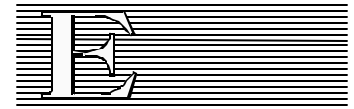




**UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA**



Distr.: GENERAL

E/ECA/CTRCI/6/3

10 August 2009

ENGLISH

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

13-15 October 2009
Addis Ababa, Ethiopia

DEVELOPMENTS IN INTRA-AFRICAN TRADE

CONTENTS

	Page
I. Introduction	1
II. Intra-REC Export and Import Trends	2
Intra-REC Export Trends	3
Exports to Rest of Africa	4
Overall Direction of Exports.....	5
Intra-REC Import Trends.....	6
Growth of Trade	8
III. Highlights of country situations in intra-African trade	9
General Assessment	10
Potential of Trade to the Africa Region by African Countries	12
IV. Key Messages.....	13

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 the ir 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)

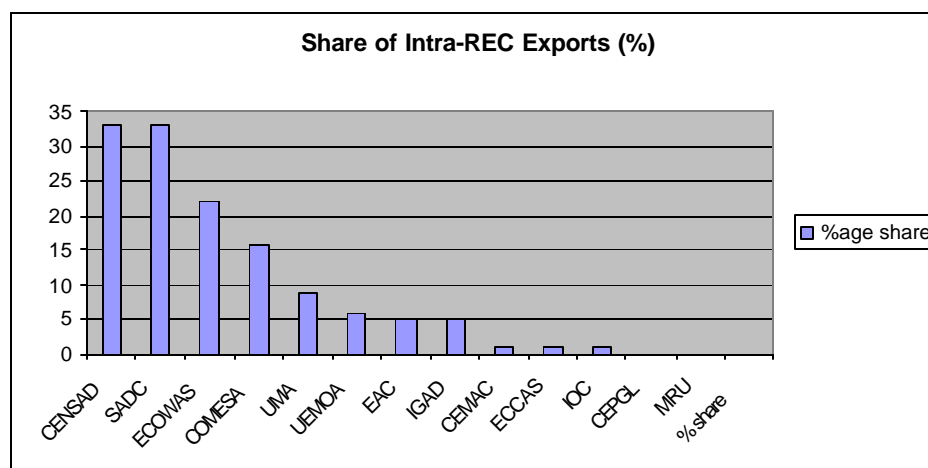
RECs	2000	2001	2002	2003	2004	2005	2006	2007	Average 2000- 2007
CEMAC	96	117	134	146	174	198	245	304	177
CENSAD	4017	3577	4671	4882	6470	8433	9099	11555	6586
CEPGL	10	11	13	15	19	22	24	30	18
COMESA	2119	2074	2353	2797	3541	4629	3455	4571	3192
EAC	689	533	590	720	946	1081	1279	1587	928
ECCAS	181	193	187	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) Total World Exports	2.4	2.2	2.2	2.3	2.4	2.7	2.9	2.9	2.5
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.

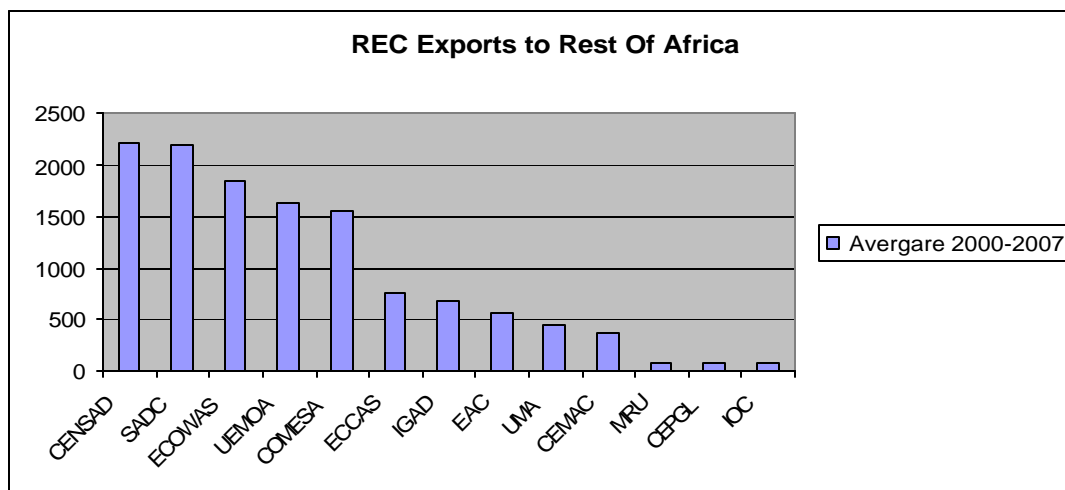
Table 2: REC EXPORTS TO REST OF AFRICA - 2000-2007 (in US\$ Millions)

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

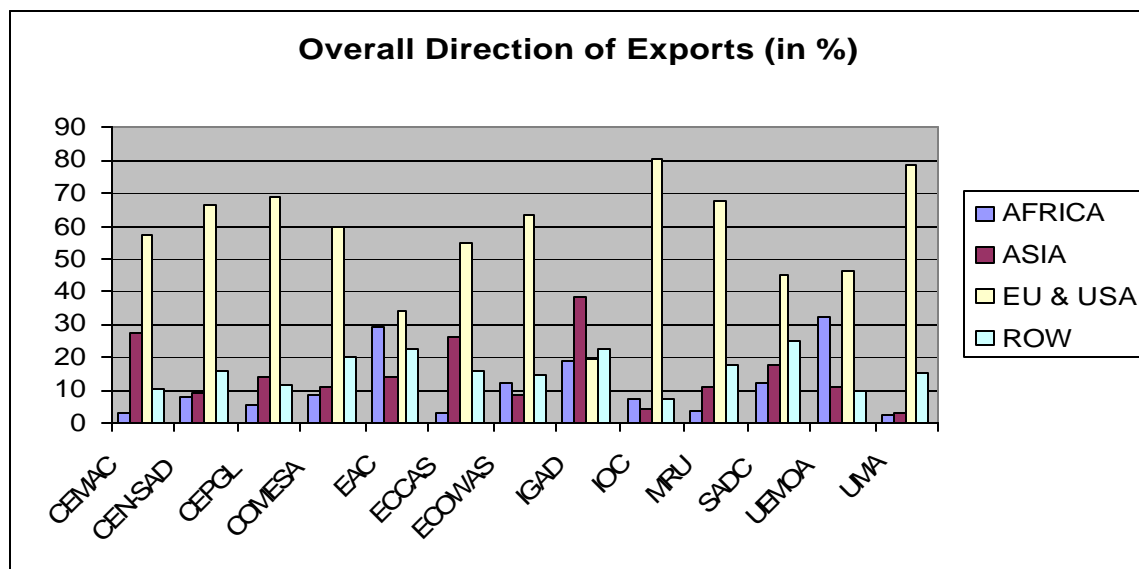
7.. Table 3 shows the overall direction of exports from RECs to the African continent as a whole, and to global markets. This is further illustrated in Figure 3.

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

RECs	Rest of							WORLD
	AFRICA	CHINA	ASIA	EU	JAPAN	USA	World	
CEMAC	558.8	2594.5	1948.1	4453.9	142.5	4887.7	1641.8	16227.2
CENSAD	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

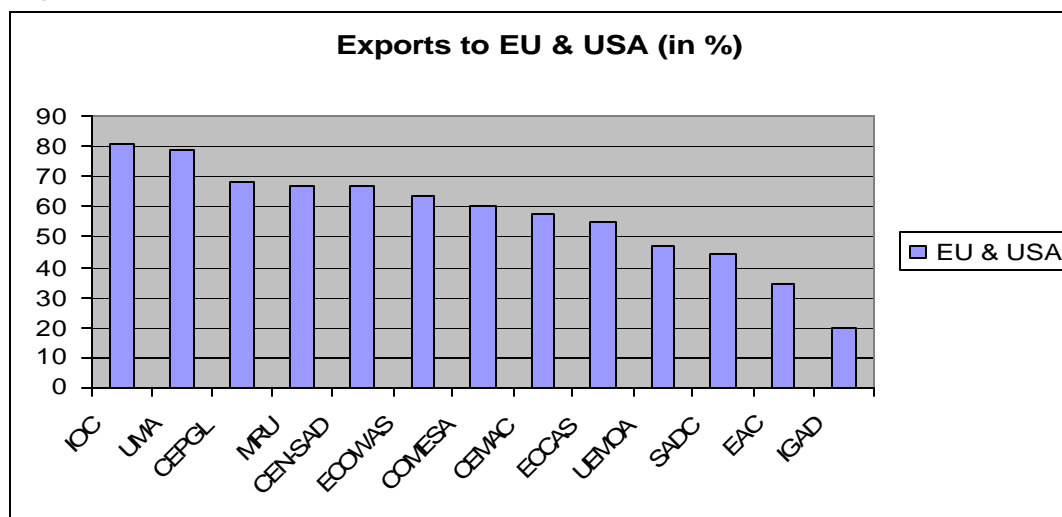
Figure 3



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
CENSAD	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
CENSAD	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
<u>Beverages and Tobacco (SITC 1)</u>
11-Beverages
12-Tobacco and tobacco manufactures
<u>O res, metals, precious stones and non-monetary gold (SITC 27+28+667+68+971)</u>
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)
<u>Fuels (SITC 3)</u>
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
<u>Manufactured Goods (SITC 6+8 excluding 667 and 68)</u>
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
<u>Chemicals and Related Products (SITC 5)</u>
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
<u>Machinery and Transport equipment (SITC 7)</u>
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.