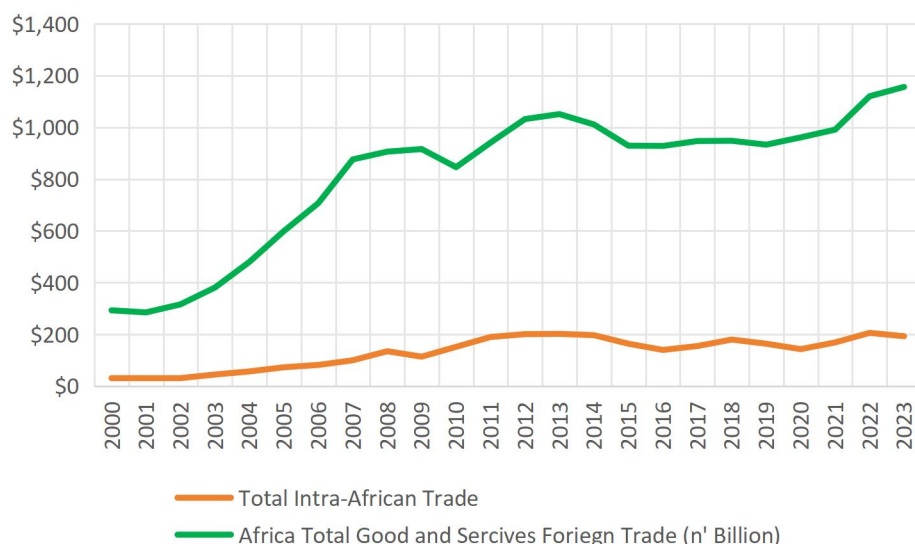


Intra-Africa and Foreign Trade, What's Changing?

Executive Summary

Over the past twenty-four years, the total nominal trade volume of the African continent expanded significantly from \$324 billion in 2000 to an all-time high of \$1,349 billion in 2023. This remarkable quadruple expansion highlights Africa's deepening integration into global markets. However, a deeper macro-structural analysis reveals lingering vulnerabilities, including an enduring reliance on extra-African commercial flows, heightened exposure to external shocks, and a low structural ceiling for intra-continental commercial exchange. This brief examines the structural dynamics behind these figures and situates them with over two decades of continental trade policy.

African Foreign Trade vs Intra-Trade
(n' Billion)



Data Source: Afreximbank

Notably, the numbers also reveal the level of volatility between intra-trade and foreign trade over the years. Intra-African trade has been more volatile over the years (bound, +37% to -17%) with a annual average of 9.6%, showing it's more elastic (little changes in factors effecting trade lead to a bigger impact on trade value), e.g tariffs, logistics, payment settlement etc, while foreign trade has been more stable (+26% to -8%) with a annual average of 6.6%, despite external and internal factor affecting participating

KEY INSIGHTS

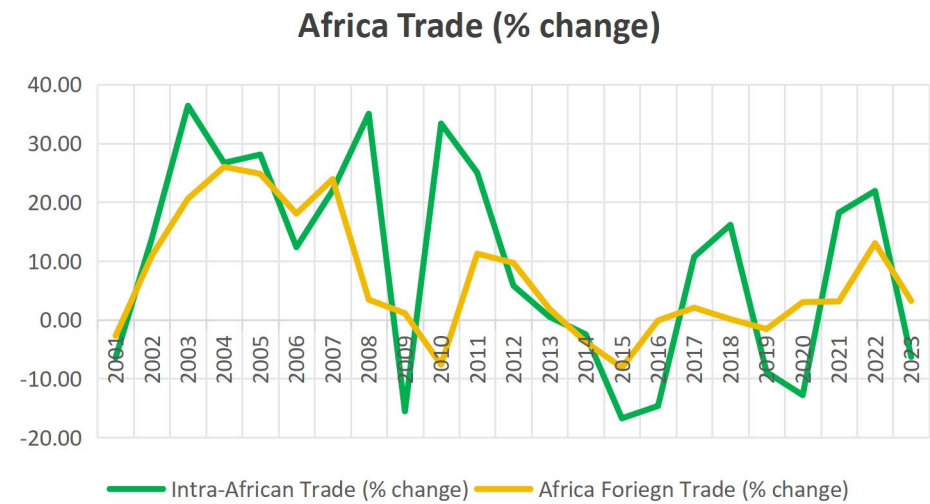
A \$3.37 Trillion Continental Market:

Total intra-African trade summed \$3.37 trillion from 2000 to 2024, against total exports of \$1.8 trillion and imports of \$1.48 trillion. These figures confirm that intra-African trade is a substantial and growing component of the continent's overall economic activity, with significant room for further expansion under frameworks like AfCFTA.

Intra-African Market Has More Sellers Than Buyers — But the Gap Is Narrowing:

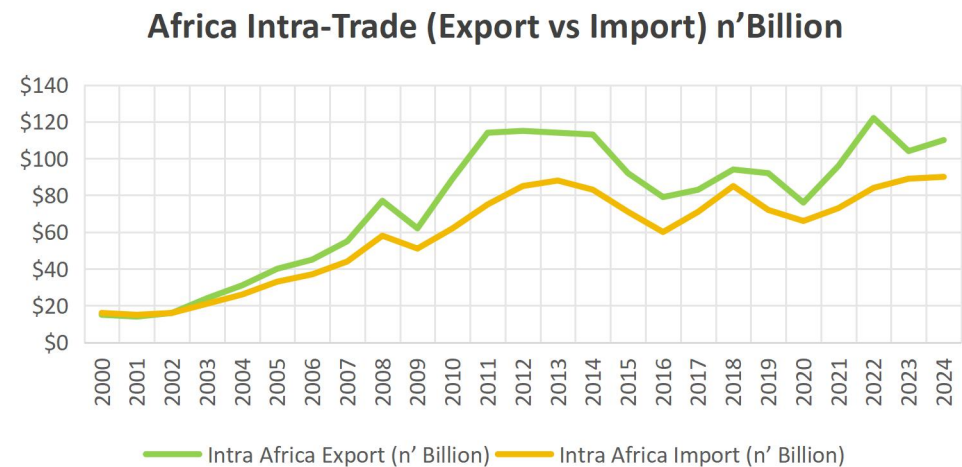
Intra-African trade expanded from \$31 billion in 2000 to peak at \$206 billion in 2022 before adjusting to \$193 billion in 2023 (\$201 billion in 2024)

countries.



Intra-Africa Trade: Seller-Dominated Market, Gradually Rebalancing

Intra-African trade expanded from \$31 billion in 2000 to peak at \$206 billion in 2022 before adjusting to \$193 billion in 2023 (\$201 billion in 2024). Despite this numerical increase, intra-regional trade consistently ranges between 12% and 16% of total African trade, averaging 14.5% across the period. Intra-African exports rose from \$15 billion in 2000 to \$110 billion in 2024, consistently outstripping recorded intra-African imports (\$16 billion to \$90 billion over the same horizon), reflecting structural trade re-exports and regional distribution hubs.



Data Source: Afreximbank

This trade numbers reveal there are more sellers than buyers in the intra-African trade market, a competitive pricing among seller, thereby giving buyers more options. This is

COVID-19 Impacted the Trade Trajectory:

The 2020 economic lockdown altered intra-Africa trade structure. Four years before 2020, intra-export value increased by 16%; four years after, growth increased by 14%. Meanwhile, import growth accelerated from 20% pre-COVID to 23% post-COVID. Buyers are gaining momentum relative to sellers — a structural shift worth monitoring.

The Pandemic Revealed Mutual Dependence:

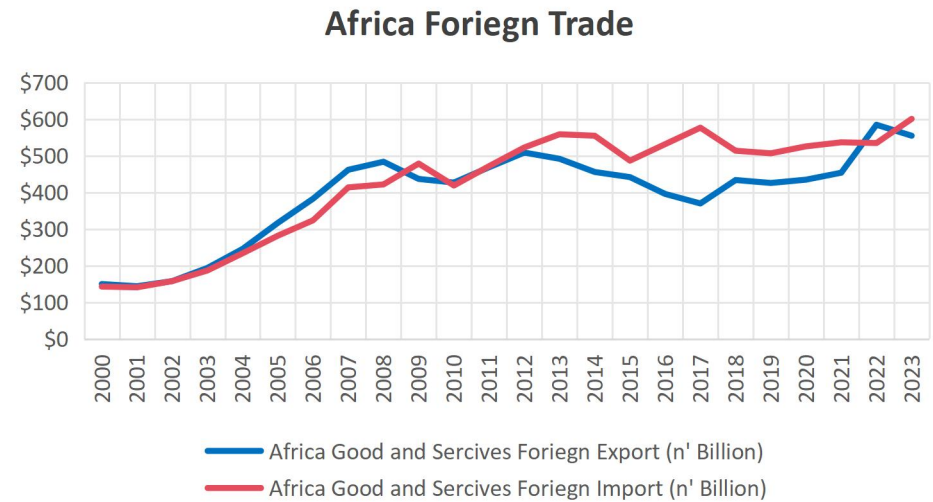
It took a global pandemic for African countries to realise they need each other more than they thought. A market structure with more sellers than buyers is inherently healthy — it keeps prices competitive and gives buyers options. The post-COVID acceleration in import growth confirms that continental interdependence is deepening.

an healthy market condition. A closer look at the numbers reveals.

The presence of six countries in both top 10 export/import rankings — South Africa, Ivory Coast, DR Congo, Zimbabwe, Namibia, and Algeria, highlights a core group of economies that are deeply embedded in continental supply chains, serving as both production hubs and consumption markets for intra-African trade.

Africa Foriegn Trade: A Market Undermined by Global Events

Foreign trade continues to dominate the continent's commercial landscape, accounting for 85% to 90% of total aggregate trade. Reaching \$1,156 billion in 2023, foreign trade exhibits pronounced cyclical volatility. Driven by the early 2000s commodity boom, Africa generated strong trade surpluses, with foreign exports peaking at \$484 billion against \$422 billion in imports in 2008. However, following the New York Stock Exchange (NYSE) 2008–2009 global shock, terms of trade and leveraged wealth deteriorated, causing persistent trade deficits between 2009 and 2021 (peaking at a \$207 billion deficit in 2017) as import demands outstripped primary export earnings.



Data Source: Afreximbank

The presence of nine countries in both top 10 export/import rankings — Egypt, Algeria, Morocco, South Africa, DR Congo, Ghana, Angola, Libya and Tunisia, highlights a core group of North African economies (5 of 9) that are deeply embedded in continental supply chains, serving as both production hubs and consumption markets for external trade.

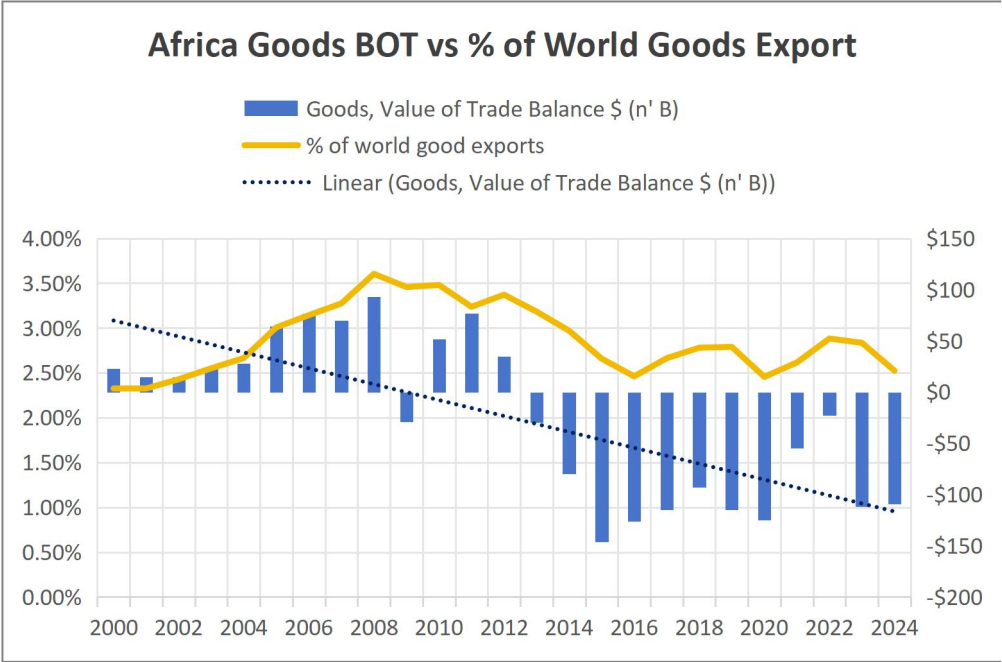
Africa Good’s Balance of Trade and it’s Position in Global Trade

While Intra-trade value is gradually increasing, goods processing, packing and branding infrastructure needs massive investment. Cocoa to chocolate, orange to juice, tomatoes to sauce, lithium to processor chips etc. A closer look at the manufacturing process is

Absolute & Comparative Advantage Is Taking Hold:

The economic concepts of absolute and comparative advantage are becoming evident in Africa's intra-trade system. Countries are increasingly focusing on their production strengths and buying from neighbours rather than producing everything domestically. Nations are no longer producing what a neighbour can produce at lower cost, or goods requiring more labour when a neighbouring country can produce with fewer workers. Imports are rising fast — though still below export value.

the goods balance of trade movement in Africa.



Data Source: Afreximbank

From 2000 to 2008, Africa maintained a positive balance of trade ‘BOT’ (exporting more goods than it imports), the 2008 market crash in NYSE (a global investment hub) caused the first negative BOT figures by erasing leveraged wealth of many countries across the globe, the demand for Africa goods reduced drastically despite recovery in 2009, the demand level was never the same which led to long negative BOT figures from 2013 to 2024.

Meanwhile, Africa’s footprint in global trade remains constrained, averaging 2.35% over twenty-four years. Global market share peaked at 3.24% in 2009 during the global commodity re-pricing before receding to 2.17% by 2023. These findings confirm that while total trade volume has scaled significantly, structural rigidities persist. Enhancing Africa’s global standing requires transitioning extra-African trade from raw commodity exports toward higher value-addition, while deepening regional supply chain integration to permanently raise intra-continental trade above historical thresholds.

Continental Trade Policy Architecture, 2000–2024

Africa's trade-integration agenda over this period built on the 1991 Abuja Treaty's vision of an African Economic Community, pursued initially through overlapping Regional Economic Communities — COMESA, ECOWAS, SADC, EAC and others.

The 2008 launch of COMESA–EAC–SADC Tripartite Free Trade Area negotiations marked an early attempt to consolidate these blocs into a wider market. Momentum turned continental in 2012, when the AU Assembly resolved to establish a single continent-wide free trade area by 2017 and adopted the Boosting Intra-African Trade (BIAT) Action Plan. Agenda 2063, adopted in 2013, formally anchored the free trade area as a flagship programme of the continent's fifty-year development blueprint.

Formal AfCFTA negotiations launched in 2015; the Agreement was signed in Kigali on 21 March 2018 and entered into force on 30 May 2019, after the required 22 ratifications — one of the fastest ratification processes in African Union treaty history. The AfCFTA Secretariat was commissioned in Accra, Ghana in August 2020, and preferential trading formally commenced on 1 January 2021, having been delayed six months by the COVID-19 pandemic. Since then, implementation has progressed through the Guided Trade Initiative (launched October 2022 with eight pilot states — Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia) and the Pan-African Payment and Settlement System (PAPSS), which enables cross-border settlement in local currencies and reduces reliance on the US dollar.

By 2026, AfCFTA implementation had moved into what the Secretariat terms a "practical delivery phase," with 24 countries having gazetted tariff schedules and preferential trade expanding beyond raw commodities into automotive parts, textiles and processed foods.