



## Chapter 8

# Rebuilding African Economy in a Globalised World: The African Continental Free Trade Agreement (AfCFTA) and the Question of Intra-African Trade

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### Introduction

In postcolonial Africa, the growth and development of the economy have been long-standing issues. Over the years, the African continent has been disadvantageously positioned in the global economy, despite its abundant human and natural resources, as well as its contribution to the mainstream global economy. Africa holds a significant share of the world's resources, with approximately 30% of global mineral reserves, 12% of oil reserves, and 8% of natural gas reserves situated on the continent (Mohseni-Cheraghrou 2023). Mainstream literature, theories, and African-centred analysis on institutional performance have primarily considered Africa a disadvantaged continent and at the receiving end of an institutional framework structured to reward the United States (US)-dominated brand of capitalism, while also benefiting other industrial states and international financial institutions (IFIs), governed by the free market system.



Despite the efforts of African countries to record appreciable levels of development, it is without doubt that they are confronted by imminent challenges, such as violent conflict and an unstable political environment, an export-oriented and import-dependent economy, infrastructural deficits, and low digitalisation. These have limited the capacity of African countries to attain sustainable development and become active players in global economic relations. However, as African countries continue to grapple with the challenges of economic growth and development in a globalised era, African actors have promoted the idea of integration, either regional or continental, as an important means of attaining sustainable growth and development, as espoused by the African Union's (AU) Agenda 2063.

As argued by Akinpelu and Adebusuyim (2015:12), the logic underlying the institutionalisation of regional economic communities (RECs) in Africa has been to engender group competitiveness within the global economic framework. Put differently, integration is designed to enhance regional trade flows, facilitate economic interactions, foster economic integration, and primarily achieve sustainable growth and development. Given the importance of the African Continental Free Trade Agreement (AfCFTA), African leaders over the years have continued to introduce policies and initiatives that can drive such goals.

AfCFTA is a ground-breaking step to revitalise African economies by making them independent of the Global North, as well as to situate Africa as a major force in global economic relations. However, while the economic benefits of implementing AfCFTA remain a key discursive focus, there exists little consideration for intra-African trade within the operational context of AfCFTA and, therefore, how intra-African trade can shape AfCFTA activities, at both the national and transnational levels. Given this, this chapter examines the place of intra-African trade in the successful implementation of AfCFTA and Africa's formidable position as a key global economic player. This chapter operationalises the importance of intra-African trade and offers practical templates on how it can be enhanced within the AfCFTA initiative. The chapter is organised as follows: It starts with an

overview of the postcolonial African economy under the influence of globalisation, then it engages AfCFTA, and discusses the intra-African trade question in the implementation of the continental free trade arrangement. The chapter then examines the challenges facing intra-African trade, using the case of Nigeria.

## **Africa Economic Experience in Global Economic Relations**

Any discussion of AfCFTA must start from a much broader consideration of the general state of the African economy under the influence of economic globalisation. It is also important not to underestimate the influence and effects of colonialism on the postcolonial African economy. Under colonial rules, the African economy was incorporated into the global economy as producers of raw materials and cash crops, which were used to sustain the European Industrial Revolution. The colonial economic policies initiated in African colonies were designed to protect and advance the economic interests and industrial growth of Europe (Kalu & Falola 2019:4). Hence, the African economy, in reality, emerged from colonialism fractured, exploited, and devastated, with permanent deformities that have so far proven intractable and not amenable to modern economic development (Kalu & Falola 2019:4). Among the traits of these permanent deformities are Africa's position as a producer of raw materials, perpetual market and destinations for finished goods, its lack of manufacturing industries, and its undiversified and import-oriented economy. As summed by Kalu & Falola (2019:6), "the overall effect was a precarious economic structure dependent exclusively on the export of natural resources – a disease that continues to define Africa's economy up to the present day".

In the first decade of their independence, several African states were faced with economic problems, such as the fall in commodity prices in the international market during the 1960s and reduced revenues for the new states since prices of raw materials were externally determined (Kalu 2018:61). Consequently, economies relying solely on commodity exports experienced severe economic devastation, given that several

African countries lacked templates for development. Even the little industries and development programmes modelled after the industrialised nations failed due to the absence of sustainable planning, implementation, and management of growth and development programmes (Kalu 2018:61).

The constellation of the above events led to foreign interventions through loans, foreign aid, and technical support towards the industrialisation agenda, implementation of the developmental agenda, and efforts at enhancing economic growth in several African countries. It is estimated that Sub-Saharan Africa (SSA) received \$848.4 billion in official development assistance (ODA) from 1960 to 2013 (WB 2014). The IFIs, such as the World Bank, and bilateral support from individual countries, have also accounted for the major source of funds for implementing developmental projects on the continent. Despite these financial supports, African states not only experienced economic crises but also spiralled into poverty and debt crises, which paralysed their domestic economic interventions. Given the endemic poverty and low Human Development Index (HDI) rate in African countries by 1990, 28 African countries were categorised within the low HDI (UNDP 2022). In the 1970s, foreign aid shifted from locally generated economic templates to programmes designed by foreign actors to assist sub-Saharan African countries in combatting poverty.

Since foreign aid was not able to engineer the desired growth and development, African leaders began to look inward around the late 1970s, under the auspices of the Organisation of African Unity (now the African Union) to craft the Lagos Plan of Action (LPA), aimed at the economic development of Africa (1980–2000). According to Kalu, the LPA not only detailed African states' challenges and the path to development using the continent's human and material resources, but it also "blamed the continent's poor economic performance on its *overdependence on the West*, the heavy reliance on the export of primary commodities, and the exploitation and racism perpetrated by Europe and its allies during several decades of colonialism and the new wave of neo-colonialism" (Kalu 2018:65). The LPA emphasised greater integration, self-dependency, and African

economic diversification, and ultimately enjoined all African countries to “pursue all-embracing economic, social and cultural activities which will mobilise the strength of the country as a whole and ensure that both the efforts put into and the benefits derived from development are equitably shared” (Kalu 2018:65).

However, at the time African leaders were developing the LPA, the World Bank was also commissioned by many African ministers of finance (who somehow may have regarded it as strategic to turn their backs on the paper prepared in Lagos by their colleagues) and ministers of planning to produce a study to address the challenges encountered by African economy. Upon its completion, a report – popularly known as the Berg Report – was submitted (Benachenhou 1983). The Berg Report attributed Africa’s problem to leadership failures, corruption, and rent-seeking behaviour, which was contrary to the content of the LPA. The Berg report’s recommendations coincided with the popularity of neoliberal policy on the continent. It focuses on reducing government control for market determinism through economic conditionalities and structural adjustment programme (SAP) designed to invigorate the African economy. Several African countries subsequently patronised the IFIs-inclined SAP, thereby neglecting the LPA.

The SAP opened the African economy to privatisation and commercialisation of public corporations, global market determinism, and other neoliberal policies. It emphasised limited government restriction (in government’s involvement in the domestic economy and reduction of public service spending, including the removal of subsidies on education and several other social services). The implementation of these policies had severe consequences on the livelihood of the people. It accounted for the heightened migration of millions of Africans to the Global North and a wave of military incursions into African politics, as the continent groaned under severe economic woes. Between 1980 and 1989, 20 military coups led to changes in government, while the continent recorded several other failed military coups (Habiba & Mthuli 2012).

In the post-SAP period, Africa's economic growth pattern entered another phase. Firstly, there was a change in the scope of IFIs' policies towards Africa. After the failure of the SAP to engineer the desired growth and development in Africa and the unwillingness of the West to admit the failure of the SAP, IFIs launched the Heavily Indebted Poor Countries Initiative (HIPCI) in 1996. The thrust of this initiative was a 'debt forgiveness' for states in the Global South that democratise and recommit to capitalism (Ali 2011). Apart from the HIPCI, the institution also introduced a Poverty Reduction and Growth Facility (PRGF). By 2005, these institutions also launched a Multilateral Debt Relief Initiative (MDRI) to allow for 100% relief on eligible debts by these three multilateral institutions – the International Monetary Fund (IMF), the World Bank (WB), and the African Development Fund (AfDF) – for countries completing the HIPCI process (IMF 2014). The overall goal of these initiatives was to help improve African states' domestic economies, as well as keep them more integrated and dependent on the global economic powers. Despite these negative developments, African countries continue to accumulate loans.

Second, there were the increasing economic bilateral and multilateral relations between foreign countries, particularly the West, and African countries. In the case of the United States (US), the African Growth and Opportunity Act (AGOA) was an important economic development launched to bring about US economic relations with Africa. Under the AGOA, imports to the US grew by 53% in 2005 (Adebajo 2018:32). However, in 2006, 93% of AGOA imports were petroleum products. Also, trade with China and Africa increased, hitting a record high of \$200 billion in 2013, with a further 5% increase in 2014 (Liu 2018:80). India's economic relationship with Africa also increased tremendously. In 2015, Africa was India's second-largest source of crude oil imports (19%), after the Middle East at 58% (Kudiratzq 2018). Total trade has grown very rapidly, rising from a low base of \$9.6 billion between 2004 and 2005 to \$71.5 billion from 2014 to 2015.

However, the primary question concerning these policies, programmes, and bilateral and multilateral relationships is the status of Africa amidst this wave of relations. Do these

policies help to improve African states' economies within the global economy matrixes, or make them more disadvantaged? Furthermore, to what extent have African states been able to maximise the opportunities offered by these programmes, bilateral and multilateral relationships for a sustainable self-sufficient economy? Are these programmes designed for the sole interests of the global economic power?

Thirdly, African countries realised the need to revert to inward-looking policies and increase their efforts and commitments to develop the continent through its resources and recourse to continental integration. The efforts towards achieving this goal started with the 1979 Monrovia Strategy for the Economic Development of Africa, which birthed the LPA's quest for the economic development of Africa. African economic growth and development with no reliance on the West and its IFIs remains the cornerstone of this development framework. Despite the effect of the Berg Report on the LPA, African leaders, during the 1991 OAU summit, established the African Economic Community (AEC), otherwise referred to as the Abuja treaty. The AEC goals are to be achieved in six stages, as contained under Article 6(1&2) and as shown in Table 8.1. However, despite the initial challenges faced in the implementation of these development templates, African leaders subsequently agreed to establish a free trade area to boost Africa's economic position in the globalised age. Thus, the next section examines a significant economic initiative – AfCFTA, which was designed to boost African economic development and its status within global economic relations.

**Table 8.1:** Stages of African Economic Community (AEC) implementation

Stage	Duration	Task
1	Six years (1994–1999)	Strengthen existing RECs and create new RECs
2	Eight years (2000–2007)	Stabilise tariff and non-tariff barriers; strengthen sectoral integration; co-ordinate REC activity
3	Ten years (2008–2017)	Establish regional free trade areas and customs unions

Stage	Duration	Task
4	Two years (2018–2019)	Harmonise REC tariff and non-tariff systems to establish a continental customs union
5	Four years (2020–2023)	Establish the African Common Market
6	Five years (2024–2028)	Finalise establishment of AEC: monetary union and other institutions of the community

Source: AU (1994)

## The African Continental Free Trade Agreement (AfCFTA)

AfCFTA developed out of the need for African countries and leaders to secure a sustainable space in global economic relations as well as to “unlock Africa’s tremendous potential” (AU 2013). AfCFTA is one of the key projects under the AU’s Agenda 2063. It is also believed that this historic AfCFTA will become the world’s largest free trade bloc. The FTA was adopted at the 18th Ordinary Session of the Assembly of Heads of State and Government of the AU, in Addis Ababa, Ethiopia in 2012.

The summit further adopted the Action Plan on Boosting Intra-African Trade (BIAT), which identifies seven policy clusters for achieving meaningful trade integration (AU 2012). These include trade facilitation, trade policy, productive capacities, trade-related infrastructure, trade finance, trade information, and factor market integration (AU 2012). After its adoption, Africa’s heads of state and government launched the negotiations stage at the 25th Ordinary Session of the Assembly of Africa Union in Johannesburg, South Africa, in 2015, but the actual negotiating process started in 2017. The formal launch of the AfCFTA programme was accomplished at the 10th Extra-Ordinary Summit of the Assembly of Heads of State and Government of the AU, held in Kigali, Rwanda, in March 2018.

The main objective of AfCFTA is to create a single market and deepen economic integration on the continent, in line with Agenda 2063’s vision of “an integrated, prosperous and peaceful Africa, driven by its citizens and representing a dynamic force

in the international arena” (AU 2015:1). Other AfCFTA basic objectives are to:

1. create a single continental market for goods and services, facilitated by the movement of persons to deepen the economic integration of the African continent; create a liberalised market for goods and services through successive rounds of negotiations;
2. contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and development in the state parties and RECs; to lay the foundation for the establishment of a continental customs union at a later stage;
3. enhance the competitiveness of the economies of state parties within the continental and global markets;
4. promote industrial development through diversification and regional value chain development, agricultural development and food security; and
5. resolve the existing challenges of multiple and overlapping memberships and expedite the regional and continental integration process.
6. AfCFTA aimed at creating a single continental market for goods and services, with free movement of persons. AfCFTA Agreement Framework covers trade-in-goods and trade-in-services, investment, intellectual property rights and competition policy. The Assembly has also decided to add e-commerce to the AfCFTA negotiations – AfCFTA Protocol on E-Commerce. Trade-in services are being negotiated in Phase 1, with negotiations on several issues, while negotiations on tariff concessions, rules of origin for goods and schedules of specific commitments for services still ongoing. The aims of the service agreement include enhancing the competitiveness of services; promoting sustainable development; fostering investment; accelerating efforts on industrial development to promote the development of regional value chains and progressively liberalising trade-in services. Phase 2 of the negotiations covers Investment, Competition and Intellectual Property. Article 16 of the AfCFTA outlined in the Agreement

design and mechanics postulates a consensus approach to decisionmaking.

### **Intra-African Trade in AfCFTA Implementation: Necessary or Automatic?**

Trade has been an integral part of Africa's economic development strategies and an essential contributor to African economies' Gross Domestic Profits (GDPs), accounting for above 50%, on average, between 2010 and 2016 (Nicole 2016:213). Since 2000, Sub-Saharan Africa has been the lowest-ranked region in the world, in terms of its global share of total trade in goods and services. Africa has never crossed the 4% threshold (Table 4). However, as the importance of AfCFTA in boosting continental and regional trade as well as repositioning African countries as key players in global economic relations cannot be disputed, the importance of intra-African trade in the implementation of these policies and initiatives cannot be under-emphasised.

Statistical estimates show that AfCFTA should stimulate total African exports by 4% (US\$25.3 billion) and result in an overall 52% (US\$34.6 billion) increase in intra-African trade, covering a wide range of sectors, including agriculture and agro-processing, industry, and services (Barassoy *et al* 2020:778). Trade in industrial goods was expected to increase by 53% between 2010 and 2022 (Valensisi *et al* 2016). Despite the importance of trade and the launch of AfCFTA, the current state of intra-African trade (importation and exportation) is far below expectations given Africa's human and natural resources availability. Put differently, low intra-African trade can affect the successful implementation of AfCFTA and shows the lack of member states' commitment to the AfCFTA project. Indeed, intra-African trade between 2013 and 2018 experienced significant fluctuation. Table 8.2 indicates intra-African trade (export and import) between 2013 and 2018.

**Table 8.2:** World Trade by Continents – Imports and Exports (Percentage)

Continent	World Trade by Continent – Imports (milliards/billion USD)				
	2013	2015	2017	2018	2019
North America	16.9	18.8	18.3	18.0	18.2
South and Central America	4.1	3.7	3.2	3.3	3.2
Europe	35.0	34.8	35.9	35.8	35.7
Africa	3.4	3.3	2.9	2.9	3.0
Middle East	4.2	4.6	4.1	3.8	3.9
Asia	33.5	32.6	33.4	34.1	33.8
	100	100	100	100	100
World Trade by Continent – Exports (milliards/billion USD)					
North America	12.7	13.9	13.4	13.2	13.5
South and Central America	3.9	3.3	3.3	3.3	3.1
Europe	35.8	36.1	36.1	36.6	36.7
Africa	3.1	2.4	2.4	2.5	2.4
Middle East	7.1	5.4	5.3	5.7	5.1
Asia	33.2	36.0	36.0	35.5	35.8
	100	100	100	100	100

Source: *Africa Trade Statistics (2020:24)*

African countries' performance and commitment to intra-African trade have been minimally low when compared to their volume of trade with the Rest of the World (ROW). Total trade from Africa to the rest of the world averaged US\$760 billion in current prices in the period 2015–2017, compared with \$481 billion from Oceania, \$4109 billion from Europe, \$5140 billion from America and \$6801 billion from Asia (UNCTAD 2019). In 2017, intra-African trade was estimated at US\$135 billion, growing by 9% year-on-year from US\$124 billion in 2016. The share of exports from Africa to the rest of the world ranged from 80% to 90% in 2000–2017 (UNCTAD 2019). Intra-African trade hovered at around 15.2% in

2015–2017, while comparative figures for America, Asia, Europe, and Oceania were, respectively, 47.4%, 61.1%, 67.1%, and 7.2%.

In 2018, intra-African trade export stood at 18.25%, while imports were 17.59% (UNCTAD 2020). In comparison, intra-American (North and Latin) exports and imports were 54.26% and 39.16%, intra-Asian exports and imports were 59.86% and 62.66%, intra-European exports and imports were 68.59% and 65.83%, and intra-Oceania exports and imports were 6.75% and 6.91% (UNCTAD 2020). Hence, Africa only ranks above Oceania and significantly behind America, Asia, and Europe, thus exposing the lack of economic integration in Africa. In 2019, South Africa remained the main intra-African exporter and importer, accounting for 31.4% of intra-African exports and 14.4% of intra-African imports in 2019 (Africa Trade Statistics 2020:35–36). Other main intra-African trade importers in 2019 included Namibia, Botswana, Nigeria, and Zambia, while the main intra-African trade exporters in 2019 included Nigeria, the Democratic Republic of the Congo, Egypt, and Ghana. Also, 23% of intra-African exports were mineral fuels, followed by exports of machinery, floating structures, vehicles, and precious metals (Africa Trade Statistics 2020). The decline in intra-African state trade has been attributed to the dependence of African economies on commodity production and exports, a lack of diversification resulting in a mismatch between supply and demand, tariffs and non-tariff barriers (NTBs), inefficient transport infrastructure, poor trade logistics and high security risks. Despite AfCFTA potentialities to boost intra-African trade by 52% between 2010 and 2022, as well as a boost in industrial goods by an additional 53% in the same period, the need to enhance intra-African trade remains very germane.

Also, the fragile nature of intra-African trade was exposed by the COVID-19 pandemic. The pandemic, which generally affected the global, regional, and national economies, also affected the implementation of AfCFTA. AfCFTA implementation was originally scheduled to begin on 1 July 2020. However, due to the COVID-19 pandemic, the implementation was moved to 1 January 2021. The total or partial lockdowns, closure of land, sea, and air borders, and issuance of travel bans enforced by most African

countries had negative implications for AfCFTA's implementation. The pandemic negatively affected states' economies and the performance of RECs, and also hampered the expectations of enhanced intra-African trade. PricewaterhouseCoopers (2020) research on the implication of the pandemic on AfCFTA reveals that measures adopted by key and emerging African economies, such as Nigeria, South Africa, Ghana, Algeria, Morocco, Kenya, and Ethiopia (who are the main intra-African trade importers and exporters) hurt intra-African trade. The pandemic further placed national economic interest at the forefront of AfCFTA (PricewaterhouseCoopers 2020).

Furthermore, it will be challenging for AfCFTA to engineer the needed change in global economic relations without building strong intra-African trade. For instance, for AfCFTA to redefine Africa's position within the international economic order, there would be a need to establish a continental customs union, to align its trade interests with other trading blocs, such as the European Union (EU), and for the AU to represent Africa in other international trade negotiations. However, the customs union could prove difficult with low intra-African trade. In practice, several African states have numerous trading partners and diversities of trade interests. The complexities of African states' trade and economic interests make it difficult to relinquish their economic sovereignty to AfCFTA. In other words, negotiating as a bloc would likely only be feasible if African states were willing to transform the AU into a supranational organisation, thereby empowering the continental entity to facilitate African trade with the rest of the world.

**Table 8.3:** Intra-African Union Import and Export Trade, 2013-2019, million US dollars

Year	2013	2014	2015	2016	2017	2018	2019
Total AU Import	621, 828.3	638,170.5	592,117.5	508,071.7	510, 782.7	572,253.2	560, 485.5
Intra-AU Import	97, 626.6	95, 028.2	81, 244.2	61, 789.4	61,966.0	74, 732.4	70, 432.7
Share of Intra-AU imports	15.7	14.9	13.7	12.2	12.1	13.1	12.6
Total AU Export	575, 188.5	554, 621.5	401,821.0	348, 671.3	429,551.1	491,107.2	465, 920.8
Intra-AU Export	104, 503.3	105,491.1	95, 302.0	82, 191.8	84, 083.2	98,565.5	91, 819.7
Share of Intra-AU Export	18.2	19.2	23.7	23.6	19.6	20.1	19.7

Source: Africa Trade Statistics (2020:26-31)

## Challenges of Intra-African Trade

The African Development Bank (AfDB), in its 2017 Africa Economic Outlook report, states that “trade between countries has the greatest potential for building sustainable development and integration” (AfDB 2017). However, intra-continental trade remains low in Africa. Beyond AfCFTA, the low intra-African trade has prevented African economies from “harnessing the synergies and complementarities of their economies and taking full advantage of the economies of scale and other benefits (such as income and employment generation) that greater market integration would have provided” (AU 2012). There are several categories of challenges affecting intra-African trade, which in turn also affect the effective implementation of the free trade initiative. AfCFTA is a trade liberalisation initiative that focuses on removing non-tariff barriers, and its inability to achieve this objective has negatively affected the efforts to build intra-African trade.

However, tariffs and other trade barriers such as customs procedures, driver- and vehicle-related regulations, and delays at ports, weighbridges, and roadblocks are still very prevalent on the continent. Tariffs are important sources of government revenue for many African states; thus, the leaders need to consider the revenue losses because of a reduction in intra-African tariffs. Approximately 1.5% of African GDP (\$37 billion) comes from tariffs on imports from the rest of the world. By comparison, intra-Africa trade tariff revenue equates to just 0.1% of African GDP in 2015 (\$3.5 billion). Hence, as AfCFTA focuses on the removal of 90% of tariffs, it will provide the platform for African countries (LDCs) to implement their agreed tariff reductions over ten years and boost intra-African trade. The remaining 10% of tariff lines are divided into two categories – 7% of the tariff lines may be designated sensitive products and liberalised over ten years (LDCs have 13 years), and the remaining 3% may be excluded from liberalisation. Therefore, several African countries will face a transitional phase in their economic capabilities and productivity.

The reduction in non-tariff goods will create uncertainties for African economies, due to the huge reduction in their

revenues. Since the removal of non-tariff barriers will change the landscape of trade, African countries and regional blocs whose source of revenue comes largely from intra-African trade might find it difficult to provide services. However, economists and policymakers have argued that, despite the challenges these countries might face, especially at the initial implementation of AfCFTA tariffs and ROO, they stand to benefit more from AfCFTA trade liberalisation, given the volume of trade such tariffs will support (AfCFTA 2022). Also, while the removal of trade tariffs is a step toward greater regional trade, it does not necessarily mean that intra-African trade will increase, as African states' tradable supply-side capacities are weak.

Trade with the Rest of the World is another major challenge affecting intra-African trade. According to World Integrated Trade Solution (WITS) data, from 2008 to 2018, eight countries accounted for 47.85% of SSA exports and 43.23% of imports (WITS 2018). These countries are China, the US, India, Japan, the United Kingdom (UK), Germany, the Netherlands, and France. Disaggregated, on average from 2008 to 2018, in terms of exports, China accounts for the most share with 12.53%, followed by the US (10.69%), India (7.20%), the Netherlands (4.73%), and the UK (3.8%). In terms of imports, China again has the largest share with 14.06%, followed by the US (6.04%), India (5.16%), Germany (5.05%), and France (4%) (WITS 2018). However, Africa has not crossed the 4% threshold of its global share of total trade in goods and services.

African low share of international trade can be explained by the nature of commodities traded within the global market. During colonialism, the fabrics of African economies, which were forcefully geared towards raw materials, left permanent deformations on the continent. African nations have a limited and fragile export portfolio, primarily stemming from their economies' heavy reliance on natural resources. According to the IMF, the top five African exporting countries for 2018 were South Africa (27.4%), Nigeria (12.1%), Kenya (6%), Ghana (4.5%), and Tanzania (4%) (IMF 2018). Raw materials represent over half of African exports to other countries. The result of raw material dependence has affected African states' capability to diversify

their goods and services. Given the low economic productivity, African countries remain a primary producer of products and natural resources as their main exports, whereas much of global trade consists of manufactured goods and industrial products.

It is also important to note that intra-African trade has underperformed, given some structural and perennial factors, which include Africa's infrastructure deficits (such as low industrial capacities and skill deficits), lack of adequate trans-regional transportation infrastructures (such as railroads), erratic power supply, and inadequate telecommunication connectivity that could drive trade in goods and services. Data from the AfDB show that Africa's road network of 3.6 km per 1000 persons does not compare favourably with the global average of 7 km per 1000 persons (AfDB 2014). Afrobarometer data on 35 African countries in 2015 show that only 54% of roads in Africa are tarred or paved (Afrobarometer 2015). Rail networks on the continent are also underdeveloped, and most countries in Africa have not significantly invested in rail infrastructure since independence.

Also, data from the AU show that the entire African railway network, estimated at 75 000 km on a surface of 30.2 million km<sup>2</sup>, translates into a density of approximately 2.5 km for 1000 km<sup>2</sup>, which is far below that of other regions and the world average of 23 for 1000 km<sup>2</sup> (AU 2014). This leads to slow intra-African trade and a high cost of doing business between African countries. Also, insecurity and an unstable political environment constitute imminent challenges. Several African countries are facing challenges – insurgency, terrorism, human trafficking, smuggling, and civil wars. For instance, a terrorist group, Al-Shahab, operates in the Horn of Africa, Al-Qaeda in Central Africa, and Boko Haram in West Africa. This has often resulted in an unstable socio-political environment that cannot support intra-African trade.

Also, the technological deficit and absence of sustainable digitalisation are other impediments to intra-African trade, especially given the constraining physical and economic geography of Africa – a continent characterised by fragmented markets, many small countries, and 15 landlocked economies.

The African economy during COVID-19 witnessed significant setbacks since the African digital economy remains at the infant stage. Many African countries also lack the industrial capacity to innovate, absorb, and effectively use new technologies to diversify manufactured goods and move toward higher-quality products. Also, the absence of a common cross-border information and communication technology (ICT), infrastructure for processing goods through African ports, standardised processes and procedures, as well as the prevalence of unexpected and inconsistent fees, non-convertible currencies, non-existence of cross-border payment systems, and incoherent regulatory frameworks impede trans-African trade. They lead to long processing and turnaround times, high storage and warehousing costs, and corruption and red tape across transit routes and borders, further inhibiting intra-African trade and the effective performance of AfCFTA.

## Conclusion

Since the waves of independence in Africa, Western countries, such as the United States, France, United Kingdom; IFIs like the IMF and World Trade Organisation; and other African trading partners, such as China and India, have pursued and protected their economic interests in Africa and globally. However, Africa has continually occupied a disadvantageous position within the global order. An attempt to instigate sustainable development and redefine Africa's economic position *vis-à-vis* the globalised environment led to the establishment of AfCFTA. As examined in the chapter, the sustainability of AfCFTA and the level of African countries' integration depends on the degree of intra-African trade.

The concept and focus on fostering intra-African trade do not centre around advocating for a singular African economy, specific goods, or services, nor do they aim to undermine trade between Africa and the rest of the world. However, the emphasis on intra-African trade and the benefits that flow from such compliance will tremendously contribute to African economic emancipation. Indeed, intra-African trade (import and export) has not received any progressive boost and is also incomparable

with trade with its global partners. However, low intra-African trade has been caused by diverse obstacles, among which are Africa's infrastructural deficits, absence of a digitalised economy, unstable political systems, and the high cost of trade and unease in doing business on the continent.

Therefore, this chapter reinforces the importance of rooting AfCFTA success within the intra-African trade thesis. By committing to intra-African trade, member states will lay fertile ground for the robust actualisation of AfCFTA goals, such as the ability to negotiate with other economic and trade blocs, and deeper integration required for a successful continental customs union. It also affords member states the opportunity to emphasise the centrality of the choice made by African leaders and the readiness of its leaders to determine how best to move the continent forward. The idea that AfCFTA will contribute positively to the socio-economic wellbeing of Africans is one that logically requires that intra-African trade obstacles be addressed and promoted for a successful AfCFTA and implementation of the AU's economic blueprint.

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