



FACTSHEET

SACU IN THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)

This Publication aims to provide a succinct information about the African Continental Free Trade Area (AfCFTA) and how SACU's plan to leverage on the opportunities that the AfCFTA presents.





ABOUT SACU



The Southern African Customs Union (SACU) is the oldest Customs Union in the world, having been established in 1910 between the then Union of South Africa (current Republic of South Africa) and the then British High Commission Territories of Basutoland (now the Kingdom of Lesotho), Bechuanaland (now the Republic of Botswana) and the Kingdom of Swaziland (now the Kingdom of Eswatini). South-West Africa (now the Republic of Namibia) - then a colony of South Africa - was a de facto member of SACU at the time.

The current arrangement is governed by the SACU Agreement of 2002 (SACUA) which establishes clear mandates, objectives, transparent and democratic institutions, and collective decision-making by the Member States. The following are the key objectives:



Integration of Member States into global economy



Free movement of goods between the Member States



Common external tariff on imports from third parties



Sharing of revenue from customs and excise duties



Harmonised customs and excise policies

In pursuance of Article 2 (f) of the SACUA, SACU Member States have engaged in numerous negotiations of Trade Agreements including the AfCFTA with the view to not only creating market access for products of export interest to SACU Member States but to ultimately integrate SACU Member States into the global economy through enhanced trade and investment. In this regard, SACU's trade relations with third parties are guided by Article 31 of the SACUA read with Annex F which establishes a Common Negotiating Mechanism (CNM) for the purpose of undertaking negotiations with third parties.

KEY FEATURES AND OBJECTIVES OF AfCFTA AND POTENTIAL BENEFITS

The AfCFTA is one of the largest regional trade agreements in the world, involving fifty-five (55) African countries with a combined Growth Domestic Product of an estimated US\$ 3.4 trillion, and a combined population of around 1.3 billion people. The UNCTAD predicts the AfCFTA to grow intra-African exports by 109 percent, led by manufactured goods and boot exports to the rest of the world by 32 percent by 2023.

This is a significant improvement from intra-African exports of 16.6 percent of total exports as reported by UNCTAD in 2017, which fell below the scale when compared with 68.1 percent in Europe, 59.4 percent in Asia, 55 percent in America, and 7 percent in Oceania.

The Agreements aims to:

-  Create a single market for all African Countries by eliminating cross border trade barriers for goods and services;
-  Eliminate tariffs on over 97 percent tariff lines of national tariff books of the AfCFTA Member States;
-  Establish rules-based trading system for all African countries where trade disputes can be resolved through dispute settlement Mechanism;
-  Create seamless trade through improvement of trade facilitation measures;
-  Creates discipline around issues of competition, IIP, investment digital and trade in women and youth;
-  Improve wages by 11.2 percent for women and 9.8 percent for men by 2035, albeit with regional variations depending on the industries that expand the most in specific countries;
-  Alleviate extreme poverty for 50 million people by 2035, and real income could rise by 9 percent;
-  Increase foreign direct investment (FDI) from 111 percent to 159 percent under the AfCFTA;
-  Bring jobs and expertise, build local capacity, and forge connections that can help African companies join regional and global value chains through AfCFTA disciplines on investments, IP and Completion policies; and
-  Reduce the manufacturing gap, creating more avenues for Micro, Small and Medium Enterprises to create more well-paid jobs, especially for young people.

STATUS OF IMPLEMENTATIONS OF THE AfCFTA ON TRADE IN GOODS

- The AfCFTA opened for signature on the 21st March 2018; to date 54 out of 55 African (AU) countries have signed the AfCFTA.
- The AfCFTA entered into force on the 30th May 2019, following the achievement of the minimum requirement provided for under Article 23 of the Agreement establishing the AfCFTA.
- The AfCFTA e-Tariff book with updated Schedules of Tariff Concessions is available on the [AfCFTA website](#).
- Guided Trade Initiative (GTI) launched in 2023 as part of efforts to initiate commercially meaningful trade under the AfCFTA;

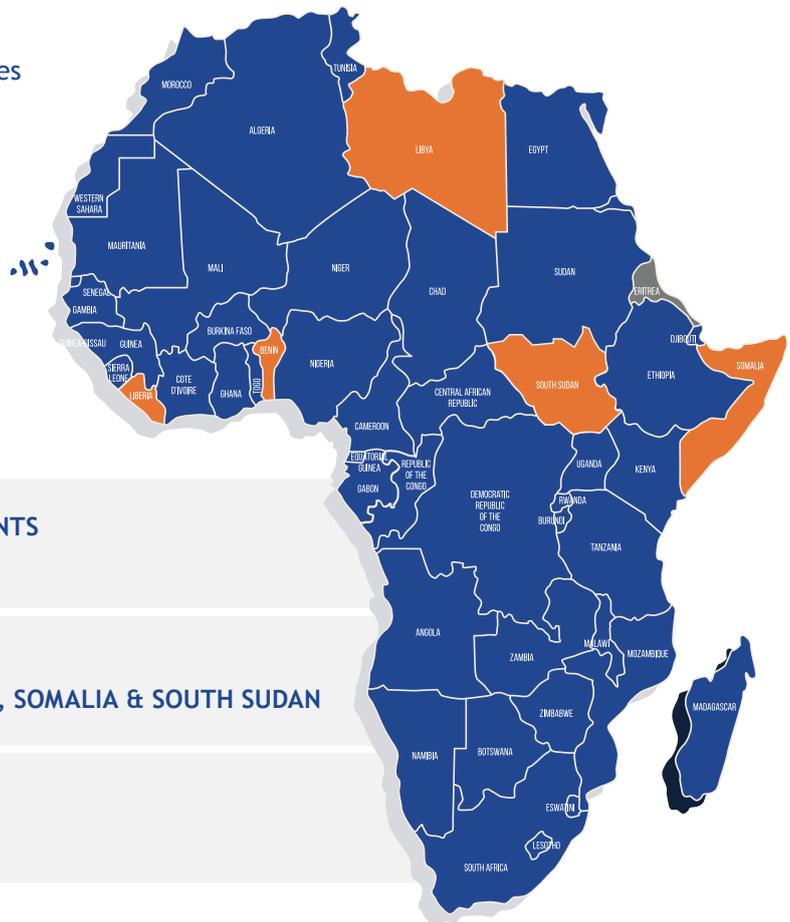
- To date twenty-four (24) countries have joined the GTI initiative.
- The AfCFTA Adjustment Fund established to support States Parties faced with revenue loss as result of tariff liberalisation under the AfCFTA.
- Pan-African Payment and Settlement System (PAPSS) adapted to facilitate cross border transactions involving trade under the AfCFTA.
- AfCFTA RoO certificates, trading documents including the RoO Manual was developed and is available in all AU languages.
- Online reporting mechanism to resolve Non-Tariff Measure.

AfCFTA RATIFICATION STATUS

June 2025

To date 54 out of 55 African Union (AU) countries have signed the AfCFTA

- **21st March 2018**
The AfCFTA was opened for signature
- **30th May 2019**
The AfCFTA entered into force
- **1st January 2021**
Commencement of trading under AfCFTA

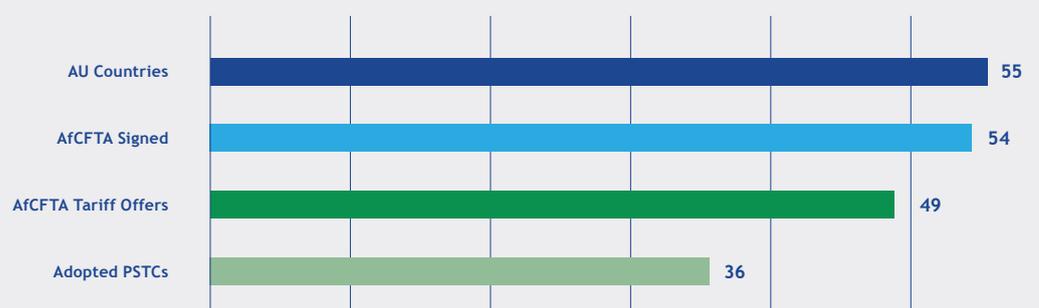


RATIFIED AND DEPOSITED INSTRUMENTS
49 COUNTRIES

YET TO RATIFY
5 COUNTRIES: BENIN, LIBERIA, LIBYA, SOMALIA & SOUTH SUDAN

NOT SIGNED
1 COUNTRY: ERITREA

Overview of AfCFTA Tariff Offers as at June 2025



SACU'S PERSPECTIVE ON THE AfCFTA: KEY MILESTONE ACHIEVEMENT

SACU's approach to the AfCFTA follows the principle laid out in Article 31 of the SACU 2022 Agreement. However, the distinct about the AfCFTA is that SACU Member States regard the AfCFTA as a strategic instrument not only for the continent but only for the region; hence, the implementation and leveraging of the AfCFTA have been prioritised as one of the strategic Pillars that underpin the approved SACU Strategic Plan for 2022-2027 Financial Year. In this regard, SACU aims to position the region to take full advantage of the AfCFTA through:

- (a) Industrialisation through the development of regional value chains in targeted sectors such as:
 - (i) Agro processing (leather and leather products, meat and meat products, fruits and vegetables, seeds production, fertilisers, agro chemicals);
 - (ii) Pharmaceuticals and Chemicals (including cosmetics and essential oils);
 - (iii) Textiles and Clothing;
 - (iv) Automotive; and
 - (v) Mineral beneficiations;
- (b) Export and investment promotion; and
- (c) Trade Facilitation and Logistics programmes to support seamless movement of trade and services within the Continent.

In this spirit, and in line with the Agreed Modalities for Tariff Liberalisation, SACUs presented to AfCFTA a SACU common offer. The focus has been on ensuring that all SACU Member States operationalise the offered concessions by complying with national processes including gazetting.

STRUCTURE OF THE SACU'S TARIFF OFFER UNDER AfCFTA

- ✓ SACU's Provisional Schedule of Tariff Concession (PSTC) was adopted by the AfCFTA Council of Ministers responsible for Trade on the 31st May 2023;
- ✓ The PSTC contains 7111 tariff lines, which represents 90 percent of the SACU Tariff Book;
- ✓ The PSTC is spread across all sectors;
- ✓ SACU tariff bands range from 0 - 60 per centum;
- ✓ The duties will progressively be faced down in a linear approach over a period of 10 years;
- ✓ Duties applied constitute a mixture of ad valorem and specific duties;
- ✓ Around 55 percent (4351 tariff lines) of the PSTC is applying zero duties - meaning there is already access to the SACU market;
- ✓ SACU' liberalisation commitment will eventually address all tariff peaks and tariff escalations;
- ✓ The textile and clothing sector is one of the sectors where SACU has made a minimal offer due to RoO yet to be agreed; and
- ✓ National and Regional consultations on outstanding tariff negotiations (constituting 790 tariff lines) for sensitive products (7 percent - Category B) and exclusions (3 percent - Category C) is still ongoing.

Chart 1: Summary of SACU Tariff Offer to AfCFTA

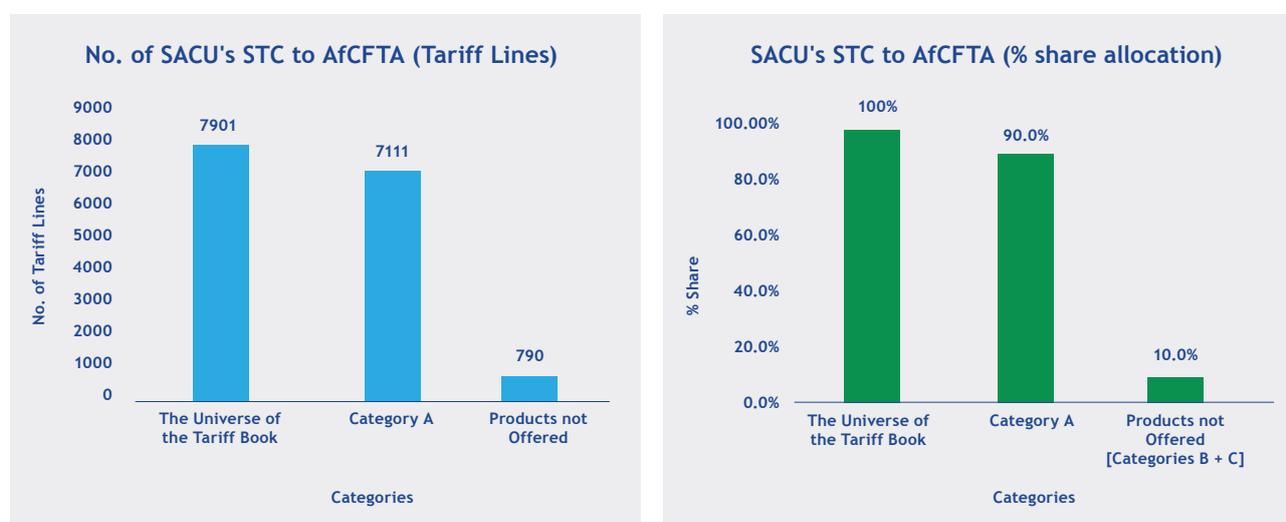
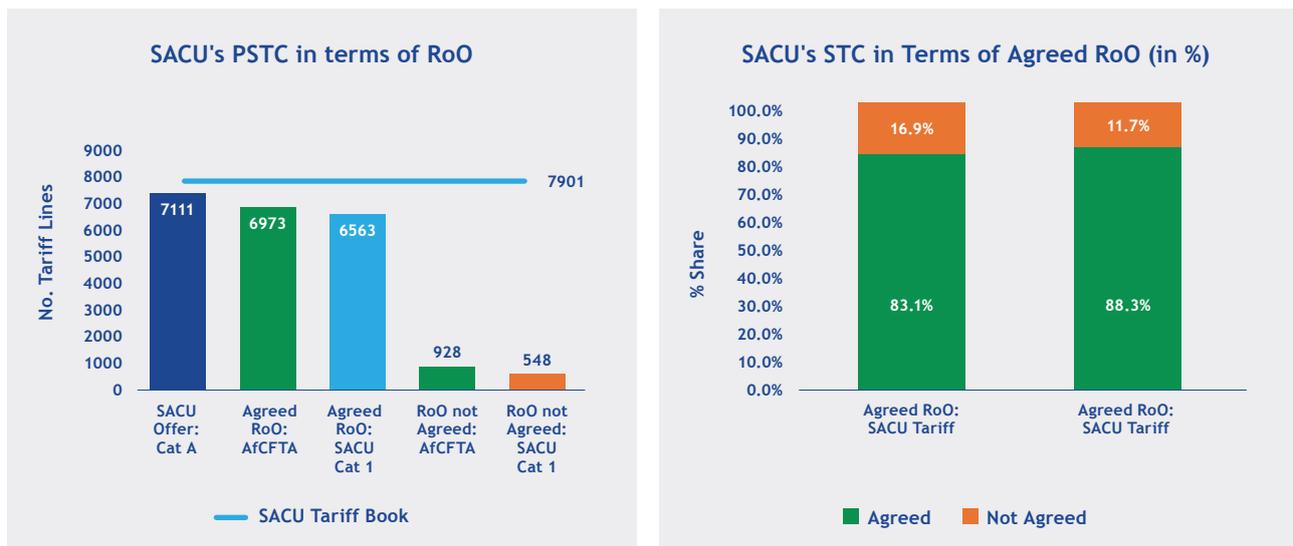


Chart 2: Breakdown of the SACU PSTC per HS Chapter



Chart 3: Summary of SACU's PSTC in Terms of Agreed RoO



SACU TRADE WITH AFRICA

SACU EXPORTS TO AfCFTA COUNTRIES

SACU's exports to the African region have seen a significant increase over the past four years, from R389.8 billion in 2019 to R666.8 billion in 2023.

The trade within the AfCFTA has been steadily rising, with SACU's exports with other AfCFTA member states (excluding SACU) increasing from R189.6 billion in 2019 to R377.4 billion in 2023.

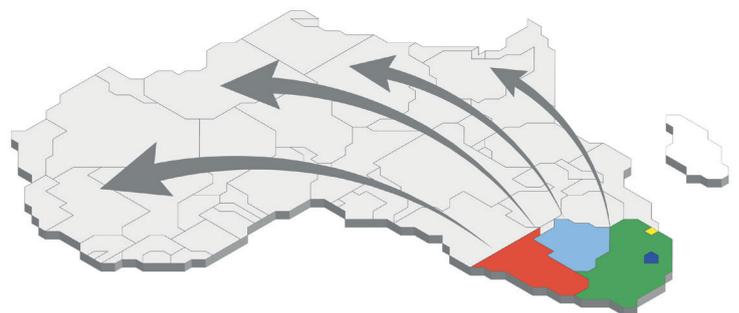
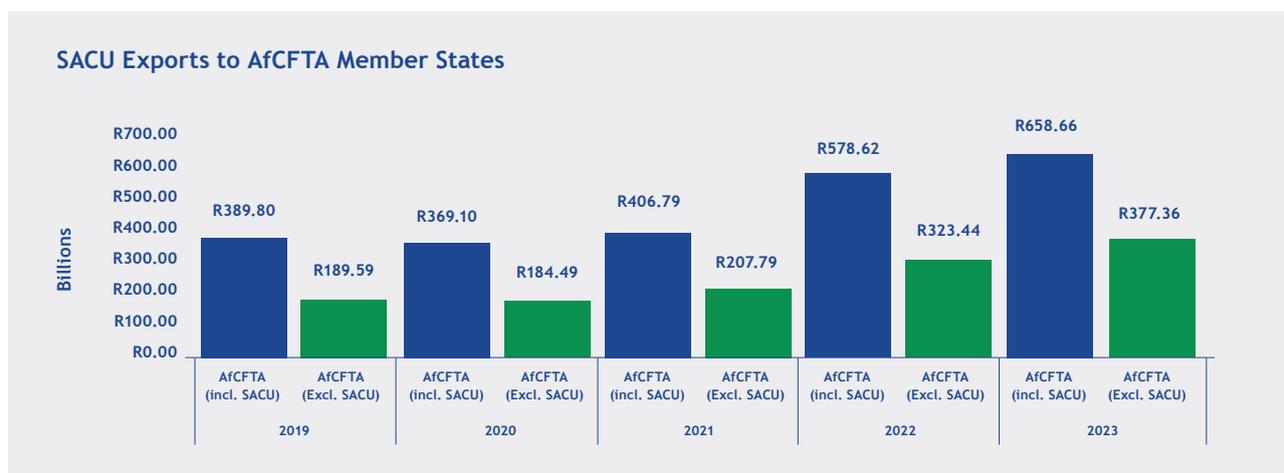


Chart 4: SACU Exports to AfCFTA Member States



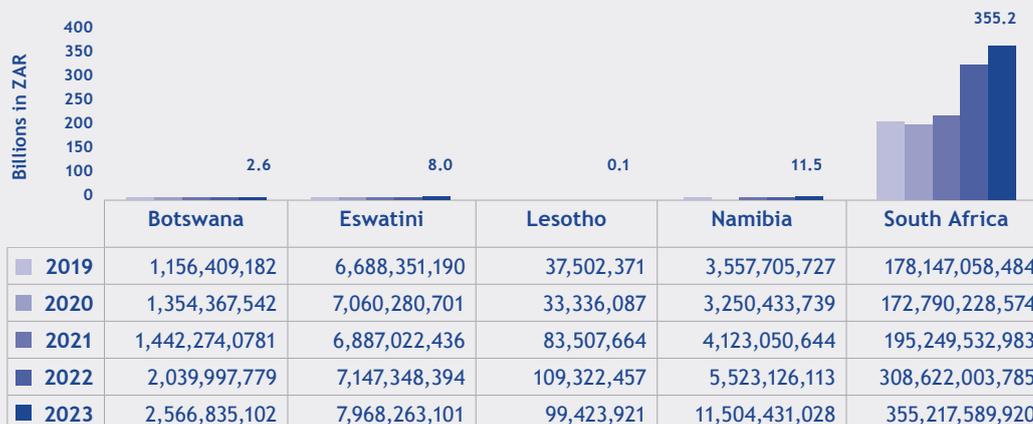
Overall, the SACU countries generally experienced positive export trends with varying degrees of volatility and growth rates.

Demonstrating their integration efforts within the framework of the AfCFTA. (See figures 5 and 6 below).

Chart 5: SACU Member States' Exports to AfCFTA (incl. intra-SACU trade)



Chart 6: SACU Member States' Exports to AfCFTA (Excl. intra-SACU trade)



IMPORTS FROM AFRICA

SACU's imports from the AfCFTA region have exhibited a notable upward trend from 2019 to 2023.

The total SACU imports from the AfCFTA, excluding intra-SACU trade rose from around 110.3 billion in 2019 to 122.6 billion in 2023, underscoring the deepening trade ties between SACU and the broader African continent.

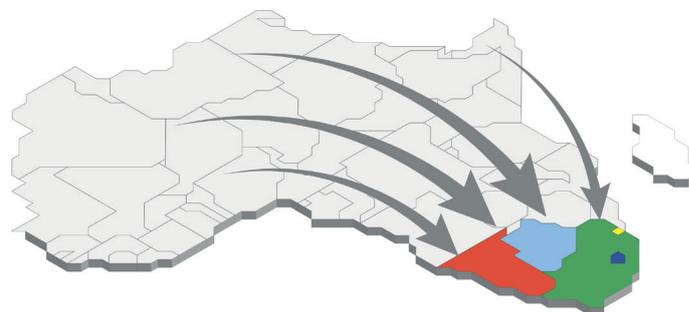
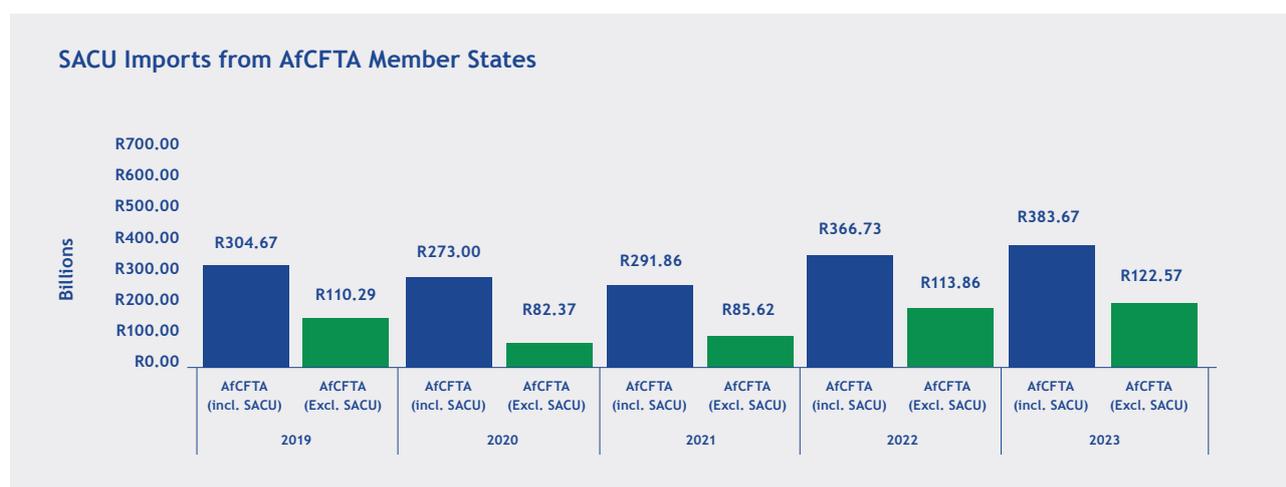


Chart 7: SACU Imports from AfCFTA State Parties



SACU imports from the AfCFTA reveals varying trends among its Member States from 2019 to 2023.

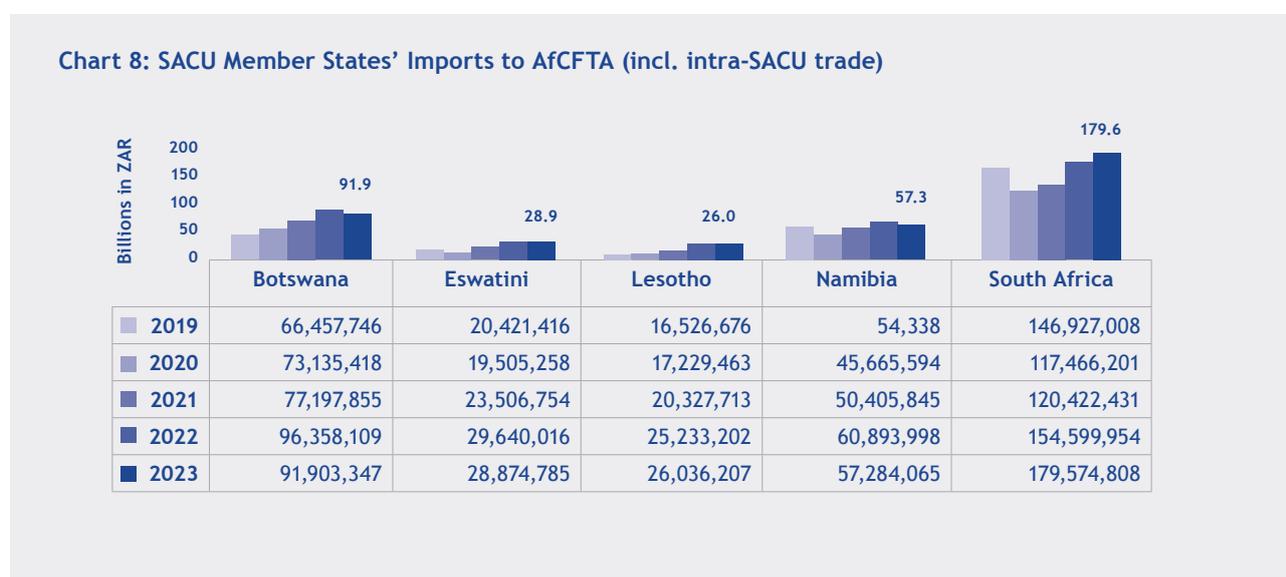
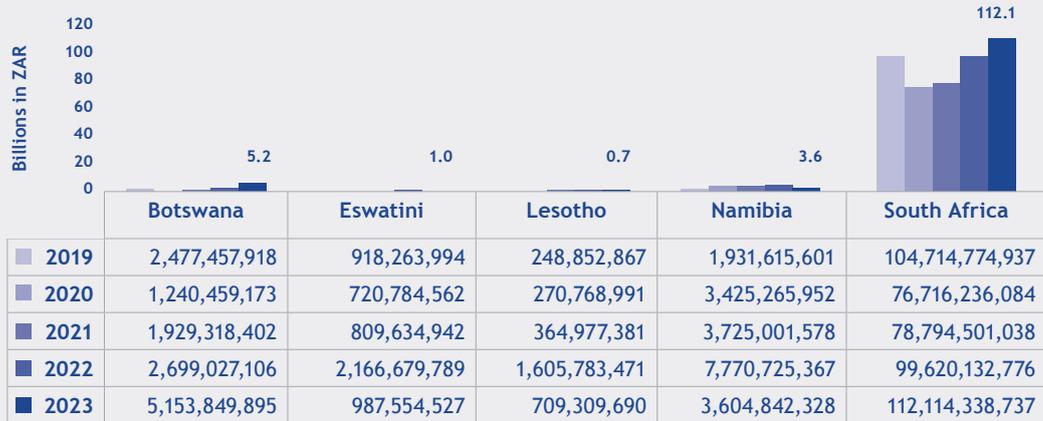


Chart 9: SACU Member States's Imports from AfCFTA MS (excl. intra-SACU trade)



TOP SACU TRADING PARTNERS IN AFRICA: EXPORTS DESTINATION

Top SACU export destinations reveal important trends of consistency and growth in trade relationships within the region.

Mozambique stands out as the leading destination with exports reaching approximately R116.4 billion, reflecting a continuous increase from R50.7 billion in 2019, highlighting a strong bilateral trade relationship.

Chart 9: SACU Main Export Destination Within the AfCFTA Partners

Top SACU Export Destinations in Africa						Plots
SACU Partners	2019	2020	2021	2022	2023	
Mozambique	R50 687 027 689	R49 447 218 098	R52 804 824 921	R97 274 261 294	R116 350 877 080	
Zimbabwe	R27 035 136 127	R34 134 024 922	R37 852 424 762	R54 482 915 8672	R65 771 968 108	
Zambia	R28 217 234 020	R26 280 482 631	R31 806 144 931	R47 380 305 418	R57 794 139 691	
Congo DR	R13 131 707 435	R11 117 911 708	R15 953 859 454	R25 300 209 647	R32 183 790 804	
Kenya	R12 422 071 688	R8 923 789 034	R7 727 476 652	R10 403 366 070	R12 968 956 557	
Mauritius	R5 846 180 606	R4 286 035 213	R5 158 437 950	R10 707 268 433	R12 103 649 298	
Tanzania	R6 820 380 386	R5 464 458 902	R6 633 458 782	R9 499 050 970	R11 643 934 511	
Malawi	R5 604 513 796	R6 046 822 847	R6 572 487 800	R7 686 240 475	R9 057 288 479	
Nigeria	R7 756 196 113	R8 187 849 864	R8 571 778 069	R8 953 963 014	R8 088 338 141	
Angola	R5 955 164 247	R5 027 653 748	R4 760 261 759	R7 848 021 257	R7 907 244 997	

TOP SACU TRADING PARTNERS IN AFRICA: MAIN SOURCING (IMPORTING) MARKET

Nigeria emerges as the largest import partner, with imports valued at approximately R43.7 billion, underscoring its importance as a primary sourcing country for SACU markets.

Mozambique follows as the second most significant partner, with imports amounting to R20.8 billion, emphasising a robust trade link shaped by geographical proximity and established economic ties.

Chart 10: Main SACU sourcing Market within the AfCFTA

Top SACU Import Partners						Plots
SACU Partners	2019	2020	2021	2022	2023	
Nigeria	R52 617 102 204	R35 929 486 824	R32 881 035 408	R36 944 560 275	R43 729 995 028	
Mozambique	R14 979 697 698	R11 413 137 961	R11 413 137 961	R18 631 139 317	R20 830 328 491	
Zambia	R5 702 194 170	R5 401 844 997	R5 401 844 997	R7 879 854 698	R8 905 778 390	
Angola	R8 278 584 521	R5 654 085 924	R5 654 085 924	R8 045 962 553	R6 728 899 837	
Zimbabwe	R4 596 918 292	R5 289 551 294	R5 289 551 294	R9 552 082 694	R5 459 910 51	
Mauritius	R3 859 094 534	R3 493 924 931	R3 493 924 931	R4 643 713 524	R3 916 050 283	
Congo DR	R812 319 366	R2 340 454 870	R2 340 454 870	R3 927 847 733	R3 330 172 533	
Madagascar	R1 503 231 261	R1 880 937 161	R1 880 937 161	R3 038 330 259	R2 976 267 577	
Morocco	R1 510 674 600	R1 165 919 308	R1 165 919 308	R2 489 419 695	R2 661 661 389	
Togo	R1 499 034 206	R712 965 503	R712 965 503	R5 096 572 854	R1 209 638 366	



MAJOR TRADED COMMODITIES



SACU's export profile reveals a strong emphasis on resource-based and industrial commodities, with mineral fuels and mineral oils leading significantly at an average value of approximately R49.7 billion.



Regarding SACU's top imported commodities from the region, there is notable reliance on energy resources, luxury goods, and critical industrial components.



The leading imported commodity, mineral fuels and related products, accounts for approximately R89.6 billion, highlighting the region's substantial dependence on external energy sources.

Chart 11: Top SACU Exported commodities to AfCFTA

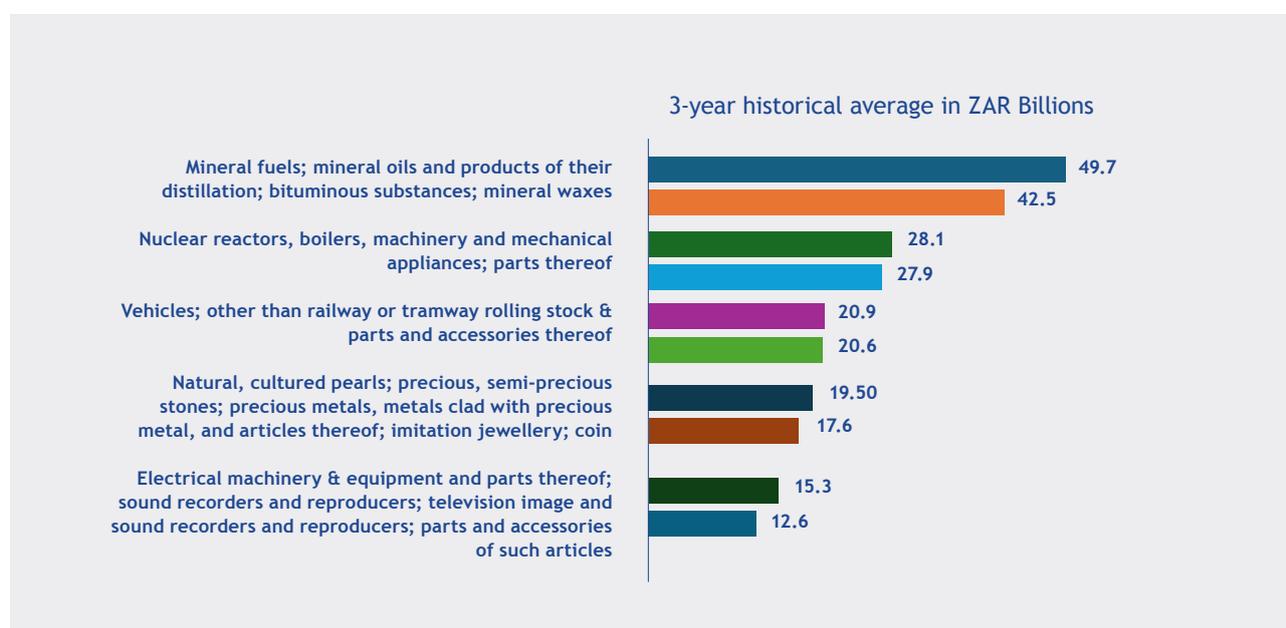


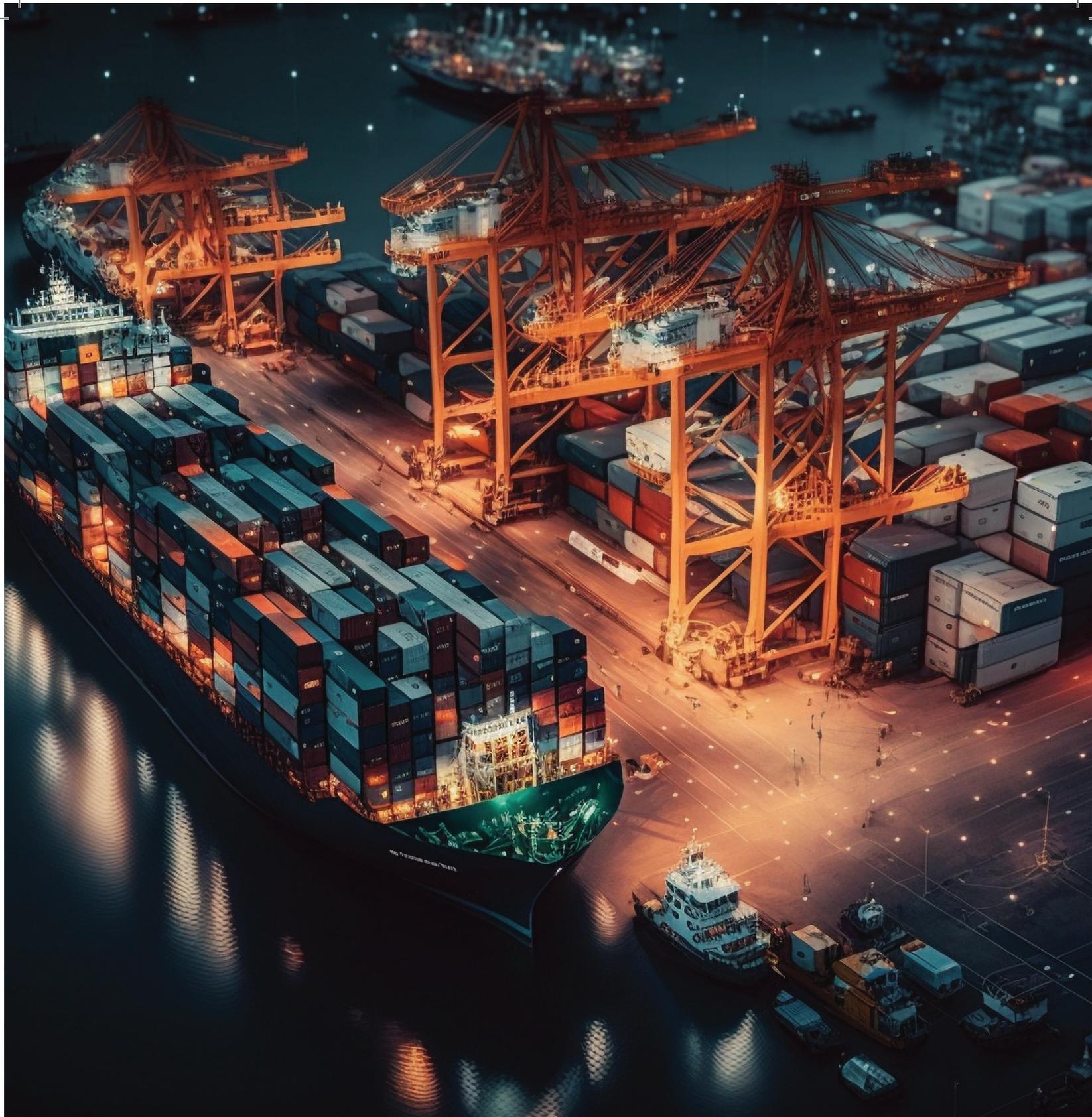
Chart 12: Top SACU Imported Commodities from the AfCFTA



Source: Computed SACU Secretariat Database







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