

The African Continental Free Trade Agreement

January 1, 2021

The first day of the new year marked the launch of the African Continental Free Trade Agreement, establishing the African Continental Free Trade Area (AfCFTA). The agreement seeks to increase intra-African trade relations by decreasing tariffs and other frictions which have prevented countries on the African continent from establishing maximum efficiency within their cross-border value chains.

Negotiations for the deal originated at the 25th Ordinary Summit of Heads of State and Government on June 15, 2015 in Johannesburg, South Africa with the aim of meeting the developmental goals of Agenda 2063, amongst others. These initiatives seek to increase the African continent's self-reliance in its economic, financial, and political landscapes. The continental free trade area is positioned as a flagship agreement for trade in the African continent as well as future global commerce.

Signed by the majority of African countries at the 10th Extraordinary Summit of the African Union on March 21, 2018, the agreement created the largest free trade area in the world. The economic bloc united under the deal connects a combined economic gross domestic product of \$3.4 trillion USD, and represents over 1.2 billion people within its member countries. Final rollout of the first phase of the deal was originally scheduled for July 2020, but in the wake of the COVID-19 pandemic was ultimately postponed to the beginning of 2021.

Below we provide an overview of the areas addressed by the agreement as it was being negotiated:

Protocol establishing the Continental Free Trade Area	<ul style="list-style-type: none"> • Agreement on trade in goods • Agreement on trade in services • Rules and procedures on dispute settlement
Parts and appendices under negotiation	<ul style="list-style-type: none"> • Liberalization of trade (imports and export duties, and rules of origin) • Movement of persons and economic operators • Customs cooperation, trade facilitation and transit • Non-tariff barriers • Technical barriers to trade • Sanitary and phyto-sanitary measures • Trade remedies and safeguards • Exceptions (general and security exceptions, balance of payments) • Agriculture, fisheries and food security • Technical assistance, capacity building and cooperation • Complementary policies (special export zones, capacity building and cooperation)
Phase 2 negotiations	<ul style="list-style-type: none"> • Agreement on Intellectual Property Rights • Agreement on competition policy • Agreement on investment

Educational Resources

Video link to watch the launch ceremony of the agreement

1. [The AfCFTA Start of Trading Ceremony Webinar](#)

Our source material for this briefing and in-depth coverage of the deal

1. [AGREEMENT ESTABLISHING THE AFRICAN CONTINENTAL FREE TRADE AREA](#)
2. [The African Continental Free Trade Area: Economic and Distributional Effects](#)
3. [The African Continental Free Trade Area](#)
4. [\(PDF\) African Continental Free Trade Area: Opportunities and Challenges](#)
5. [Building the African Continental Free Trade Area: Some suggestions on the way forward](#)
6. [The Continental Free Trade Area \(CFTA\) in Africa – A Human Rights Perspective Report](#)
7. [The AfCFTA – a free trade area and a flagship project of the African Union](#)
8. [How Africa's AfCFTA agreement will impact startups and policymakers](#)
9. [The Africa Continental Free Trade Area: Benefits, Costs and Implications](#)
10. [African free trade bloc opens for business, but challenges remain | Reuters](#)

Trade agreements database library

1. [Global Preferential Trade Agreements Database Library - World Bank](#)