

What the Africa Continental Free Trade Area agreement means for SA

South Africa has signed the African Free Trade Area (AfCFTA) agreement with the African Union, which will pave the way for the country to benefit from inter-regional trade within the African continent.



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“This agreement is an important step towards South Africa’s participation in a market of over one billion people and will create opportunities and many benefits for South Africa, which would enable South African companies to export goods and services across the continent.

“It will contribute to the growth and diversification of our economy and therefore create jobs, as well as reduce inequality and unemployment,” said President Ramaphosa.

The President signed the agreement during the AU Summit that took place from 1 - 2 July 2018 in the Republic of Mauritania under the theme “Winning the Fight against Corruption: A Sustainable Path to Africa’s Transformation.”



SA signing AfCFTA a significant step towards intra-African trade growth

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“South Africa remains committed to a coordinated strategy to boost intra-Africa trade and to build an integrated market in Africa that will see a market of over one billion people and approximately \$3.3 trillion in GDP.

“New markets in West Africa and North Africa will provide opportunities for the export of South African products. To date, the agreement has been ratified by six countries, namely Chad, eSwatini, Ghana, Kenya, Rwanda and Niger,” said the President.

The main objectives of the AfCFTA are to:

- Create a single continental market for goods and services, with free movement of business persons and investments;
- Accelerate the establishment of the Customs Union;
- Expand intra-African trade through better harmonization and coordination of trade liberalisation and facilitation and instruments across the RECs and across Africa in general and
- Enhance competitiveness at the industry and enterprise level through exploitation of opportunities for scale production, continental market access and better reallocation of resources.

President Ramaphosa said to take full advantage of this agreement, investment in infrastructure that connects countries must be made.

“There are many other areas of cooperation where we can foster integration, particularly at a regional level, such as tourism, energy and transport. This agreement offers the prospect of a new dawn for Africa,” said the President.

The agreement will soon be submitted to Parliament as part of the process towards its ratification.

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