There are no translations available.

On June 1, 2023 during the second Ministerial Retreat of the AfCFTA Council of Ministers, held in Nairobi, Kenya, a decision was adopted that prevents second-hand clothes from being traded across the continent under the preferences of the African Continental Free Trade Area (AfCFTA). The purpose of this measure is to exclude second-hand clothes from preferential trade under the AfCFTA rules (i.e., in exemption of customs duties), so to encourage value-addition and industrialisation in Africa.

This decision has been compared on many press and media <u>sources</u> with a previous initiative adopted in the East African Community (EAC). But it is not the same thing. In 2015, the EAC Heads of State adopted a decision to gradually phase out the importation of second-hand clothes and footwear during a 3-three-year period. Taxes were increased exponentially on second-hand clothes to deter more imports of such items, and a complete ban was planned to take effect in 2019. But on that occasion, the United States (which are a major exporter of second-hand clothes in Africa) issued an

ultimatum

for 23 February 2018 to these countries to rescind their plan or face the consequences of being excluded from the African Growth and Opportunity Act (AGOA), a program that enables eligible countries in sub-Saharan Africa to export textiles to the United States under preferent duty rates.

In the end, only Rwanda implemented the EAC Heads of State Decision, by introducing high taxes on imports of such goods, while the other EAC Partner States rescinded on it, also under the pressure of the Associations of importers of such products who argued

that rather than ban such products, African countries had to create centres where such items can be sorted, graded or more importantly, recycled. For instance, fibres from old fabrics can be re-used for making new garments, and used clothes can be partially re-waved before being marketed. This can create additional business in the continent by encouraging the creation of companies specialized in these activities.

The purpose of the AfCFTA Council of Ministers decision adopted on June 1, 2023 is exactly aimed at achieving this objective. It does not introduce any ban or increase in customs duty rates on second-hand clothes imported from third countries, but only avoids that these items,

after their import, can be traded preferentially under the AfCFTA rules. This seems a logical solution, as such clothes, being manufactured out of Africa are not able to comply with the AfCFTA rules of origin, whose negotiations however, with specific regard to the textile sector, have not yet been concluded.