



Country: The Republic of South Africa

Committee: African Union

Agenda : Analyzing how the African Union can utilize the African Continental Free Trade Area (AfCFTA) to generate domestic revenues that break the chain of external aid, institutional authority, and governance.

South Africa sees the AfCFTA as an important foundation for sustainable and inclusive growth across the continent; as Africa's most industrialized economy, South Africa recognizes the need for the creation of a single market, to increase intra-African trade, and to develop regional value chains. The AfCFTA similarly responds to South Africa's historical advocacy for African-driven development, using the Lagos Plan of Action and Abuja Treaty as touchstones under which to develop a framework to move away from dependence on unstable external markets and aid. South Africa hopes to strengthen its competitiveness and ability to contribute to the UN 2030 Agenda through harmonized trade policies, improved infrastructure, and industrialisation, particularly on Goal 8 Decent Work and Economic Growth, Goal 9 Industry, Innovation and Infrastructure, and Goal 17 Partnerships.

South Africa worked with UNECA and the AUC on the AfCFTA, engaging in negotiations of tariffs, rules of origin and trade in services. At the UNGA and UNCTAD South Africa encouraged member states to view the AfCFTA in terms of relieving aid dependency, building value chains and achieving SDGs, particularly Goals 8,9 and 17. Within the WTO South Africa also supported special and differential treatment for developing states to align the AfCFTA with global trading rules. South Africa works with Afreximbank, AfDB, and UNDP on finances to develop trade facilitation, build appropriate capacity and improve infrastructure.

The UNECA provides technical assistance to AfCFTA related to tariffs, rules of origin and services. UNCTAD provides research and capacity-building for states to realize the greatest trade benefits. The WTO guarantees that AfCFTA is aligned with global trade rules while supporting developing member country flexibility. Afreximbank and the AfDB support trade facilitation, infrastructure and PAPSS funding to reduce transaction costs.

According to South Africa, improving cross-border infrastructure such as the North–South Corridor, trade routes, and investment links to traditional trade routes like the Maputo Corridor to support this will improve connectivity in Africa and reduce trade costs. We support managing this universally across the continent by developing e-customs systems and using the Pan-African Payment and Settlement System (PAPSS) for the reduction of movement processes and transaction costs. The key focus of an industrial policy for Africa

should support regional value chains in sectors that matter, including minerals, automotive, and agro-processing, also leveraging Special Economic Zones such as Coega and Dube TradePort to increase manufacturing and exports. We will need to implement governance mechanisms for transparent and rules-based trading arrangements that both support all sectional members of AfCFTA and the respective outcomes of regional value chains through domestic subsidies and imports by creating an AfCFTA Adjustment Facility managed by Afreximbank, whilst hopefully receiving some support from AfDB too.

References

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