



In spite of its many sponsors, the African Continental Free Trade Area (AfCFTA) goes into the wall

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PLAN

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The President of Niger, Mahamadou Issoufou, said on November 27, 2020, opening the 47th session of the Council of Foreign Ministers of the Organization for Islamic Cooperation (OIC): “Africa's ambition is to be the next world manufacturing center”¹. If this ambition is unrealistic in the medium term, it is reinforced by the support given to the African Continental Free Trade Area (AfCFTA) by international institutions – the World Bank² and the IMF³ having joined in 2020 the older support of UNCTAD and the United Nations Economic Commission for Africa (UNECA) – and the European Union (EU), since this should boost exports and profits of multinationals, and it is sad that Nigeria has finally ratified the AfCFTA on November 11, 2020⁴.

The World Bank points out in particular that “Under AfCFTA, manufactured exports would gain the most, at 62 percent overall, with intra-African trade increasing by 110 percent and exports to the rest of the world by 46 percent”. And Albert M. Muchanga, Commissioner for Trade and Industry of the African Union (AU) told AU trade ministers on May 7, 2020: “Africa has enough policies and strategies for industrialization and economic diversification, including export diversification. The task ahead is to move to the stage of developing skills and excellence in the actual manufacturing and processing of agricultural products in Africa. The second key activity is the young entrepreneurs' pavilion at the 2021 intra-African trade fair, which will attract 150 young entrepreneurs and connect them with venture capital firms. Our objective is

¹ <https://www.niametles2jours.com/l-uemoa/gestion-publique/2811-6248-l-afrique-a-pour-ambition-d-etre-le-prochain-centre-manufacturier-mondial-issoufou-mahamadou>

² World Bank, *The African Continental Free Trade Area. Economic and Distributional Effects*, 27 July 2020 <https://openknowledge.worldbank.org/bitstream/handle/10986/34139/9781464815591.pdf>

³ IMF, *The African Continental Free Trade Area: Potential Economic Impact and Challenges*: <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2020/05/13/The-African-Continental-Free-Trade-Area-Potential-Economic-Impact-and-Challenges-46235>

⁴ <https://nairametrics.com/2020/11/12/afcfta-nigeria-agrees-to-ratify-agreement/>

to make the pavilion a magnet for promoting entrepreneurship among young Africans, some of whom may become manufacturers or agro-processors, which will not only help increase intra-African trade, but also increase Africa's share of world trade and improve our trade balance, which has historically been in deficit due to our overdependence on imported manufactured goods”⁵. Let us add that the conclusion on December 3, 2020 of the future EU-ACP post-Cotonou Agreement at the level of negotiators will not facilitate this ambition⁶.

The headlong rush to fast-track the implementation of the AfCFTA, which is supposed to start in January 2021 while the minimum conditions for preparation are far from being met, greatly weakens the priority to be given to regional integration within the RECs and is absurd for Africa's long-term self-centered development. Self-centeredness is a concept at the antipodes of extroversion or xenophobic sovereignism but promotes the sovereignty of peoples in a sense of solidarity and respect for human rights and the environment, without harming the rest of the world. It is necessary to achieve the objectives of Sustainable Development Goals (SDGs) and the Paris Climate Agreement. We are very far from the priority given by the WTO to access the markets of other countries through free trade that takes no account of the dumping linked to so-called non-trade-distorting subsidies or simply by centuries of colonial domination and decades of neo-colonial domination by the EU. For poor countries in particular, such as those in Africa, and as Samir Amin has shown, it is an illusion to think that “catching up” is possible by entering ‘global value chains’ in which Africa is condemned to remain at the least remunerative level of supplier of unprocessed raw materials, with no possibility of actual industrialization.

The objective of this paper is to show that Africa is very far from the mark, by successively analyzing the total internal and external trade of the continents and then of the major regions of Africa before studying the distribution of the major types of products traded internally and externally by the regional economic communities (RECs), particularly for manufactured products according to the degree of technology required. This will be done on the average of the last 25 years 1995 to 2019 and particularly in 2019. To minimize the data in current dollar values, balances and percentages will be used instead, as well as numerous graph slides to be consulted in conjunction with this text.

I – The external and internal trade of the world's continents

Tables 1 and 2 and slides 2 and 3 summarize the evolution of the rate of trade integration, or in the broadest sense of self-centering, of the continents' total trade in relation to their trade with the rest of the world, on average from 1995 to 2019 and in 2019. The data in billions of current US dollars (\$ bn) have been converted for the EU28 into dollars at the annual average exchange rate of the European Central Bank. Both exports and imports and the sum of the two are compared.

Europe (up to Vladivostock) has the highest rate of continental trade integration – 67.1% on average from 1995 to 2019, with 68% for exports and 66.1% for imports – where the EU28, which accounted for 80.3% of internal trade and 85.8% of external trade, had an average rate of 64.6%, with 65.6% for exports and 63.5% for imports. This average rate dropped significantly in 2019 for Europe (to 67.1%) and barely increased for the EU28 (to 65%).

⁵ <https://au.int/en/speeches/20200507/statement-delivered-he-albert-m-muchanga-commissioner-trade-and-industry-joint>

⁶ https://ec.europa.eu/commission/presscorner/detail/fr/QANDA_20_2303

After Europe, including the EU28, Asia (as a whole) is the most integrated – with an average of 60.1%, of which 60.5% in 2019 –, followed by America (as a whole) where integration has significantly decreased from an average of 48.5% to 45.5% in 2019, and is much higher for exports (56.7%) than for imports (42.1%), a difference that is not noticeable for the other continents.

Africa is lagging far behind other continents even though trade integration has increased from 13.4% on average to 14.8% in 2019, with a large difference between North Africa (NAF) at a rate of 5.3% on average against 17.8% in Sub-Saharan Africa (SSA), with a slight convergence in 2019.

Table 1 – Intra-continental trade and trade with the world on average from 1995 to 2019

\$ billion	Exports			Imports			Exports + imports		
	World	Europe/EU	Europe-EU/world	World	Europe/EU	Europe-EU/world	World	Europe/EU	Europe-EU/world
Europe	4993,2	3510,5	70,3%	4866,9	3292	67,6%	9860,1	6802,5	69%
EU28	4223,5	2771,7	65,6%	4236,1	2691	63,5%	8459,6	5462,7	64,6%
	World	America	America/world	World	America	America/world	World	America	America/world
America	2150,4	1220,1	56,7%	2777,4	1170,5	42,1%	4927,8	2390,6	48,5%
	World	Asia	Asia/world	World	Asia	Asia/world	World	Asia	Asia/world
Asia	4599,7	2686,8	58,4%	4227,5	2614,3	61,8%	8827,2	5301,1	60,1%
	World	Africa	Africa/world	World	Africa	Africa/world	World	Africa	Africa/world
Africa	340,8	45,1	13,2%	347,7	47,5	13,7%	688,5	92,6	13,4%
NAF	111,5	6,3	5,7%	130	6,6	5,1%	241,5	12,9	5,3%
SSA	229,3	38,8	16,9%	217,7	40,9	18,8%	447	79,7	17,8%

Source: UNCTAD and Easycomext

Table 2 – Intra-continental trade and with the world in 2019

Md\$	Exports			Imports			Exports + imports		
	World	Europe/EU	Europe-EU/world	World	Europe/EU	Europe-EU/world	World	Europe/EU	Europe-EU/world
Europe	7241,4	4926,2	68%	6987,9	4619,3	66,1%	14229,3	9545,5	67,1%
EU28	6126,8	4006,6	65,4%	6070,2	3926,2	64,7%	12197	7932,8	65%
	World	America	America/world	World	America	America/world	World	America	America/world
America	3156,8	1704	54%	4096,8	1598,4	39%	7253,6	3302,4	45,5%
	World	Asia	Asia/world	World	Asia	Asia/world	World	Asia	Asia/world
Asia	7727,3	4601,9	59,6%	7228,1	4446,8	61,5%	14955,4	9048,7	60,5%
	World	Africa	Africa/world	World	Africa	Africa/world	World	Africa	Africa/world
Africa	477	74	15,5%	568,6	80,6	14,2%	1045,6	154,6	14,8%
NAF	139,3	11,3	8,1%	216,8	9,5	4,4%	356,1	20,8	5,8%
SSA	337,7	62,7	18,6%	351,8	58,5	16,6%	689,5	121,2	17,6%

Source: UNCTAD and Easycomext

II – External and internal trade in the major regions of Africa from 1995 to 2019

Slides 4 and 5 present the evolution of the trade balance of Africa and SSA. With a surplus up to 2012 (except for 2009, when there was a deficit of \$17 bn), Africa has been in deficit since 2013: \$92 bn, with a low of \$143 bn in 2016. But SSA remained in surplus until 2014 (except in 2009 at \$1.9 bn) and in 2019 accounted for only 15% of Africa's deficit, while it accounted for 61.8% of the continent's imports and 70.8% of its exports.

Africa recorded an average external deficit of \$ 6.950 bn in current dollars between 1995 and 2019, multiplied by 7.2 between these two dates but surely much lower in real terms or even negative given inflation and a fortiori per capita since the population has increased on average by 2.43% per year in Africa, of which by 1.75% in NAF and 2.60% in SSA. The external deficit results from the difference between the NAF deficit of \$18.525 bn, which was multiplied by 6.9, and the surplus of \$11.576 bn in SSA, multiplied by 11.9. This average SSA surplus is explained by Central Africa (CA) surplus of \$27.945 bn and West Africa (WA) surplus of \$14.413 bn compared to deficits in East Africa (EA) of \$24.613 bn and Southern Africa (SA) of \$6.168 bn.

Before analyzing intra-African trade, let's point out the important differences in the list of States making up the Regional Economic Communities (RECs) of Africa, with contradictions already within UNCTAD and with the EU EPAs (Economic Partnership Agreements).

2.1 – The contradictions in the composition of the groups of African States according to UNCTAD and the EU EPAs

In UNCTAD's 2020 report on the AfCFTA⁷ its classification of 5 groups of African countries – AMU (Arab Maghreb Union), COMESA (Common Market for Eastern and Southern Africa), ECCAS (Economic Community of Central African States), ECOWAS (Economic Community of West African States) and SADC (Southern African Development Community) – does not correspond to the 5 groups in its African trade database: North Africa, East Africa, Central Africa, Southern Africa and West Africa. Admittedly the differences are minor for West Africa where the database only covers ECOWAS (omitting Mauritania) and for North Africa – where the AMU only includes 5 countries (Algeria, Egypt, Libya, Morocco, Tunisia) in the AfCFTA 2020 report against 7 for North Africa in the UNCTAD database, with Sudan and Western Sahara in addition – or even for Central Africa – where CEMAC for the database includes 9 countries (Angola, Cameroon, Central African Republic, Chad, the two Congo, Gabon, Equatorial Guinea, Sao Tome and Principe) against 10 (with Burundi in addition) in ECCAS.

The key differences relate to the composition of the East African States, which includes 18 countries in the UNCTAD database – Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, Seychelles, Somalia, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe – compared to the 21 COMESA countries in the AfCFTA report (the 3 additional ones being Mozambique, Tanzania and South Sudan), and the SADC (with 16 countries) in the UNCTAD 2020 report, while Southern Africa in the data base covers only the 5 SACU members (South Africa, Eswatini, Botswana, Lesotho, Namibia).

To these internal differences in the UNCTAD data, one must add the composition of the EPAs with the EU which adds Mauritania to the 15 ECOWAS States for the West Africa EPA – although this EPA is not effective since Nigeria refuses to sign it, but where Côte d'Ivoire and Ghana are implementing interim EPAs (iEPAs) since the end of 2016 –, the Southern Africa EPA – which includes the 5 SACU States plus Mozambique and Angola is expected to join very soon –, the East African EPA with 5 States – where Kenya and Rwanda have ratified it but not Burundi, Uganda and Tanzania –, the Central African EPA – that only Cameroon has been implementing since 2014 while Chad, Central African Republic, Congo Brazzaville, Congo Kinshasa, Gabon, Equatorial Guinea, São Tomé and Príncipe have refused to sign it –, the ESA EPA – with 6 of the 11 States of Eastern and Southern Africa (Mauritius, Seychelles, Madagascar, Comoros, Zambia and Zimbabwe) provisionally applied since May 2012.

Because of these differences in the composition of countries that are members of African regional groupings – especially since several countries are members of several groupings –, the 2020 report cannot be compared with the present analysis based on the 4 groups of SSA countries in the UNCTAD trade database, where very different results are obtained on the share of intra-regional grouping trade (RECs) in intra-African trade.

For example, according to UNCTAD's AfCFTA 2020 report, “*Even in SADC, which recorded the highest proportion of intra-African trade, the share of intra-African trade was only 23%.*”

⁷ UNCTAD, *Designing trade liberalization in Africa*, https://unctad.org/system/files/official-document/ditctncd2019d4_en.pdf

The bulk of intra-African trade takes place within SADC for SADC countries while for ECOWAS and COMESA countries, just over half of their intra-African trade is conducted within the RECs (Regional Economic Communities)". On the one hand, UNCTAD contradicts itself by saying that *"the share of intra-African trade was only 23%"* and that *"the bulk of intra-African trade takes place within SADC"* and, on the other hand, according to the UNCTAD database breakdown, the share of intra-African trade is highest for ECOWAS (West Africa) followed by East Africa, before SADC (when assimilated to Southern Africa as in the trade database).

In the remainder of this document, reference will be made only to trade between regional groupings (RECs) in the UNCTAD trade database, in current US dollars.

2.2 – Percentage of extra-African trade in world trade

Slides 6 to 9 show the evolution, in millions of dollars (\$M), of total exports and imports of the different regions of Africa on average from 1995 to 2019 and specifying the years 1995 and 2015 to 2019. Then slides 10 and 11 show that extra-African trade accounted for a minimal share of world trade, having averaged, from 1995 to 2019, 2.78% of world exports – up from 2.17% in 1995 to 2.52% in 2019 – and 2.80% of world imports, up from 2.39% to 2.97%.

For exports, the average percentage of 2.78% was 0.91% for North Africa (NAF) – up from 0.69% in 1995 to 0.74% in 2019 – and 1.87% for SSA, up from 1.49% in 1995 to 1.78% in 2019. Within SSA, the percentage in 2019 was 0.63% for West Africa (WA), 0.54% for Southern Africa (SA), 0.37% for Central Africa (CA), and 0.25% for East Africa (EA).

For imports, the average percentage of 2.80% was 1.05% for NAF – up from 0.90% in 1995 to 1.13% in 2019 – and 1.75% for SSA, up from 1.49% in 1995 to 1.84% in 2019. Within SSA the percentage in 2019 was 0.61% for West Africa (WA), 0.56% for Southern Africa (SA), 0.47% for East Africa and 0.20% for Central Africa (CA).

2.3 - Percentage of intra-African trade in world trade

As noted above, from 1995 to 2019, intra-African trade represented on average 12.6% of their world exports – a percentage that rose from 11.7% in 1995 to 15.5% in 2019 – and 13.3% of their world imports, a percentage that rose from 10.7% in 1995 to 14.2% in 2019. This therefore reflects a progress in self-centering even if we are still far from achieving more self-centering.

Intra-North African trade – NAF, comprising 7 States: Algeria, Morocco, Tunisia, Egypt, Libya, Sudan, Western Sahara – was on average, from 1995 to 2019, 4.6% of their world exports – percentage increased from 4.6% in 1995 to 5.2% in 2019 – and 3.6% of their world imports, percentage increased from 3.7% in 1995 to 4.4% in 2019. This attests to a very low degree of regional integration, which has made little progress in 25 years.

Intra-SubSaharan Africa (SSA) trade accounted on average for 17.7% of its world exports from 1995 to 2019 – a percentage that rose from 17.7% in 1995 to 17.8% in 2019 – and 17.7% of its world imports, a percentage that rose from 14% in 1995 to 16.6% in 2019, attesting to some improvement in regional integration, a trend that should be reinforced but which is strongly challenged by both the EPAs and the AfCFTA.

Intra-West African trade – WA: 15 ECOWAS States + Mauritania – accounted on average, from 1995 to 2019, for 8.4% of their world exports – a percentage that rose from 9.3% in 1995 to 7.2% in 2019 – and 10.7% of their world imports, a percentage that rose from 8.6% in 1995 to 7.9% in 2019. This is a regressive trend, contrary to what is observed in Africa as a whole, SSA and AFN.

2.4 - Percentage of African intra-REC trade in their African trade

As shown in slides 12 to 14, intra-WA exports have averaged 57.6% of exports to Africa, although a sharp decline from 79.7% in 1995 to 52.8% in 2019, while intra-WA imports have averaged 72.9% of imports from Africa, also declining from 81.8% in 1995 to 69.3% in 2019. Despite this sharp decline in regional integration, WA retains the highest share of intra-WA trade in intra-African trade, ahead of East and Southern Africa (contrary to UNCTAD's assertion, it is true with a different composition of countries members of regional groupings). But this relative performance is under serious threat from both the interim EPAs (iEPAs) of Côte d'Ivoire and Ghana⁸ and the AfCFTA, especially after its ratification by Nigeria.

From 1995 to 2019, intra-East African (EA) trade accounted on average for 13.4% of its world exports – a percentage that rose from 11.7% in 1995 to 13.6% in 2019 – and 7.6% of its world imports, a percentage that decline from 7.7% in 1995 to 6.6% in 2019. This is therefore a rather positive trend. And intra-EA exports accounted for an average of its 47.7% of exports to Africa, although a sharp decline from 76.4% in 1995 to 46.5% in 2019, while intra-EA imports averaged 30.1% of imports from Africa, also declining slightly from 35.4% in 1995 to 31.9% in 2019. It should be recalled that, for the UNCTAD database, East Africa here is much broader than the East African Economic Community with 5 States (EAC: Burundi, Kenya, Uganda, Rwanda, Tanzania) since it includes 13 other countries: Comoros, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mauritius, Mozambique, Seychelles, Somalia, South Sudan, Zambia and Zimbabwe.

Intra-Central Africa trade – CA, comprising Angola, Cameroon, Central Africa, Chad, the two Congo, Equatorial Guinea, Gabon, Sao Tome and Principe – averaged, from 1995 to 2019, 34.1% of its world exports (but which themselves, as we have seen, represented only 0.2% of world exports) – a percentage that remained at 1.4% in both 1995 and 2019 – and 3.7% of its world imports, a percentage that rose from 2.6% in 1995 to 2.3% in 2019. And intra-AC exports were on average 30% of their exports to Africa, although declining from 34.9% in 1995 to 21.2% in 2019, while intra-AC imports were on average 21% of imports from Africa, also declining from 18.7% in 1995 to 12.4% in 2019.

Total intra-Southern Africa trade (SA, comprising the 5 SADC States: Botswana, Eswatini, Lesotho, Namibia, and South Africa) averaged 10.2% of its world exports from 1995 to 2019 – up from 7.5% in 1995 to 13.5% in 2019 – and 13.2% of its world imports, up sharply from 10.8% in 1995 to 14.6% in 2019. And intra-SU exports were 41.2% on average of their exports to Africa, up sharply from 36.8% in 1995 to 48.5% in 2019, while intra-UA imports were 68% of imports from Africa on average, although down from 80.4% in 1995 to 65.2% in 2019, two indicators that offset each other and reflect a stagnation of regional integration.

⁸ *The European Commission's manipulations of the interim Economic Partnership Agreements of Côte d'Ivoire and Ghana*, SOL, March 29, 2020, <https://www.sol-asso.fr/wp-content/uploads/2020/01/The-European-Commissions-manipulations-of-the-interim-EPAs-of-C%C3%B4te-dIvoire-and-Ghana-29-March-2020.pdf>

III - Trade in agricultural products, manufactures and fuels-minerals and metals

3.1 - Classification of products

The classification of products is that of the SITC (Standard International Trade Classification Revision 3) used by UNCTAD. Products can be grouped essentially into three main categories: - agricultural products, which include *food products* of codes 0, 11 (beverages), 22 (oilseeds) and 4 (fats and oils of plant and animal origin) – incidentally we do not use the classification of UNCTAD and the World Bank as it uses code 1 which includes tobacco (code 12) next to beverages (11) – and *raw materials of agricultural origin*: code 2 excluding code 22 (oilseeds, included in food products) and codes 27 (crude fertilizers) and 28 (minerals and metals). The rest of code 2 therefore includes raw hides and skins, raw rubber (including synthetic!), raw cork and wood, paper pulp, textile fibres (including synthetic!), second-hand goods (!) and other raw materials of plant and animal origin.

- fuels (code 3) and ores and crude metals (codes 27, 28, 68)

- manufactured articles, according to the very broad definition of codes 5 to 8 : code 5 (chemicals); code 7 (miscellaneous machinery plus transport equipment); code 6 which is very broad and also includes products processed from agricultural products (hides and skins, rubber, wood, textile fibres), products processed from ores and raw materials; code 8 of miscellaneous manufactured articles including prefabricated buildings, furniture, clothing, footwear, professional instruments, etc. The concept of manufactured production is here identified rather with that of industrial production used in France, which includes construction in particular.

3.2 - Distribution of exports and imports of Africa and SSA between products

Slides 15 to 18 present the distribution of exports and imports of Africa and SSA between agricultural products, manufactured goods and fuel-minerals-metals (FMM).

For Africa, there was a 24% decline in agricultural exports (from 20.5% to 15.6%) and a 10.50% decline in manufactured exports (from 25.8% to 23.12%) between 1995 and 2019, offset by a 14.2% increase in FMM exports (from 53.7% to 61.3%). However, the 1995-2019 average does not reflect these developments because the high volatility of fuel and mineral-metal prices meant that their share was on average much higher, at 67% against 20.2% for manufactured products and 12.9% for agricultural products. For SSA, the average distribution of exports between the 3 product categories is very close to that of Africa: those of FMM also represent 2/3 of the total (66.8%) but SSA exports less manufactured products and more agricultural products than Africa as a whole.

Curiously, the share of imports of manufactured products was identical on average in SSA and Africa (at 66.5%), but this share decreased much more in SSA (by 11.6%) than in Africa (by 7.3%) because, while FMM imports increased sharply in both cases (by 61.4% in Africa and 47.4% in SSA), they increased by 13.3% for agricultural products in SSA while they decreased by 10.3% in Africa.

IV - The growing manufacturing trade deficit of Africa and SSA

Slides 16-24 illustrate the growing manufacturing trade deficit in Africa and SSA, and its distribution by level of technology.

Slides 16 and 17 show that both manufactured exports and imports as a percentage of total African and SSA exports and imports have remained relatively constant from 1995 to 2019. The percentage of manufactured imports in total imports has been on average 3 times higher than exports for Africa and 3.4 times higher for SSA, where the percentage of exports has declined more than imports, further reducing competitiveness since 1995.

Slides 18 and 19 show that the manufacturing trade deficit balance was relatively stable from 1995 to 2002 in both Africa and SSA before deteriorating sharply until 2014, increasing by a factor of 4.3 in both Africa and SSA, before declining from 2015 to 2017 and deteriorating again in 2018 and 2019. In total, the deficit was multiplied by 4.6 from 1995 to 2019 in both Africa and SSA. There is a long way indeed to become “*the next world manufacturing center*”!

Slide 20 shows that the per capita manufacturing trade deficit increased 2.5 times from 1995 (\$75) to 2019 (\$191) in Africa and 2.4 times (from \$63 to \$150) in SSA.

Slides 21-24 differentiate the manufacturing trade deficits of Africa and SSA according to the degree of technology embodied. For Africa, the deficits in medium and higher technology products are 2.8 times higher in 2019 than those in low labor-intensive and low-technology products, and the deficits in medium-technology manufactured goods have been higher than those in high-technology products, but the gap has been narrowing since 2013. For SSA, the deficits in medium and higher technology products are 2.7 times higher in 2019 than those in low labor-intensive and low-technology products, and the deficits in medium technology products have increased more than those in higher technology products since 2014. Naturally, these findings are intuitive since all countries began by industrializing in labor-intensive products – particularly in the textile-clothing sector – and low-technology products before gradually moving up to technology-intensive sectors. Precisely, in view of these observations, SSA is going in the wrong direction in general and particularly in the textile-clothing sector.

Nothing has fundamentally changed since Samir Amin wrote in 1983, in *The Industrial Future of Africa*: “*Until now, the industrialization of the third world has not been considered to serve the progress of agriculture. Unlike the countries of the center, where the “agricultural revolution” preceded the “industrial revolution”, the countries of the periphery imported the latter without having initiated the first stage... Until now, Third World industry has been parasitic, in the sense that it feeds its accumulation by punishing the rural world in real terms (it obtains its labor from the rural exodus) and in financial terms (tax collection, internal terms of trade unfavorable to peasants, etc.), with no counterpart supporting the takeoff of agriculture*”.

This observation was echoed in 2018 by Kako Nubukpo: “*In relation to the strong influence of agriculture in sub-Saharan African countries, it is safe to say that to be on a sustainable, inclusive and resilient growth path, Africa must initiate a process of structural transformation based on its untapped agricultural potential*”⁹.

According to Gaëlle Balineau and Ysaline Padieu: “*Food processing accounts for 60 percent of total manufacturing employment in Niger and Nigeria, between 30 and 40 percent in Ghana, Burkina Faso, and Mali ... The poverty reduction capacity of the manufacturing sector is mainly due to agribusiness in Malawi, Tanzania, and Zambia. The growing demand for high quality*

⁹ Kako Nubukpo, De l’industrialisation à l’émergence. Vieilles antiennes et horizons lointains. Entretien avec Kako Nubukpo, *Afrique contemporaine*, n° 266, 2018/2, p. 165-172.

food products could be the driving force behind the development of high value-added and labor-intensive agriculture”¹⁰.

We must add the textile industry to supply the domestic market, knowing that it has been the basis of the industrialization of most of the countries of the South, starting with India, which would be a good way to add value to African cotton to protect it from the vagaries of fluctuating world prices and dumping from the United States and the EU¹¹. Provided that this production is effectively protected from imports of cheap second-hand clothing exported mainly by the EU – \$675 M in 2018 for 581,000 tonnes – 8 times more than that exported by the United States (\$86 M), which has threatened to remove the countries of the East African Community (EAC) from the list of AGOA¹² beneficiary countries if they suspend their imports of second-hand clothing, which has caused Kenya to fold, and Rwanda has been excluded from AGOA. But Kenya is in a contradictory position as a result of its negotiation of a Free Trade Agreement (FTA) with the United States, since it hopes that the conclusion of the FTA would ensure the continuation of the AGOA provision that allowed it to export duty free garments made from yarns or fabrics imported from third countries, while the Trump Administration intends to remove this provision it is unclear what the Biden Administration will do. Furthermore, while SSA's imports of second-hand clothing from China were intermediate (\$287 M) between those from the EU and the United States, imports of new clothing from China accounted for 57% of its total imports (\$3 bn out of \$5.3 bn) while those from the EU were 12 times lower and those from the United States 149 times lower. SSA's political capacity to protect its textile sector from Chinese pressure will be severely tested, but it is not impossible that China will show more understanding of its long-term geopolitical interests than the EU and the US, which are totally subject to the blind will of private capital.

There is a consensus among experts that, regardless of the path taken – import substitution, insertion into global value chains (GVCs), or both – a prerequisite for Africa's industrialization is to break through the enormous locks other than tariffs that stand in the way: deficiencies in infrastructure (transport, energy, water, telecommunications), level of training of the labor force, access to financing, overvaluation of the exchange rate (especially in the franc zone), low labor productivity, higher than the low price of labor, losses of competitiveness linked to robotization in the countries of the Center, more accentuated environmental degradation in Africa, the coming explosion in the number of active people seeking employment, corruption of political elites, who are also doing nothing to fight against the illicit levies of the various "forces of law and order".

To conclude on the industrialization of Africa, it is tempting to advocate a modest industrialization strategy for SSA that gives up competing in global value chains as suggested by Fatou Gueye and Alimadou Aly Mbaye: *“The creation of decent jobs in Africa will rather go through the millions of nano-enterprises (family, individual) that employ almost the entire African population... More than 80% of jobs in Francophone Africa are self-employment*

¹⁰ Gaëlle Balineau et Ysaline Padiou, L'industrialisation en Afrique et l'exemple éthiopien, Agence française de développement, *L'économie africaine* 2020, La Découverte, p. 41-57.

¹¹ <https://www.agencecofin.com/coton/1610-81422-politiques-agricoles-l-afrique-doit-sortir-de-ce-mirage-de-vouloir-se-developper-par-l-exportation>; SOL : *La Journée mondiale du coton de l'OMC peut-elle répondre aux difficultés des agriculteurs d'Afrique subsaharienne ?* 17 octobre 2019 (<https://www.sol-asso.fr/wp-content/uploads/2019/01/La-Journ%C3%A9e-mondiale-du-coton-de-lOMC-peut-elle-r%C3%A9pondre-aux-difficult%C3%A9s-des-agriculteurs-dASS-17-10-2019-1.pdf>)

¹² The African Growth Opportunity Act is a preferential U.S. agreement for the majority of SSA countries (excluding countries considered human rights violators), signed in May 2000 and renewed for 10 years in 2015 with the unanimous consensus of the WTO, including the EU, and whose exports to the U.S. are duty-free.

situations... Left to themselves, they could hardly strengthen and grow... They are indeed facing a multitude of constraints. A third way could be that of creating ecosystems in which these nano-enterprises could group together in the form of social and solidarity enterprises, in a value chain logic, in order to facilitate their progressive access to a formal status, thus promoting inclusive growth”¹³.

V - Trade in fuels, minerals and metals in Africa and SSA from 1995 to 2015

FMM trade is summarized in slides 28 for Africa and 29 for SSA.

The percentage of Africa's FMM exports in its total trade has been 4.2 times higher on average than the percentage of imports but has declined to 3.6 times since 2015. And the decline in the percentage of exports since 2012 has not translated into a significant decline in imports.

As for the percentage of SSA FMM exports in its total trade it was 3.7 times higher on average than the percentage of imports but has declined to 3.5 times since 2015.

VI - Agricultural and food trade between Africa and SSA from 1995 to 2019

This trade is illustrated by slides 31 to 40. Without repeating here the multiple analyses carried out by SOL on this theme, we limit ourselves to comparing the evolution of this trade with that of manufactured products and FMM.

Agricultural trade here includes trade in food products and non-food agricultural raw materials.

The percentage of agricultural exports has fallen sharply since 1995, even if it has risen since 2012, while the percentage of agricultural imports has stagnated, without compensation by more exports of manufactured products but only by more exports of fuels, minerals and metals (slide 20), reflecting a stagnation of specialization in the export of unprocessed primary products, staying an "extractivist" economy.

Slides 32 to 35 show the annual evolution of agricultural trade – in food and agricultural raw materials – and slides 36 to 39 detail the evolution of food trade, with or without coffee-cacao-tea spices (CCTE).

Relatively balanced from 1995 to 2003, Africa's agricultural trade has seen its deficit widen until 2013 (\$35.8 bn) and narrow to \$18.9 bn in 2019. The percentage of agricultural exports out of its total exports has declined since 1995 but has risen since 2012 while the percentage of agricultural imports has stagnated.

On the other hand, SSA's agricultural trade was in deficit only in 2008 and from 2012 to 2014, with a surplus rising from €7.8 bn in 2017 to €4.4 bn in 2019.

Africa's food trade has been consistently in deficit since 1995 (and well before) with a maximum of \$41 bn in 2014, reduced to \$23.6 bn in 2019.

¹³ Fatou Gueye et Alimadou Aly Mbaye, *Obstacles à la création d'emplois décentés et politiques de l'emploi en Afrique*, Afrique contemporaine, n° 266, 2018/2, p. 156-159.

In 2019 Africa's food imports accounted for 87.7% of agricultural imports and food exports 78.2% of agricultural exports.

However, without the coffee-cacao-tea-spices (CCTS) trade, which are not basic staple food products and which has had little effect on imports, Africa's food deficit would have been \$112 bn in 2019, 4.7 times higher than its agricultural deficit.

SSA has been running a food deficit since 2005, with a maximum deficit of \$14 bn in 2012, dropping to \$4.8 bn in 2019. But without the CCTS, the deficit would have been \$76.5 bn in 2012 and \$64.5 bn in 2019.

Without CCTS, West Africa would have been in deficit since 1995 (\$1.2 bn) and on average \$5.9 bn from 1995 to 2019, of which \$9.2 bn in 2019. The environmental damage caused by cocoa and the slavery of Sahelian children on plantations require a reduction in production.

Conclusion

The sharp decline in manufactured goods trade and the growing food deficit over the past 25 years call for the African Union to be more modest in its ambitions to become “*the next world manufacturing center*”, far from the free trade illusion of the AfCFTA, a fortiori after the African Union acceptance to base its future relations with the EU in the post-Cotonou Agreement on the enlargement of EPAs¹⁴ to the liberalization of services, investment, intellectual property and government procurement. An elite of “young entrepreneurs” to create niche export markets cannot replace the tens of millions of additional jobs to be created each year to regain food sovereignty and the protection of nascent artisanal activities, which will require a minimal disconnection from the global market and the promotion of agro-ecological production systems and artisanal cooperatives richer in grey matter than in capital.

¹⁴ https://ec.europa.eu/commission/presscorner/detail/fr/QANDA_20_2303; <https://www.bilaterals.org/?new-eu-negotiating-mandate-for&lang=en>