

MINISTRY OF TRADE AND INDUSTRY

**National AfCFTA
Coordination Office
of Ghana**



**FREQUENTLY ASKED
QUESTIONS**

ABOUT THE AfCFTA





AfCFTA

FAQs

This document presents responses to key questions Ghanaian stakeholders ask about the African Continental Free Trade Area Agreement.

This document is a reference for a cross-section of Ghanaian public and private sector stakeholders including business-owners, academia, CSOs etc.

QUICK FACTS ABOUT AfCFTA



AS AT DECEMBER 2022

54

OUT OF
55

MEMBER STATES OF THE
AU HAVE SIGNED THE
AfCFTA AGREEMENT

AS AT DECEMBER 2022



44 AFRICAN
COUNTRIES

HAVE DEPOSITED THEIR
INSTRUMENT OF RATIFICATION
WITH THE AFRICAN UNION
COMMISSION



AfCFTA IS THE LARGEST FREE
TRADE AREA IN THE WORLD

MEASURED BY THE NUMBER OF
COUNTRIES PARTICIPATION



THE AfCFTA CONNECTS

1.3 Billion

PEOPLE ACROSS 55 COUNTRIES



WITH A COMBINED GDP OF

\$3.4 Trillion



THE AfCFTA HAS POTENTIAL TO LIFT

30 Million

PEOPLE FROM EXTREME POVERTY



AfCFTA IS EXPECTED TO
BOOST AFRICA'S
INCOME BY

\$450 Billion

BY 2035  A GAIN OF 7%

1. WHAT IS THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)?

The AfCFTA is a single market for goods and services that allows African countries to trade amongst themselves duty-free and quota-free.

2. WHAT IS THE SIZE OF THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)?

The AfCFTA currently covers 54 out of the 55 African countries. It has a total population of 1.3 billion and a combined Gross Domestic Product (GDP) of US\$ 3.4 trillion.

3. WHEN WAS THE AfCFTA ESTABLISHED, AND WHEN DID IT COME INTO FORCE?

The agreement establishing the African Continental Free Trade Area was signed on 21st March 2018, in Kigali, Rwanda.

The agreement entered into force on 30th May, 2019, after 22 countries deposited their instruments of ratification with the African Union Commission.

Trading under AfCFTA officially commenced on 1st January, 2021.

Commercially meaningful trading officially started on 7th October, 2022.

4. WHAT ARE THE OBJECTIVES OF THE AfCFTA?

- i. Create a single market for goods and services, facilitated by movement of persons in order to deepen the economic integration of the African continent;
- ii. Create a free market for goods and services through successive rounds of negotiations;
- iii. Contribute to the movement of capital and natural persons and facilitate investments building in State Parties;
- iv. Lay the foundation for the establishment of a Continental Customs Union at a later stage;
- v. Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
- vi. Enhance the competitiveness of the economies of State Parties;
- vii. Promote industrial development through diversification and regional value chain development, agricultural development and food security; and
- viii. Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

5. HOW WILL THE AfCFTA BENEFIT GHANA AND OTHER AFRICAN COUNTRIES?

- i. It will boost intra-African trade by eliminating tariffs on goods originating from Africa.
- ii. It is expected to increase Africa's income by USD\$450 Billion by 2035, a gain of 7% and increase volume of total African exports by 19%¹;
- iii. The AfCFTA has the potential to lift 30 million people out of extreme poverty².
- iv. It will increase employment for Ghanaian farmers, agro-processors, youth, women and cross-border traders.
- v. It will enable small and medium-sized enterprises in Ghana to grow because of the expanded market size.
- vi. It will ensure that Ghanaian companies operating in Africa enjoy better terms of trade, and have favourable market access to other African markets.
- vii. It will enable Ghanaian companies to develop regional value chains; by forming partnerships with other African firms.
- viii. It will enable Ghanaian companies to take advantage of economies of scale and become more competitive.

6. HOW DOES AN AFRICAN COUNTRY BECOME A MEMBER OF THE AfCFTA?

To become a member, African Countries are expected to sign the Agreement and deposit their instrument of ratification with the African Union Commission (AUC).

7. ARE ALL AFRICAN COUNTRIES MEMBERS OF THE AfCFTA?

Although 54 out of 55 African countries, have signed the Agreement, only those who have ratified and deposited their instrument with the AUC are eligible to participate as State Parties in AfCFTA.

As at December, 2022, 44 countries have ratified the Agreement ³.

8. IS GHANA A STATE PARTY OF AfCFTA?

Yes, Ghana is a state party of the AfCFTA. Ghana and Kenya were the first countries to ratify the agreement and both deposited their instruments of ratification on 10th May, 2018.

1. The African Continental Free Trade Area Economic and Distributional Effects, World Bank (2020)

2. The African Continental Free Trade Area Economic and Distributional Effects, World Bank (2020)

3. For list of Countries that have ratified, refer to page 16



9. WHAT IS REQUIRED FOR GHANAIAI EXPORTERS TO QUALIFY AND TRADE UNDER THE AfCFTA?

Ghanaians seeking to export under AfCFTA will have to meet two (2) main conditions;

- i. Goods must comply AfCFTA Rules of Origin.
- ii. Goods must be in the liberalized tariff schedule of the destination country.

In addition, all existing export documentation and procedures must be complied with. These include;

- i. Acquiring relevant Licenses, Permits, Certificates and Others (LPCO);
- ii. Completing Pre-shipment Procedures; and
- iii. Creating Bill of Entry (BOE) and a Customs inspection.

10. HOW DO YOU ACQUIRE AN AfCFTA CERTIFICATE OF ORIGIN?

The GRA – Customs Division is appointed as the competent Authority for the issuance of the AfCFTA Certificate of Origin. Ghanaian companies can obtain the AfCFTA Certificate of Origin by first applying online directly or through an agent to Customs (www.external.unipassghana.com).

Details of the process for application and registration attached (See page 19).

Ghanaians seeking to import under AfCFTA will have to meet two (2) main conditions;

- i. Goods must have an AfCFTA Certificate of Origin issued from the source country.
- ii. Goods must be one of Ghana's liberalized goods under the AfCFTA.

In addition, all existing import documentation and procedures must be complied with. These include;

- i. Acquiring relevant Licenses, Permits, Certificates and Others (LPCO);
- ii. Creating a Customs Bill of Entry (BOE) using the Customs Procedure Code (CPC) 40C01;
- iii. Customs inspection;
- iv. Customs Export or Transit Bill of Entry from the country of exportation;
- v. Commercial invoices;
- vi. Packing list;
- vii. Other regulatory documents relevant to the consignment.

12. WHAT ARE THE BENEFITS OF AfCFTA TO GHANAIAN SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)?

- i. The AfCFTA provides SMEs access to a wider African market at favourable tariff rates.
- ii. Ghanaian SMEs can grow by expanding their production capacity and diversifying their products to satisfy the demands of the African market.

- iii. SMEs can partner with other producers in Africa and become part of regional value chains across the continent. For instance, Ghanaian SMEs can provide raw materials or semi-processed inputs for goods manufactured in Nigeria or Burkina Faso or vice versa.

13. WHAT INSTITUTIONAL STRUCTURES ARE IN PLACE TO SUPPORT GHANAIAN BUSINESSES HARNESS THE BENEFITS OF AfCFTA?

National Institutional Framework for AfCFTA:

- i. **Inter-Ministerial Facilitation Committee;** made up of selected Ministers, to provide policy oversight for government participation.
- ii. **National AfCFTA Steering Committee;** provides technical inputs and oversight for development of national policies and implementation of national strategies for Boosting Trade with Africa.
- iii. **National AfCFTA Coordination Office;** Coordinate the day-to-day implementation of Ghana's AfCFTA strategy.
- iv. **Technical Working Groups (TWGs)** on the eight (8) clusters for Boosting intra-African Trade namely -
 - Trade Policy,
 - Trade Facilitation,
 - Enhancing Productive Capacity (Industrialization),

- Trade-related Infrastructure (e.g. Transportation and Communication),
- Trade Development and Finance,
- Trade Information,
- Factor Market Integration, and
- Trade in Services.

14. WHAT IS THE DIFFERENCE BETWEEN THE AfCFTA AND THE ECOWAS TRADE LIBERALIZATION SCHEME (ETLS)?

As a Regional Economic Community, ECOWAS covers 16 countries, mainly in the West African sub-region. The ETLS applies to these 16 ECOWAS member states only. The AfCFTA is a continental trading bloc and covers 54 out of the 55 member states of the African Union. This means that when the AfCFTA is fully functional, stakeholders in the member states can freely trade with all the other member states that have signed up.

Both of them are governed by protocols defining the conditions for trade, which include; the Rules of Origin and the Tariff Schedules. In the case of AfCFTA however, ECOWAS negotiated the tariff schedules as a bloc.

The AfCFTA also has clear systems for Dispute Settlement which is not the case with ECOWAS.

15. WHICH PRODUCTS QUALIFY FOR EXPORT OR IMPORT UNDER THE AfCFTA?

All goods and products falling within State Parties' tariff offers may be imported or exported under AfCFTA preferential tariffs in compliance with the Rules of Origin. For the list of qualified products, visit www.external.unipassghana.com

16. WHICH GOODS EXPORTED TO OTHER AFRICAN COUNTRIES WILL BE TARIFF-FREE?

Under the AfCFTA, all participating countries are to identify 90% of their trade tariffs as Non-sensitive liberalized goods, 7% as Sensitive liberalized goods and the remaining 3% as Exclusive non-liberalized goods.

All goods traded must meet the AfCFTA Rules of Origin criteria and fall within the 90% non-sensitive or the 7% Sensitive liberalized Tariff Schedule of the destination markets.

17. DOES IT MEAN THAT IF WE EXPORT TO AN AFRICAN COUNTRY NOW, IT WILL BE DUTY-FREE AND QUOTA-FREE?

For ECOWAS countries, the duties on liberalized goods will be progressively reduced over a period of 10 years, starting from 2021. For other countries, the period may range from 5-10 years.

18. WHICH SERVICE SECTORS ARE COVERED BY THE AGREEMENT?

The Protocol on Trade in Services (currently under negotiations) will cover the following five (5) priority service sectors:

- i. Business Services;
- ii. Transport and Logistics Services;
- iii. Financial Services;
- iv. Communication Services; and
- v. Tourism Services.

19. WILL CUSTOMS POSTS AT THE BORDERS CONTINUE TO EXIST?

Yes, Customs Posts will still remain to perform customs functions and to facilitate trade.

20. WILL IMPORTS FROM ALL AFRICAN COUNTRIES INTO GHANA BE TARIFF-FREE?

Only imports from State Parties that meet the AfCFTA Rules of Origin requirements and Ghana's liberalized tariff schedule will qualify for preferential import tariffs.



21. CAN GOODS IMPORTED FROM NON-AFRICAN COUNTRIES BE RE-EXPORTED UNDER AfCFTA TO AN AFRICAN COUNTRY?

Goods imported from a non-African country cannot be re-exported to an African country under AfCFTA. Only goods that have been processed to meet the Rules of Origin criteria, can be exported.

As such, manufactured products from Ghana containing inputs from non-African countries can be exported to other State Parties provided they meet the criteria set out under the AfCFTA Rules of Origin.

22. WHAT HAPPENS TO EXISTING TRADE AGREEMENTS BETWEEN GHANA AND OTHER NON-AFRICAN COUNTRIES?

All trade agreements entered into by Ghana will continue to be honored by the Government so far as it does not conflict with the AfCFTA.

23. WHAT PROTECTION IS THERE FOR GHANAIAN TRADERS SHOULD A TRADE DISPUTE ARISE WITH TRADERS FROM OTHER STATE PARTIES?

Under the AfCFTA Agreement on Dispute Settlement, there are robust structures established to deal with trade disputes.

Traders may report such disputes to the National AfCFTA Coordination Office (NCO) or to the Ministry of Trade and Industry for onward submission to the AfCFTA Secretariat.

24. WHAT HAPPENS IF SOME COUNTRIES REFUSE TO REMOVE TRADE BARRIERS OR RE-IMPOSE THEM?

In cases of default by participating members, the Dispute Settlement Protocol will be activated to find a solution to the issue. In extreme cases, sanctions may be applied to defaulting countries to ensure compliance.

25. HOW DOES ONE GET ACCESS TO AFRICA'S TRADE INFORMATION, NEEDED TO SERVE AS A GUIDE TO POTENTIAL IMPORT/EXPORT DESTINATIONS?

- i. The operational instrument of AfCFTA includes the African Trade Observatory (ATO) that provides updated and reliable trade information on member state markets.
- ii. In Ghana, GEPA's (Ghana Export Promotion Authority) Impact Hub can also be a good source of trade information.
- iii. The NCO is also in the process of developing the Ghana Trade Information Repository (GTIR) which will provide real-time trade information on African markets to Ghanaian businesses seeking to enter other African markets.

26. IS THERE A PAYMENT PLATFORM/ MECHANISM IN PLACE FOR AFRICAN TRADERS TO SETTLE THEIR PAYMENT OBLIGATIONS?

- i. The African Export Import Bank (Afreximbank), in collaboration with Member states of the African Union, have developed the Pan-African Payment and Settlement System (PAPSS). This is a centralized payment platform for real-time clearing and settlement of intra-African payments in respective local currencies.
- ii. The Pan-African Payment and Settlement System is currently operational and Ghanaian banks are signed on through Ghana Interbank Payment and Settlement System (GhIPSS).

27. WHEN DOES RECRUITMENT TO THE AfCFTA SECRETARIAT START?

Recruitments to the AfCFTA Secretariat has already commenced with the appointment of the Secretary-General in February, 2020 and is currently ongoing.

28. HOW DOES ONE APPLY FOR EMPLOYMENT TO THE AfCFTA SECRETARIAT?

Recruitments and mode of application for positions at the AfCFTA Secretariat are advertised online and can be accessed on the AU website at <https://careers.au.int/en/jobs>

LIST OF COUNTRIES THAT HAVE RATIFIED THE AfCFTA AGREEMENT

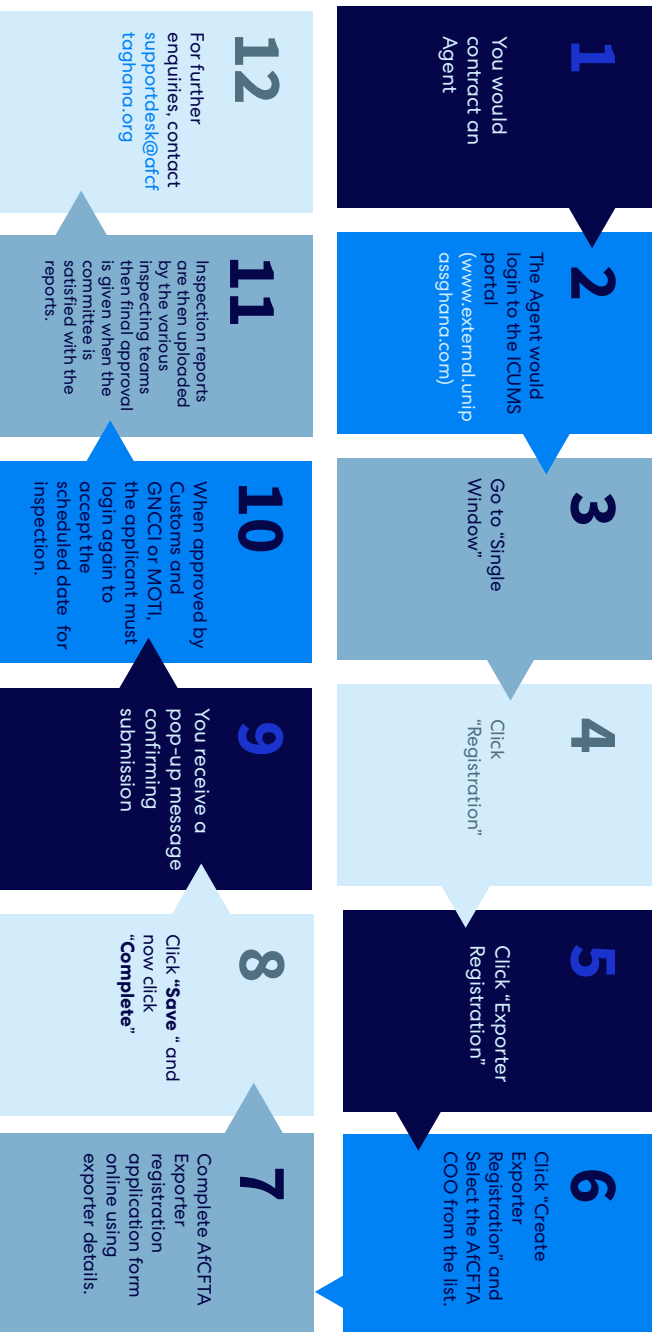
As at October 2022, 44 of the 54 signatories (81%) have deposited their instruments of AfCFTA ratification with the Africa Union Commission. They are (ordered by date):

	COUNTRY	DATE
1	Ghana	10/05/2018
2	Kenya	10/05/2018
3	Rwanda	26/05/2018
4	Niger	19/06/2018
5	Chad	02/07/2018
6	Eswatini	02/07/2018
7	Guinea	16/10/2018
8	Côte d'Ivoire	23/11/2018
9	Mali	01/02/2019
10	Namibia	01/02/2019
11	South Africa	10/02/2019
12	Congo, Rep.	10/02/2019
13	Djibouti	11/02/2019
14	Mauritania	11/02/2019
15	Uganda	09/02/2019
16	Senegal	02/04/2019
17	Togo	02/04/2019
18	Egypt	08/04/2019
19	Ethiopia	10/04/2019
20	Gambia	16/04/2019

	COUNTRY	DATE
21	Sahrawi Arab Democratic Rep.	30/04/2019
22	Sierra Leone	30/04/2019
23	Zimbabwe	24/05/2019
24	Burkina Faso	29/05/2019
25	São Tomé & Príncipe	27/06/2019
26	Equatorial Guinea	02/07/2019
27	Gabon	07/07/2019
28	Mauritius	07/10/2019
29	Central African Rep.	22/09/2020
30	Angola	04/11/2020
31	Lesotho	27/11/2020
32	Tunisia	27/11/2020
33	Cameroon	01/12/2020
34	Nigeria	05/12/2020
35	Malawi	15/01/2021
36	Zambia	05/02/2021
37	Algeria	23/06/2021
38	Burundi	26/08/2021
39	Seychelles	15/09./2021
40	Tanzania	17/01/2022
41	Cape Verde	05/02/2022
42	Democratic Republic of the Congo	23/02/2022
43	Morocco	18/04/2022
44	Guinea-Bissau	27/09/2022

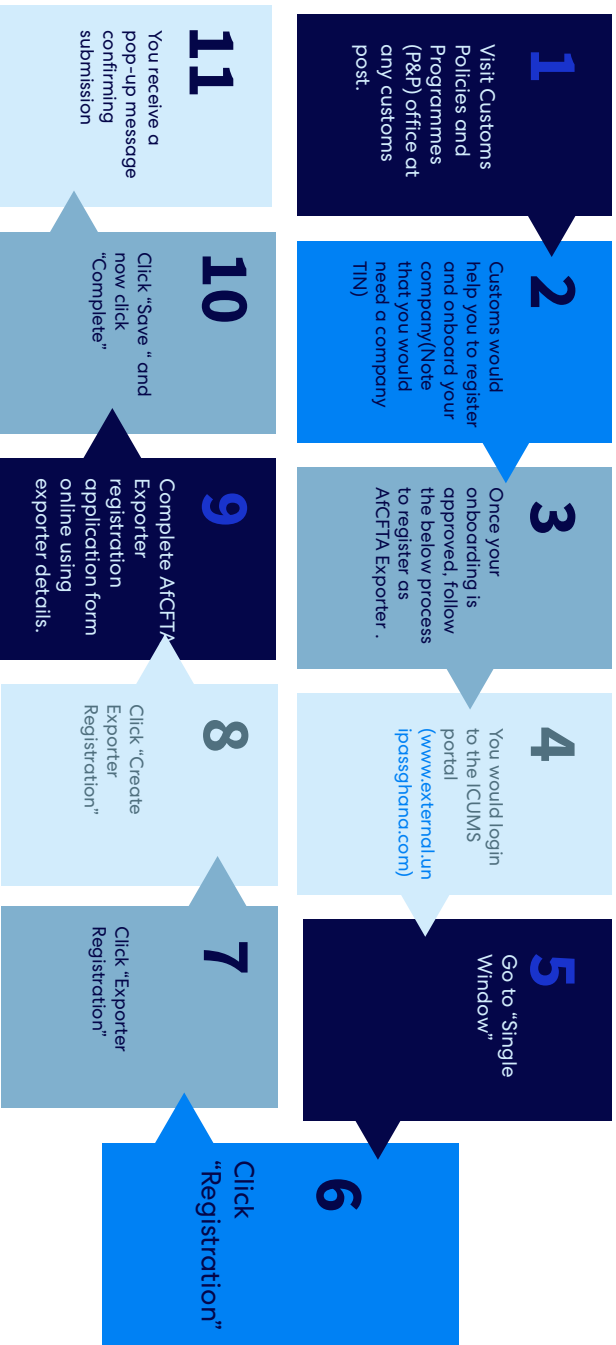
How to Register for an AfCFTA Certificate of Origin

Scenario 1 (Using a Customs House Agent to acquire certificate of origin)



How to Register for an AfCFTA Certificate of Origin

Scenario 2 (Self Declaring)



AfCFTA FOCAL DESKS AT SELECTED PARTNER INSTITUTIONS

	<p>Food and Drugs Authority</p>
	<p>Ghana Shippers' Authority</p>
	<p>Ghana Investment Promotion Centre</p>
	<p>Ghana Export Promotion Authority</p>
	<p>National Development Planning Commission</p>
	<p>Plant Protection & Regulatory Services Directorate</p>
	<p>RGD Office of Intellectual Property</p>

<p>Ghana National Chamber of Commerce & Industry</p>  <p>Your Business Links, Our Business</p>	<p>Ghana National Chamber of Commerce and Industry</p>
	<p>Private Enterprise Foundation</p>
	<p>Ghana International Trade Commission</p>
	<p>Ghana Free Zones Authority</p>
	<p>Ghana Immigration Service</p>
	<p>Ghana Export-Import Bank (GEXIM)</p>
	<p>Ghana Standards Authority</p>
	<p>Ghana Revenue Authority Customs Division</p>

INTER-MINISTERIAL FACILITATION COMMITTEE ON AfCFTA



**HON. ALAN JOHN KWADWO
KYEREMATEN**

Minister for Trade – Chairperson



**HON. SHIRLEY AYORKOR
BOTCHWEY**

Minister for Foreign Affairs and
Regional Integration



HON. KEN OFORI ATTA

Minister for Finance



HON. ALBERT KAN-DAPAAH

Minister for National Security



HON. GODFRED YEBOAH DAME

Minister for Justice and
Attorney General

The Committee also includes a representative from the Office of the President and other Ministers of key implementing Ministries.

NATIONAL AfCFTA STEERING COMMITTEE



PROF. PAUL KURUK

Chairperson,
Trade Policy TWG



MR. PATRICK NIMO

Chairperson, **Trade
Facilitation** TWG



PROF. KWAKU APPIAH-ADU

Chairperson,
**Trade-Related
Infrastructure** TWG



DR. EUGENE OWUSU

Chairperson,
**Enhancing Productive
Capacity** TWG



**HON. KOJO OPPONG
NKRUMAH**

Trade Information
TWG



MR. PATRICK NOMO

Chairperson, **Trade
and Development
Finance** TWG



**AMBASSADOR RAMSES
JOSEPH CLELAND**

Chairperson, **Factor
Market Integration**
TWG

NATIONAL AfCFTA COORDINATION OFFICE SENIOR MANAGEMENT



DR. FAREED KWESI ARTHUR

National Coordinator



MR. JACOB GYAMFI-AIDOO

Senior Advisor, Stakeholder
Engagement and Capacity
Building



HON. CATHERINE AFEKU

Senior Advisor, Strategic
Communications



HON. DR. ATO PANFORD

Senior Advisor,
Enterprise Support –
Technical Audit



PROF. PAUL KURUK

Senior Advisor,
International Trade
Law

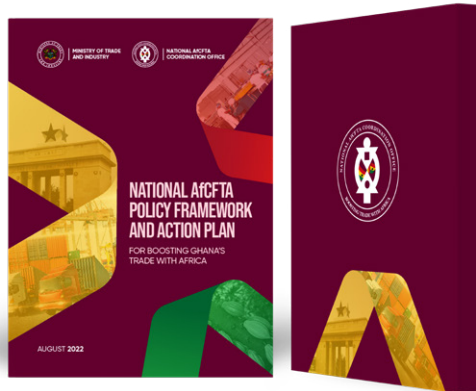


HON. YAKUBUI YUSSIF

M & E Specialist

THE NATIONAL AfCFTA POLICY FRAMEWORK

The Policy Framework Document spells out the policy environment for the implementation of Ghana's short to medium term (5-years) AfCFTA strategy



COMPONENTS OF THE POLICY FRAMEWORK

- Trade Policy,
- Trade Facilitation,
- Enhancing Productive Capacity (Industrialization),
- Trade-related Infrastructure (e.g. Transportation and Communication),
- Trade Development and Finance,
- Trade Information,
- Factor Market Integration.



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