



Regional Integration and Market Access Insights



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Transforming Africa's Trade

**African Export-Import Bank
Banque Africaine d'Import-Export**

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1. INTRODUCTION

This edition of the Regional Integration and Market Access Insights Report offers a comprehensive look into Africa's dynamic economic transformation. As the continent takes strides towards deeper regional integration and enhanced market access, this report explores the infrastructure projects reshaping Africa's trade routes, from modern railways to crucial energy pipelines, all of which are boosting connectivity across borders. It also examines the significant trade policy reforms, such as the roll-out of the digital upgrade to a single customs territory, that are facilitating real-time exchange of customs and trade data among partner states' customs and port authorities, aiming to reduce non-tariff barriers and enhance cross-border trade efficiency. By spotlighting these key developments, the report showcases continental efforts aimed at positioning Africa for a future marked by collaboration, expanded market reach, and more substantial global competitiveness. With these initiatives, Africa is setting the stage for an economically integrated and resilient future with greater prospects for prosperity and a more powerful presence on the global stage.

2. REGIONAL INFRASTRUCTURE AND CONNECTIVITY

According to the African Development Bank (AfDB), Africa's infrastructure financing needs are

estimated at between US\$130 billion and US\$170 billion annually, with a financing gap of up to US\$96 billion that emerged during the pandemic, as fiscal priorities shifted away from long-term development (see table 1). The consequences of this investment shortfall impact critical sectors, including transport, energy, water systems, and ICT, with tangible consequences for industrial development and regional trade. For instance, AfDB data reveal that approximately 40% of the reduction in productivity across African economies can be directly attributed to inadequate infrastructure, with an estimated average loss of 2 percentage points in GDP growth per year. Similarly, data from UNCTAD highlights how Africa's trade potential is significantly constrained by weak infrastructure. For example, road transport alone accounts for around 29% of the cost of goods traded within the continent, raising transaction costs and reducing competitiveness.

Energy insecurity remains an additional barrier. Over half of the continent lacks reliable access to electricity, causing a major drag on the development of manufacturing, agro-processing and digital connectivity, which are vital for economic diversification and job creation. For instance, in agriculture, even though the continent possesses over 60% of the world's uncultivated arable land, only 10% is currently cultivated, and just about 6% is irrigated mainly due to limited access to energy infrastructure.

Table 1. Africa infrastructure investment needs

Infrastructure	Target	Annual Cost (in US\$ bn)
Power	100% Urban electrification; 95% rural electrification	25-50
Water Supply and Sanitation	100% access in urban area; 100% access in rural area	56-66
Information and Communication	Mobile universal coverage of 50% of population with 25 km of fiber backbone fiber to home/premises internet penetration rate (10%)	4-7
Road and other transport sectors (air, rail and port)	80% preservation; 20% development	35-47
Total		130-170

Source: Africa50, AfDB

But amid the previously noted challenges, now compounded by rising global transport costs, Red Sea trade disruptions, and shifts in European energy dynamics, Africa's regional infrastructure landscape is undergoing a strategic transformation. African economies are prioritising infrastructure not just as a development tool but as a lever for economic competitiveness and a geopolitical tool for resilience and realignment. As the African Continental Free Trade Area (AfCFTA) progresses in lowering tariff barriers, the spotlight has shifted towards addressing infrastructure as a key non-tariff barrier (NTB). Efficient, interconnected infrastructure, including cross-border energy networks, railways, ports, and trade corridors, is essential to unlocking intra-African trade, reducing logistics costs, and enabling Africa's structural transformation.

One of the clearest illustrations of this evolving paradigm is the 2025 scale-up of the Dangote Oil Refinery in Nigeria, Africa's largest single-train refining complex. Operating at around 85 percent of its 650,000 barrels per day (bpd) capacity, the refinery has enabled Nigeria to meet more than 60 percent of its domestic gasoline needs. This has led to a sharp drop in refined fuel imports, from 5 billion litres between March and May 2024 to just 2.5 billion litres over the same period in 2025. However, the impact extends beyond Nigeria's borders. Surplus output is now reaching regional markets such as Benin, Togo, and Ghana, offering cost savings on fuel transit and improving energy security across the Economic Community of West African States (ECOWAS). The refinery is positioning itself as a regional public good when combined with a long-term gas supply agreement with the Nigerian National Petroleum Corporation (NNPC) and falling pump prices. It supports industrial growth, stabilizes energy costs, and contributes to macroeconomic stability, through reduced import bills, with positive effects on the current-account and overall balance-of-payments.

Complementing developments in the energy sector, the expansion of the Lobito Corridor is reshaping mineral logistics in Southern and

Central Africa. Since January 2024, the Lobito Atlantic Railway has been operational, linking Angola's Lobito Port with the Democratic Republic of Congo's (DRC) mineral-rich Katanga region via the town of Kolwezi. Early shipments of copper and cobalt along the corridor have demonstrated faster transit times, some taking as little as six to eight days, compared to traditional routes through the east. While specific cost savings vary, stakeholders anticipate reductions in both transit time and logistics expenses. The corridor is expected to attract significant freight away from congested eastern ports. Beyond transport efficiency, the corridor is already generating local employment and holds long-term potential to catalyse investment in processing zones and industrial clusters. As such, the Lobito Corridor offers a promising model of regionally coordinated infrastructure aligned with the AfCFTA's goals of deeper integration and value addition.

Building on progress in transport and refining, energy connectivity continues to play a critical role in supporting industrial development in West Africa. The West African Gas Pipeline (WAGP), a 678-kilometre cross-border infrastructure linking Nigeria, Benin, Togo, and Ghana, remains central to the region's reliable and affordable power strategy. Recent maintenance work and network upgrades have improved the consistency of gas supply, particularly in Ghana. As a result, Ghana and Togo have been able to rely on natural gas as a cleaner and cost-effective alternative to diesel-based electricity generation. Government estimates indicate that Ghana alone has saved over US\$1 billion on power fuel since the pipeline's inception, with Togo and Benin also recording significant savings. These developments have laid the foundation for improved power reliability in industrial zones. Hence, WAGP is increasingly recognised by policymakers as a strategic piece of shared infrastructure, enhancing energy security, supporting industrial growth, and contributing to ECOWAS's broader vision of regional integration and economic transformation.

3. TRADE POLICIES, MARKET REFORMS, AND AFRICA'S POSITION IN GLOBAL TRADE AGREEMENTS

3.1 Recent development in the African Trading Environment

Trade policies and market reforms have become central to advancing Africa's integration agenda and strengthening its position in global trade frameworks. According to data from the World Bank and UNCTAD, customs inefficiencies and non-tariff barriers can pose significant obstacles to intra-African trade, exerting constraints that are up to three times more restrictive than tariffs and limiting access to regional markets. As a result, just 16 out of the 54 African countries source more than 0.5% of their intermediate goods from within the continent, hindering opportunities for value-added trade, industrial development, and deeper regional value chain integration.

Against this backdrop, a key milestone in Africa's regional integration efforts is the operationalisation of the COMESA–EAC–SADC Tripartite Free Trade Area (TFTA), which officially entered into force on 25 July 2024. This development reinforces the continent's commitment to strengthening intra-African linkages in response to increasing fragmentation in the global trade landscape. The TFTA brings together 26 member states across Eastern and Southern Africa and covers over 60 percent of the continent's GDP, and is a bold step towards building a more self-reliant and coordinated African trade regime. The agreement aims to liberalise most intra-regional tariffs, reduce non-tariff barriers, harmonise trade regimes, and lay the foundation for enhanced industrial development. Structured around three pillars, market integration, industrial development, and infrastructure connectivity, the TFTA seeks not only to enhance trade flows but also to support value addition, economic diversification, and more efficient border procedures. As such, it is widely recognised as a transformative instrument

for consolidating regional value chains and accelerating progress towards the goals of the AfCFTA.

In similar vein, the East African Community (EAC) rolled out a major digital upgrade to its Single Customs Territory (SCT) platform to support this broader integration agenda in January 2025. The revamped SCT system now links customs and port authorities across member states in real-time, enabling automated data exchange, greater transparency, and faster clearance. The impact has been substantial, cutting declaration costs by 90 percent (from US\$360 to US\$36) and reducing documentation time from 10 days to 1. Truck turnaround along key trade corridors has dropped from over 18 days to 4–6 days, saving traders more than US\$63 million annually across One-Stop Border Posts. Though an EAC initiative, the SCT supports the broader goals of AfCFTA and TFTA by lowering non-tariff barriers and boosting trade efficiency.

Further reinforcing Africa's regional integration efforts, the Economic and Monetary Community of Central Africa (CEMAC) made notable strides in 2024 to operationalise its Common External Tariff (CET) in alignment with the World Customs Organisation's Harmonised System (HS) 2022 amendments. While the CET was initially adopted in 1994 to harmonise trade policies across its six member states, Cameroon, Chad, the Central African Republic, the Republic of Congo, Equatorial Guinea, and Gabon, implementation has been uneven. Throughout 2024, CEMAC member states worked to align national customs systems with the updated CET structure, which includes a four-band tariff regime to reduce trade distortions, improve customs efficiency, and incentivise regional manufacturing (table 2).

Table 2: CEMAC four-band tariff structure

Tariff Category	Tariff Rate (%)	Examples
Essential goods	0	Medicines, food staples
Raw materials and capital goods	5	Machinery, industrial equipment
Intermediate goods	10	Processed agricultural products
Finished consumer goods	20	Textiles, electronics

Source: World Trade Organisation, 2025

Complementing these regional tariff reforms, North Africa has also advanced targeted industrial development efforts to boost its global competitiveness. On June 14, 2024, Tunisia launched the second phase of its collaboration with the International Trade Centre (ITC) under the Global Textiles and Clothing/Middle East and North Africa Textiles (GTEX/MENATEX) programme. This new phase focuses on enhancing the export readiness of Tunisia's textile and apparel sector, with a strong emphasis on supporting small and medium-sized enterprises (SMEs) through digital transformation, capacity building, and sustainable production practices. Key priorities include the adoption of circular economy approaches, zero-waste processes, and green compliance systems that align with evolving international sustainability standards. The initiative seeks to improve product quality, expand exports beyond traditional European markets into Africa and the Middle East, and integrate the sector more deeply into global value chains.

Reflecting Africa's growing emphasis on value chain development and green industrialisation, Nigeria is taking steps to deepen its participation in regional value chains. In the electric vehicle (EV) industry, for instance, it is collaborating with Moroccan partners to explore the establishment of EV production facilities in Nigeria. In late 2024, the National Automotive Design and Development Council (NADDDC) initiated discussions with Morocco's E-move Vehicles Company. The partnership aims to promote technology transfer, enhance domestic manufacturing capacity, and

support the country's transition to sustainable mobility. The initiative is expected to generate jobs, reduce dependence on imported vehicles, and strengthen local technical expertise.

Accompanying its industrial and manufacturing initiatives, Nigeria is also stepping up efforts to enhance trade connectivity across the continent. In collaboration with the United Nations Development Programme and Uganda Airlines, the Ministry of Industry, Trade, and Investment recently launched the Nigeria–East–Southern Africa Air Cargo Corridor. Operating under the AfCFTA framework, this initiative aims to improve Nigerian exporters' access to key trade hubs in Uganda, Kenya, and South Africa by offering discounted air cargo rates. The corridor is expected to lower export logistics costs by up to 75 percent, significantly boosting competitiveness. It also underscores the importance of trade intelligence, particularly that provided by chambers of commerce, equipping businesses with the data and strategic insights required for successful cross-border trade. The inclusion of women-led micro, small and medium enterprises (MSMEs) in the pilot phase highlights a strong commitment to inclusive trade and reflects the readiness of female entrepreneurs to take advantage of zero tariffs, explore new markets, and expand their regional footprint.

These efforts are unfolding in parallel with broader developments under the AfCFTA. In 2024, major economies such as South Africa joined Nigeria in formally launching their national implementation

efforts, adding substantial momentum to the continental agenda. South Africa, for instance, completed full ratification at the start of the year and dispatched its first shipment under AfCFTA trade preferences, demonstrating early-stage operationalisation. These milestones helped to create the critical mass required to shift the Agreement from political commitment to practical action, opening opportunities for African growers, manufacturers, and processors, as well as foreign investors operating on the continent—to benefit from reduced tariffs and preferential market access through compliance with product-specific rules of origin.

Beyond expanding participation, 2024 also saw the adoption of two landmark protocols designed to deepen the impact and inclusivity of the AfCFTA. The first, the Protocol on Women and Youth in Trade, adopted at the 37th African Union Assembly, serves as a blueprint for inclusive trade, aiming to integrate women and youth more meaningfully into regional and continental value chains. It recognises that genuine economic transformation must be anchored in inclusive participation. The second, the AfCFTA Digital Trade Protocol (DTP), adopted in February 2024, lays the foundation for a future-ready African digital economy. Covering eleven key areas, including market access, data governance, digital identities, cybersecurity, and emerging technologies, the DTP is a pioneering framework. While its annexes are still under negotiation, its ratification and anticipated national alignments over the next five years are expected to enhance digital connectivity, resilience, and integration across Africa.

To support evolving value chains and facilitate smoother cross-border trade, digital tools are increasingly being deployed to address longstanding non-tariff barriers (NTBs). In October 2024, the AfCFTA Secretariat, in partnership with UNCTAD, launched a real-time trade barrier reporting application. This mobile tool enables traders to instantly report NTBs, upload supporting documents, and monitor the status

of resolution efforts. Integrated with the Trade Barriers Africa platform, the application improves transparency, accelerates dispute resolution, and reduces both the cost and time associated with moving goods across borders. By digitising the NTB monitoring process, the initiative represents a major step towards creating a more seamless, efficient, and business-friendly continental trading environment.

This initiative complements the work of the African Trade Observatory (ATO), which provides the African Union Commission and its partner institutions, including the Regional Economic Communities, with key indicators to monitor progress towards trade integration across the continent. The ATO also synthesises and disseminates relevant trade data to support the development of evidence-based trade policies. Additionally, it offers the private sector valuable trade intelligence and insights into regulatory frameworks across Member States, enabling more informed business decisions.

Another significant and evolving initiative is the EU supported Trade Competitiveness and Market Access Programme (TCMAP), which aims to boost sustainable intra-African and EU–Africa trade by improving market access and enhancing the export competitiveness of SMEs within selected value chains. Key implementing partners include Afreximbank, the AfCFTA Secretariat, and UNIDO, working alongside the AUC, NEPAD, the Pan-African Quality Infrastructure, UNECA, and the African Business Council. The programme focuses on quality compliance, standards strengthening, and improving access to finance. Afreximbank's digital platforms, particularly the Africa Trade Gateway, play a critical role by facilitating due diligence, offering market intelligence, identifying business opportunities, tracking market trends, and serving as a one-stop shop for trade-related services. Harnessing the power of data and statistics will be essential to driving greater development impact and ensuring the effectiveness of this programme.

Yet, these regional gains have not entirely shielded intra-African trade from tensions. Information analysed from the National Trade Obstacles Alert Mechanism, an instrument that allows businesses to report trade barriers and engage with national and regional authorities for timely resolution and accessible via the ATO, highlights some of the practical challenges faced by exporters and importers engaged in both extra- and intra-African trade. An importer in Côte d'Ivoire has complained of significant logistical challenges during the transportation of raw materials from Senegal. They added that despite full compliance with regulatory requirements and proper documentation, their consignments encounter frequent road inspections and experience considerable delays. Figure 1 summarises some of the trade obstacle alerts reported by importers/exporters in Côte d'Ivoire between 2013 and 2025.

Further, in March 2025, a trade dispute erupted between Malawi and Tanzania after Malawi imposed import restrictions on Tanzanian agricultural products such as rice, bananas, flour, and maize, citing the need to protect domestic producers. Tanzania swiftly retaliated by banning plant and agro-processed imports from Malawi, halting fertiliser exports, and suspending transit of Malawian goods. This tit-for-tat led to

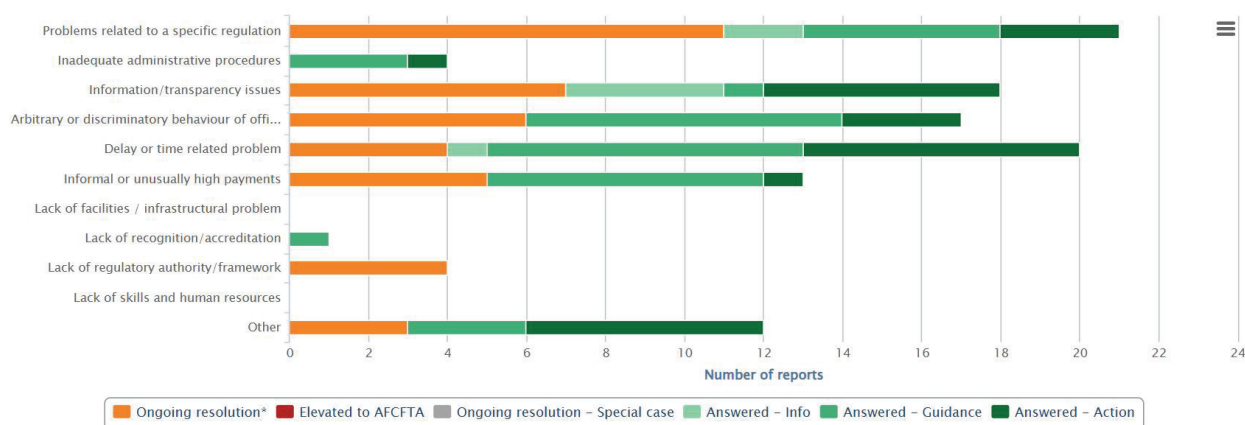
significant losses, including spoilage of perishable goods and financial harm to traders on both sides. After weeks of stalemate, the two countries resolved the dispute diplomatically, agreeing to lift the restrictions and to finalise the Simplified Trade Regime Agreement (STRA) by 30 May 2025, in a bid to institutionalise cooperation and avoid future disruptions.

Similar trade tensions emerged in North Africa in early 2025, when Morocco imposed restrictions on selected Egyptian imports, including food products, textiles, and industrial goods. The move was prompted by concerns over compliance with rules of origin under the Agadir Agreement, as Moroccan authorities argued that some Egyptian exports did not meet the required local production criteria. Although Egypt did not retaliate with formal trade barriers, it took steps to ease clearance of Moroccan goods, including suspending additional inspection requirements and committing to fast-track registration procedures. By May 2025, both countries had resolved the dispute through bilateral consultations.

3.2 Impact of global policy realignments on African trade

While these intra-African developments unfolded, Africa's external trade environment was shaped

Figure 1: Trade Obstacles reported in Côte d'Ivoire, 2013-2025



Source: Trade Obstacles Alert, Côte d'Ivoire

by diverging global dynamics. On 1 December 2024, China implemented a zero-tariff policy for imports from 43 Least Developed Countries (LDCs) with which it maintains diplomatic relations, including 33 in Africa. The move, designed to support inclusive trade, applies to all product categories, including agricultural goods, textiles, and raw materials. Countries like Angola, Burkina Faso, Chad, Zambia, Ethiopia, Madagascar, and Malawi stand to benefit significantly, expanding their market access and export earnings. This policy reinforces China's image as a consistent and opportunity-driven trade partner at a time when Western economies are increasingly adopting protectionist measures.

In contrast to Africa's expanding trade openness, global trade policy took a more protectionist turn in 2025, led by the United States. In April 2025, the U.S. government declared a national economic emergency and issued an executive order imposing a universal 10 percent tariff on all imports, exempting only Canada and Mexico under the United States–Mexico–Canada Agreement (USMCA). Soon after, the U.S. introduced reciprocal tariffs on imports from 57 countries deemed to have significant trade imbalances, with rates escalating as high as 50 percent. China was the most affected, facing punitive tariffs that reached up to 145 percent on selected products, in addition to sector-specific duties of 25 percent on steel, aluminium, and automobiles. Further tightening trade flows, the U.S. eliminated the US\$800 de minimis threshold, subjecting low-value imports, especially from China and Hong Kong to new duties that rose as high as 120 percent. In retaliation, China imposed up to 125 percent tariffs on key American exports. A temporary truce agreed in mid-May brought modest relief, reducing U.S. tariffs on Chinese goods to 30 percent and Chinese tariffs on U.S. exports to 10 percent. Despite easing tensions, the truce did not resolve the deeper structural challenges, thereby extending uncertainty in global trade. However, the round of negotiations held in London during 10–11 June 2025 between

the two parties saw an agreement on a framework to implement their trade truce.

While countries such as South Africa, Kenya, and Lesotho have benefited from preferential access under the African Growth and Opportunity Act (AGOA), the recent imposition of new U.S. tariffs have dampened some of the advantages offered by AGOA and cast uncertainty over the future of the scheme, particularly with its renewal beyond 2025 still under discussion. Notably, even before these tariffs were implemented, Africa posted a negative trade balance under AGOA in 2024 (see Table 3). This reflects the need to better harness the full potential of the programme across the continent and highlights the importance of maintaining open, mutually beneficial and diversified trade relations in the face of evolving global policies.

Table 3: AGOA trade statistics, 2024

AGOA Trade Statistics	Value
Total AGOA Trade Volume	\$87.29 billion
African Exports Under AGOA	\$41.89 billion
African Imports Under AGOA	\$45.4 billion
Trade Deficit	-\$3.51 billion

Sources: Afreximbank Research, International Trade Centre, 2025

Trade under AGOA remains relatively concentrated among five African exporters to the United States—South Africa, Nigeria, Kenya, Lesotho, and Ethiopia— which account for the bulk of total export volumes. These exports were primarily driven by key sectors such as textiles, automobiles, and raw materials. On the import side, the top five African importers of U.S. goods were led by South Africa, with U.S. exports dominated by machinery, vehicles, pharmaceuticals, and refined fuels. These patterns reflect existing structural imbalances in AGOA trade and highlight Africa's dependence on a narrow range of exports and the growing risk that recent U.S. tariff policies could deepen this

asymmetry. The graphs provide a clearer picture of how trade flows are distributed and why a few countries bear the brunt of U.S. market access policy changes.

Figure 1: Africa Exported value (US\$) to AGOA in 2024

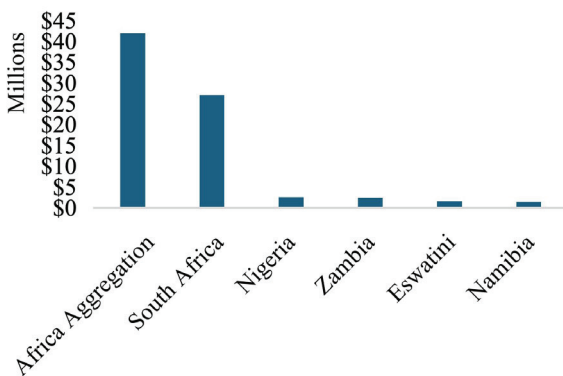
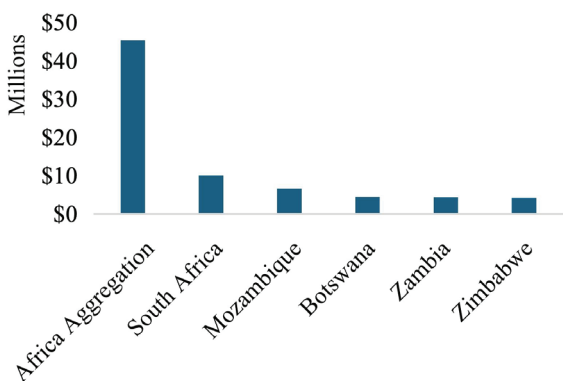


Figure 2: Africa Imported value (US\$) from AGOA in 2024



Sources: Afreximbank Research, International Trade Centre, 2025

Meanwhile, Africa's trade relations with the European Union (EU) saw a new phase of strategic engagement in 2025. A landmark moment was the March launch of negotiations for a Clean Trade and Investment Partnership (CTIP) between the EU and South Africa. Aligned with the EU's Global Gateway strategy, the CTIP prioritises cooperation in clean energy, critical raw materials, and green technologies. Backed by €4.7 billion (approximately US\$5.1 billion), the partnership aims to support South Africa's green transition while integrating African suppliers into more sustainable European value chains, strengthening mutual resilience in the face of shifting geopolitical and environmental challenges.

4. OUTLOOK

Looking ahead, consolidating Africa's trade gains will depend on more than tariff cuts. Progress will require digitising trade systems, modernising logistics, and scaling tools like Afreximbank's PAPSS and the NTB reporting app to reduce friction and strengthen compliance. Externally, as global trade becomes more fragmented and unpredictable, Africa's negotiating bandwidth and agility will be tested. The uncertain future of AGOA, the volatility of U.S.–China trade relations, and the shift towards carbon-based trade conditionalities in Europe all point to a global trading system in flux. Notwithstanding, African economies can position themselves to gain, by diversifying their markets, greening their export base, and investing in trade intelligence and diplomatic capacity with the view to protecting their interests in an era of contested global trade norms.

REGIONAL INTEGRATION AND MARKET ACCESS INSIGHTS REPORT

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