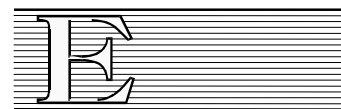




**UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA**

Sixth Session of the Committee on Trade,
Regional Cooperation and Integration

13-15 October 2009
Addis Ababa, Ethiopia



Distr.: GENERAL

E/ECA/CTRCI/6/3

10 August 2009
ENGLISH

DEVELOPMENTS IN INTRA-AFRICAN TRADE

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I. Introduction

African countries and their regional economic communities are pursuing the process of integration along a systematic continuum of Free Trade Areas, Customs Unions and Common Markets. Eventually these efforts should converge towards an African Common Market and, subsequently, an Economic Union, whereby economic, monetary, fiscal, social and sectoral policies would be totally integrated or become uniform among all countries. Through the wider economic and market space thus engineered, Africa can hope to strengthen its economic independence and empowerment vis-à-vis the rest of the world. In this context, the development and expansion of trade among partners is a major policy to be implemented by African countries and their regional integration institutions through trade liberalization. This policy aims at an African free trade area and customs union by means of the adoption of schemes for the mutual abolition of tariffs and non-tariff restrictions to trade and the establishment of a common external tariff in relation to third countries.

Trade has made and will continue to make a tremendous contribution to the development of many developed and developing countries. Trade enables countries to specialise and to export those things that they can produce cheaper in exchange for what others can provide at a lower cost. Trade also provides the material resources of capital goods, machinery, and raw and semi-finished goods, which are critical for economic development. This basic factor has been and continues to be one of the major driving forces behind economic development and the enhancement of the national incomes of participating countries. If trade is a vehicle to growth and development, then removing the barriers that inhibit it can only help to increase its impact. It is in this context that free trade becomes an important instrument for removing such impediments and promoting greater levels of trade among the countries.

Against this backdrop, this paper presents some figures and analysis concerning Africa's trade flows and patterns, with particular reference to intra-regional and intra-African trade. Data are provided on the direction and structure of Africa's trade with itself and the rest of the world in order to identify some stylized facts on the nature and scope of intra-African trade in recent times between the period 2000 and 2007. Data used in this paper are based on the IMF Direction of Trade (DOT) of February 2009, as well as UNCTAD Handbook 2008. Unlike the IMF DOT, the latter allows for the analysis of trade flows by product. In this context, the paper provides data and discusses trends in the following major areas, and ends with key messages which the Committee might wish to consider.

- Intra-REC export trends
- REC exports to rest of Africa
- Overall direction of exports by REC
- Intra-REC import trends
- Sources of REC imports
- Rates of growth of intra-REC trade, overall intra-Africa trade, and Africa's trade with the rest of the world
- Highlights of country situations in intra-African trade.

II. Intra-REC Export and Import Trends

1. This section demonstrates export and import trends by regional groupings, including their relative shares in total intra-Africa exports and imports.

Intra-REC Export trends

2.. Table 1 highlights the available data on the value of intra-REC exports in millions of US dollars. In general, intra-REC exports have been growing in value across most RECs. At the global level, Africa's share in global exports increased from 2.4% in 2000 to 2.9% in 2007, but averaged about 2.5% over the period.

Table 1: 2000-2007 Intra-REC exports (in US\$ Millions)

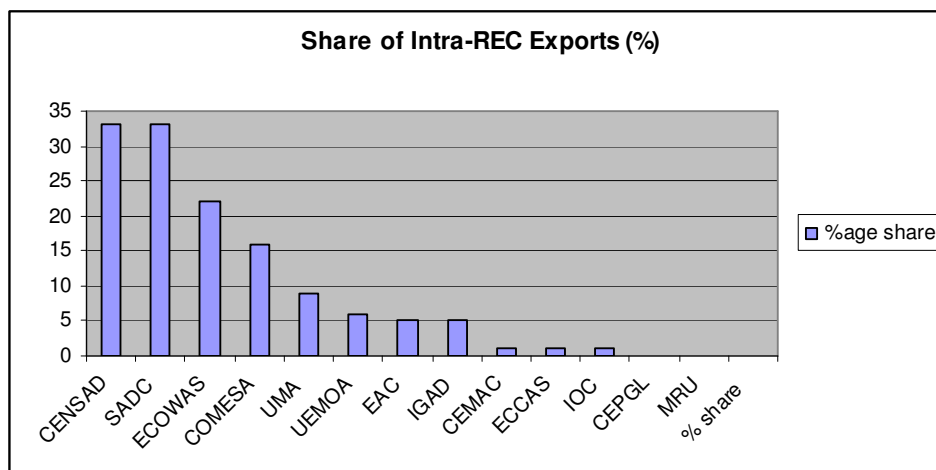
| RECs | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Average 2000- 2007 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|--------------------------|
| CEMAC | 96 | 117 | 134 | 146 | 174 | 198 | 245 | 304 | 177 |
| CENSAD | 4017 | 3577 | 4671 | 4882 | 6470 | 8433 | 9099 | 11555 | 6586 |
| CEPGL | 10 | 11 | 13 | 15 | 19 | 22 | 24 | 30 | 18 |
| COMESA | 2119 | 2074 | 2353 | 2797 | 3541 | 4629 | 3455 | 4571 | 3192 |
| EAC | 689 | 533 | 590 | 720 | 946 | 1081 | 1279 | 1587 | 928 |
| ECCAS | 181 | 193 | 187 | 184 | 221 | 252 | 327 | 410 | 244 |
| ECOWAS | 2715 | 2242 | 3136 | 3037 | 4363 | 5506 | 5957 | 7341 | 4287 |
| IGAD | 639 | 676 | 664 | 875 | 951 | 1166 | 1282 | 1546 | 975 |
| IOC | 106 | 134 | 105 | 179 | 155 | 159 | 172 | 204 | 152 |
| MRU | 5 | 4 | 5 | 5 | 6 | 6 | 8 | 9 | 6 |
| SADC | 4296 | 3881 | 4329 | 5484 | 6508 | 7453 | 8466 | 11678 | 6512 |
| UEMOA | 741 | 775 | 857 | 1076 | 1233 | 1390 | 1545 | 1917 | 1192 |
| UMA | 1094 | 1137 | 1202 | 1338 | 1375 | 1886 | 2478 | 3076 | 1698 |
| A | 12044 | 11438 | 13130 | 15603 | 19196 | 23215 | 28050 | 35573 | 19781 |
| B | 153435 | 134841 | 141167 | 173467 | 222532 | 286063 | 347875 | 400906 | 232536 |
| C (% share) | 2.4 | 2.2 | 2.2 | 2.3 | 2.4 | 2.7 | 2.9 | 2.9 | 2.5 |
| Total World Exports | 6455988 | 6188181 | 6484586 | 7547559 | 9182967 | 10474871 | 12087769 | 13833041 | 9031870 |

Legend: A=Intra-African exports; B=African exports to world; C=Africa's Share in total world exports.

Source: Compiled from DOTS, IMF February 2009

3.. Figure 1 highlights the top five RECs in intra-REC exports as a share of total exports within Africa. The RECs that seem to have traded least among themselves were CEMAC, ECCAS, CEPGL and MRU.

Figure 1



4.. In CENSAD, 82% of the exports came from a few countries: Nigeria (28%), Côte d'Ivoire (22%), Libya (9%), Tunisia (9%), Egypt (8%) and Senegal (6%). In SADC, 64% of the exports were provided by South Africa, whilst exports from the rest of the SADC countries ranged from 0.4 to 10%. In ECOWAS, intra-community exports were dominated by Nigeria (44%) and Côte d'Ivoire (34%). In COMESA, 81% of intra-community exports were provided by Kenya (29%), Libya (15%), Egypt (13%), Zambia (11%), Zimbabwe (8%) and Uganda (6%). Intra-UMA exports were dominated by Tunisia (37%), Libya (30%), and Algeria (23%). In other RECs, exports within the community originated from a few countries: 77% of intra-CEMAC exports came from Cameroon, and 79% of intra-EAC exports came from Kenya. Kenya also provided 59% of the intra-IGAD exports. In CEPGL, DRC provided 66% of the exports within that community.

Exports to Rest of Africa

5.. Table 2 highlights REC exports to the rest of Africa in value terms from 2000 to 2007.

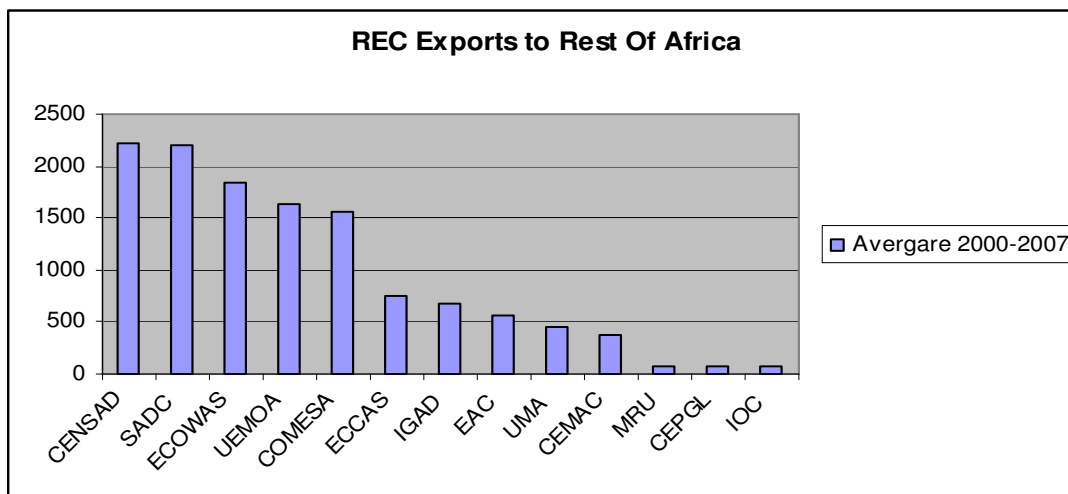
Table 2: REC EXPORTS TO REST OF AFRICA - 2000-2007 (in US\$ Millions)

| RECs | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Average 2000-2007 |
|--------|------|------|------|------|------|------|------|------|----------------------|
| CEMAC | 220 | 249 | 294 | 282 | 336 | 483 | 614 | 580 | 382 |
| CENSAD | 883 | 1200 | 978 | 1576 | 1802 | 1960 | 4495 | 4925 | 2227 |
| CEPGL | 30 | 112 | 28 | 34 | 44 | 54 | 98 | 202 | 75 |
| COMESA | 581 | 323 | 678 | 1251 | 1095 | 756 | 3595 | 4272 | 1569 |
| EAC | 286 | 298 | 394 | 457 | 568 | 664 | 869 | 1037 | 572 |
| ECCAS | 191 | 306 | 314 | 301 | 622 | 813 | 1036 | 2384 | 746 |
| ECOWAS | 1026 | 1270 | 977 | 1504 | 1809 | 1885 | 3010 | 3226 | 1838 |
| IGAD | 358 | 325 | 409 | 484 | 608 | 656 | 1156 | 1375 | 671 |
| IOC | 38 | 43 | 55 | 75 | 82 | 79 | 84 | 114 | 71 |
| MRU | 57 | 93 | 44 | 83 | 25 | 45 | 230 | 61 | 80 |
| SADC | 1230 | 1277 | 1586 | 1879 | 2222 | 2731 | 2879 | 3740 | 2193 |
| UEMOA | 947 | 1393 | 1326 | 1194 | 1568 | 1907 | 2107 | 2651 | 1637 |
| UMA | 80 | 37 | 27 | 14 | 118 | 216 | 1418 | 1770 | 460 |

Source: Compiled from IMF DOTS, February 2009

6.. Figure 2 highlights the position of REC exports to the rest of Africa. Countries within CEN-SAD registered the highest exports beyond their borders to the rest of African countries, followed by SADC, ECOWAS, UEMOA and COMESA.

Figure 2



Overall Direction of Exports

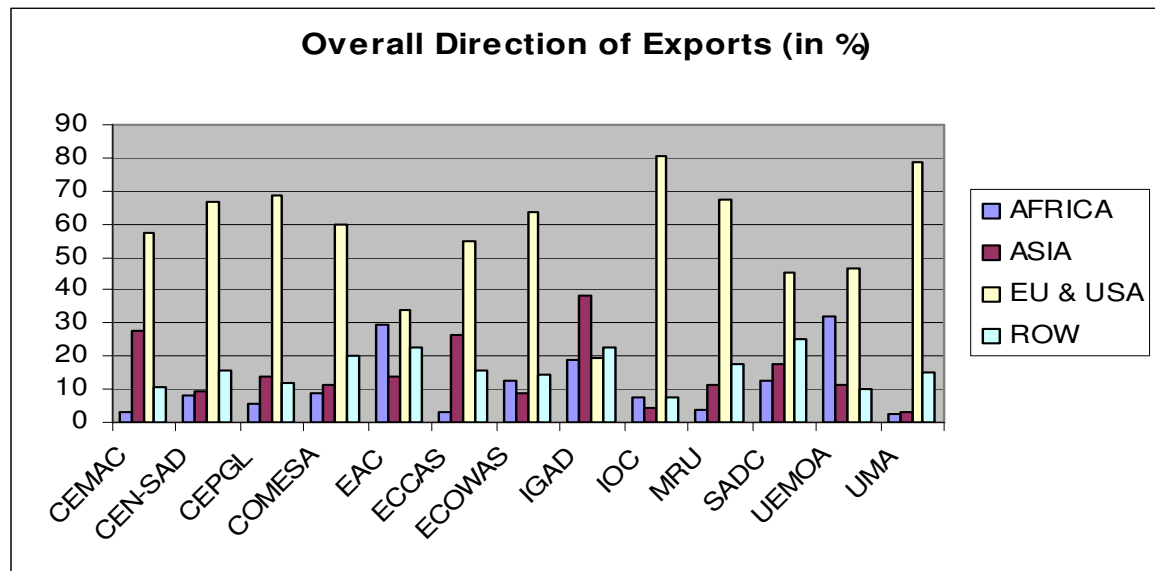
7.. Table 3 shows the overall direction of exports from RECs to the African continent as a whole, and to global markets. This is further illustrated in Figure 3.

Table 3: Direction of RECs' Exports in millions of US\$ – average between 2000 and 2007

| RECs | Rest of | | | | | | World | WORLD |
|---------|---------|--------|--------|---------|--------|---------|---------|----------|
| | AFRICA | CHINA | ASIA | EU | JAPAN | USA | | |
| CEMAC | 558.8 | 2594.5 | 1948.1 | 4453.9 | 142.5 | 4887.7 | 1641.8 | 16227.2 |
| CEN-SAD | 8813.5 | 4294.0 | 5750.7 | 50831.0 | 1879.9 | 20682.4 | 15218.3 | 107469.9 |
| CEPGL | 93.3 | 146.9 | 66.6 | 898.6 | 23.1 | 176.2 | 168.9 | 1573.6 |
| COMESA | 4761.1 | 3986.8 | 1925.6 | 27827.5 | 1046.8 | 3432.0 | 9366.3 | 52346.1 |
| EAC | 1499.7 | 156.1 | 532.8 | 1515.9 | 113.6 | 199.1 | 1026.1 | 5043.3 |
| ECCAS | 990.4 | 6502.3 | 2351.8 | 8125.6 | 370.1 | 10234.0 | 4992.5 | 33566.7 |
| ECOWAS | 6125.7 | 616.3 | 3693.6 | 13556.4 | 788.6 | 17073.2 | 6168.6 | 48022.3 |
| IGAD | 1646.2 | 2740.0 | 552.8 | 1480.6 | 545.1 | 212.7 | 1412.6 | 8590.0 |
| IOC | 223.2 | 35.9 | 106.7 | 1930.1 | 59.3 | 515.5 | 170.6 | 3041.4 |
| MRU | 85.7 | 39.2 | 206.3 | 1327.7 | 4.2 | 167.9 | 387.0 | 2218.0 |
| SADC | 8704.9 | 7139.5 | 5184.6 | 20679.4 | 2672.8 | 11266.5 | 14973.9 | 70621.6 |
| UEMOA | 2828.4 | 253.9 | 776.4 | 3549.8 | 42.6 | 589.9 | 853.9 | 8894.9 |
| UMA | 2158.4 | 1079.9 | 1511.6 | 50915.4 | 485.1 | 9147.5 | 10996.8 | 76294.7 |

Source: Compiled from IMF DOTS, February 2009

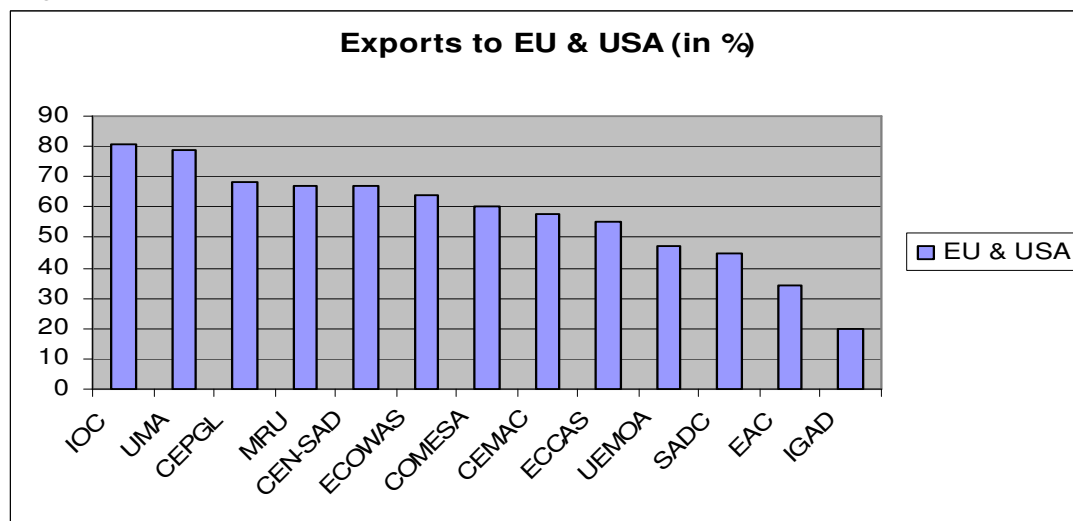
Figure 3



Source: Based on Table 3

8.. The major export destinations of the RECs are the European Union and United States, which account, on average, for 57 percent of the exports of African RECs. For several RECs, the two constitute more than 60% of their export markets (see figure 4).

Figure 4



Intra-REC import trends

9. Table 4 provides data on the value of intra-REC imports in millions of US\$. Intra-REC imports have also witnessed a growing trend in value across most RECs. The top five RECs in intra-REC imports in value terms were CEN-SAD (34%), SADC (32%), ECOWAS (22%), COMESA (16%), and UMA (9%). The most significant importing countries within these top five

RECs in terms of intra community imports were:

- CENSAD: Egypt (24%); Nigeria (16%), Morocco (15%) and Tunisia (11%)
- SADC: South Africa (69%); Angola (9%)
- ECOWAS: Nigeria (40%); Liberia (14%); Ghana (11%); Côte d'Ivoire (9%)
- COMESA: Egypt (45%); Libya (12%); Kenya (9%)
- UMA: Algeria (32%); Morocco (31%); Tunisia (22%).

10. Also highlighted in Table 4 is the fact that from 2000 to 2007, imports from countries within Africa represented only nine percent of Africa's total imports from the rest of the world. Conversely, Africa sourced over 90 percent of its imports from outside Africa.

Table 4: INTRA-REC IMPORTS 2000-2007 (in US\$ millions)

| REC | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Average 2000-2007 |
|---------------|---------|---------|---------|---------|---------|----------|----------|----------|----------------------|
| CEMAC | 112 | 134 | 128 | 172 | 191 | 219 | 270 | 335 | 195 |
| CENSAD | 4060 | 4249 | 4182 | 5273 | 7120 | 8905 | 10305 | 12653 | 7093 |
| CEPGL | 11 | 12 | 14 | 16 | 21 | 24 | 27 | 33 | 20 |
| COMESA | 1932 | 2039 | 2234 | 2724 | 3403 | 3939 | 4914 | 5048 | 3279 |
| EAC | 422 | 503 | 525 | 631 | 828 | 946 | 1407 | 1746 | 876 |
| ECCAS | 207 | 219 | 187 | 215 | 244 | 279 | 343 | 426 | 265 |
| ECOWAS | 2471 | 2702 | 2483 | 3292 | 4717 | 5840 | 6538 | 8057 | 4512 |
| IGAD | 576 | 741 | 729 | 1031 | 1031 | 1247 | 1408 | 1698 | 1057 |
| IOC | 56 | 71 | 98 | 117 | 172 | 177 | 191 | 227 | 139 |
| MRU | 7 | 6 | 7 | 8 | 9 | 10 | 13 | 16 | 9 |
| SADC | 3913 | 3906 | 4252 | 4726 | 6924 | 7958 | 9563 | 12802 | 6755 |
| UEMOA | 686 | 744 | 841 | 968 | 1166 | 1310 | 1680 | 2085 | 1185 |
| UMA | 1190 | 1224 | 1334 | 1483 | 1512 | 2074 | 2725 | 3384 | 1866 |
| A | 11631 | 12466 | 13224 | 15572 | 20994 | 24854 | 31660 | 39565 | 21246 |
| B | 133416 | 129508 | 144445 | 176929 | 232189 | 273509 | 329785 | 418931 | 229839 |
| C | 9 | 10 | 9 | 9 | 9 | 9 | 10 | 9 | 9 |
| D | 6653669 | 6414806 | 6664703 | 7771121 | 9462990 | 10776488 | 12337928 | 14056584 | 9267286 |
| E | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |

A=Intra-Africa imports; B= African imports from the world; C=Share of intra-Africa imports to Africa's total imports;
D= World Imports; E=Share of Africa's imports in World imports
Source: Compiled from IMF DOT February 2009

11. The major sources of Africa's imports are presented in Table 5, and the percentage shares of the various sources are indicated in Table 6. As in the case of exports, the major sources of imports to Africa are outside the continent. However, it is interesting to observe that within the Economic Community of the Great Lakes Countries(CEPGL), Africa was a significant source of imports to the Community, representing about 42% of the total imports. About a fourth of imports by UEMOA also came from Africa. But for the rest of the RECs, the EU continues to be a major source of imports.

12. Globally, as mentioned earlier, Africa's export trade represented about 2.9% of world trade on average between 2000 and 2007. As regards imports, Africa constituted only 2 percent of total world imports over the same period. These statistics are not surprising. Africa's position in global trade remains infinitesimal

Table 5: Sources of REC Imports - average from 2000 to 2007 (in US\$ millions)

| RECs | AFRICA | CHINA | ASIA | EU | JAPAN | USA | Rest of World | WORLD |
|---------|---------|---------|---------|----------|---------|---------|---------------|----------|
| CEMAC | 972.1 | 366.9 | 474.4 | 3489.0 | 122.2 | 710.3 | 598.5 | 6733.5 |
| CEN-SAD | 11088.3 | 9069.1 | 12440.7 | 49034.0 | 3527.7 | 7780.2 | 26122.6 | 119062.6 |
| CEPGL | 898.94 | 86.76 | 66.03 | 720.15 | 174.46 | 74.50 | 106.82 | 2127.65 |
| COMESA | 7768.8 | 5015.4 | 6760.8 | 19799.6 | 2356.4 | 4869.5 | 17252.7 | 63823.2 |
| EAC | 1398.7 | 775.6 | 1462.1 | 2362.6 | 532.0 | 577.3 | 4076.7 | 11185.2 |
| ECCAS | 2367.7 | 879.2 | 1567.9 | 6836.3 | 279.1 | 1561.7 | 1561.4 | 15053.2 |
| ECOWAS | 6038.15 | 4364.23 | 7204.29 | 15632.77 | 1750.96 | 2701.52 | 9131.31 | 46823.2 |
| IGAD | 1987.57 | 1852.09 | 2274.24 | 3308.42 | 731.42 | 769.88 | 5558.92 | 16482.5 |
| IOC | 688.62 | 516.89 | 942.79 | 1451.25 | 137.27 | 126.37 | 1082.49 | 4945.7 |
| MRU | 375.80 | 431.95 | 2962.15 | 1811.35 | 984.55 | 156.86 | 1826.11 | 8548.8 |
| SADC | 8584.76 | 5949.47 | 8133.55 | 25872.92 | 3922.57 | 5713.28 | 14590.90 | 72767.4 |
| UEMOA | 3251.6 | 1288.5 | 1202.1 | 5240.2 | 191.0 | 475.2 | 1820.4 | 13469.1 |
| UMA | 2535.8 | 2852.5 | 2640.5 | 34453.9 | 1169.0 | 2472.8 | 11857.1 | 57981.5 |

Source: Compiled from IMF DOTS, February 2009

Table 6: Share of the various Sources of Imports (%) – Average from 2000 to 2007

| REC | AFRICA | CHINA | ASIA | EU | JAPAN | USA | ROW | WORLD |
|---------|--------|-------|------|----|-------|-----|-----|-------|
| CEMAC | 14 | 5 | 7 | 52 | 2 | 11 | 9 | 100 |
| CEN-SAD | 9 | 8 | 10 | 41 | 3 | 7 | 22 | 100 |
| CEPGL | 42 | 4 | 3 | 34 | 8 | 4 | 5 | 100 |
| COMESA | 12 | 8 | 11 | 31 | 4 | 8 | 27 | 100 |
| EAC | 13 | 7 | 13 | 21 | 5 | 5 | 36 | 100 |
| ECCAS | 16 | 6 | 10 | 45 | 2 | 10 | 10 | 100 |
| ECOWAS | 13 | 9 | 15 | 33 | 4 | 6 | 20 | 100 |
| IGAD | 12 | 11 | 14 | 20 | 4 | 5 | 34 | 100 |
| IOC | 14 | 10 | 19 | 29 | 3 | 3 | 22 | 100 |
| MRU | 4 | 5 | 35 | 21 | 12 | 2 | 21 | 100 |
| SADC | 12 | 8 | 11 | 36 | 5 | 8 | 20 | 100 |
| UEMOA | 24 | 10 | 9 | 39 | 1 | 4 | 14 | 100 |
| UMA | 4 | 5 | 5 | 59 | 2 | 4 | 20 | 100 |

Source: Compiled from Table 5

Growth of Trade

13. Having established from the presented data the overall direction of intra-REC and intra-Africa trade on average between 2000 and 2007, as well as trade with the rest of the world, data will now be presented in Table 7 to show the growth of trade on three fronts, namely: intra-REC trade, overall intra-Africa trade, and Africa's trade with the rest of the world.

14. All RECs registered moderate growth in their intra-REC trade between 2000 and 2007. Intra-REC exports in general registered an average growth rate of 15 percent, compared to an overall growth in intra-Africa exports of 25 percent. The fact that trade at the Africa-wide level grew more than trade at the REC level would seem to suggest that trade confined within the RECs appears to be declining in favor of trade at the Africa-wide level. It is fair to infer from this

trend that the trading interests of REC countries are not necessarily confined within their shared space. For this reason, more attention should be given to harmonizing economic and market spaces across the RECs in order to create a larger common market in Africa.

15.. Quite encouragingly Table 7 indicates that growth in intra-African trade outpaced growth in Africa's trade with the rest of the world by about 10 percent.

Table 7: Growth rates of trade (%) – Average between 2000 and 2007

| RECs | Intra-REC Trade | | Intra-African Trade | | Trade with Rest of the world | |
|----------------|-----------------|----------------|---------------------|----------------|------------------------------|----------------|
| | <i>Exports</i> | <i>Imports</i> | <i>Exports</i> | <i>Imports</i> | <i>Exports</i> | <i>Imports</i> |
| CEMAC | 18 | 17 | 16 | 16 | 20 | 20 |
| CENSAD | 17 | 18 | 19 | 20 | 16 | 16 |
| CEPGL | 17 | 17 | 51 | 26 | 9 | -3 |
| COMESA | 13 | 15 | 19 | 17 | 19 | 19 |
| EAC | 14 | 23 | 16 | 20 | 15 | 12 |
| ECCAS | 13 | 12 | 38 | 18 | 23 | 24 |
| ECOWAS | 17 | 19 | 17 | 18 | 13 | 13 |
| IGAD | 14 | 18 | 17 | 22 | 22 | 21 |
| IOC | 13 | 23 | 14 | 10 | 6 | 5 |
| MRU | 8 | 13 | 55 | 15 | 19 | 21 |
| SADC | 16 | 19 | 16 | 20 | 14 | 13 |
| UEMOA | 15 | 17 | 16 | 14 | 11 | 14 |
| UMA | 17 | 17 | 25 | 25 | 16 | 16 |
| Average | 15 | 18 | 25 | 19 | 16 | 15 |

Source: ECA, compiled from IMF DOT, February 2009.

III. Highlights of country situations in intra-African trade

General assessment

16. This section covers African exports to the African market vis-à-vis their global exports by selected major product category of the Standard International Trade Classification (SITC). The trade figures are compiled from UNCTAD Handbook 2008 data available for the period 1995-2006. The average export data for this period has been used to conduct a comparative analysis of African trade within the continent and with the rest of the world based on those product categories. Table 8 presents information on the share of Africa in each country's total exports to the world in those selected major product categories of the SITC (*see Box 1 for details of the product categories used*).

Box 1:**Foods, Basic (SITC 0+22+4)**

0-Food and live animals

- 00-Live animals other than animals of division 03
- 01-Meat and meat preparations
- 02-Dairy products
- 03-Fish (not marine mammals), crustaceans, mollusks and aquatic invertebrates, preparations thereof
- 04-Cereals and cereal preparations
- 05-Vegetables and fruits
- 06-Sugars, sugar preparations and honey
- 07-Coffee, tea, cocoa, spices, and manufactures thereof
- 08-Feeding stuff for animals (not including unmilled cereals)
- 09-Miscellaneous edible products and preparations

22-Oil Seeds and oleaginous fruits

4-Animal and vegetable oils, fats and waxes

- 41-Animal oils and fats
- 42-Food vegetable fats and oils, crude, refined or fractionated
- 43-Animal or vegetable fats and oils, processed; waxes of animal or vegetable origin; inedible mixtures or preparations of animal or vegetable fats or oil

Beverages and Tobacco (SITC 1)

11-Beverages

12-Tobacco and tobacco manufactures

Ores, metals, precious stones and non-monetary gold (SITC 27+28+667+68+971)

27-Crude fertilizers other than those of division 56, and crude minerals (excluding coal, petroleum and precious stones)

28-Metalliferous ores and metal scrap

667-Pearls and precious or semi precious stones, unworked or worked

68-Non-ferrous metals

971-Gold, non-monetary (excluding gold ores and concentrates)

Fuels (SITC 3)

3-Mineral fuels, lubricants and related materials

- 32-Coal, coke and briquettes
- 33-Petroleum, petroleum products and related materials
- 34-Gas, natural and manufactured
- 35-Electric current

Manufactured Goods (SITC 6+8 excluding 667 and 68)

6-Manufactured goods classified chiefly by material

- 61-Leather, leather manufactures, and dressed fur skins
- 62-Rubber manufactures
- 63-Cork and wood manufactures (excluding furniture)
- 64-Paper, paperboard and articles of paper pulp, of paper or of paperboard
- 65-Textile yarn, fabrics, made-up articles, and related products
- 66-Non metallic mineral manufactures (Excluding 667- Pearls and precious or semiprecious stones, unworked and worked)

67-Iron and Steel(Excluding 68-Non ferrous metals)

69-Manufactures of metals

Chemicals and Related Products (SITC 5)

5-Chemicals and related products

- 51-Organic chemicals
- 52-Inorganic chemicals
- 53-Dyeing, tanning and coloring materials
- 54-Medicinal and pharmaceutical products
- 55-Essential oils and resinoids and perfume materials; toilet, polishing and cleansing preparations
- 56-Fertilizers (other than those of group 272)
- 57-Plastics in primary forms
- 58-Plastics in non-primary forms

Machinery and Transport equipment (SITC 7)

7-Machinery and Transport equipment

- 71-Power-generating machinery and equipment
- 72-Machinery specialized for particular industries
- 73-Metalworking machinery
- 74-General industrial machinery and equipment, and machine parts
- 75-Office machines and automatic data-processing machines
- 76-Telecommunications and sound-recording and reproducing apparatus and equipment
- 77-Electrical machinery, apparatus and appliances, and electrical parts thereof including non-electrical counterparts of electrical household-type equipment
- 78-Road vehicles (including air-cushion vehicles)

**Table 8: Share of Africa in African Countries' total exports in % -
Based on average of exports between 1995 and 2006**

| Countries | Food Basic | Beverages & Tobacco | Ores, metals, precious stones | Fuels | Manufactured goods | Chemicals and related products | Machinery & transport equipment |
|--------------------------|---------------|------------------------|--|-------|-----------------------|---|---------------------------------------|
| Algeria | 13.5 | 22.4 | 7.7 | 1.8 | 22.8 | 9.4 | 9.4 |
| Angola | 13.0 | 93.4 | 0.2 | 1.1 | 13.8 | 33.7 | 11.3 |
| Benin | 31.6 | 81.5 | 24.5 | 30.6 | 72.0 | 85.2 | 61.3 |
| Botswana | 43.9 | 99.1 | 4.4 | 99.9 | 59.1 | 98.2 | 86.3 |
| Burkina Faso | 55.7 | 83.4 | 4.4 | 69.1 | 36.1 | 69.0 | 49.6 |
| Burundi | 9.6 | 95.8 | 6.3 | 99.8 | 75.5 | 88.2 | 57.5 |
| Cameroon | 8.1 | 87.8 | 10.9 | 8.5 | 55.9 | 98.9 | 78.8 |
| Cape Verde | 14.3 | 56.8 | 6.2 | 33.8 | 2.4 | 2.6 | 5.2 |
| Central African Republic | 45.7 | 72.7 | 0.3 | 50.5 | 33.0 | 49.3 | 37.3 |
| Chad | 57.2 | 8.3 | 27.9 | 0.0 | 28.3 | 10.7 | 2.5 |
| Comoros | 0.9 | 87.6 | 76.3 | 100.0 | 33.3 | 1.5 | 15.2 |
| Congo, Republic of | 21.0 | 2.8 | 3.7 | 1.0 | 22.0 | 30.8 | 36.5 |
| Congo - Kinshasa(DRC) | 4.1 | 4.5 | 4.5 | 8.4 | 18.7 | 17.6 | 45.0 |
| Côte d'Ivoire | 9.0 | 96.5 | 10.2 | 62.0 | 49.1 | 97.0 | 28.9 |
| Djibouti | 33.3 | 30.0 | 49.6 | 79.2 | 40.7 | 25.9 | 47.5 |
| Egypt | 13.3 | 25.2 | 6.9 | 1.4 | 10.6 | 13.7 | 21.4 |
| Equatorial Guinea | 0.1 | 73.4 | 8.0 | 0.8 | 3.2 | 0.1 | 4.9 |
| Eritrea | 47.1 | 30.4 | 1.9 | 31.4 | 35.5 | 32.2 | 50.1 |
| Ethiopia | 9.0 | 20.4 | 1.1 | 58.9 | 2.9 | 11.8 | 21.2 |
| Gabon | 14.3 | 99.3 | 1.4 | 3.1 | 12.9 | 24.1 | 14.6 |
| Gambia | 26.0 | 74.7 | 37.4 | 74.5 | 67.7 | 88.5 | 30.9 |
| Ghana | 2.1 | 24.7 | 27.0 | 19.6 | 48.7 | 21.6 | 22.6 |
| Guinea | 3.9 | 57.0 | 0.4 | 9.0 | 13.4 | 16.4 | 44.6 |
| Guinea Bissau | 3.1 | 88.1 | 1.8 | 2.3 | 87.4 | 91.8 | 88.6 |
| Kenya | 22.9 | 77.7 | 38.3 | 79.1 | 73.2 | 86.8 | 79.7 |
| Lesotho | 99.0 | 100.0 | 34.9 | 99.7 | 14.7 | 98.6 | 99.2 |
| Liberia | 33.1 | 0.7 | 0.3 | 48.6 | 10.7 | 6.5 | 0.2 |
| Libya | 55.2 | 71.3 | 2.5 | 2.5 | 44.0 | 20.9 | 23.5 |
| Madagascar | 3.4 | 22.1 | 2.4 | 29.0 | 4.6 | 3.7 | 13.5 |
| Malawi | 35.8 | 15.4 | 86.4 | 93.7 | 70.5 | 93.7 | 69.8 |
| Mali | 90.4 | 80.7 | 51.4 | 87.4 | 74.1 | 80.2 | 56.8 |
| Mauritania | 16.8 | 0.0 | 2.9 | 7.5 | 8.6 | 3.7 | 33.4 |
| Mauritius | 3.1 | 47.2 | 9.4 | 43.3 | 7.7 | 63.3 | 13.9 |
| Morocco | 7.5 | 22.3 | 2.0 | 5.4 | 4.0 | 4.4 | 4.2 |
| Mozambique | 23.4 | 53.3 | 0.9 | 78.1 | 60.1 | 29.5 | 65.6 |
| Namibia | 47.7 | 99.5 | 10.0 | 72.3 | 84.1 | 29.5 | 90.6 |
| Niger | 99.0 | 81.3 | 36.3 | 80.2 | 83.2 | 94.6 | 89.9 |
| Nigeria | 10.7 | 35.4 | 7.3 | 8.2 | 42.4 | 61.1 | 6.6 |
| Rwanda | 68.6 | 93.9 | 16.2 | 74.5 | 77.6 | 82.4 | 74.4 |
| Sao Tome & Principe | 2.0 | 87.0 | 0.6 | 8.1 | 27.7 | 4.2 | 28.6 |
| Senegal | 22.1 | 81.7 | 27.4 | 41.8 | 80.1 | 41.2 | 47.2 |
| Seychelles | 1.1 | 22.0 | 77.1 | 0.3 | 6.9 | 0.7 | 2.8 |
| Sierra Leone | 1.0 | 7.7 | 0.2 | 79.0 | 6.2 | 11.1 | 3.3 |
| South Africa | 24.5 | 28.3 | 1.5 | 19.1 | 19.9 | 30.5 | 23.3 |
| Sudan | 12.6 | 28.5 | 0.7 | 0.7 | 2.7 | 90.7 | 7.4 |
| Swaziland | 90.2 | 99.7 | 99.6 | 100.0 | 62.3 | 91.8 | 96.2 |
| Tanzania | 15.1 | 17.7 | 18.3 | 78.1 | 60.9 | 73.3 | 80.2 |
| Togo | 48.6 | 86.8 | 15.2 | 33.5 | 91.5 | 7.7 | 42.1 |
| Tunisia | 21.6 | 18.9 | 11.3 | 0.6 | 5.3 | 15.8 | 6.8 |
| Uganda | 27.4 | 36.4 | 20.5 | 45.9 | 83.7 | 48.5 | 54.8 |

| | | | | | | | |
|----------|------|------|------|------|------|------|------|
| Zambia | 68.7 | 78.7 | 18.5 | 92.9 | 38.5 | 73.8 | 93.5 |
| Zimbabwe | 61.1 | 13.4 | 38.3 | 98.7 | 42.1 | 85.3 | 84.6 |

Source: Compiled from UNCTAD Handbook, 2008.

17.. On basic foods, countries such as Lesotho, Niger, Mali and Swaziland export from 90 to 100 percent of what they produce to the African market. When it comes to beverages and tobacco, 25 African countries sell over 70% of their exports to other African countries. Three other countries target the African market for 50 percent of their exports. In the ores, metals and precious stones category, Swaziland exports almost all its production to Africa, followed by Malawi (86%), Seychelles (77%) and Comoros (76%). In the fuel product category, Africa appears to be a marginal export market for major oil producers such as Nigeria, Algeria, Libya, Angola, Sudan, Gabon and Cameroon. It can also be observed that when it comes to product categories relating to manufactured goods, chemicals, machinery and transport equipment, Africa constitutes a significant export market for a number of countries.

Potential of trade to the Africa region by African Countries

18. This section provides some indication of Africa's potential to supply its import needs from its own sources in the various product categories.

19. Table 9 shows that from 1995 to 2006, Africa exported on average about US\$15 billion worth of goods in the basic foods category against imports of about US\$21 billion. It could be inferred from this information that Africa registered negative terms of trade in this product category. Matching Africa's exports to the world against its imports from the world in this product category also suggests a degree of deficit in basic foods, or lack of self-sufficiency in this product category. Similar tendencies occur in manufactured goods, machinery and transport equipment and chemical products.

20. However, the continent appears to be well endowed in the product categories relating to beverages and tobacco as well as ores, metals and precious stones. The continent also has a significant endowment in the fuels product category, where Africa's exports to the world exceeded its imports from the world by a wide margin. This implies that Africa is more than capable of supplying its import needs in fuel.

21. Overall, African countries hold a great deal of potential to export their products to the Africa region should they choose to do so. Why the African region does not appear to be a favorite export destination for the countries could be due to a number of factors including lack of information and trade bottlenecks in Africa.

Table 9: Africa's exports to the World and Imports from world

Average trade figures between 1995 and 2006 in 000 of US\$

| Product Categories | Exports To World | Imports from World | Difference |
|-------------------------------|-------------------------|---------------------------|-------------------|
| Food, Basic | 14,875,274 | 21,052,701 | -6,177,427 |
| Beverages and tobacco | 1,934,175 | 1,653,717 | 280,458 |
| Ores, metals, precious stones | 19,304,114 | 3,931,312 | 15,372,801 |
| Fuels | 81,278,815 | 17,188,542 | 64,090,273 |
| Manufactured goods | 19,442,801 | 34,861,887 | -15,419,085 |

| | | | |
|---------------------------------|-------------|-------------|-------------|
| Chemical products | 6,829,963 | 16,684,141 | -9,854,178 |
| Machinery & transport equipment | 9,685,665 | 53,868,421 | -44,182,756 |
| Total all products | 153,350,808 | 149,240,722 | 4,110,086 |

Source: Compiled from UNCTAD Handbook 2008

IV. Key messages

22. The following stylized facts emerge from the analysis on Africa's trade flows and patterns as presented in this paper:

- Within each REC, intra-REC export and imports tend to be dominated by a few countries.
- South Africa is a dominant force in terms of exports to Africa. Other top exporters to the African market are Nigeria and Côte d'Ivoire.
- The European Union and the United States are major export destinations for Africa. Both markets account on average for 57 percent of REC exports.
- China in particular and Asia in general are also important export markets for the RECs.
- As in the case of exports, the major sources of imports to Africa are outside the African continent.
- Africa's export trade represents about 2.9% of world trade. Africa constituted only 2 percent of total world imports. These statistics confirm the well-known fact of Africa's infinitesimal position in global trade.
- Intra-REC exports in general registered an average growth rate of 15 percent, while growth in intra-Africa exports was 25 percent, suggesting that trade confined within the RECs appears to be less optimal than trade at the Africa-wide level. The implication for this is to redouble efforts to harmonize Community markets in order to create a larger Africa-wide market space, given that trading interests of REC countries are not necessarily confined within their shared space.
- Growth in intra-African trade outpaced that of Africa's trade with the rest of the world by about 10 percent, which augurs well for the future of intra-African trade.
- Africa has a potential to supply its import needs from its own sources in some product categories, particularly fuels, beverages and tobacco, and ores, metals and precious stones.
- However, the continent appears deficient regarding self-sufficiency in basic foods.