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Online appendix to BIS Bulletin no 109: Navigating global headwinds: Africa's trade landscape and growth opportunities

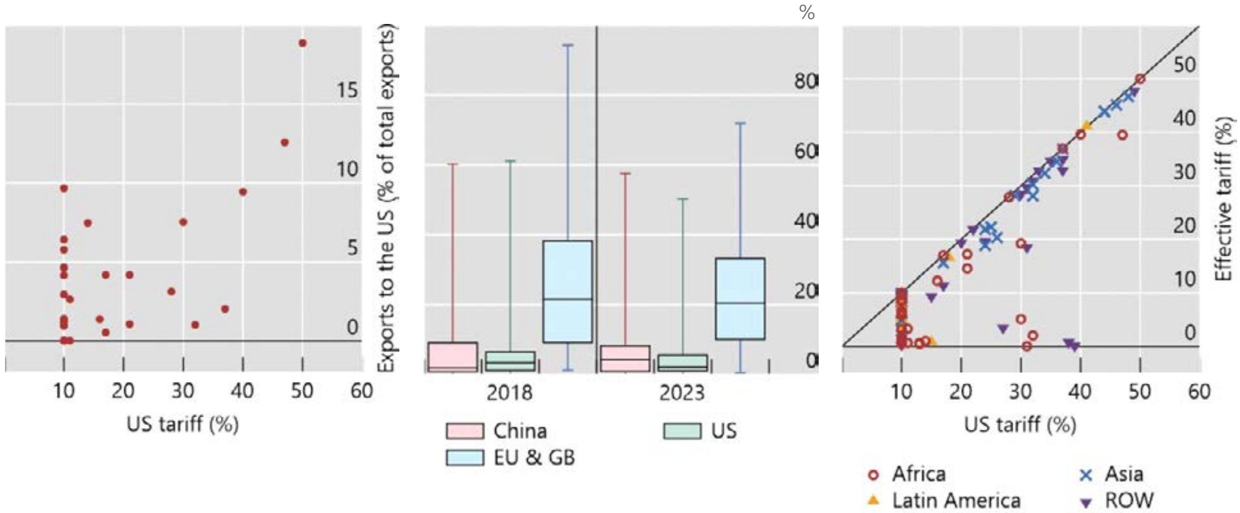
Annex A: Additional information

Direct impact of US tariffs could be limited — Graph A.1

A. US tariffs vs exports to the US[1]

B. Export shares of African goods to key trading partners[2]

C. Nominal vs effective US tariffs[3]



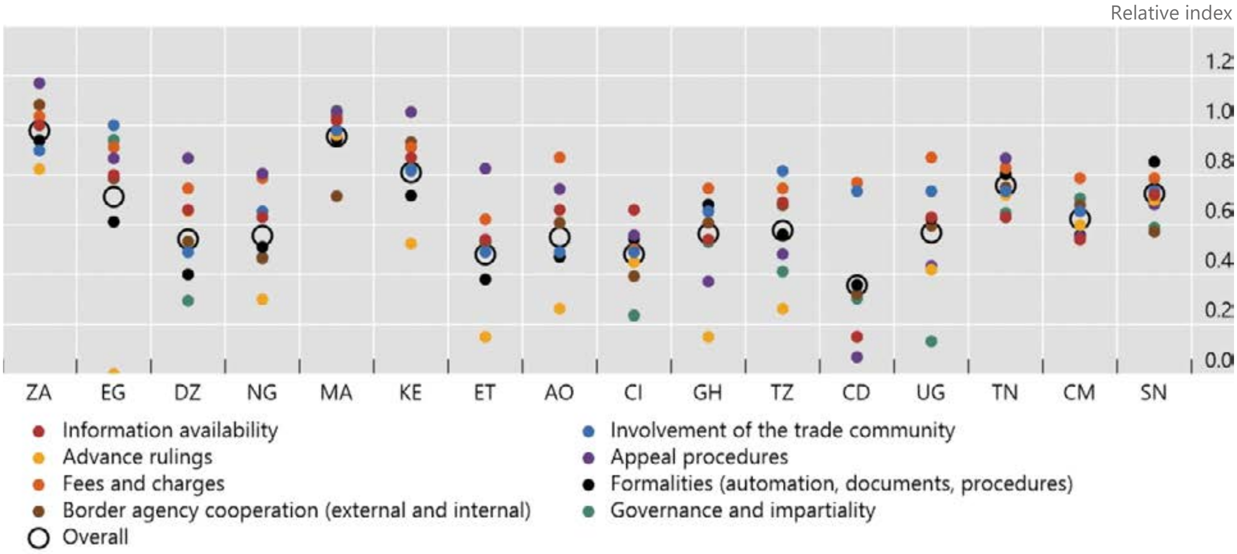
ROW = rest of world.

[1] Export shares are for 2023 or the latest available. [2] Box-and-whisker plot represents the minimum, first quartile, median, third quartile and maximum. [3] Effective tariff is calculated using 2024 US imports data by assuming only those products not on the exemption list would be charged the US tariffs.

Sources: USITC DataWeb; UN Comtrade; BIS calculations.

Trade facilitation indicators[1]

Graph A.2

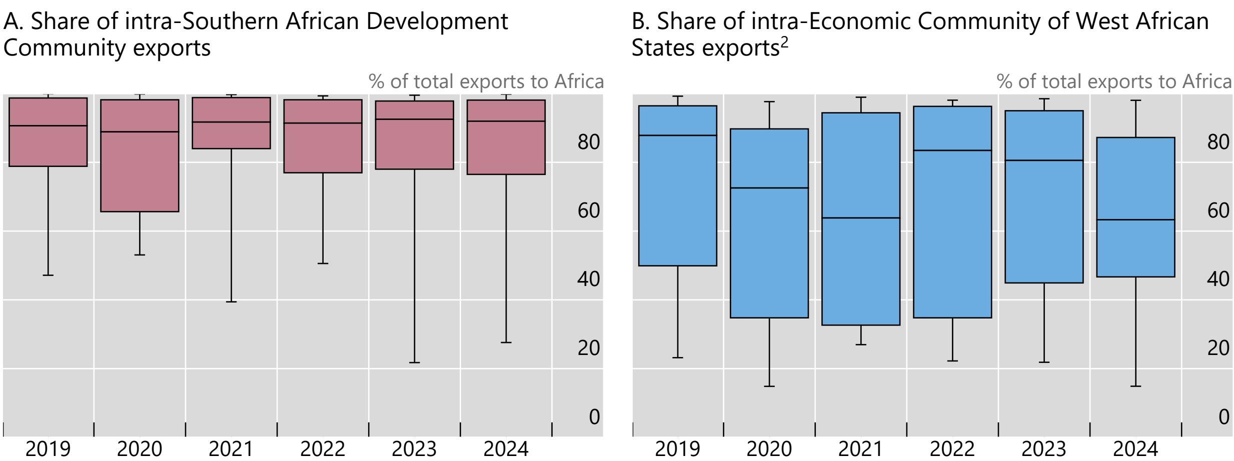


[1] The scores represent each country's performance on specific trade facilitation metrics, expressed as a ratio relative to the best practice standard. A score of 1 indicates that the country meets the global best practice for that metric. Scores higher than 1 suggest that the country surpasses best practice standards, while scores below 1 indicate areas where improvements are needed to reach best practice levels.

Sources: OECD (2025), *OECD Trade Facilitation Indicators: Monitoring Policies up to 2025*, OECD Publishing; BIS.

Subregional exports dominate intra-African trade[1]

Graph A.3



[1] Box-and-whisker plot represents the minimum, 25th percentile, median, 75th percentile and maximum. [2] Economic Community of West African States members as of end-2024.

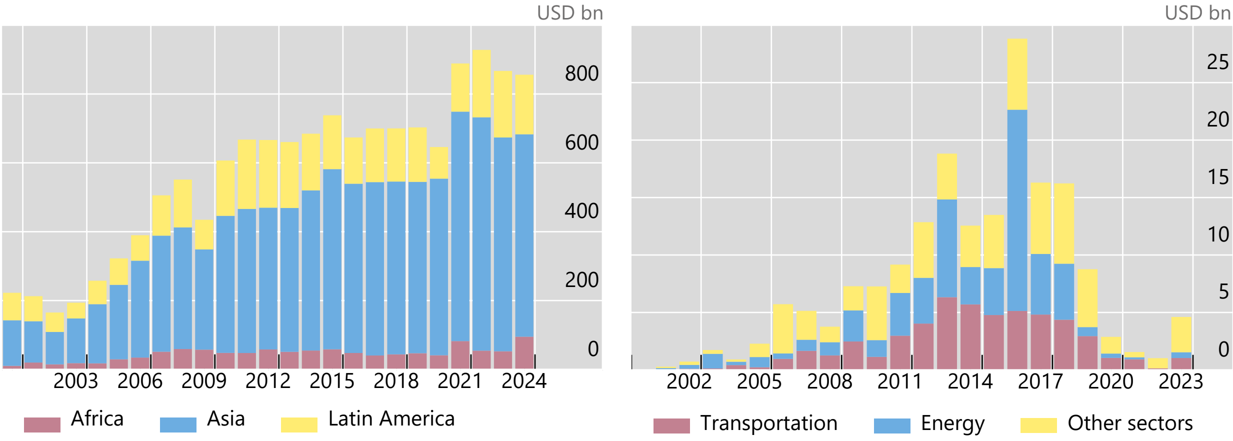
Sources: IMF, *Direction of Trade Statistics*; BIS calculations.

FDI can be a catalyst to help Africa move up the value chain

Graph A.4

A. FDI inflows to Africa[1]

B. Chinese loans to Africa



[1] UN estimates from data up to the third quarter of 2024.

Sources: UN World Investment Report; Boston University Global Development Policy Centre, *Chinese Loans to Africa Database*.

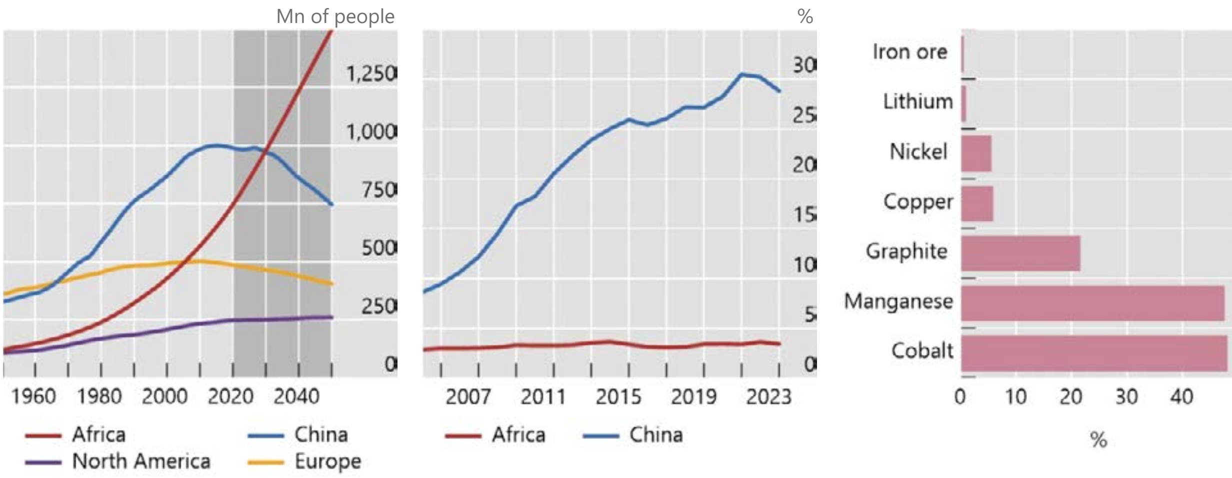
Harnessing the growth potential: demographic dividend and natural resources

Graph A.5

A. Working age population[1]

B. Share of global manufacturing value added[2]

C. Share of global base metal reserves in Africa



[1] Population aged 16–64; 2020–50 figures are projected using medium variant scenario. [2] Value added of manufacturing measured in current US dollars.

Sources: UN Population Prospects 2024; World Bank, *World Development Indicators*; P Akiwumi, "How Africa can harness critical mineral wealth to revamp economies", UNCTAD, 3 June 2024; BIS calculations.

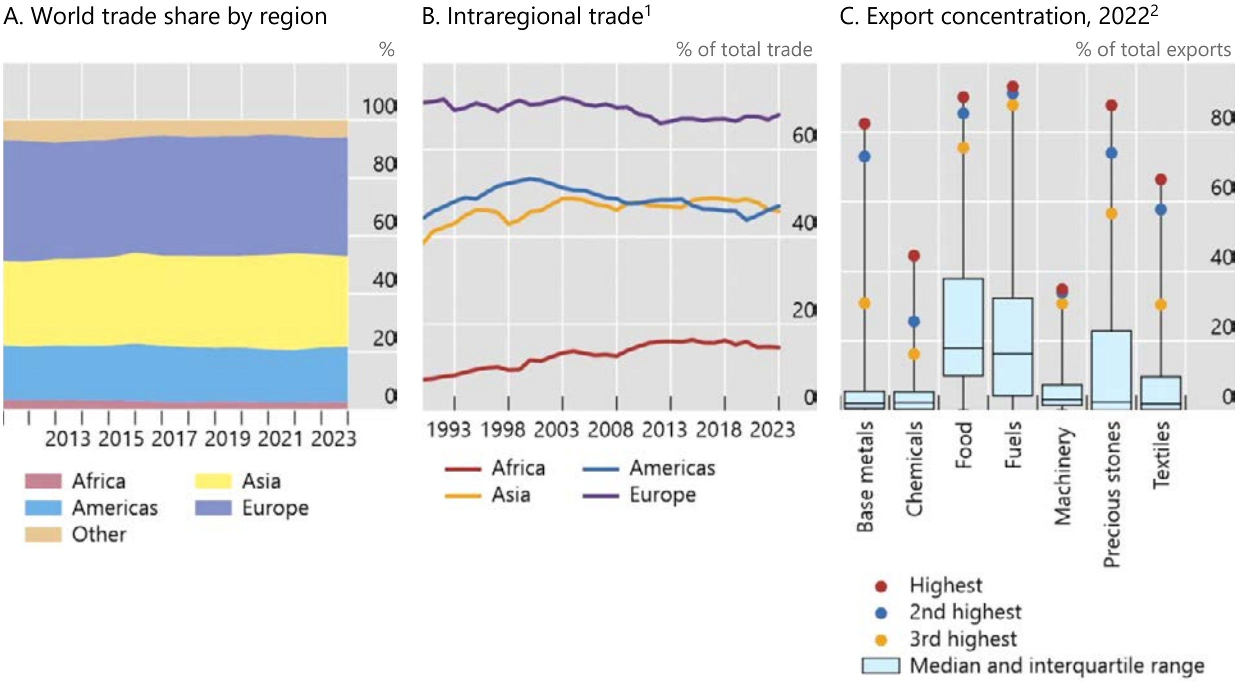
Annex B: African Continental Free Trade Area

The weight of Africa in the global trading system remains disproportionately small considering its population and endowment of natural resources. Despite having around 17% of the world's total population and an abundance of natural resources, Africa accounts for only about 3% of global trade (Graph B.1.A). In addition, intraregional trade within Africa is low, at around 15% of total trade, compared with around 40% in Asia and the Americas and more than 60% in Europe (Graph B.1.B).[1]

The high export concentration in a few traditional sectors makes many African economies particularly vulnerable to external shocks. Due to their rich natural resources, many African countries mainly export primary commodities. In some cases, the share of exports of a small number of products (eg fuels, food, base metals and precious stones) exceeds 80% (Graph B.1.C). In some countries (eg Angola, the Republic of Congo and the Democratic Republic of Congo), a substantial share of their key exports was destined for China in 2022 (see Table B.1). This high degree of export concentration could be a vulnerability for economic development in the region.

Africa is particularly exposed to external shocks due to low intraregional trade and high export concentration

Graph B.1



[1] Trade refers to the total value of exports and imports of goods, measured in US dollars; 12-month rolling average. 2 Based on the Harmonized Tariff Schedule two-digit classification: base metals = 72–83; chemicals = 28–38; food (including live animals, animal products, vegetable products, animal and vegetable fats, prepared foodstuffs) = 1–24; fuels (mineral products) = 25–27; machinery (including machinery, mechanical appliances and vehicles) = 84–89; precious stones = 71; textiles (including textiles, textile articles and footwear) = 50–67.

Sources: IMF, *Direction of Trade Statistics*; UN Comtrade; BIS calculations.

[1] The figure is based on official trade statistics. However, the failure of official data to take into account the large informal sector for trade on the continent can lead to a significant underestimation of intraregional trade. See, for example, A Mold, "The economic significance of intra-African trade – getting the narrative right", *Brookings Global Working Papers*, no 44, August 2022.

Regional trade integration can play an important role in enhancing individual economies' resilience to external shocks. The African Continental Free Trade Area (AfCFTA) aims to create a single continental market for goods and services in Africa, to contribute to the movement of capital and natural persons and to facilitate investments.[2] At the end of 2024, 31 of the 47 countries that have ratified the agreement were participating in the Guided Trade Initiative, aiming to boost intra-African trade. Efforts are focused on reducing trade barriers and improving logistics infrastructure to address challenges in cross-border commerce. Full implementation of the agreement by 2035 is projected to enhance Africa's intracontinental exports by more than 81% and bring real income gains of $450 billion.[3] The elimination of trade barriers and increased investment in logistics are expected to support broader economic growth.

Despite the large number of member countries, the progress of AfCFTA to date has been significant in several respects. For example, negotiations covering both goods and services, as well as the dispute settlement mechanism, have already been completed. Members have also agreed to establish oversight committees. Rules of origin have been settled, except for vehicles, textiles and clothing.

So far, the effects on regional trade integration have been limited but could be substantial in the future. Early data show that intra-African trade rose by 3.2% in 2023, but the modest beginnings reflect the fact that full implementation of any regional agreements takes time.[4] For example, it took 11 years for the European Union to establish a customs union and another 25 years to evolve into a "single market". Importantly, a key driver of regional trade integration is intra-industry trade, which brings technological spillovers and boosts productivity. In fact, in the European Union and other trading regions, a significant share of intraregional trade involves regional value chain integration. Therefore, promoting trade diversification and developing regional value chains are both crucial to enhance the competitiveness of African countries.[5]

[2] On 1 January 2021, the AfCFTA moved into its implementation stage. The Guided Trade Initiative was launched in October 2022 to initiate commercially meaningful trade under the AfCFTA. Initially, that involved only seven countries – Rwanda, Cameroon, Egypt, Ghana, Kenya, Mauritius and Tanzania – in a trial run with certain specified products. In 2024, other countries also joined, including the two large economies – Nigeria and South Africa.

[3] World Bank, *The African Continental Free Trade Area: economic and distributional effects*, Washington, 2020.

[4] African Export-Import Bank, *African trade report 2024: climate implications of the AfCFTA implementation*, 2024.

[5] The agreement between Zambia and the Democratic Republic of Congo in 2022 to facilitate the development of value chains in the electric battery and clean energy sector is a good example in this direction. See G Baskaran and W Pearson, "Tripling Zambia's copper production: a way out of the debt crisis", *Brookings Commentary*, 12 July 2023.

African countries' export concentration and links with China in 2022[1] — Table B.1

	Food	Mineral products	Base metals	Chemical products	Precious stones	Textiles & footwear	Machinery & autos
AO		46%					
BJ							
BW					7.5%		
BF							
CF							
CG		45%					
CI							
CD			58%				
EG							
SZ							
ET	4%						
GA							
GH							
KE							
LS							
MG							
MW	3%						
MU							
MA							
MZ							
NA							
NE							
NG		1%					
RW							
SN							
ZA							
TZ							
TG							
TN							
UG							
ZM			28%				

Colour code of export concentration (as a percentage of total exports):

80–100% 60–80% 40–60%
20–40% 0–20%

[1] The numbers in the red cells represent the percentage of those exported products destined for China and Hong Kong SAR. See the footnote in Graph B.1 for detailed product classifications.

Sources: UN Comtrade; BIS calculations.