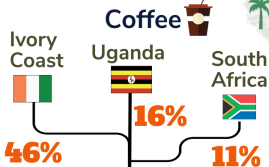
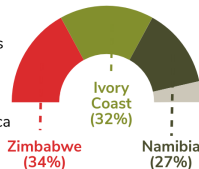
## Petroleum gas



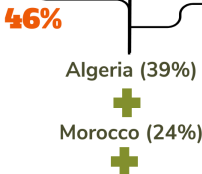
Petroleum gas is mainly exported by Algeria and Mozambique; 41% of which are exports to Egypt, 26% to South Africa & 19% to Egypt

## Gold

- Almost all exports are from Zimbabwe, Ivory Coast & Namibia
- 99% of imports are by South Africa and the rest by Mali & Ghana



## Coffee



South Africa, Namibia, Egypt, Tunisia & Uganda = 23%

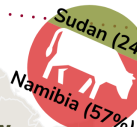
## Maize

- Intra-Africa maize exports are mainly by South Africa (68%). Other exporters include Tanzania (15%), Zambia (11%) & Kenya (2%)
- 15% of intra-Africa maize exports are to Kenya, 14% to Botswana, 13% to Namibia & 12% to Mozambique

## Main intra-Africa commodity importers by commodity

**82%** of intra-Africa exports are by Ivory Coast, Kenya & Ghana

**67%** Senegal, Uganda, Mali, Niger & Burkina Faso



## Live cattle

**59%** South Africa

**24%** Egypt

## Iron ores

**99.7%** South Africa

**97%** Mozambique  
**3%** Egypt

## Copper ores

- Intra-Africa copper ore exports are by only two countries - South Africa (54%) and DRC (46%)
- Three countries account for all the intra-Africa imports of copper ores - Mozambique (54%), Zambia (44%) and Namibia (2%)

**Mauritius (16%)**

**South Africa (33%)**

**Egypt (41%)**

## Cotton



Intra-Africa exporters

Sources: ITC Trademap 2020, tralac calculations

# Non-commodity, non-agriculture trade

Approximately 57% of intra-Africa exports are neither commodities nor agricultural products and include flexible tubing, vessels, electrical energy, diamonds, motor vehicles and cement.

## Main intra-Africa export products

% of world exports  
of a product which  
are intra-Africa  
exports

**100%**

**23% of Africa's world non-commodity, non-agriculture exports are intra-Africa**

**All exports of flexible metal tubing, sulphur, railway wagons, cyanides & titanium oxides are intra-Africa exports**

**80%-99%**

**Quicklime, prepared explosives, tractors, electrical energy, motorcycles, prepared binders & cement**

**60%-79%**

**Plastic packaging, Gypsum, paper packaging, data processing machines, woven cotton fabrics, steel structures & beauty products**

**40%-59%**

**Plastic tubing, steel bars, cruise ships, medicines, new pneumatic tyres, footwear, salts & products from flat-rolled steel**

**20%-39%**

**Electrical transformers, furniture, light vessels, powered aircraft, medical instruments, goods vehicles & fertiliser**

**<20%**

**Sawn wood, diamonds, circuit breakers, t-shirts, ferro-alloys, men's suits, coal, insulated wire, refined copper & passenger vehicles**

Sources: ITC Trademap 2020, tralac calculations



18% - large vessels

20% - light vessels

62% - vessels for break-up

81% of intra-Africa exports are by Nigeria. 47% of exports are destined for Ghana, 19% Angola & 17% Cameroon.



#1 Vessels

#2 Flexible metal tubing

#3 Electrical energy

#4 Diamonds  
Intra-Africa diamond trade is trade among Botswana, Namibia & South Africa

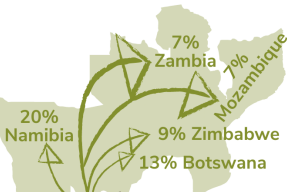
#5 Goods vehicles

#6 Food/beverage additives

#7 Cement

#8 Fertiliser

87% of intra-Africa exports



Eswatini & Egypt are the main intra-Africa exporters; 39% of which are to South Africa, 8% to Nigeria & 7% to Kenya

74% exports

MOROCCO  
74% of Morocco's exports are to Djibouti, Benin, Ethiopia, Senegal & Ivory Coast



Intra-Africa trade in products neither commodities nor agricultural products



Main exporters: South Africa, Senegal, Zambia

Main importers: Mali, Libya, DRC, Burkina Faso



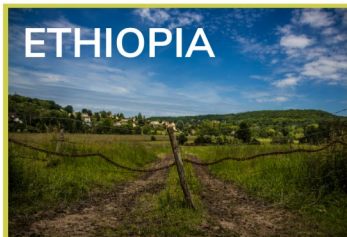
South Africa & Mozambique are the main electricity suppliers on the continent. Between 2018 & 2019 South Africa's exports increased by a quarter, due to a significant increase in exports to Botswana. Mozambique also saw an increase in demand from Botswana, Lesotho, Zambia & Malawi.

# Intra-African tariffs

Many African countries trade under the free-trade areas of their regional economic communities (RECs), with reduced or zero tariffs and members of fully fledged customs unions such as SACU trade duty-free with one another. Tariffs are therefore highest between those countries that do not already have a preferential agreement in place, they trade under the Most Favoured Nation (MFN) terms.

## Non-REC intra-Africa tariffs

**Ethiopia** is a member of COMESA, but still in the process of joining (or acceding) to the COMESA FTA. It also belongs to IGAD which does not have an FTA.



General tariff on goods from outside COMESA



Malt extract (10%)



Diesel passenger vehicles (35%)



Plastic bags made from polypropylene (30%)

PAFTA and AGADIR members have duty-free access to **Egypt's market**, while imports from COMESA (except Eswatini & DRC) are granted preferential access. CENSAD is not yet an FTA.



MFN tariffs on goods from outside PAFTA, AGADIR & COMESA



Fresh peaches, plums, plantains & apricots (60%)



Refined copper (2%)






Unstemmed/unstripped tobacco (9 pounds/kg)

**Kenya** is party to 4 RECs in Africa, however, the CENSAD and IGAD preferential arrangements are not yet in force. Countries that are members of COMESA and the EAC enjoy preferential access into Kenya.






MFN tariffs (EAC CET) on goods from outside EAC & COMESA

-  Assembled diesel passenger vehicles (25%)
-  Apples (25%)
-  Bottled wine (25%)

**South Africa** is a member state of both SACU and SADC. SACU is a customs union with duty-free intra-SACU trade and a common external tariff applicable to all goods entering from outside the Union.






MFN tariffs (SACU CET) on goods from outside SACU & SADC

-  Cotton t-shirts (45%)
-  Chewing gum (25%)
-  Soaps with medical applications (20%)

**Nigeria** is a member of ECOWAS and CENSAD. CENSAD is not yet an FTA. All qualifying goods, under the ECOWAS Trade Liberalisation Scheme (ETLS) imported from approved ECOWAS producers into Nigeria enter duty-free.



MFN tariffs (ECOWAS CET) on goods from outside ECOWAS

-  Apples (20%)
-  Chassis fitted with engines for the assembly industry (10%)
-  Laboratory glassware (5%)

# MFN tariffs for key

	Copper ores & concentrates	Goods vehicles	Portland cement	Refined sugar
CEMAC CET	10	10; 20*	20	30
EAC CET	0	0; 10; 25*	25	100 or US\$460/t
ECOWAS CET	5	5; 10*	20	20
SACU CET	0	0; 10; 20; 25*	0	476.71c/kg
Algeria	5	0; 5*	15	30
Angola	2	0; 2; 20; 30; 40*	2; 30*	20; 30*
Cabo Verde	0	0; 5; 10; 20*	5	5
DRC	5	5	5; 10*	20
Djibouti	26	26	13; 26*	0; 13*
Egypt	2	5; 10; 20; 30*	0	5; 20*
Ethiopia	5	10; 35*	10	5
Madagascar	5	10	10	10
Malawi	10	0; 10; 25*	10	25
Mauritania	5	13; 5; 20*	13; 20*	5; 20*
Mauritius	0	0	0	15
Morocco	2.5	2.5; 10; 25*	2.5;10; 17.5*	25; 55; 60*
Mozambique	2.5	5	7.5	7.5
Tunisia	0	0; 20*	20	0; 36*
Zambia	0	15; 30	5	25
Zimbabwe	5	5; 10; 25; 40; 60*	US\$100/t	10% + US\$100/t

Sources: ITC MacMap 2020

# intra-Africa imports (%)

	Maize	Articles of iron or steel	Beer	Trousers	Palm oil
CEMAC CET	30	10; 20; 30*	30	30	30
EAC CET	50	0; 10; 25*	25	35	25; US\$500/t*
ECOWAS CET	5	5; 10; 20*	20	20	10; 35*
SACU CET	0	5; 10; 15; 20; 30*	5	40; 45*	10
Algeria	5	5; 15; 30*	60	30	5; 30*
Angola	30	2; 10; 20;30*	60	10	0
Cabo Verde	0; 20*	0; 10; 20*	50	30	0; 5*
DRC	10	5; 10; 20*	20	20	5; 20*
Djibouti	1	13; 26*	26	13	1; 13*
Egypt	0	0; 5; 10; 30; 60*	1200	40	0
Ethiopia	5	5; 20;35*	35	35	20
Madagascar	10	0; 5; 10;20*	20	20	5; 10*
Malawi	0	0; 10; 25*	25	25	10; 25*
Mauritania	5	5; 13; 20*	20	20	0; 13*
Mauritius	0	0; 15*	15	0	0
Morocco	2.5	2.5; 10; 17.5; 25*	49	25	2.5; 25*
Mozambique	7.5	2.5; 7.5; 20*	20	20	20
Tunisia	15	0; 20*	36	20	36
Zambia	15	0; 5; 15; 25*	25	25	0; 15; 25*
Zimbabwe	0	5; 10; 15; 20; 25; 40; 60; 65*	25; 100*	40% + US\$3/kg	5; 15; 40*

\*The import tariff varies depending on which specific product at national tariff line level is imported. 23

# Trade in Services

Between 2018 and 2019 Africa's services exports declined by 3%, while global services exports increased by 2%.

Implementation of services liberalisation commitments and regulatory reform under the AfCFTA will be critical to achieve the aims of the African integration agenda. State Parties will schedule commitments in 5 priority sectors: financial services, travel, transport, business services and communications.

## Exports—5 priority services sectors (2019)





Most African countries score very high when it comes to restrictive regulations. Somalia, Eritrea, DRC, South Sudan, Libya & Chad are some of the countries with regulations least conducive to business operations when compared to regulations in 184 other countries.

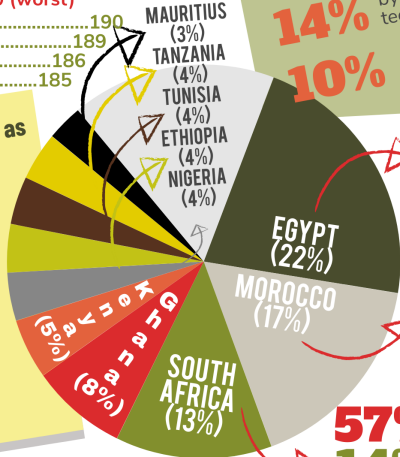
**WORLD BANK DOING BUSINESS INDEX**

Ranking 1 (best)-190 (worst)

Somalia.....	190
Eritrea.....	189
Libya.....	186
South Sudan.....	185

**International tourism receipts as % of total exports 2018**

1. São Tomé and Príncipe (73%)
2. Cape Verde (54%)
3. Comoros (50%)
4. Gambia (48%)
5. Ethiopia (47%)
6. Mauritius (39%)
7. Seychelles (36%)
8. Tanzania (29%)
9. Rwanda (26%)
10. Egypt (25%)



**25%** of Africa's services imports are by Nigeria (technical business services, personal travel & passenger transport)

**14%** by Egypt (mainly sea transport & technical business services) &

**10%** by South Africa (mainly freight transport & leisure travel)

Egypt is the main freight transport services exporter and importer - 65% of Africa's freight services exports & 38% of imports

**52%** TRAVEL  
**34%** TRANSPORT

**42%** TRAVEL  
**19%** TRANSPORT  
**14%** BUSINESS

**57%** TRAVEL (mainly personal)  
**14%** TRANSPORT (mainly freight)  
**12%** BUSINESS



**Nigeria**  
EXPORTS = 40% transport, 29% travel & 9% government services

**Ethiopia**  
75% of services exports are air transport services

**Mauritius**  
60% of services exports are travel services, mainly leisure travel

# Trade facilitation

Improving trade facilitation is essential to improving trade outcomes. High transport costs, delays, port inefficiencies and cumbersome border procedures can have a more negative impact on the trade of goods than any tariffs.



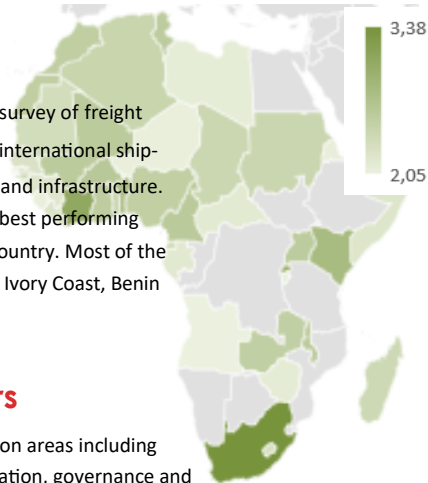
## Trading across borders

The World Bank **Doing Business Index** includes a '**Trading Across Borders**' Score. The average score of African Union members is 54.88/100. This has increased slightly (improved) since 2019. The score is based on 8 indicators of costs of imports and exports and time taken to cross borders.

Top 5	Score	Bottom 5	Score
Eswatini	92.9	Eritrea	0
Lesotho	91.9	DRC	3.5
Botswana	86.7	Cameroon	16
Morocco	85.6	Sudan	19
Mauritius	85.6	Liberia	19.2

## Logistics performance index

The World Bank **Logistics Performance Index (LPI)** is based on a survey of freight forwarders and express carriers. It ranks countries on customs, international shipments, quality and competence, tracking and tracing, timeliness and infrastructure. A higher score indicates higher performance. South Africa is the best performing African country, with Angola at 2.05 the lowest scoring African country. Most of the higher performing countries are located in west Africa, including Ivory Coast, Benin & Burkina Faso.



## OECD trade facilitation indicators

The **OECD trade facilitation indicators** assess a range of facilitation areas including information availability, fees and charges, border agency cooperation, governance and impartiality, documents and governance.

### Selected country scores for designated measures (out of 2 (best))

Availability of trade-related information	Automation of the trade administration process	Good governance—transparency, efficiency & compliance
Mauritius 1.714	Mauritius 1.846	Mauritius 1.889
South Africa 1.619	South Africa 1.615	Kenya 1.444
Nigeria 1.05	Kenya 1.462	Cameroon 1.222
Angola 1.105	Senegal 1.25	Togo 1.111
Ghana 0.9	Botswana 1.15	Ghana 0.889
Malawi 0.85	Ghana 1.083	Ethiopia 0.889
DRC 0.15	Ivory Coast 0.385	Madagascar 0.778

# About tralac

(Trade Law Centre) **tralac** is a public benefit organisation based in South Africa. We develop technical expertise and capacity in trade governance across Africa.

We are committed to the principles of rules-based governance at the national, regional and international levels. We believe that better governance and strong institutions are essential elements for inclusive and sustainable growth. tralac's activities are anchored on three pillars.



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