

Table 3 – AfCFTA tariff negotiation modalities: Level of liberalization and timeframes for implementation

Product Group	Level of Ambition for all State Parties	Timeframe for Implementation		
		Non-LDCs	LDCs	Special Needs/G-7 ^a
Non-Sensitive Products	Not less than 90 per cent of tariff lines	5 years	10 years	10 years for 85 per cent of tariff lines; 15 years for additional 5 percent of tariff lines (may be phased from year 11 to year 15)
Sensitive Products	Not more than 7 per cent of tariff lines	10 years	13 years	13 years
		Liberalisation of sensitive products may commence in year 6, or earlier for those State Parties willing to do so.		
Exclusion List	• Not more than 3 percent of tariff lines⁸ • Exclusion list shall at maximum constitute 10 percent of the value of imports from other African countries based on a 3-year reference period (2014-2016 or 2015-2017). • Subject to a review process after 5 years			

Note: ^a At moment of publication, the G-7 flexibility has not been fully resolved and might be subject to change.

which entered into force in 2007 or later are considered for analysis. Also, all parties to the FTA must be developing countries. In the compilation, FTAs with Organisation for Economic Co-operation and Development (OECD) countries (including Chile, Mexico, Korea), Chinese Taipei, Hong Kong and Singapore are not considered. Some exceptions were made, such as the Association of Southeast Asian Nations (ASEAN)-India FTA (which includes Singapore) and the Mexico-Central America FTA.

Both agreements notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) as well as the Enabling Clause were included in the compilation. The Enabling Clause has less strict requirements, among others, as it does not require tariff liberalization to take place for 'substantially all trade'. With respect to the AfCFTA, there has been agreement that it

should comply with Article XXIV.⁹

Results

The results show that the share of tariff lines that remains dutiable is higher for agreements notified under the Enabling Clause compared to those under Article XXIV. (See Table 4.) For Enabling Clause Agreements, the share is on average 31.5% (i.e. 68.5% liberalization) but around 21% (i.e. 79% liberalization) for the most recent agreements with a factual presentation prepared by the WTO Secretariat (in 2010 and 2011).

Turning to FTAs notified to WTO under Article XXIV GATT, the share of tariff lines that remains dutiable is on average 6.6% for the analyzed agreements. In more recent years this share is lower (2.2%, 5.5%). In other words, an average Article XXIV-notified developing country FTA that entered into force in 2007 or later liberalizes 93.4% of

Table 4 - Developing country FTAs - Share of tariff lines that remain dutiable (%)

Year of entry into force	Developing country FTAs notified to WTO under Enabling Clause	Developing country FTAs notified to WTO under Article XXIV GATT	All developing country FTAs notified to WTO
2007	18		18
2008	40.2		40.2
2009	88.3	14.3	43.9
2010	21.2	6.8	19.9
2011	21	10.4	13.9
2012		2.2	2.2
2013		5.5	5.5
2015		3.3	3.3
2016		4.8	4.8
Average for all FTAs	31.5	6.6	19.1

Source: compiled on the basis of WTO Factual Presentations