



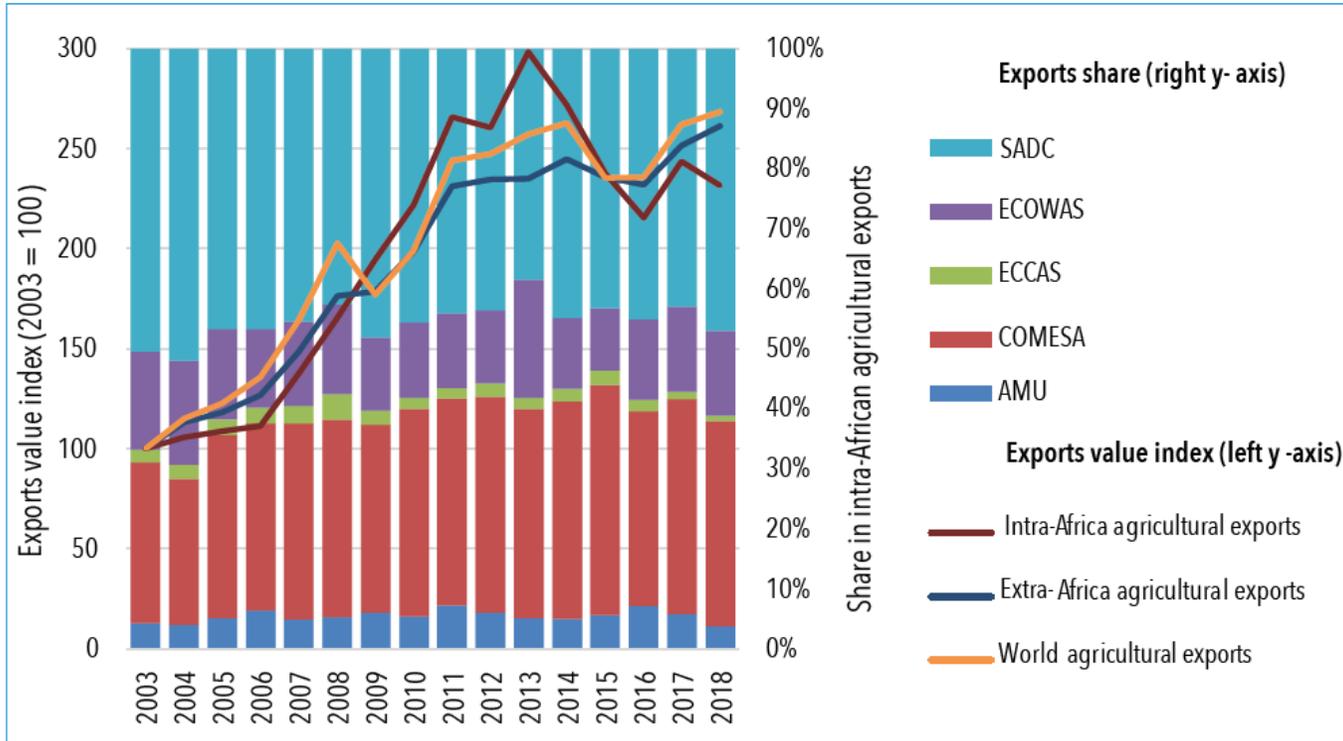
Intra-Africa Trade: Status and Growth Prospects

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Trends in Intra-African Agricultural Exports



Figure 3.1 Intra-African agricultural exports by region of origin, 2003–2018



Source: 2020 AATM database and authors' computations.

Note: SADC: Southern African Development Community; ECOWAS: Economic Community of West African States; ECCAS: Economic Community of Central African States; COMESA: Common Market for Eastern and Southern Africa; AMU: Arab Maghreb Union. With these five RECs, all countries across the entire continent are covered in this analysis.

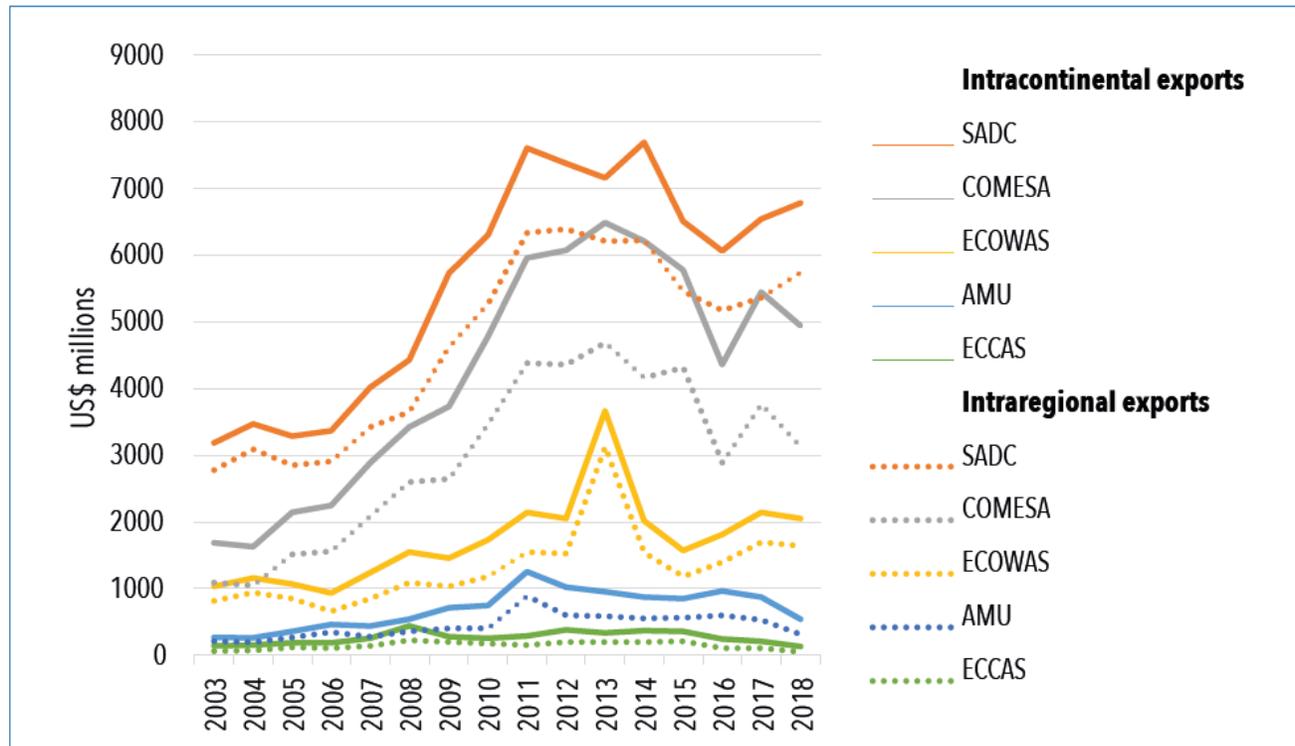
The value (in current US dollars) of intra-African food and agricultural trade rose steadily beginning roughly in 2007, peaking in 2013

SADC and COMESA are notably the largest players, accounting for 46 percent and 31 percent, respectively, of intracontinental agricultural exports



Trends by Region

Figure 3.2 Trends in intra-African and intraregional agricultural exports, by region, 2003–2018



Source: 2020 AATM database and authors' computations.

Note: SADC: Southern African Development Community; ECOWAS: Economic Community of West African States; ECCAS: Economic Community of Central African States; COMESA: Common Market for Eastern and Southern Africa; AMU: Arab Maghreb Union.

The bulk of individual country exports remain within the region, with total intra-African exports for each REC mostly captured by total intra-REC exports.



Top 10 Intra-African Exporters

Table 3.1 Top 10 intra-African exporters of agricultural products, 2005–2007 and 2016–2018

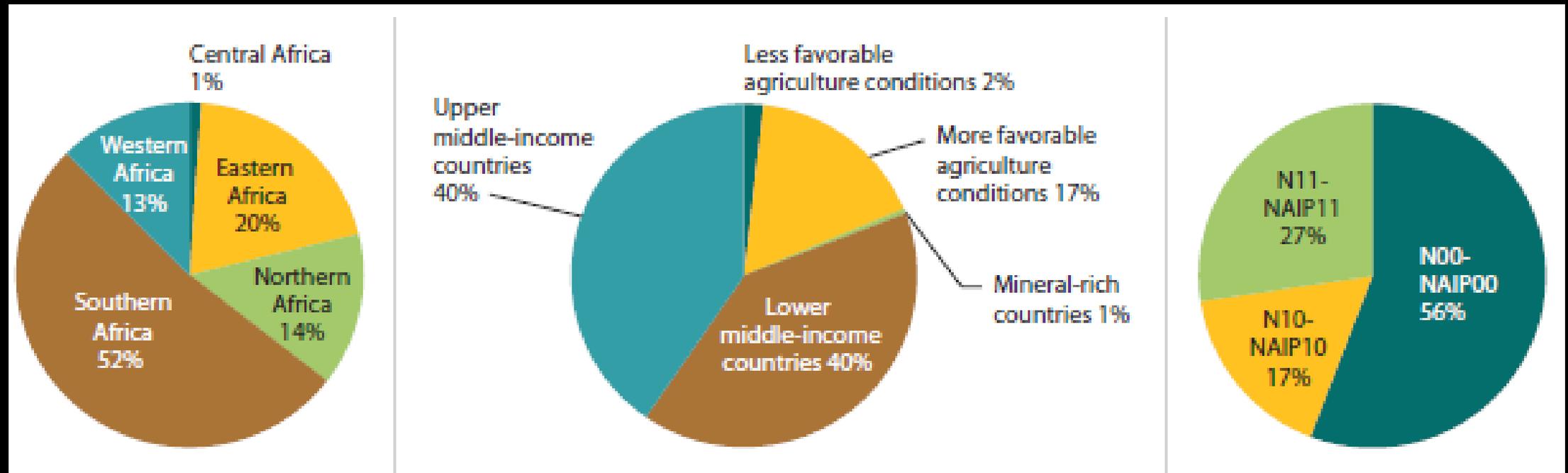
	2005–2007		2016–2018	
	Export share (%)	Rank	Export share (%)	Rank
South Africa	29.8	1	32.2	1
Egypt	5.6	4	8.7	2
Uganda	3.6	8	6.4	3
Kenya	5.3	5	6.2	4
Côte d'Ivoire	6.3	3	4.6	5
Zambia	4.1	7	3.8	6
Tanzania	2.2	10	3.1	7
Namibia	6.5	2	2.8	8
Tunisia	4.4	6	2.6	9
Ethiopia	2.8	9	0.5	10
Total	70.6		71.0	

The top 10 intra-African exporters account for roughly 70 percent of the formal market.

South Africa remained the dominant market player, exporting nearly a third of all intra-African formal exports and importing roughly a tenth of all agricultural goods.

Source: 2020 AATM database and authors' computations.

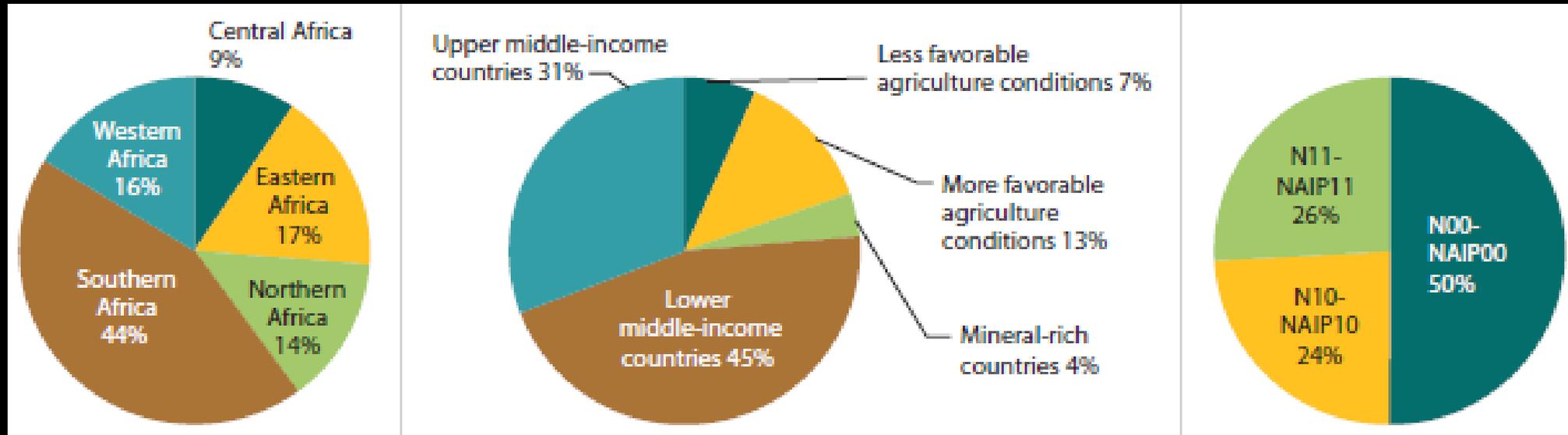
Intra-African Agricultural Exports, Percentage Share



Source: Makombe, Tefera & Ulimwengu (2020)

- Southern Africa has consistently made up about half of all intra-African agricultural exports, averaging 52 percent in 2014–2018, whereas Central Africa accounted for the smallest share, about 1 percent, over the same period.
- In terms of economic categories, lower-middle-income and upper-middle-income countries make up the largest shares of intra-African agricultural exports, with about 40 percent each. Countries with less favorable agricultural conditions and mineral-rich countries contribute the smallest shares of intra-African agricultural exports.
- In addition, for the NAIP (National Agricultural Investment Plan) country groupings, countries that have not engaged in NAIP formulation (N00) made up the biggest share of intra-African agricultural exports, whereas those that have formulated only NAIP1 (N10) had the smallest share.

Intra-African Agricultural Exports, Percentage Share

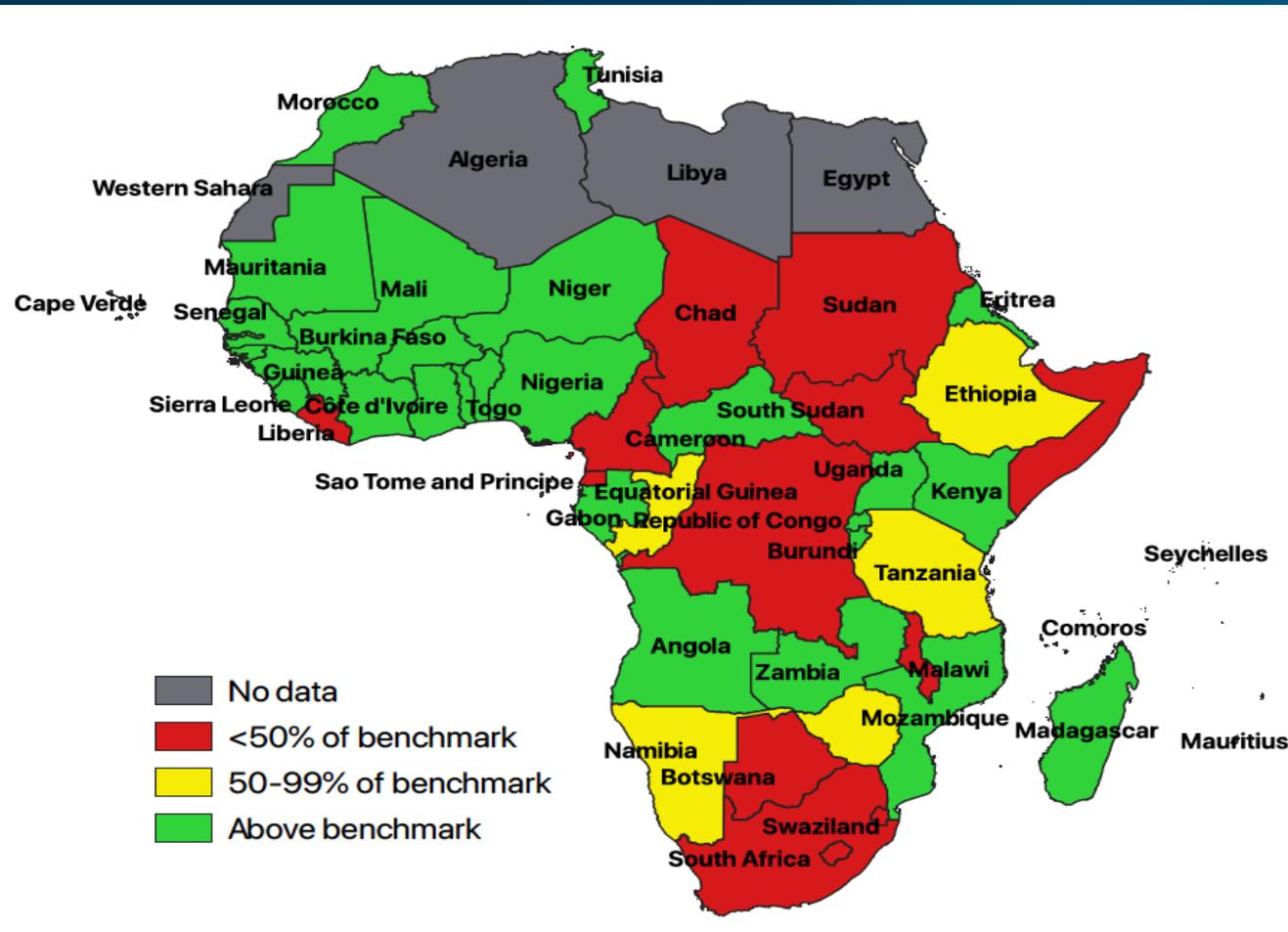


Source: Makombe, Tefera & Ulimwengu (2020)

- Shares of intra-African agricultural imports by different groupings, including regional, economic, and NAIP categories, are similar to those observed for exports.
- For example, Southern Africa, lower- and upper-middle-income countries, and countries that have not yet formulated a NAIP (N00) account for the largest shares of intra-African agricultural imports in their respective groupings.
- Similarly, the smallest contributors to intra-African agricultural imports include Central Africa, countries with less favorable agricultural conditions, and mineral-rich countries.



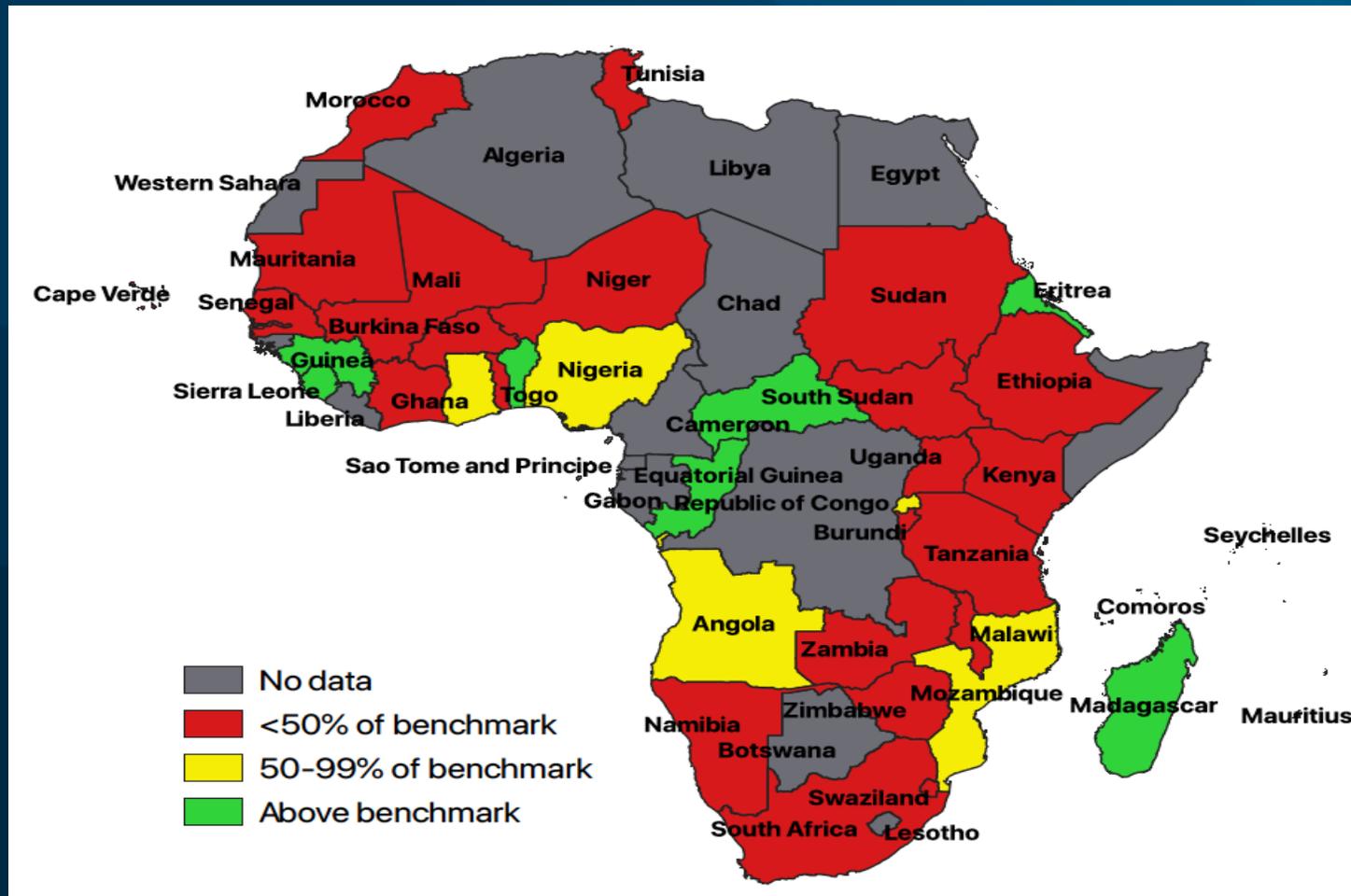
Malabo Commitment 5 to boost intra-African agricultural trade (2019 BR report)



- The continental target of boosting intra-African trade is to triple intra-African trade in agricultural commodities and services by the year 2025.
- A total of 29 countries out of 49 reporting countries were on track to achieving Commitment 5.

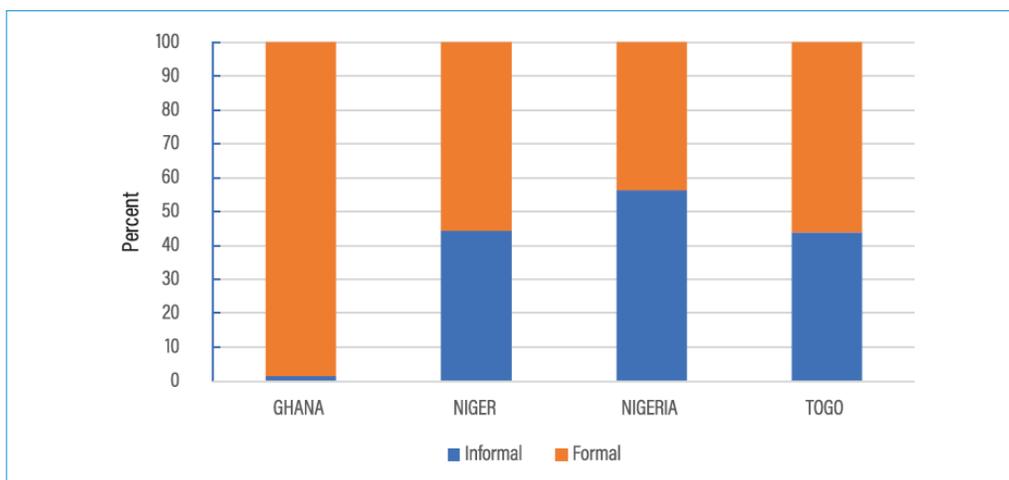


Growth in the value of intra-african agricultural trade (200%)



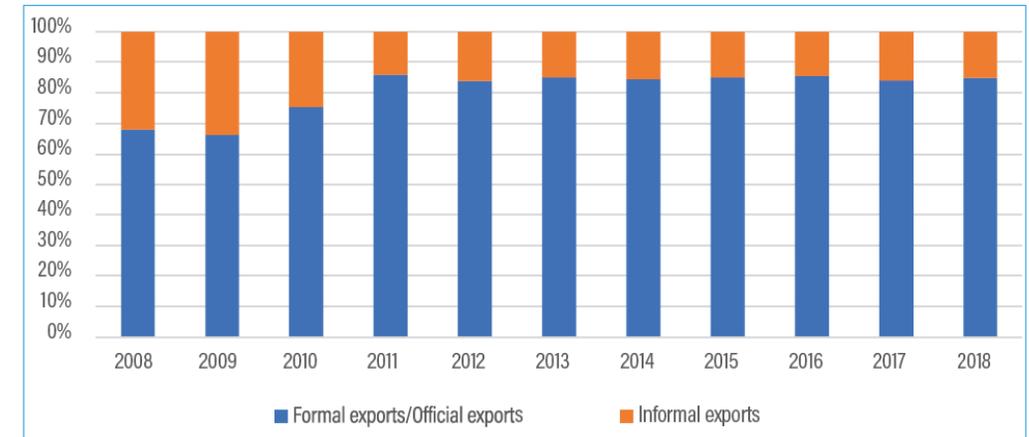
- Only seven (7) out of the thirty-eight (38) Member States that reported are on-track.
- These seven (7) Member States with high performance are: Benin, Central African Republic, Congo, Eritrea, Guinea, Madagascar, and Sierra Leone.

Importance of informal trade



Source: INSTAT (ECENE 2010).

Figure 5.4 Share of official and informal exports in total exports, Uganda, all products, 2008–2018



Source: UBoS and BoU.

- **Partial Studies suggest the importance of unrecorded informal trade. In Benin, informal trade represented 40 percent of total trade in 2010**
- **In Rwanda, in 2014, 59 percent of the country's exports to its four neighboring countries were informal flows.**
- **In Uganda, over the 2008–2018 period, informal cross-border exports represented between 14.1 percent and 33.7 percent of total Ugandan exports. This share has decreased since 2011, and now ranges between 14 percent and 16 percent of total exports each year.**



Informal Trade

- **Making informal trade easier: lowering trade barriers, improving the efficiency of customs procedures, trade facilitation, and so on.**
 - E.g In 2017 Togo made trading across borders easier by implementing an electronic single-window system, which reduced the time for border compliance and documentary compliance for both exporting and importing
 - CILSS and WACTAF reducing red tape, elimination of security check-points set up on regional trade corridors.
 - There may be costs associated with the formalization of informal trade: formalizing trade implies
- **There are costs related to administrative documents, such as sanitary and phytosanitary inspections.**
- **It will be important for the ACFTA to take informal trade into account in order to accurately assess the impact of the agreement.**



Some challenges remain;

- **While there is huge potential to increase intra-Africa trade, the composition of Africa's world imports and exports does not match sufficiently to trigger a process of import substitution away from the rest of the world.**
- **Efforts to promote regional integration have reduced tariff protections, but despite significant progress, intraregional traders still face high tariffs**
- **Nontariff measures are potentially more trade-restrictive than tariffs**