



Joint Press Release

African Union Ministers of Trade conclusively reach Consensus on all outstanding issues on AfCFTA modalities for tariff liberalization

Cairo, Egypt, December 15, 2018 – The seventh meeting of African Union Ministers of Trade (AMOT) ended in Egypt this week with the ministers reaching an agreement on crucial aspects of the African Continental Free Trade Agreement (AfCFTA) modalities for tariff liberalization as the push for more countries to sign and ratify the Agreement continues.

Topics that were before the Ministers during their two-day meeting included the roadmap for finalization of outstanding work on AfCFTA negotiations; designation of percentages for sensitive products and exclusion lists, anti-concentration clause and double qualification; the AfCFTA adjustment facility that will see the implementation of flanking measures for countries that will be negatively affected by the Agreement; Rules of Origin; trade remedies; and African Trade Observatory and E-commerce, among others.

The AMOT took place on the sidelines of the continent's inaugural Intra-African Trade Fair that is currently underway in Cairo, Egypt. Africa is seeking to build a single integrated market of over 1.2 billion people with a combined GDP of approximately US\$3.3 trillion with the AfCFTA. Under what is being dubbed the 'Cairo Package', the Ministers agreed on a large number of outstanding topics of the AfCFTA, in particular mechanisms of trade liberalization and opening African markets to intra-African trade.

With Uganda's Trade Minister Ms. Amelia Kyambadde chairing, AMOT agreed on the mechanism and timing of liberalizing goods on the continent which is expected to help accelerate the liberalization process as an essential step towards African integration and establishing a unified African market.

Products to be excluded from liberalization will represent no more than 3 percent of tariff lines accounting for no more than 10 percent of the value of imports from other African countries – average of a 3-year reference period to be determined (2014-2016 or 2015-2017). Sensitive products will be liberalized over 10 years for developing countries and 13 for the least developing countries (LDCs). A transitional period of 5 years or less may be used for countries which require so before the start of liberalization of sensitive products.

During this period, tariffs applicable to sensitive products may be maintained, provided that they are eliminated by the end of the phase-down period provided for under the modalities

On tariff negotiations, submission of the negotiated market access offers are expected for adoption by January 2020.

On services modalities, Ministers endorsed the Guidelines for development of Schedules of Specific Commitments and Regulatory Frameworks for Trade in Services.

However, the minimum threshold as starting point of the negotiations is referred to the Negotiating Forum and Specialized Technical Officer meeting for further discussion.

On services negotiations, submission of the negotiated market access offers are expected for adoption by January 2020.

On rules of origin, the AMOT agreed to give a six-month extension to negotiators. Expectation is that they submit the agreed package by June 2019.

On trade remedies, AMOT noted some inconsistencies in the legally scrubbed annex 9 to the Protocol on trade in goods. They requested the Committee of Senior Trade Officials (STO) to direct the Negotiating Forum (NF) and Technical Working Group (TWG) to report back on a way forward by the next session. To this end, request was made for the TWG on trade remedies to meet in March 2019.

Crucially on phase 2 issues, AMOT requested the NF to develop the TORs of the TWGs on IPRs, competition policy and investments by April 2019.

AMOT requested the African Union Commission (AUC) and technical partners to conduct situational analysis studies on Phase II issues by April 2019. The ministers also directed the NF to complete phase 2 negotiations by June 2020.

AMOT adopted a declaration pertaining to the latest development at the WTO.

For further information, please contact **Mr. Prudence Sebahizi**, Chief Technical Advisor and Head of the AfCFTA Unit - Email: SebahiziP@africa-union.org

Media contacts:

Patient Atcho, Department of Trade and Industry – Tel: + 251 929335250 - Email: at Chop@africa-union.org

Molalet Tsedeke, Directorate of Information and Communication, AUC Tel. +251 911 630631, E-mail: Molalett@africa-union.org

For further information: Directorate of Information and Communication | African Union Commission | E-mail: DIC@african-union.org | Web Site: www.au.int | Addis Ababa | Ethiopia

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