Policy Insights
169
October 2025

Operationalising the AfCFTA: Structural Imperatives from the Guided Trade Initiative

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African perspectives
Global insights

SAIIA 90
EST.1934

Executive summary

The African Continental Free Trade Area (AfCFTA) represents Africa's most ambitious roadmap for boosting intra-continental trade, accelerating industrialisation and enhancing its economic resilience. To operationalise this vision, the Guided Trade Initiative (GTI) was launched in October 2022 with eight participating countries to pilot real trade under the AfCFTA. Now in its second phase, marked by the inclusion of economic heavyweights Nigeria and South Africa, the GTI offers valuable insights into what it takes to move from commitment to action. But is the GTI merely a symbolic start, or a credible indicator of Africa's capacity to implement the AfCFTA at scale? This policy insight draws lessons from the GTI experience and participation by six countries (Ghana, Kenya, Mauritius, Tunisia, South Africa and Nigeria), highlighting priorities that must be addressed for broader implementation. It argues that the time for endorsing the AfCFTA has passed; the focus must now shift decisively to delivery. Tariff liberalisation is only the first step. If countries are to benefit fully from the AfCFTA, they must prioritise building productive capacity, trade-enabling infrastructure and regulatory coherence.

Introduction

Africa's vision has been quite clear: to break away from the old, dependent trading patterns shaped by its colonial past. Regional integration serves as the pathway to this transformation. Currently, African states engage more in trade with the rest of the world than with each other. The AfCFTA is a pivotal opportunity to reverse this trend, fostering greater intra-African trade and building stronger economic connections across the continent.[1]

Global trade continues to face pressure from policy uncertainty, persistent geopolitical tensions and potential higher tariffs in the US.[2] African countries benefitting from trade under the African Growth Opportunity Act, for instance, also face uncertainty around trade relations with the US beyond its expiry in September 2025.[3] Although current geopolitical and policy uncertainties in global trade may appear as external pressures on the continent, they also present a strategic window of opportunity for African countries to accelerate the implementation of the AfCFTA and strengthen intra-African trade resilience. China, for example, demonstrated the importance of intra-regional trade for economic resilience in the aftermath of the April 2025 tariff shock. Similarly, in the first

1 Marie M. Stack, Emmanuel B. Amissah and Martin Bliss, "African Economic Integration and Trade", *The World Economy* 47, no. 5 (2023).

2 UNCTAD, "Global Trade Update: Global Trade Endures Policy Changes and Geoeconomic Risks" (Policy Insight, UNCTAD, July 2025); UNCTAD, "Global Trade Update: Escalating Tariffs – the Impact on Small and Vulnerable Economies" (Policy Insight, UNCTAD, April 2025); UNCTAD, "Global Trade Update: The Role of Tariffs in International Trade" (Policy Insight, UNCTAD, March 2025).

3 Witney Schneidman and Natalie Dicharry, "AGOA Forum 2024: Insights, Economic Benefits for Africa, and the Road Ahead", Brookings, September 5, 2024.

quarter of 2025, a significant portion of trade growth in North America and Africa was attributed to intra-regional trade.[4] This suggests that stronger regional ties and trade within blocs could help mitigate some of the negative impacts of global trade.

> Although current geopolitical and policy uncertainties in global trade may appear as external pressures on the continent, they also present a strategic window of opportunity

This policy insight analyses the AfCFTA utilisation and trading potential of six GTI countries – the four original participants (Ghana, Kenya, Mauritius and Tunisia), along with South Africa and Nigeria. The original four offer early lessons on implementation, political coordination and trade facilitation across diverse regions, while South Africa and Nigeria demonstrate how Africa's largest economies can amplify the GTI's transformative potential.

The AfCFTA as a game changer in Africa

It has been suggested that the high external demand for primary commodities has driven strong intercontinental trade.[5] According to an UNCTAD Economic Development in Africa report, Africa's natural resources continue to be exported with little processing or beneficiation on the continent. This has also been identified as a limitation to intra-African trade, as similar resource endowments lead to low trade complementarity and minimal gains from inter-industry trade.[6] Furthermore, while the continent's external exports remain weighted towards raw commodities, intra-African trade is increasingly defined by manufactured and industrial goods, revealing the industrial potential waiting to be scaled.[7] Intra-African trade is crucial for economic diversification across the continent. While Africa's overall exports are heavily concentrated in raw materials such as fuels, ores and foodstuffs (60%), manufactured goods make up a significant portion of trade within the continent itself (43%).[8]

4 UNCTAD, "Global Trade Update: Global Trade Endures".

5 Stack, Amissah and Bliss, "African Economic Integration and Trade".

6 Jaime de Melo and Yvonne Tsikata, "Regional Integration in Africa: Challenges and Prospects", chap. 11 in *The Oxford Handbook of Africa and Economics: Volume 2: Policies and Practices* (Oxford University Press, 2014).

7 UNECA, *Economic Report on Africa: Advancing the Implementation of the African Continental Free Trade Area – Proposing Transformative Strategic Actions* (UN, 2025).

8 UNECA, AU and African Development Bank, *Delivering on the African Economic Community: Towards an African Continental Customs Union and African Continental Common Market*, Report (Assessing Regional Integration in Africa, ARIA XI, UN, 2025).

According to projections by the UN Economic Commission for Africa, full implementation of the AfCFTA could lead to net GDP gains of approximately $1.4 trillion.[9] However, the projected benefits of the AfCFTA are not guaranteed. To unlock the positive impacts of greater economic integration, African countries must build productive capacity, enhance skills, mobilise trade finance and implement national reforms. These steps are essential for translating potential gains into tangible results.[10]

In addition, the rollout of the AfCFTA is not the same for each country, nor will it yield the same benefits. Although the AfCFTA is expected to have significant impact on intra-African trade flows, the potential trade and welfare benefits from continental trade integration are expected to differ among countries, with the greatest gains likely to be seen in those with lower levels of intra-regional trade and integration prior to the AfCFTA.[11] Nevertheless, by 2045 the AfCFTA has the potential to increase intra-African trade by 45%. This growth would largely be driven by manufactured goods such as agri-foods, pharmaceuticals, chemicals and automobiles, along with the expansion of tourism and health services.[12]

The GTI as a catalyst for AfCFTA implementation

The GTI was launched in 2022 as a 'proof of concept' for effective trading under the AfCFTA.[13] It was introduced to jump-start the implementation of the AfCFTA by facilitating commercially meaningful trading under it and followed the adoption of key instruments such as rules of origin, tariff concessions and the Pan-African Payment and Settlement System.

The GTI started off with eight countries – Egypt, Ghana, Cameroon, Kenya, Mauritius, Rwanda, Tanzania and Tunisia – with limited coverage and has expanded to more than 30 countries.[14] This second phase notably includes two of the continent's largest economies, namely South Africa and Nigeria. As of February 2025, Cameroon, Egypt, Ghana, Kenya, Mauritius, Nigeria, Rwanda, South Africa and Tanzania were actively trading under the GTI. Meanwhile, countries that are also members of a regional economic community (REC) continue to use existing REC agreements rather than the AfCFTA's framework for trade within that community.[15]

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9 UNECA, *Economic Report on Africa*.

10 UNECA, *Economic Report on Africa*.

11 Hippolyte Fofack, Richman Dzene and Omar A. Mohsen Hussein, "Estimating the Effect of AfCFTA on Intra-African Trade Using Augmented GE-PPML", *Journal of African Trade* 8, no. 2 (2021).

12 UNECA, *Economic Report on Africa*.

13 UNECA, AU and AfDB, "Delivering on the African Economic Community".

14 UNECA, *Economic Report on Africa*.

15 Tralac, "Frequently Asked Questions: African Continental Free Trade Area", May 2025.

For participation under the GTI, countries were required to demonstrate a minimum level of readiness across technical and institutional dimensions. This included the submission and gazetting of AfCFTA-compliant tariff offers, the operationalisation of customs systems capable of issuing and processing AfCFTA certificates of origin and the establishment of national implementation committees to coordinate inter-agency functions.[16]

Kenya

In August 2022, Kenya launched its National AfCFTA implementation strategy for the period 2022–2027. It is currently taking part in the GTI, having exported industrial goods such as batteries to Ghana, supported by customs readiness and the issuance of AfCFTA certificates of origin.[17] Kenya's implementation strategy seeks to, among others, scale its manufacturing sector's real value added by 5% a year.[18] The aim is for this to be done through tariff liberalisation and targeted interventions in key sectors such as textiles, leather, pharmaceuticals and light engineering. The plan promotes inclusive participation by micro, small and medium-sized enterprises (MSMEs), women, youth and persons with disabilities. The AfCFTA presents a transformative opportunity for Kenya, with its large, integrated African market and focus on industrial sectors such as automotive, pharmaceuticals and agri-business. However, it has also been noted that, while Kenya's intra-regional trade under the East African Community and the Common Market for Eastern and Southern Africa is relatively strong, trade with RECs of which it is not a member (eg, ECOWAS, SADC and the Southern African Customs Union) remains underutilised.[19] These latter markets do hold export potential for Kenya, particularly in the pharmaceuticals, chemicals, electronics and automotive component sectors.[20]

Following a slowdown in 2023, Kenya's economic performance has been improving since 2024. The 2023 downturn was a result of weak industrial activity, low investment levels and the impact of climate shocks.[21] For the period 2020–2022, Kenya was among the highest-scoring countries on the continent in terms of productive integration, with a score of 0.310 out of 1.0.[22] This is indicative of significant room for growth.

Kenya's economy is currently powered by its services and agriculture sectors, but it has significant untapped potential in terms of its natural resources and human capital. However, even with this growth, the economy remains susceptible to the effects of

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16 Gerhard Erasmus, "South Africa's Participation in the Guided Trade Initiative of the AfCFTA", Tralac (blog), February 29, 2024.

17 Lilian King'ori, "Unlocking Opportunities for Kenya's Industrialization through the African Continental Free Trade Area", KIPPRA (blog), June 11, 2025.

18 Republic of Kenya, Ministry of Industrialisation, Trade and Enterprise Development, State Department for Trade and Enterprise Development, "Kenya's National AfCFTA Implementation Strategy 2022–2027" (Policy Brief, AU and EU, 2022).

19 King'ori, "Unlocking Opportunities for Kenya's Industrialization".

20 King'ori, "Unlocking Opportunities for Kenya's Industrialization".

21 AfDB, *Country Focus Report 2025 Kenya: Making Kenya's Capital Work Better for its Development*, Report (AfDB, 2025).

22 UNECA, AU and AfDB, "Delivering on the African Economic Community". The ARII's productive integration dimension is assessed through three indicators: i) the proportion of intraregional intermediate exports; ii) the proportion of intraregional intermediate imports; and iii) the Merchandise Trade Complementarity Index, which quantitatively evaluates the alignment between a country's trade profile and that of the region.

climate shocks and external trade pressures.[23] Further, structural issues, such as high business costs and a lack of industrial competitiveness, are hindering growth. The mining sector, for example, shrank following the closure of a major operation. As a result, the country's minerals and rare earth elements are still underexploited.[24]

It is therefore safe to say that Kenya stands to gain significantly from trade under the AfCFTA, but this depends on its boosting domestic manufacturing and ensuring the diversification of its trade to outside its subregion.

Ghana

Ghana's selection as the host of the AfCFTA Secretariat was positively received owing to the perceived trade and benefits associated with this.[25] As a result, the country has been actively engaged in promoting the initiative, and hit the ground running by establishing a national AfCFTA coordination office early on.[26] Ghana's AfCFTA implementation strategy consists of seven focus areas, namely trade policy, trade facilitation, trade-related infrastructure, enhancing productive capacity, trade information, trade and development finance and factor market integration.[27] By 2023, 14 Ghanaian companies were said to have participated in 40 trades through the GTI.[28] Ghana has also recently launched the Ghana Trade House in Kenya, marking a significant milestone in its efforts to deepen trade relations in East Africa and expand its commercial footprint across the continent. This shows the tangible gains emerging from its early participation in the GTI.[29]

The Ghanaian economy's productive capacity is largely fuelled by its rich natural resources and robust private sector. The country is Africa's leading gold producer[30] and the world's second-largest cocoa producer. Ghana also has significant oil and gas reserves. Its key economic contributors are agriculture, oil and gold. Nevertheless, its growth is constrained by underlying structural issues, including access to development financing

23 AfDB, *Country Focus Report 2025 Kenya*.

24 AfDB, *Country Focus Report 2025 Kenya*; Constant Munda, "Exports to China Fall 9pc on Kwale Titanium Mine Closure", *Business Daily*, May 19, 2025.

25 Nimonka Bayale, Muazu Ibrahim and Joseph Atta-Mensah, "Potential Trade, Welfare and Revenue Implications of the African Continental Free Trade Area (AfCFTA) for Ghana: An Application of Partial Equilibrium Model", *Journal of Public Affairs* 22, no. 1 (2022); Kwabena Nyarko Too et al., *Trade Unions and Trade: The Implications of the Africa Continental Free Trade Area (AfCFTA) Agreement for the Manufacturing Sector in Ghana*, Research Report (Labour Research and Policy Institute, 2021); Nelly Nyagah, "Can Workers in Ghana's Manufacturing Sector Gain from the AfCFTA?", Trade Unions and Trade in Africa, March 28, 2022.

26 Daisy Codjoe, 'How Ready Is Ghana for the AfCFTA?' Tralac Trade Law Centre, December 16, 2023.

27 Ghana Ministry of Trade and Industry and National AfCFTA Coordinating Office, *National AfCFTA Policy Framework and Action Plan for Boosting Ghana's Trade with Africa*, Report (Ministry of Trade and Industry, August 2022).

28 Kiiza Africa, "Assessing Five Years of the African Continental Free Trade Area (AfCFTA): Proposals on Potential Amendments" (Research Paper 215, South Centre, 2025); Godfrey Walakira and Stellah Mushiri, "The Guided Trade Initiative: Documenting and Assessing the Early Experiences of Trading under the AfCFTA", (Research Paper, UNECA, African Trade Policy Centre and Konrad Adenauer Stiftung, 2024).

29 UNDP, "The Start of Something Good: At the Ghana Kenya Expo, First Signs of How Increased Intra-African Trade Will Transform the Continent", July 4, 2023.

30 World Gold Council, "Gold Mine Production", June 12, 2025.

and the development of human capital.[31] Ghana is also among the African countries that continue to spend more on debt servicing than on health and education.[32]

The AfCFTA has accordingly offered Ghana the opportunity to diversify its export base and develop regional value chains, thereby growing beyond the export of primary commodities (ie, gold, cocoa and oil). This will ensure that Ghana builds resilience against global external shocks.[33] In addition, it is one of the African countries anticipated to experience a significant surge in port traffic by 2030, driven by expanded intra-African trade under the AfCFTA.[34] As tariff liberalisation and preferential market access begin to take effect, Ghana's strategic location and active participation in initiatives such as the GTI position it as a key transit and export hub in West Africa. However, to fully capitalise on this projected growth, it is imperative to address existing infrastructure deficits, particularly in port capacity, logistics corridors and hinterland connectivity. Inadequate infrastructure could lead to congestion, inefficiencies and increased transaction costs, ultimately undermining the competitiveness of Ghanaian exports. Enhancing trade-related infrastructure will therefore be central not only to managing increased volumes but also to ensuring that the AfCFTA delivers on its promise of structural transformation and inclusive growth in the country.

Ghana's strategic location and active participation in initiatives such as the GTI position it as a key transit and export hub in West Africa

For the period 2020–2022, it must be noted that Ghana scored less than 0.3 in terms of productive integration.[35] Much like Kenya, this is indicative of the considerable ground Ghana must cover to position itself as a competitive player in regional and continental value chains. The low score reflects limited diversification, weak linkages between sectors and a constrained ability to move up the value chain. These are all factors that will hamper its capacity to fully leverage opportunities under the AfCFTA. Enhancing productive integration involves strengthening industrial capabilities; improving coordination between agriculture, manufacturing and services; and expanding the domestic base of inputs for export production. Without meaningful investment in skills, infrastructure and enterprise upgrading, Ghana risks remaining a marginal player in a liberalised African

31 AfDB, *Country Focus Report 2025 Ghana: Making Ghana's Capital Work Better for its Development* (AfDB, 2025).
32 UNDESA, *World Economic Situation and Prospects 2025*, Report (UN, 2025); UNECA, *Economic Report on Africa*, 2025.
33 AfDB, *Country Focus Report 2025 Ghana*.
34 Africa, "Assessing Five Years of the AfCFTA"; UNECA, *The African Continental Free Trade Area and Demand for Transport Infrastructure and Services*, Report (UNECA, 2022).
35 UNECA, AU and AfDB, "Delivering on the African Economic Community".

market. Addressing this deficit is thus central to its achieving structural transformation and ensuring that AfCFTA-driven trade translates into sustained domestic value addition and job creation.

Tunisia

Historically, Tunisia's trade has been concentrated on European markets, creating a substantial opportunity for growth in intra-African trade. Tunisia's AfCFTA implementation strategy analyses the country's comparative advantages to better promote the diversification of its economy and the development of value chains. The aim is enabling it to make the most of the opportunities brought about by the AfCFTA and bringing new dynamism into Tunisia's economic integration by means of intra-African trade.[36]

Tunisia's participation in the GTI was a welcome signal of its strategic interest in opening new African markets beyond its traditional Euro-Mediterranean trade ties. In October 2023, it was reported that Tunisian companies had conducted around 19 export operations to Ghana, Cameroon and Tanzania under the AfCFTA agreement. These operations, which span sectors such as construction, agri-food and chemical industries, accordingly benefited from reduced customs rates.[37] Tunisia's customs systems were adapted to support AfCFTA trade, and relevant state institutions engaged exporters to identify AfCFTA-compliant products. However, Tunisia faced structural challenges, including limited air and sea connectivity with sub-Saharan Africa and the need for improved regional value chain participation.[38]

Tunisia is well positioned for economic development, thanks to its strategic location, skilled workforce, solid infrastructure and diverse natural resources.[39] Furthermore, its private sector and MSMEs have championed its growth, particularly in agriculture, services and certain manufacturing industries. The country possesses strategic natural resources such as phosphate and has significant potential in renewable energy. However, its productive capacity is hampered by structural challenges, including an underdeveloped financial market, high unemployment (especially among youth and women), a large informal sector and regulatory inefficiencies.[40]

Tunisia's positioning offers strong potential for deeper integration into regional value chains and increased investment under the AfCFTA. Realising this potential, however, will depend on targeted reforms to enhance competitiveness and strengthen continental trade linkages.

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36 UNECA, "Tunisia Presents National Strategy for the Implementation of the AfCFTA", April 13, 2022.

37 Africa, "Assessing Five Years of the AfCFTA"; Walakira and Mushiri, "The Guided Trade Initiative".

38 Walakira and Mushiri, "The Guided Trade Initiative".

39 AfDB, *Rapport Pays 2025 Tunisie: Tirer le meilleur parti du capital de la Tunisie pour favoriser son développement* [Tunisia Country Focus Report 2025: Making Tunisia's Capital Work Better for Its Development] (AfDB, July 10, 2025).

40 AfDB, *Rapport Pays 2025 Tunisie*.

Mauritius

Mauritius has successfully transitioned from a predominantly agriculture-based economy to a highly diversified and resilient multi-sectoral system. Its economic structure now spans manufacturing, tourism, financial services and emerging knowledge sectors. This transformation is anchored by a developed international financial centre and supported by strong human capital, reflected in a skilled workforce and solid education outcomes.[41] Together, these strengths position Mauritius to take full advantage of continental trade and investment opportunities under the AfCFTA. It joined the GTI as part of the effort to deepen its trade integration with continental partners under the AfCFTA. The country emphasised its readiness in terms of legal and institutional frameworks, having aligned its customs procedures and trade facilitation infrastructure with AfCFTA requirements. Mauritius also underscored its focus on value-added exports, particularly in processed foods, apparel and pharmaceuticals, viewing the GTI as a vehicle to diversify markets beyond traditional European partners. However, despite its advanced trade facilitation systems and export capacity, connectivity constraints, particularly maritime and air links with mainland Africa, were identified as a persistent bottleneck.[42]

Nigeria

Nigeria is among the continent's top economies, including the top six African countries accounting for 51% of African services exports (along with Tunisia, South Africa, Egypt, Morocco and Liberia).[43] Further, its economy is driven primarily by its abundant natural resources, especially oil and gas.[44] Its participation in the GTI signals a renewed commitment to regional trade integration. Nigeria's experience, however, also exposed institutional and operational gaps already present in the first phase of GTI operationalisation. Many customs officers lacked familiarity with AfCFTA procedures, inter-agency coordination remained inconsistent and the private sector, especially SMEs, showed little awareness of GTI protocols. Moreover, infrastructure bottlenecks and trade facilitation inefficiencies, such as port congestion and non-tariff barriers (NTBs), limit the scalability of participation.[45]

Nigeria's abundant natural capital provides a strong foundation for export diversification and value chain integration within West Africa and beyond. However, this potential remains underutilised due to structural inefficiencies, weak domestic revenue mobilisation and institutional fragmentation. With the lowest revenue-to-GDP ratio

41 AfDB, *Country Focus Report 2025 Mauritius: Making Mauritius' Capital Work Better for its Development* (AfDB, 2025); Investment Monitor, "Accessing Africa's Growth: Mauritius' Strategic Relationship with the African Continent", March 19, 2025.

42 Walakira and Mushiri, "The Guided Trade Initiative".

43 UNECA, AU and AfDB, "Delivering on the African Economic Community".

44 AfDB, *Country Focus Report 2025 Nigeria: Making Nigeria's Capital Work Better for its Development* (AfDB, 2025).

45 Yohannes Ayele, Teniola Tayo and Maximiliano Mendez-Parra, "Nigeria's Participation in the Guided Trade Initiative" (Working Paper, ODI Global, July 15, 2024).

in West Africa and a development finance gap of over $31 billion, Nigeria's fiscal space is too constrained to meaningfully support trade-enabling infrastructure or industrial development.[46]

To harness its key position in regional trade, Nigeria must accelerate reforms that move it beyond oil dependence

Accordingly, to harness its key position in regional trade, Nigeria must accelerate reforms that move it beyond oil dependence by promoting value addition, supporting the industrial base and improving the competitiveness of its non-oil exports. Strengthening regulatory coherence, digital infrastructure and the rule of law is critical to attracting investment and reducing the cost of doing business. Moreover, tackling corruption, capital flight and illicit financial flows is essential to retain domestic resources that could otherwise fund trade and productive capacity.[47]

South Africa

South Africa distinguishes itself as a continental leader in productive integration, reflecting the depth of its industrial base and its strong participation in regional value chains. Between 2020 and 2022, it contributed an impressive 26% of Africa's total exports of intermediate goods, highlighting its role as a key supplier of components and semi-processed inputs used in production across the continent. Additionally, South Africa accounted for 19% of Africa's intermediate imports, demonstrating its integration into regional supply networks both as a source of and as a destination for industrial inputs.[48] This dual role underscores not only South Africa's manufacturing capabilities but also its strategic importance in facilitating intra-African trade and driving the continent's structural transformation agenda under the AfCFTA.

The country recently joined the GTI and initiated trade in 2024[49] through a consignment containing refrigerators, paperboard and steel products to Kenya.[50]

South Africa occupies a strategically vital position in the successful implementation of the AfCFTA, serving as a manufacturing powerhouse and logistics hub for the Southern

46 AfDB, *Country Focus Report 2025 Nigeria*.

47 AfDB, *Country Focus Report 2025 Nigeria*.

48 UNECA, AU and AfDB, "Delivering on the African Economic Community".

49 Gerhard Erasmus, "South Africa's Participation in the Guided Trade Initiative of the AfCFTA", Tralac (blog), February 29, 2024.

50 Benjamin Muriuki, "Kenya and South Africa Launch First Consignment Under the Continental Free Trade Agreement", *Citizen Digital*, February 1, 2024.

African region and beyond. Its extensive endowment of natural resources, coupled with a well-developed industrial base and a highly sophisticated financial sector (the largest in Africa), makes it uniquely positioned to drive productive integration across the continent.[51] It already leads in regional trade in intermediate goods, reflecting its role in anchoring regional value chains. However, to fully unlock this role, persistent structural constraints must be addressed. Chronic infrastructure bottlenecks, particularly in energy and transport, continue to undermine competitiveness, while high unemployment, skills mismatches and regulatory rigidity weaken the labour market. Fiscal vulnerabilities, governance failures at the municipal level and widespread illicit financial flows further erode economic resilience.[52] For South Africa to fulfil its continental leadership potential under the AfCFTA, accelerating reforms in energy, logistics, digital infrastructure and public–private coordination is imperative.

South Africa's 2025 G20 presidency offers a strategic platform to advance the AfCFTA's objectives at a continental level. As the only African member of the G20 and a leading voice in the AU, South Africa is uniquely positioned to advocate for reforms that address Africa's trade, infrastructure and productive capacity deficits. The country can, and has, elevated African priorities within G20 working groups, particularly by pushing for increased investment in trade-enabling infrastructure, enhancing the integration of African value chains into global trade systems and championing inclusive industrialisation.[53] By aligning its G20 agenda with AfCFTA goals, South Africa will help secure global support for structural transformation efforts that benefit the continent as a whole.

What can we learn from the GTI?

It is important to recognise that trade liberalisation alone will not deliver the ambitions of a continental customs union and common market. Without addressing underlying production and supply-side constraints, such as the inability to move goods owing to inadequate transport infrastructure, these goals will remain aspirational. The current state of global trade is an opportunity for countries to invest in building their competitive capacity. While the RECs were intended to lay this groundwork, progress has been uneven and the necessary foundation is yet to be fully realised.

While tariff reductions mark a critical step toward continental integration, the real gains will be determined by each country's ability to address deeper structural and institutional barriers. The six-country GTI analysis above shows a convergence around key cross-cutting priorities that must be urgently addressed if the AfCFTA is to move from paper to practice.

51 AfDB, *Country Focus Report 2025 South Africa: Making South Africa's Capital Work Better for Its Development* (AfDB, 2025).

52 AfDB, *Country Focus Report 2025 South Africa*.

53 Mariana Mazzucato, "Principles for an Inclusive and Sustainable Global Economy: A Discussion Paper for the G20" (G20 Discussion Paper, UCL Institute for Innovation and Public Purpose, 2025).

Building productive capacity at country level

Aside from South Africa, most countries have relatively low productive integration scores.[54] This indicates that they must accelerate industrialisation, support value addition and strengthen domestic supply chains. Without competitive productive ecosystems, market access alone will not translate into meaningful trade or job creation. The Action Plan for Boosting Intra-African Trade (BIAT), which was designed to strengthen countries' trading capacity, is not widely implemented – only 14% of surveyed states have allocated budgets to its seven clusters, which include trade policy, facilitation, productive capacity and infrastructure.[55] Advancing BIAT alongside the AfCFTA is essential to promote value addition, regional supply chains and structural transformation.

Advancing BIAT alongside the AfCFTA is essential to promote value addition, regional supply chains and structural transformation

Scaling trade-enabling infrastructure

From port efficiency to energy reliability and digital connectivity, infrastructure bottlenecks continue to erode competitiveness and deter intra-African trade. Coordinated investment in logistics, transport corridors and digital trade platforms is essential. One notable barrier to the effective implementation of the AfCFTA is the reliance on foreign-owned shipping lines, which control most maritime logistics across the continent. This often forces African trade to pass through European transshipment hubs, leading to lengthy delays. For example, it can take up to 60 days for goods to travel between Ghana's Tema Port and Kenya's Port of Mombasa due to these indirect routes.[56]

Unlocking private sector participation and SME inclusion

Low awareness of AfCFTA modalities among businesses, particularly SMEs and MSMEs, risks undermining the agreement's transformative potential. Governments must actively encourage participation, simplify compliance processes and enhance access to trade finance.

54 UNECA, AU and AfDB, "Delivering on the African Economic Community".

55 UNECA, AU and AfDB, "Delivering on the African Economic Community".

56 Ernest Bako Wubonto, "Time for Africa's Shipping Line", *B&FT Online*, June 9, 2025.

Making efforts to reduce NTBs

NTBs remain one of the most persistent impediments to intra-African trade and lie at the centre of the coordination challenges slowing AfCFTA implementation.[57] While tariff liberalisation has advanced, the prevalence of NTBs – ranging from inconsistent customs procedures and technical standards to limited trade facilitation infrastructure – continues to undermine the agreement's practical effect. A coordinated and institutionalised approach to identifying, reporting and resolving NTBs is essential. This includes fully operationalising the AfCFTA NTB mechanism, enhancing inter-agency coordination at national and regional levels and enforcing time-bound commitments for resolution.

NTBs remain one of the most persistent impediments to intra-African trade and lie at the centre of the coordination challenges slowing AfCFTA implementation

Conclusion

It is safe to say that the GTI has, for the most part, executed its mandate by providing early proof of concept. It has demonstrated that when political will, operational coordination and private sector engagement align, trade under the AfCFTA is not only possible but also commercially viable. Scaling the GTI from a pilot to a broader implementation model will require addressing persistent NTBs, closing infrastructure and industrial capacity gaps and fostering regulatory coherence across countries. Moving from ambition to impact demands a coordinated focus on the fundamentals, namely productive capacity, trade facilitation and institutional alignment.

57 UNECA, *Economic Report on Africa*.

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Acknowledgment

SAIIA gratefully acknowledges the support of the Swedish Government for this publication.

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