

AFRICAN CONTINENTAL  
FREE TRADE AREA POSTPONES  
LAUNCH DATE

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## AFRICAN CONTINENTAL FREE TRADE AREA POSTPONES LAUNCH DATE

As a result of the COVID-19 pandemic, the commencement of trade in goods and services within the African Continental Free Trade Area (AfCFTA) which was set to take off 1 July 2020 has been postponed. This disclosure was made by the Secretary General of the African Continental Free Trade Area, Mr. Wamkele Mene, whilst speaking to Reuters via a conference call on 28 April 2020. According to him, the implementation of the AfCFTA agreement cannot commence due to the disruptions occasioned by the pandemic. Although no date has been fixed for the implementation, he was optimistic that the deal will proceed. He added that trading within the AfCFTA could not commence in July 2020 because the African Union is unable to meet this month to finalize the AfCFTA agreement as earlier scheduled, due to the restrictions and lockdown measures being implemented across Africa to curb the spread of the pandemic.

### The AfCFTA Agreement

The AfCFTA agreement is a trade deal designed to remove barriers to intra-Africa trade among member states and seeks to connect 55 African Nations with 1.3 billion consumers by creating a single \$3.4 billion market with an estimated combined gross domestic product (GDP) of more than US\$2.5 trillion. Nigeria signed the AfCFTA in July 2019, becoming the 53rd member state.

### Objectives of AfCFTA

The AfCFTA is the world's largest free trade zone and its objectives are to:

- (a). create a single market for goods, services, facilitated by movement of persons so as to deepen the economic integration of the African continent in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063;
- (b). create a liberalised market for goods and services through successive rounds of negotiations;
- (c). contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and Regional Economic Communities (RECs);
- (d). lay the foundation for the establishment of a Continental Customs Union at a later stage;

- (e). promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
- (f). enhance the competitiveness of the economies of State Parties within the continent and the global market;
- (g). promote industrial development through diversification and regional value chain development, agricultural development and food security; and
- (h). resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

The AfCFTA is a game changer and its successful implementation will not only remove tariff restrictions on intra-African trade, it would also address some of the non-tariff barriers that have restricted trade between AU Member States and make it easy to situate industrial production in different countries within Africa. Indeed, it would also improve regional value chains, enhance the potential for integration with global value chains, catalyse the transformation of African economies through technology and knowledge, and facilitate intra-African and external direct capital flows to African countries.

[\*Click here for more legal resources on how COVID-19 affects you.\*](#)

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