




# Namibia and The African Continental Free Trade Area

November 2022



**MIT**  
Ministry of  
Industrialisation  
& Trade



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# The AfCFTA and 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 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
- promote industrial development

The FTAs of 8 RECs have been recognised as building blocks of the AfCFTA. The RECs are: ECCAS, ECOWAS, COMESA, EAC, SADC, 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 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.

# Namibia and the AfCFTA negotiations

Namibia's membership of SACU has implications for how it will participate in the AfCFTA trade in goods negotiations. As a customs union, SACU has a common external tariff and a common customs territory. There are no customs duties on intra-SACU trade. To protect the integrity of the customs union, SACU member states will make a collective offer of tariff concessions in the AfCFTA.

**Namibia will continue to trade in goods, with other SACU member states under SACU rules. Trade in services is not covered in SACU, each member will submit its own offer of specific commitments in the AfCFTA.**



**Namibia, together with the other 12 SADC member states that are party to the SADC FTA will continue to trade with one another under these SADC FTA rules.**



# Namibia's REC Membership and the AfCFTA

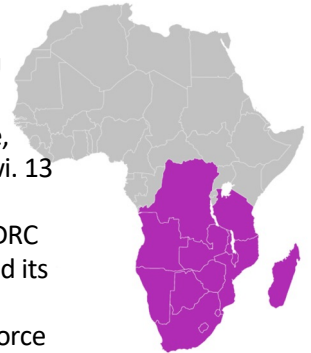
## Southern African Customs Union (SACU)

Five countries are members of SACU: Botswana, Lesotho, Namibia, South Africa, and Eswatini. SACU is a customs union with duty-free intra-SACU trade and a common external tariff (CET) applicable to all goods entering from outside the Union.



## Southern African Development Community (SADC)

SADC is a Regional Economic Community comprising 16 member states - all the SACU countries, plus Angola, DRC, Seychelles, Comoros, Madagascar, Tanzania, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are members of the SADC Free Trade Area (FTA). Comoros and DRC are yet to join the FTA. Angola has submitted its tariff offer to join the SADC FTA. The SADC Protocol on Trade in Services entered into force in January 2022 (6 priority sectors are included, some of which are also AfCFTA priority sectors)



# New preferential trade opportunities for Namibia under the AfCFTA



**Namibia currently trades with non-SACU and non-SADC African countries under MFN/WTO rates of duty:**

- Countries in East, Central, North and West Africa levy MFN/WTO rates of duty of imports from Namibia
- Namibia applies MFN/WTO rates of duty to imports from these countries

**AfCFTA negotiations are to reduce these duties, providing preferential access for Namibia's goods to these markets, and lowering duties on the goods that Namibia imports from these countries**

# Trade in services opportunities under the AfCFTA

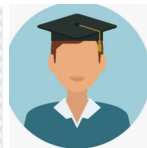
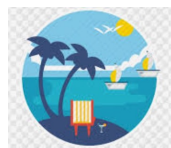
## Five priority services sectors:

financial, communication, transport, tourism and business services

**Mode 1:** *cross-border supply* of a service from the territory of one State Party into the territory of any other State Party – digitally enabled services



**Mode 2:** *consumption abroad*  
Person from one State Party travels to consume a service in the territory of another State Party (e.g. tourism)



**Mode 3:** *establishment of commercial presence* by a service supplier of one State Party in the territory of any other State Party (e.g. as a branch, agency, or wholly-owned subsidiary)



**Mode 4:** *temporary presence of natural persons* (services supplier) of a State Party in the territory of any other State Party to supply a service (e.g. medical or engineering)



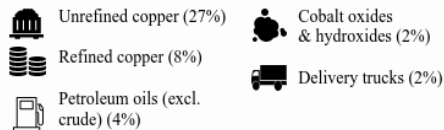


# Namibia's Intra-Africa imports (2020)

## KEY NOTES

The most recent available direct data for Namibia is from 2020. For 2020, 67% of Namibia's world imports were intra-Africa imports. Apart from Tunisia, Togo, and Morocco, Namibia's intra-Africa imports are mainly from the rest of SADC and SACU. Between 2019 and 2020, intra-Africa imports declined by 14%.

## TOP IMPORTED PRODUCTS (% of Intra-African Imports)



NAMIBIA'S TOP INTRA-AFRICA IMPORT SOURCES (share of imports from the world)		TOP IMPORTED PRODUCTS	SHARE OF TOTAL INTRA-AFRICAN IMPORTS (%)	TRADE BALANCE (US Dollar thousand)
	<b>South Africa</b> (38%)	Petroleum oils (excl. crude); delivery trucks; cars; raw sugar; maize	57%	-1,682,731
	<b>Zambia</b> (20%)	Molasses	30%	-1,086,326
	<b>DRC</b> (6%)	Refined copper, cobalt oxides & hydroxides; unrefined copper; copper ores; trailers	9%	-231,329
	<b>Botswana</b> (1%)	Diamonds; insulated wire; coal briquettes; motor vehicle parts; aircrafts	1%	399,020
	<b>Tunisia</b> (0.5%)	Petroleum oils (excl. crude); other textile articles; centrifuges; corrugated paper; cellphones	0.5%	-231,329

Sources: ITC Trademap 2022, tralac calculations

# Namibia's Intra-African exports (2020)

## KEY NOTES

The main African destination markets are other SACU and SADC countries. The value of 2020 intra-Africa exports is US\$1.79 billion. In 2020, 33% of Namibia's world exports were intra-African exports. Intra-African exports declined by 24% from 2019 to 2020.

## TOP EXPORTED PRODUCTS (% of Intra-African Exports)



Diamonds (22%)



Cattle (4%)













Gold (22%)



Petroleum Oils  
(excl. crude) (3%)



Frozen Fish (11%)

NAMIBIA'S TOP INTRA-AFRICAN EXPORT DESTINATIONS (share of exports to the world)		TOP EXPORTED PRODUCTS	SHARE OF TOTAL INTRA-AFRICAN EXPORTS (%)	% CHANGE IN IMPORTS AND EXPORTS FROM 2019-2020
	<b>South Africa</b> (15%)	Gold; cattle; beer; frozen fish; diamonds; fish fillets	 47%	Exports: 24% decline Imports: 27% decline
	<b>Botswana</b> (8%)	Diamonds; petroleum oils (excl. crude); prepared/preserved fish; cement; delivery trucks	 25%	Exports: 24% decline Imports: 27% decline
	<b>Zambia</b> (4%)	Frozen fish; plastic; other steel bars; rubber tires; petroleum coke	 13%	Exports: 3% decline Imports: 10% increase
	<b>DRC</b> (3%)	Frozen fish; poultry meat; Prepared binders for foundry; magnesium carbonate	 8%	Exports: 21% decline Imports: 201% increase
	<b>Mozambique</b> (< 1%)	Frozen fish; tractors; cranes; metal signs; manufactured tobacco	 2%	Exports: 31% decline Imports: 90% decline

Sources: ITC Trademap 2022, tralac calculations



# Architecture of the AfCFTA

The AfCFTA Agreement is a comprehensive legal compact which includes the Agreement establishing the AfCFTA, Protocols on Trade in Goods, Trade in Services, Dispute Settlement, Investment, Intellectual Property Rights and Competition Policy. Recently Digital Trade and Women and Youth have been added to the negotiating agenda.

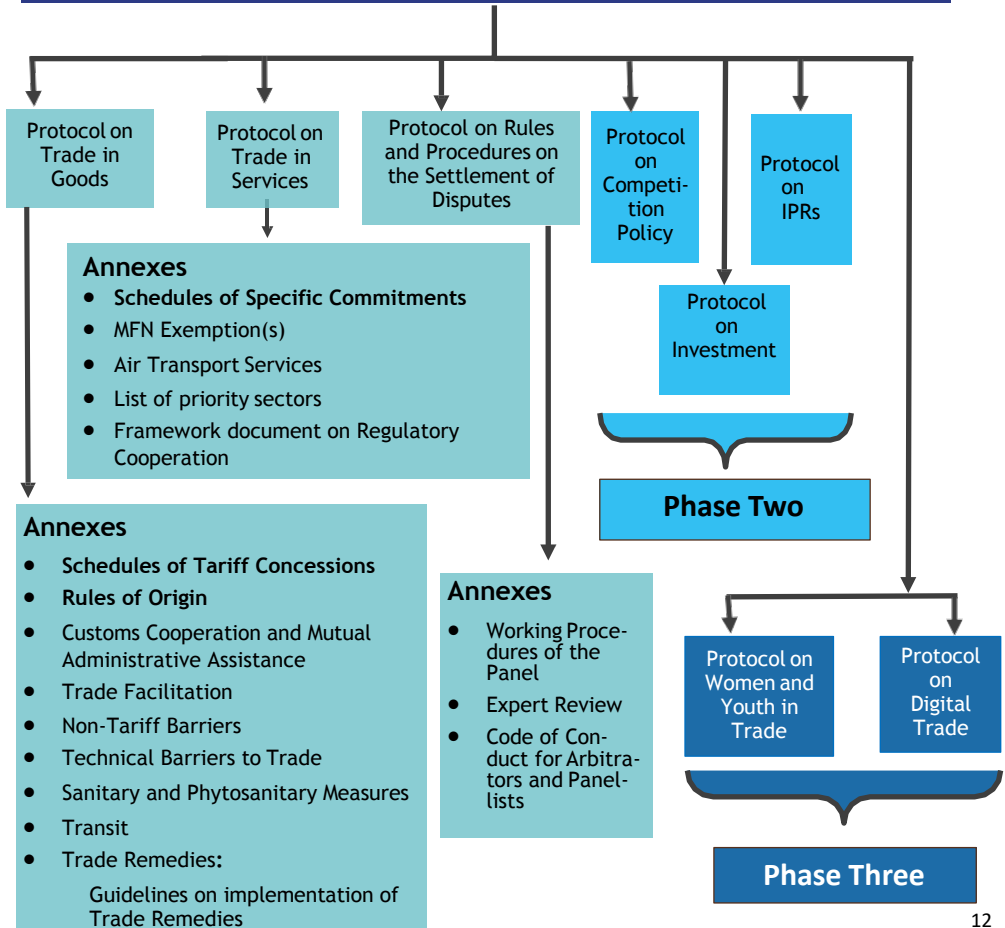
Phase 1 negotiations cover Trade in Goods, Trade in Services and Dispute Settlement. The Protocols on Trade in Goods and Trade in Services each have several Annexes covering substantive disciplines.

Negotiations on a number of issues (e.g. tariff concessions, rules of origin for goods and schedules of specific commitments for services) are still ongoing. The negotiations of the Protocol on Dispute Settlement have been concluded.

Phase 2 negotiations covering Investment, Competition Policy and Intellectual Property Rights have recently started.

Phase 3 negotiations will cover Digital Trade, and Women and Youth in trade.

# Agreement establishing the AfCFTA



# Institutions of the AfCFTA

The institutional framework for the implementation, administration, facilitation, monitoring, and evaluation of the AfCFTA consists of the Assembly, the Council of Ministers, the Committee of Senior Trade Officials, and the Secretariat. (Art 9 AfCFTA Agreement.) Decisions by AfCFTA institutions are taken by consensus, unless otherwise provided.

The **Assembly** of Heads of State and Government of the African Union (AU) provides oversight and strategic guidance on the AfCFTA, including the Action Plan for Boosting Intra-African Trade (BIAT).

The **Council of Ministers** (CoM) consists of the Ministers for Trade (or other designated Ministers) of the State Parties. The State Parties are the AU Member States that have ratified the AfCFTA Agreement or have acceded to it, and for whom this Agreement is in force. The CoM has authority to take all decisions as provided for in a rather wide mandate provided for in Article 11 of the AfCFTA Agreement. This includes the responsibility to ensure the effective implementation and enforcement of the AfCFTA Agreement. It also supervises the work of all committees and bodies established under the Agreement, considers reports of the Secretariat, makes regulations, issues directives, and makes recommendations. The CoM meets twice a year in ordinary session and may meet as and when necessary, in extraordinary sessions.

The **Committee of Senior Trade Officials** consists of Permanent or Principal Secretaries of the State Parties, or of other officials designated by them. It must implement the decisions of the CoM and is responsible for the development of programmes and action plans for the implementation of the AfCFTA Agreement. It may direct the Secretariat to undertake specific assignments.

The Regional Economic Communities (RECs) are not parties to the AfCFTA Agreement but shall be represented in the Committee of Senior Trade Officials in an advisory capacity. The REC Free Trade Areas are also the building blocks of the AfCFTA.

The **AfCFTA Secretariat** is the only permanent institution of the AfCFTA and is based in Accra, Ghana. It must implement instructions of the CoM and must provide technical assistance to the State Parties and AfCFTA institutions, as provided in the AfCFTA Agreement. The AfCFTA Agreement does not establish a new international legal person but does say the Secretariat “*shall be a functionally autonomous institutional body within the African Union system with an independent legal personality*”.

The **Dispute Settlement Mechanism** of the AfCFTA replicates, with the necessary adaptations, the WTO dispute settlement system. The relevant principles and procedures appear in a dedicated Protocol. The Dispute Settlement Mechanism has its own institutions, such as the Appellate Body and the Panels. Only State Parties may bring disputes against other State Parties. Natural or legal persons have no standing to bring applications for the settlement of AfCFTA related disputes.

Assembly



Council of Ministers



Committee of Senior Trade Officials



Dispute Settlement Body



Panels



Appellate Body



AfCFTA Secretariat





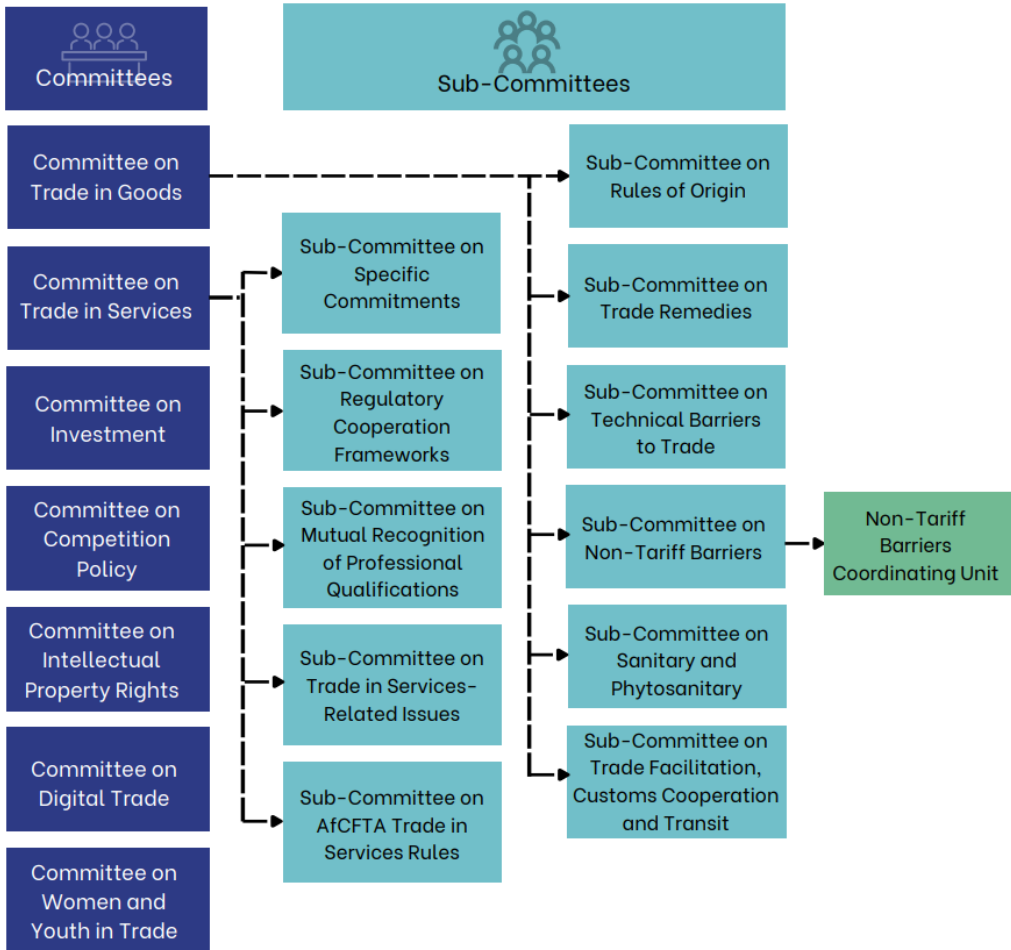
# AfCFTA Committees

The Protocols and Annexes to the Protocols to 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 has established Sub-Committees responsible for the operationalisation of the annexes of the Protocol on Trade in Goods.

The Committee on Trade in Services will facilitate the operation of the Protocol on Trade in Services. The Committee has established Sub-Committees responsible for the operationalisation of specific areas the Protocol on Trade in Services.

During its 5th Meeting held on 3 May 2021, the AfCFTA Council of Ministers established the following Committees on Investment, Competition Policy, Intellectual Property Rights, Digital Trade, and Women and Youth in Trade to facilitate the negotiations in these areas and assist with the implementation of the Protocols thereof.

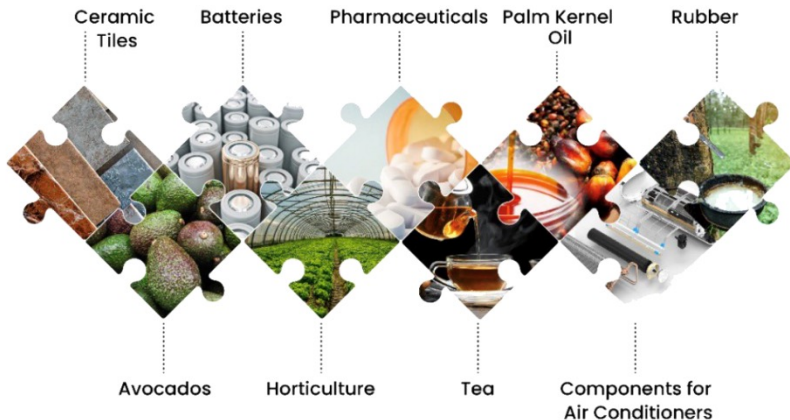




# Facilitated and Guided Trade Initiative

At the 9th Meeting of the Council of Ministers (25-26 July 2022), H.E. Wamkele Mene, AfCFTA Secretary General presented the AfCFTA Secretariat's proposed Facilitated and Guided Trade Initiative. A small group of AfCFTA State Parties will participate in the initiative: Ghana, Kenya, Rwanda, Tanzania, Mauritius, Egypt and Cameroon. Others may join the Initiative. Products that will be traded include: ceramic tiles, batteries, horticulture products and flowers, avocados, palm oil, tea, rubber, components for air conditioners. A Committee has been established to coordinate and operationalize trade transactions, and Ad Hoc Committees have been established in the participating State Parties. The launch is scheduled for 7 October 2022.

## Products



**Sources:** [https://twitter.com/africarenewal/status/1578037992492605441?ref\\_src=twsrc%5Etfw%7Ctwcamp%5Eembeddedtimelne%7Ctwtterm%5Escreen-name%3AAfCFTA%7Ctwtcon%5Esl](https://twitter.com/africarenewal/status/1578037992492605441?ref_src=twsrc%5Etfw%7Ctwcamp%5Eembeddedtimelne%7Ctwtterm%5Escreen-name%3AAfCFTA%7Ctwtcon%5Esl)

**The objectives are, to:**

- test the operational, institutional, legal and trade policy environment under the AfCFTA
- allow commercially meaningful trading under the AfCFTA, and
- send a positive message to African economic operators about the AfCFTA.



**Sources:** [https://twitter.com/AfCFTA/status/1575409896899706880?ref\\_src=twsrc%5Etfw%7Ctwcamp%5Eembeddedtimeline%7Ctwtterm%5Escreen-name%3AAfCFTA%7Ctwtcon%5Es1](https://twitter.com/AfCFTA/status/1575409896899706880?ref_src=twsrc%5Etfw%7Ctwcamp%5Eembeddedtimeline%7Ctwtterm%5Escreen-name%3AAfCFTA%7Ctwtcon%5Es1)

# 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.

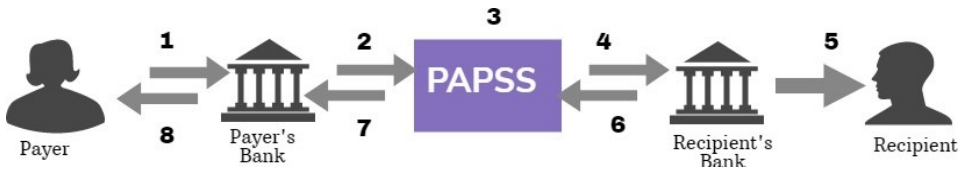
The **AfCFTA Online Mechanism for Reporting, Monitoring and Elimination of NTBs\*** provides a facility for online reporting of identified non-tariff barriers (NTBs) including for reporting via SMS. Reported NTBs and the status of their resolution can be accessed on the public domain. Various informative 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>



## Pan-African Payment and Settlement System

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

### How does PAPSS work?



1. Payer sends payment instruction in local currency to their bank or payment service provider
2. Payer's bank sends a message to PAPSS with all the payment details
3. PAPSS validates the payment
4. Payment instruction is sent the Recipient's bank to validate the details of the recipient account.

5. The payment instruction is forwarded to the beneficiary's bank or payment service provider.
6. PAPSS changes the status of the transaction to final
7. The Payer's bank is notified of the outcome of the transaction
8. The Payer is notified of the outcome

## AfCFTA e-Tariff Book

The e-Tariff Book is an AfCFTA Secretariat initiative that falls under their Digitalisation and Trade Facilitation agenda. The e-Tariff Book is a digital platform that aims to provide easily accessible information on the the tariff schedules and applicable tariff rates for all AfCFTA State Parties. The platform will be complete and fully functional when all Tariff Concession Schedules have been submitted and verified.

The e-Tariff Book is available online at: [etariff.au-afcfta.org](http://etariff.au-afcfta.org)

### Search & Results

Traders can search the e-Tariff book by selecting the country of export, the country of import and either a keyword or HS Code for the product of enquiry. The results will display tariff concession lines that match the search criteria.



Products are classified within the Tariff Concession Schedules into the following **categories:**

- A – Non-sensitive Products
- B – Sensitive Products
- C – Products excluded from Tariff Liberalisation



The **time frame** column of the results refers to the tariff phase-down periods during which time the tariff line will be progressively liberalised.

# Intra-African trade at a glance

For 2021 intra-African exports were valued at US\$71 billion; 14% of Africa's world exports. Between 2020 and 2021 intra-Africa exports increased by 7% and Africa's world exports increased by 32%.

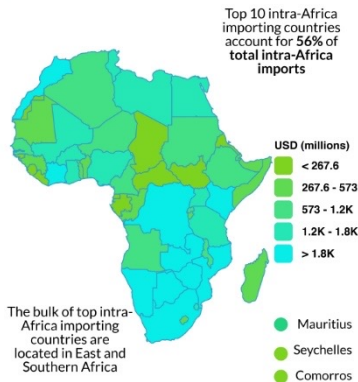
- South Africa is the main intra-Africa exporter and importer; (accounting for 37% of intra-Africa exports and 14% of intra-Africa imports). South Africa's intra-Africa exports and imports have recovered after declining by 18% and 28%, respectively in 2019-2020 period. Both intra-Africa exports and imports increased by 32% and 25% respectively.
- Other main intra-African exporters include Nigeria, Egypt, Zimbabwe, Morocco, Kenya, Tanzania and Zambia, accounting for 71% of intra-Africa exports.
- 17% of intra-Africa exports are mineral fuels, followed by exports of machinery (5%), precious stones (5%), ores (4%) and copper (4%).
- Most intra-Africa imports are dominated by SADC member state, with exception of Ivory Coast, Morocco and Kenya which also feature in the top 10 intra-Africa importers.
- The biggest portion of Africa's world exports of cereals, soap, milling products, explosives and photographic equipment are intra-Africa exports.

\* Intra-Africa data is based on the up-to-date direct trade data from 26 African countries as at end of September 2022

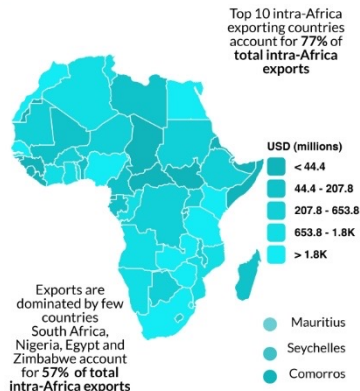
Intra-Africa trade (2021) = **USD 71 billion**

Intra-Africa trade as percent of Africa global trade (2021) = **14%**

## Intra-Africa imports



## Intra-Africa exports



## Intra-Africa imports (2021)

- KEY NOTES**
- Intra-Africa trade remains localised according to geographic location - countries trade with neighbouring countries which are close in proximity and usually have preferential trade agreements in place.
  - SADC and/or SACU are the main markets

**TOP IMPORTED PRODUCTS**

Mineral fuels	Plastic products
Machinery	Electrical Machinery
Motor vehicles	Fertilisers

TOP INTRA-AFRICA IMPORTERS (% SHARE)	TOP IMPORTED PRODUCTS	INTRA-AFRICA % TOTAL	MAIN SOURCES
<b>South Africa (14%)</b>	Mineral fuels; Precious stones and metals; Apparel & clothing accessories; Essential oils	11%	Nigeria (24%); Eswatini (15%); Namibia (11%); Rest of Africa (50%)
<b>Botswana (7%)</b>	Live animals; Meat and edible offal; Fisheries; Dairy products; Other animal products	73%	South Africa (86%); Namibia (11%); Zimbabwe (1%); Rest of Africa (2%)
<b>Namibia (6%)</b>	Live animals; Meat and edible meat offal; Fisheries; Dairy products; Other animal products	73%	South Africa (57%); Zambia (30%); DRC (9%); Rest of Africa (4%)
<b>Zimbabwe (6%)</b>	Machinery; Mineral fuels; Fertilisers; Motor vehicles; Animal or vegetable fats	54%	South Africa (70%); Mozambique (6%); Mauritius (5%); Rest of Africa (10%)
<b>Zambia (5%)</b>	Fertilisers; Machinery; Motor vehicles; Plastics; Ores & slag; Mineral fuels; Cement; Iron & steel; Fisheries	43%	South Africa (71%); DRC (10%); Namibia (4%); Rest of Africa (15%)

## Intra-Africa exports (2021)

- KEY NOTES**
- Intra-Africa trade is mostly value added manufactured goods unlike trade with the East Asian countries, Europe or the US which is mostly primary resource based products
  - Countries, however rely on few markets for their products

**TOP EXPORTED PRODUCTS**

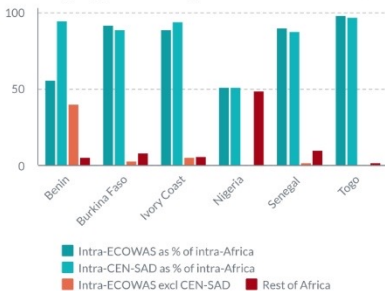
Mineral fuels	Motor vehicles
Machinery	Plastic products
Ores & slag	Iron & steel

TOP INTRA-AFRICA EXPORTERS (% SHARE)	TOP EXPORTED PRODUCTS	INTRA-AFRICA % TOTAL	MAIN DESTINATIONS
<b>South Africa (37%)</b>	Mineral fuels; Machinery; Motor vehicles; Ores & slag; Electrical machinery; Plastics	31%	Botswana (17%); Mozambique (17%); Namibia (13%); Rest of Africa (53%)
<b>Nigeria (9%)</b>	Mineral fuels; Ships; boats; Aircraft and parts thereof; Tobacco; Cement; Fertilisers	17%	South Africa (26%); Ivory Coast (20%); Namibia (11%); Rest of Africa (41%)
<b>Egypt (7%)</b>	Plastics; Cement; Electrical machinery; Mineral fuels; Animal or vegetable fats	12%	Libya (17%); Sudan (15%); Morocco (14%); Rest of Africa (54%)
<b>Zimbabwe (5%)</b>	Nickel; Ores & slag; Tobacco products; Iron & steel; Precious stones and metals	6%	South Africa (82%); Mozambique (14%); Zambia (2%); Rest of Africa (2%)
<b>Morocco (4%)</b>	Fertilisers; Processed meat; Electrical machinery; Sugar confectionery; Fisheries	6%	Ivory Coast (12%); Senegal (11%); Mauritania (9%); Rest of Africa (68%)

Sources: ITC Trademap 2022, tralic calculations

# Intra-REC intra-Africa exports (2021)

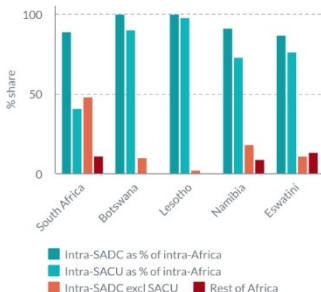
## Overlapping membership - ECOWAS & CEN-SAD



## Egypt



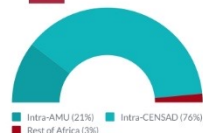
## Overlapping membership - SADC & SACU



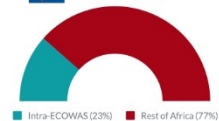
## Mozambique



## Morocco



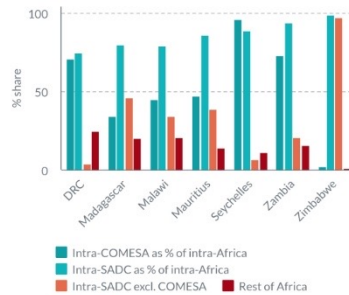
## Cape Verde



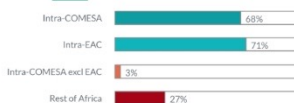
## Chad



## Overlapping membership - SADC & COMESA



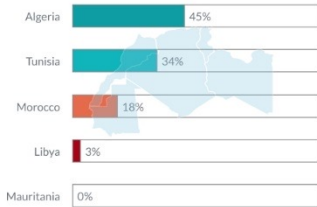
## Kenya



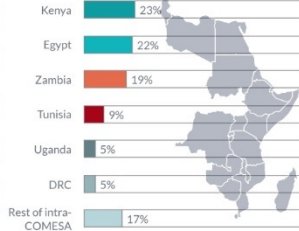


# Main intra-REC exporters (2021)

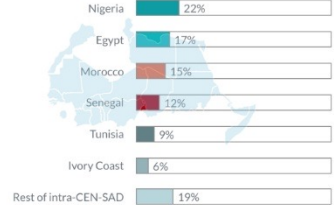
## Intra-AMU top exporters (2021)



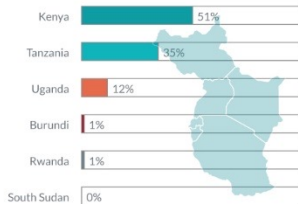
## Intra-COMESA top exporters (2021)



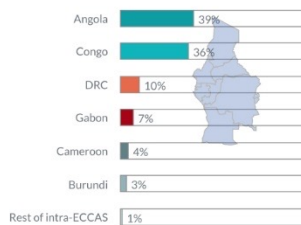
## Intra-CEN-SAD top exporters (2021)



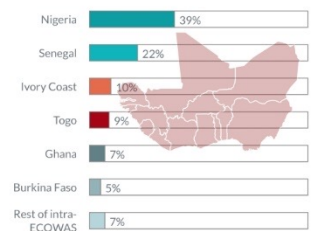
## Intra-EAC top exporters (2021)



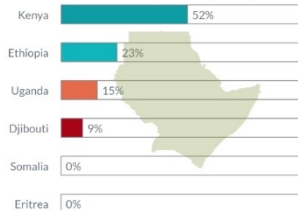
## Intra-ECCAS top exporters (2021)



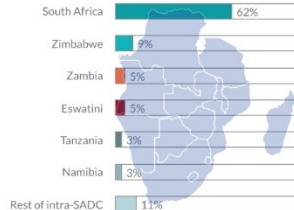
## Intra-ECOWAS top exporters (2021)



## Intra-IGAD exporters (2021)








## Intra-SADC top exporters (2021)



# Intra-Africa agricultural exports (2021)

- Agriculture accounts for 19% of intra-Africa trade
- Total intra-Africa agricultural trade was over US\$ 13 billion in 2021
- Africa's global agricultural exports accounted for 12% (US\$ 62 billion) of Africa's global exports (US\$522 billion)
- South Africa is a dominant player in agricultural exports

TOP EXPORTED PRODUCTS	% INTRA-AFRICA (AGRIC TOTAL)	INTRA-AFRICA % WORLD	TOP INTRA- AFRICA EXPORTERS (% SHARE)
 <b>Sugar</b>	11%	62%	Eswatini (20%); South Africa (17%); Morocco (15%) Rest of Africa (48%)
 <b>Animal or Vegetable fats</b>	10%	40%	South Africa (21%); Tunisia (20%); Egypt (13%) Rest of Africa (46%)
 <b>Beverages</b>	8%	55%	South Africa (68%); Zambia (7%); Namibia (3%); Rest of Africa (22%)
 <b>Miscellaneous edible preparations</b>	8%	68%	South Africa (33%); Egypt (28%); Senegal (10%); Rest of Africa (29%)
 <b>Fisheries</b>	8%	19%	Morocco (31%); Namibia (12%); Mauritania (12%); Rest of Africa (45%)

Sources: ITC Trademap 2022, tralac calculations

# Intra-Africa agricultural exports for select countries (2021)

**South Africa**  
29% market share



## Maize

**35%**

of South Africa's world maize exports

Main destinations:  
Zimbabwe, Botswana & Eswatini



## Food preparations

**82%**

of South Africa's world food preparations exports

Main destinations:  
Zimbabwe, Mozambique & Namibia



## Cereal

**92%**

of South Africa's world cereal exports

Main destinations:  
Mozambique, Lesotho & Zimbabwe

**Zimbabwe**  
7% market share



## Tobacco (raw)

**40%**

of Zimbabwe's world tobacco (raw) exports is intra-Africa

Main destinations:  
South Africa & Mozambique



## Sugar

**100%**

of Zimbabwe's world sugar exports

Main destinations:  
Kenya, Mozambique & Botswana



## Manufactured tobacco

**95%**

of Zimbabwe's world manufactured tobacco exports is intra-Africa

Main destinations:  
Mozambique, South Africa & Zambia

**Kenya**  
7% market share



## Tea

**25%**

of Kenya's world tea exports

Main destinations:  
Egypt, Sudan & Nigeria



## Palm oil

**99%**

of Kenya's world palm oil exports

Main destinations:  
Uganda, Rwanda & DRC



## Cigars & Cigarettes

**98%**

of Kenya's world cigar & cigarettes exports

Main destinations:  
Somalia, Rwanda & DRC

**Egypt**  
7% market share



## Wheat flour

**67%**

of Egypt's world wheat flour exports

Main destinations:  
Eritrea, Somalia & Madagascar



## Soya-bean oil

**71%**

of Egypt's world soya-bean oil exports

Main destinations:  
Algeria, Eritrea & Mauritius



## Sugar

**53%**

of Egypt's world sugar exports

Main destinations:  
Kenya, Sudan & Libya

Sources: ITC Trademap 2022, tralac calculations

# Intra-Africa trade in commodities

Commodities include both agricultural and non-agricultural goods. The main intra-Africa commodities exports include petroleum oils, gold, petroleum gas, ores and concentrates and limited agricultural commodities\*.

Traded commodities include:

**Energy — natural gas & oil —14% of intra-Africa exports**

**Precious metals — gold —3% of intra-Africa exports**

**Industrial metals—copper, nickel & iron ores — 3% of intra-Africa exports**

**Agriculture—including sugar, maize, palm oil and cocoa — 6 %of intra-Africa exports**

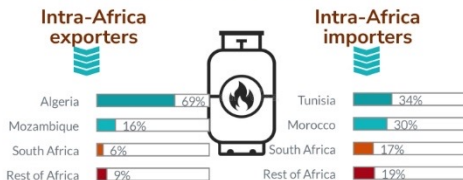
According to the data, only 9% of petroleum gas, 6% of gold and 6% of iron ores remain on the continent. However, almost all live cattle and chicken remain on the continent.

Gold is mainly exported by Tanzania, Namibia, Zambia & Zimbabwe; almost all of which destined for South Africa & Uganda. Most of the petroleum gas exports are by Algeria. Most of the maize exports are from South Africa, 44% is destined for Kenya and Zimbabwe. DRC and South Africa account for 93% of intra-Africa copper ores exports, and 97% of these are destined for Zambia.

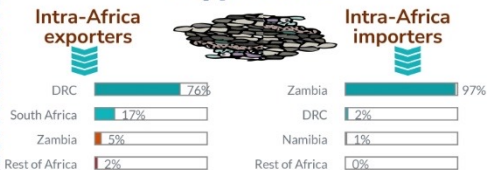
\*Diamonds are excluded here due to it not being a standardised commodity like gold as each diamond has its own cut, clarity, colour & size that determines its value. Accordingly intra-Africa diamond trade is included under trade in non-commodity and non-agriculture products.

# Intra-Africa trade in select commodities (2021)

## Petroleum gas



## Copper ores



## Gold

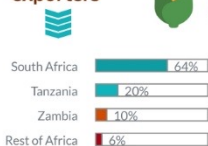


94% of all exports are from Tanzania (60%), Namibia (30%) and Zambia (4%)

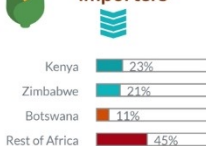
98% of imports are destined for South Africa and 2% destined for Uganda

## Maize

**Intra-Africa exporters**



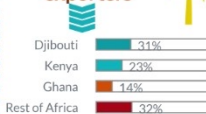
**Intra-Africa importers**



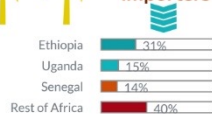
## Palm Oil



**Intra-Africa exporters**



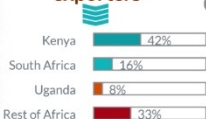
**Intra-Africa importers**



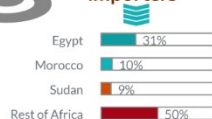
## Tea



**Intra-Africa exporters**



**Intra-Africa importers**



Sources: ITC Trademap 2022, tralac calculations

# Non-commodity, non-agriculture trade

Non-commodity and non-agriculture trade covers trade in 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%**

**80%-99%**

**60%-79%**

**40%-59%**

**20%-39%**

**<20%**

**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**

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

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

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

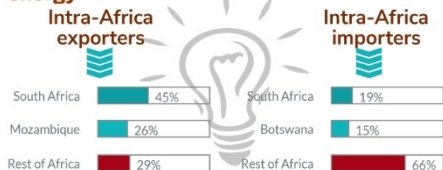
**Electrical transformers, furniture, light vessels, powered aircraft, medical instruments, goods vehicles & fertiliser**

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

Sources: ITC Trademap 2022, tralac calculations

# Non-commodity, non-agricultural trade (2021)

**Electrical energy** **99%** of Africa's world exports of electrical energy are intra-Africa

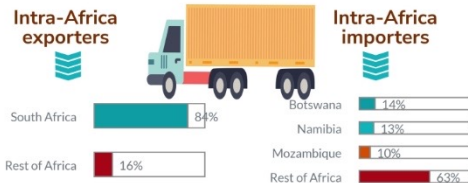


**Diamonds** **14%** of Africa's world exports of diamonds are intra-Africa

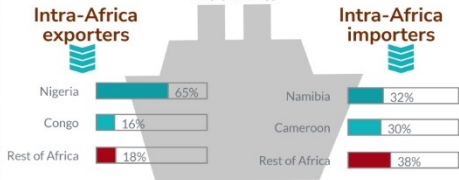


Intra-Africa trade of diamonds is mainly between Botswana, Namibia & South Africa

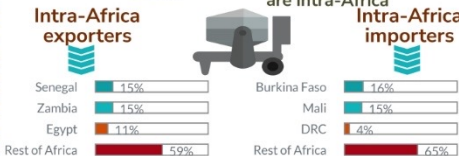
**Goods vehicles** **30%** of Africa's world exports of goods vehicles are intra-Africa



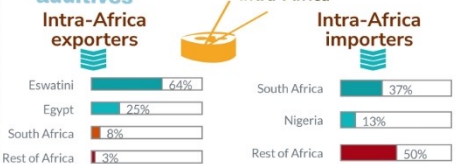
**Vessels** **94%** of Africa's world exports of vessels are intra-Africa



**Cement** **90%** of Africa's world exports of cement are intra-Africa



**Food/beverage additives** **81%** of Africa's world exports of food/beverage additives are intra-Africa



Sources: ITC Trademap 2022, tralac calculations



# 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, passenger vehicles, food preparations (n.e.s) (30%)


 Flasks, Tv reception apparatus (20%)

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 & apricots (60%)

 Iron/steel articles (30%)

 Plastic seats and covers (40%)






**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.



## KENYA

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




-  Assembled diesel passenger vehicles (25%)
-  Apples (100% or USD 460/MT whichever is higher)
-  Maize (50%)

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.

NAMIBIA  
LESOTHO  
ESWATINI  
BOTSWANA  
SOUTH AFRICA



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

-  Cotton t-shirts (45%)
-  Tobacco (860c/kg less 85% with a maximum of 44%)
-  Soaps with medical applications (20%)

**Senegal** 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.



## SENEGAL

### MFN tariffs (ECOWAS CET) on goods from outside ECOWAS

-  Potatoes (35%)
-  Apples (20%)
-  Grapes (20%)

## MFN applied tariffs for key intra-Africa imports (%)

	Non-industrial diamonds	Unmanufactured tobacco	Portland cement	Palm oil
CEMAC CET	30	10	20	30
EAC CET	25	25	25	10; 25 or US\$500/MT*
ECOWAS CET	5	5	20	10; 35
SACU CET	0	860c/kg less 85% with a maximum of 44%	0	10
Algeria	30	15	15	5
Angola	10	60	50	10
Cabo Verde	40	0	5	5
DRC	20	5	10	20
Djibouti	26	26	26	13
Egypt	0	9.000 pounds/net kg	0	0
Ethiopia	35	20	10	0
Madagascar	20	10	10	10
Malawi	25	25	10	25
Mauritania	5	20	20	10
Mauritius	0	15	0	0
Morocco	2.5	17.5	17.5	30
Mozambique	20	2.5	7.5	20
Tunisia	10	15	0	10
Zambia	25	25% or KR15 per mille/kg whichever is higher	5	5
Zimbabwe	5	10	15	40

Sources: ITC MacMap 2021

	Maize	Passenger vehicles	Beer	Coffee	Sugar
CEMAC CET	30	30	30	5; 30*	30
EAC CET	50	0; 25*	25	25	100% or US\$460/ MT
ECOWAS CET	5	0; 10; 20; 35*	20	10	20
SACU CET	0	20; 25*	5	0	476.61c/kg
Algeria	5	0	60	30	30
Angola	30	0	60	50	10
Cabo Verde	20	40	50	5	5
DRC	10	10	20	5	20
Djibouti	1	26	26	26	13
Egypt	0	10	1200	0	5
Ethiopia	5	0	35	30	5
Madagascar	10	5	20	20	10
Malawi	0	25	25	25	25
Mauritania	5	5	20	10	5
Mauritius	0	0	15	0	80
Morocco	2.5	2.5	49	10	30
Mozambique	7.5	5	20	20	7.5
Tunisia	0	0	36	15	0
Zambia	15	0	25	25	25
Zimbabwe	0	40	25	40	10% + US\$100/t

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

# Trade in Services

Africa's services exports declined by 35% between 2019 and 2020.

The implementation of services liberalisation commitments and regulatory frameworks under the AfCFTA will be crucial for achieving the objectives of Africa's integration agenda. State Parties have decided to schedule commitments in 5 priority sectors, as a starting point: financial services, travel, transport, business services and communications.

## Exports: 5 priority services sectors (2020)



**Travel services**  
(23%)



**Transportation services**  
(27%)



**Financial services**  
(2%)



**Business services**  
(11%)



**Telecommunication services**  
(3%)

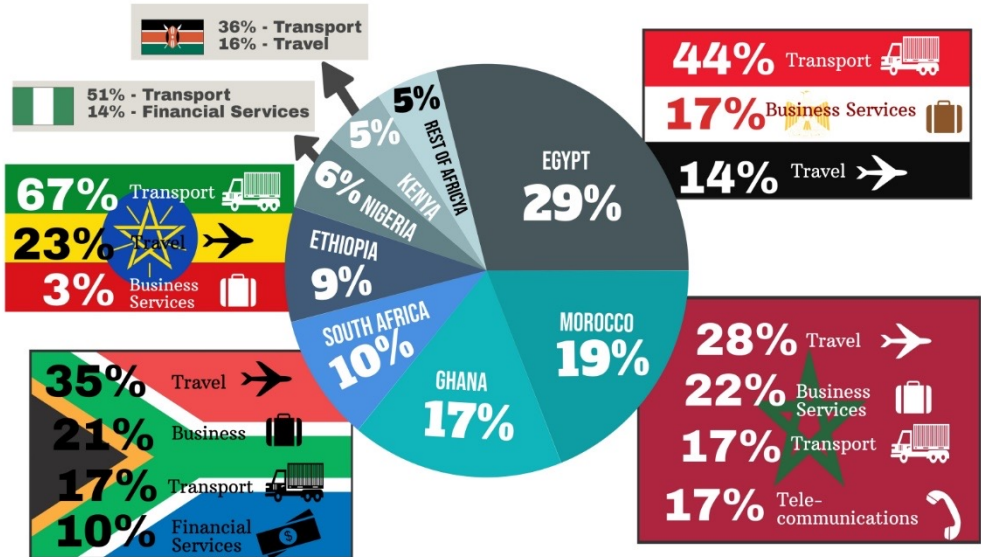


**Other services**  
(34%)

## AFRICA'S SERVICES IMPORTS

- Nigeria accounts for 15% of Africa's services imports (mainly technical business services, personal travel and sea transport services).
- Egypt accounts for 14% of Africa's services imports (mainly sea transport and technical business services).
- South Africa accounts for 8% of Africa's services imports (mainly freight transport and technical business services).

## AFRICA'S SERVICES EXPORTS



# Trade facilitation

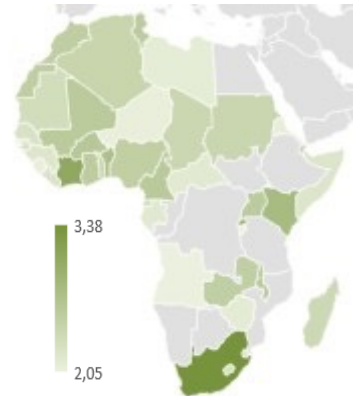
High transport costs, delays, port inefficiencies and cumbersome border procedures can have a more negative impact on the trade of goods than any tariffs.

Annex 4 of the AfCFTA Protocol on Trade in Goods sets out rules that seek to address specific procedural hurdles in order to facilitate trade procedures. This Annex presents a significant opportunity for State Parties to reap the economic benefits from improving the speed and efficiency of border procedures.

## 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, Ivory Coast, Egypt, Kenya, Benin and Mauritius are the best performing African countries. Angola, Burundi, Niger, Sierra Leone and Eritrea the lowest scoring African countries.

Source: World Bank





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