

# Africa Agriculture Trade Monitor 2020

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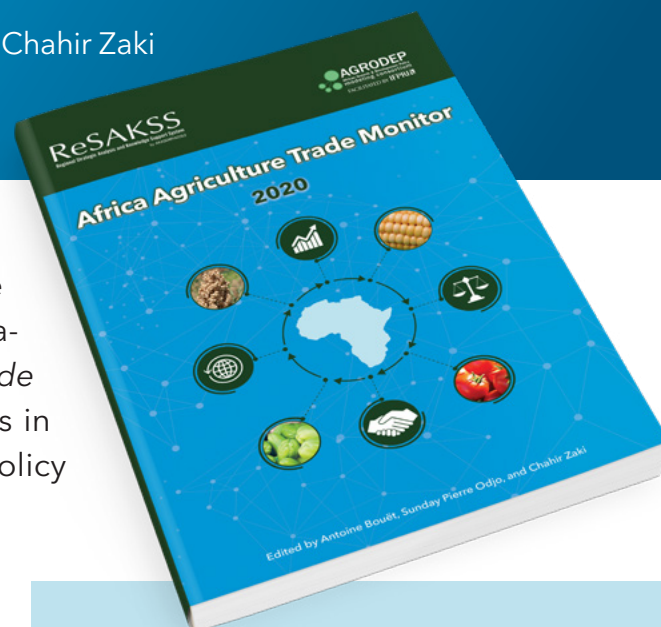
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Against the background of major worldwide trade pattern disruption due to the coronavirus pandemic, the *Africa Agriculture Trade Monitor 2020* explores the most salient trends in regional and global trade and Africa's key policy opportunities and barriers.

Using a database that corrects typical trade flow errors, the report offers the most robust analysis of agricultural trade flows and compositions, comparative advantages, and tariff and nontariff trade protection, and identifies opportunities to develop stronger regional value chains and capitalize on the recently ratified African Continental Free Trade Area. This year's report includes special coverage of informal trade and initiatives to measure its widespread impact across Africa, as well as a regional focus on the Southern African Development Community (SADC).

**DESPITE PRODUCING 10 PERCENT OF THE WORLD'S AGRICULTURAL GDP, AFRICA ONLY ACCOUNTS FOR 4 PERCENT OF GLOBAL AGRICULTURAL EXPORTS.** Nontariff measures such as customs formalities and sanitary and phytosanitary restrictions pose the primary barriers to Africa's competitiveness, along with poor transportation, infrastructure, and unfair competition due to domestic support policies in Brazil, China, the European Union (EU), the United States, and other countries. With rising demand from its growing population, the African agricultural trade deficit persists, particularly in the staple cereals, sugar, and vegetable oils value chains. Few African products outperform in global markets, namely unprocessed products like sesame seeds and tomatoes, and some semi-processed products like broths and sucrose. Nonetheless, African global exports have expanded since 2005, especially to emerging economies, while export growth to its longstanding EU market continues.

**INTRA-AFRICAN AGRICULTURAL EXPORTS GREW FASTER THAN GLOBAL EXPORTS FROM 2008-2018.** Intracontinental trade offers compelling opportunities for African trade growth if regional economic communities (RECs) can minimize tariff and nontariff barriers. Tariffs between RECs can be as high as 40 percent (see Table 1), and nontariff measures pose an additional 21 percent average charge on trade between RECs. For these reasons, along with other regional factors (e.g., language, proximity), most intra-African trade occurs within RECs, with the greatest recent growth among SADC and COMESA member countries (see Figure 1).



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**TRADE INTERESTS WITHIN AFRICA ARE NOT NECESSARILY COMPLEMENTARY**, since countries primarily export unprocessed nonfood products, but import processed food products. Yet these trends are shifting, and intracontinental trade flows are responding well to emerging trends in domestic food demand – the share of traditional export products is contracting while emerging cash products and processed products like broths and prepared foods are expanding. Growth in demand for processed foods accompanies demographic shifts, urban expansion, and changing lifestyles and habits in rural areas. But despite their added value benefits, some processed foods raise health concerns; shifting diets in many emerging economies have led to spikes in diabetes, diet-related disease, and the double-burden of under-nutrition and obesity.

**EXPORT DIVERSIFICATION AWAY FROM PRIMARY COMMODITIES IS KEY TO INTRA-AFRICAN TRADE EXPANSION**, as exemplified by the case study of the Southern Africa region (SADC). Only a few products dominate intra-SADC trade, but intraregional trade could be intensified by building on localized comparative advantages within the region (e.g., sugar, cattle, vegetables) and leveraging these regional differences to build the competitiveness of key food value chains.

**INTRA-AFRICAN TRADE, ESPECIALLY AGRICULTURAL TRADE, IS MUCH LARGER THAN OFFICIAL STATISTICS ALONE SUGGEST.**

In West Africa, for example, an estimated 30 percent of staple foods cross borders informally. Incomplete trade data across the continent call for greater scaling up of initiatives that assess the gap between reported trade and total trade. Despite effective temporary initiatives by governments, development agencies, and other institutions, there is no continentwide system to monitor and quantify the magnitude of informal cross-border trade.

**STRENGTHENING REGIONAL TRADE INTEGRATION AND MINIMIZING INTRA-AFRICAN TARIFF AND NONTARIFF BARRIERS PRESENT OPPORTUNITIES TO EXPAND TRADE.**

With the growing continental market, strong coordination among African RECs could enhance regional supply chains and facilitate equitable participation of informal traders in formal trade markets. Improvements to trade data, infrastructure, and transportation will further strengthen markets for African producers and consumers, especially as countries strive to build back better after the pandemic.

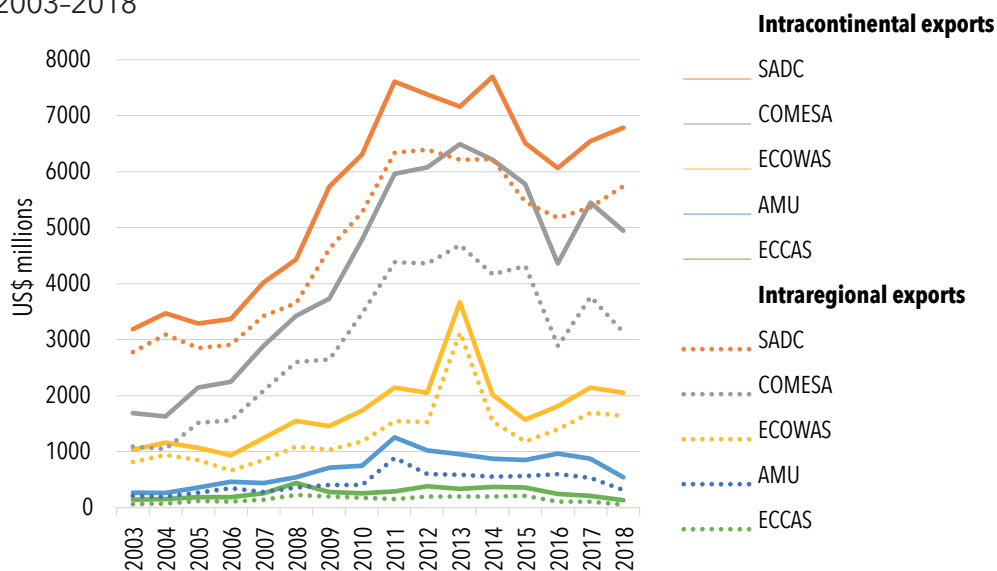
**TABLE 1** Simple average tariff rates on agricultural products, 2016 (percent)

Importer	Exporter										
	World	EU	Africa	AMU	CEN-SAD	COMESA	EAC	ECCAS	ECOWAS	IGAD	SADC
Africa	15.1	18.3	6.9	17.4	8.6	5.5	2.3	9.3	6.8	4.2	5.9
AMU	18.7	17.7	15.8	16.6	14.8	15.4	16.9	18.4	13.3	14.7	20.0
CEN-SAD	20.0	23.2	11.6	18.6	9.0	13.8	6.8	9.3	5.3	14.0	18.1
COMESA	14.7	20.8	5.0	7.9	3.5	2.6	0.7	6.8	14.8	1.6	5.8
EAC	18.3	23.3	6.9	41.9	2.3	2.1	0.1	6.7	20.9	0.5	11.8
ECCAS	21.2	23.5	14.5	22.1	10.4	5.7	0.4	12.5	22.8	0.8	22.0
ECOWAS	16.9	19.3	10.7	19.6	8.4	18.6	19.4	13.5	5.0	19.9	17.9
IGAD	19.0	22.6	10.2	44.3	1.3	0.9	0.4	3.1	19.4	1.3	16.3
SADC	10.2	11.5	3.9	13.2	9.5	4.5	4.2	9.4	11.5	6.4	2.7

Source: UNCTAD secretariat calculations based on UNCTAD TRAINS (UNCTAD 2019, Table 2, p. 43).

Note: SADC: Southern African Development Community; ECOWAS: Economic Community of West African States; ECCAS: Economic Community of Central African States; COMESA: Common Market for Eastern and Southern Africa; AMU: Arab Maghreb Union, EU: European Union; CEN-SAD: Community of Sahel-Saharan States; EAC: Eastern African Community; IGAD: Inter-Governmental Authority on Development.

**FIGURE 1** Trends in intra-African and intraregional agricultural exports, by region, 2003–2018



Source: 2020 AATM database and authors' computations.

Note: SADC: Southern African Development Community; ECOWAS: Economic Community of West African States; ECCAS: Economic Community of Central African States; COMESA: Common Market for Eastern and Southern Africa; AMU: Arab Maghreb Union.

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