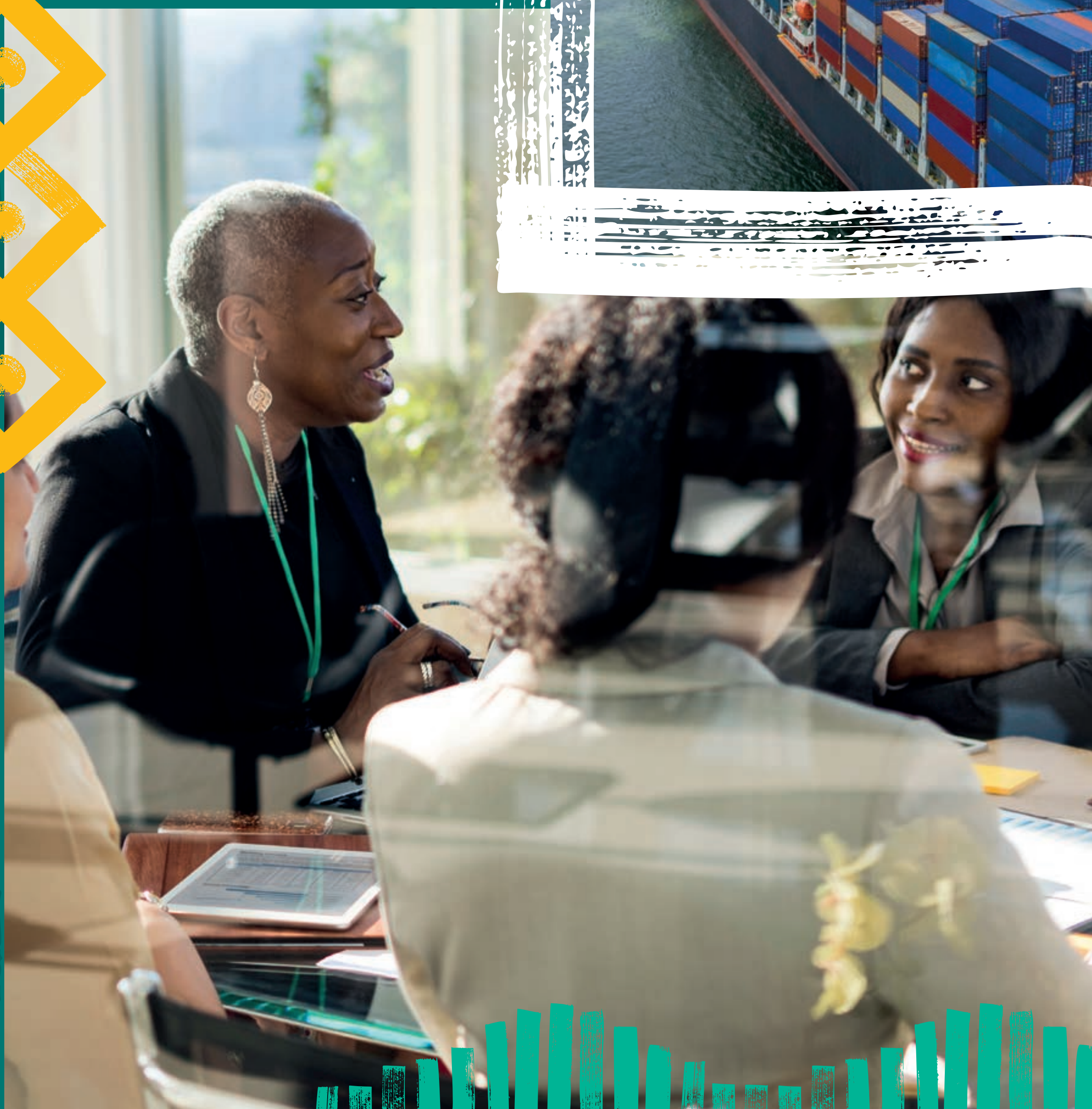
ANNUAL TRADE DEVELOPMENT EFFECTIVENESS REPORT 2024

AFREXIMBANK



What is the Annual Trade Development Effectiveness Report (ATDER)?

The ATDER assesses the impact of Afreximbank's interventions on African trade and development, guided by the Bank's Trade Development Impact Assessment (TDIA) framework.

2024 Report

This report presents the results of the Bank's TDIA amidst heightened global geopolitical and economic uncertainties, based on interventions in 2024.

Find out more

afreximbank.com

@afreximbank African Export–Import Bank

978-92-95097-67-4

HEAD OFFICE
African Export–Import Bank 72(B)
El Maahad El Eshteraky Street
Heliopolis, Cairo 11341
P O Box 613 Heliopolis
Cairo 11757, Egypt
Tel: +202 24564100/1/2/3
Email. info@afreximbank.com
Website: afreximbank.com

Annual Trade Development Effectiveness Report 2024

Forging tomorrow with a legacy of strength, leveraging decades of resilience and innovative trade finance solutions to shape a dynamic and self-reliant Africa

Contents

List of Abbreviations and Acronyms

AACB	Association of African Central Banks
AACTGS	African Collaborative Transit Guarantee Scheme
ACTIF	Africa-Caribbean Trade and Investment Forum
AfCFTA	African Continental Free Trade Area Agreement
AfPAY	Afreximbank Payment Services Programme
AFTRAF	Afreximbank Trade Facilitation Programme
AMCE	African Medical Centre of Excellence
ARSO	African Regional Standards Organisation
ATG	African Trade Gateway
AU	African Union
AQACs	African Quality Assurance Centres
CANEX	Creative Africa Nexus
ESG	Environmental, Social, and Governance
EPC	Engineering Procurement and Construction
FATF	Financial Action Task Force
FCI	Factors Chain International
FEDA	Fund for Export Development in Africa
GDP	Gross Domestic Product
GLEIF	Global Legal Identification Foundation
GTI	Guided Trade Initiative
IATF	Intra-African Trade Fair
LDCs	Least developed countries
PAPSS	Pan-African Payment and Settlement System
PIMS	Privacy Information Management System
SEZ	Special Economic Zone
STC	Specialised Technical Committee
SMEs	Small and medium enterprises
TDIA	Trade Development Impact Assessment
UNECA	United Nations Economic Commission for Africa

Foreword

This year's Annual Trade Development Effectiveness Report (ATDER) underscores the impact of the African Export–Import Bank (Afreximbank) Group and its progress in driving African trade and development. Despite mounting global geopolitical and economic challenges, the Bank has made notable advances in implementing its sixth Strategic Plan (2022–2026).

As global dynamics shift and economic uncertainties intensify, Africa is strengthening regional cooperation and economic integration to build resilience and reduce external dependencies.
In October 2022, the African Continental Free Trade Area (AfCFTA) Secretariat launched the Guided Trade Initiative. As of the end of 2024, 39 countries had begun trading under the initiative, reflecting growing confidence in this transformative trade deal and a shared commitment to expanding intra-African trade.
The AfCFTA is poised to drive Africa's economic transformation, boosting income by US$450 billion by 2035, lifting 40 million people out of extreme poverty, and amplifying the Bank's strategic impact.

The AfCFTA-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are helping to facilitate seamless trade.
The Pan-African Payment and Settlement System, a centralised payment and settlement infrastructure for intra-African trade and commerce payments, is domesticating trade payments under the AfCFTA. The AfCFTA Adjustment Fund supports African countries and the private sector in adapting to the new trading environment. The AfCFTA Transit Guarantee Scheme enhances efficiency by facilitating the smooth movement of goods across African borders under a single transit guarantee. The Intra-African Trade Fair has emerged as a key platform for advancing the AfCFTA vision. The Africa Trade Exchange has evolved beyond its role of aggregating Africa's demand to enhance market power in response to the Ukraine crisis into a seamless digital marketplace connecting buyers and sellers across Africa. Finally, the Diaspora Programme envisions the establishment of Pan-African factories, leveraging the flow of diaspora resources.

Realising the full potential of the AfCFTA for a prosperous future requires strategic partnerships and investment in industrial and trade-enabling infrastructure to reduce production costs, improve logistics, streamline border processes, build a dynamic export sector, and develop vibrant creative industries that empower small and medium enterprises (SMEs) and create jobs for 420 million young Africans. In line with its commitment to expanding intra-African trade and advancing long-term industrialisation and export development, Afreximbank successfully deployed 174 investments across Africa in 2024, totalling US$18.7 billion, provided US$2.8 billion in guarantees and letters of credit, and crowded in US$5.7 billion.

In the context of continued global economic uncertainties and limited development resources, Afreximbank's Trade Development Impact Assessment framework is helping the Bank use its resources more effectively and better track results for greater impact.

I trust this report provides member states, partners, and other stakeholders with deeper insights into the Bank's contribution to Africa's economic transformation.

Professor Benedict Oramah
President and Chairman of the Board of Directors African Export-Import Bank (Afreximbank)

Afreximbank successfully deployed 174 investments across Africa in 2024, totalling US$18.7 billion

2024 Impact at a Glance

US$18.7 billion
Disbursed

The Bank successfully deployed 174 financial investments across Africa in 2024, totalling US$18.7 billion.

US$5.7 billion
Increase in international finance from outside and within Africa

The Bank crowded in more than US$5.7 billion from outside and within Africa through its Syndications Programme.

US$8.7 billion
in contributions to intra-African trade

The Bank facilitated about US$8.7 billion (4.7 percent) of total intra-African trade.

US$1.6 billion
in contributions to manufactured exports

The Bank facilitated about US$1.6 billion (1.4 percent) of Africa's total manufactured exports.

US$1 billion
in contracts facilitated for African entities

The Bank helped African exporters of heavy infrastructure equipment and engineering services across the continent to win construction contracts worth more than US$1 billion.

321
African entities accessing payment services

The Bank has cumulatively onboarded 203 African banks and 134 corporations under its payment services programme, benefiting more than 321 sub-clients in 46 member states.

296,241
African SMEs connected to markets

The Bank's interventions connected 296,241 African farmers and SMEs to markets.

111
trade finance lines granted

The Bank granted 111 trade finance lines to 27 countries across Africa, which resulted in 127,060 sub-loans to SMEs, benefiting mostly women and youth.

533
African banks onboarded

The Bank has cumulatively onboarded 533 African banks and extended letter of credit confirmation lines to 256 banks, benefiting 49 member states.

157,714
direct jobs created

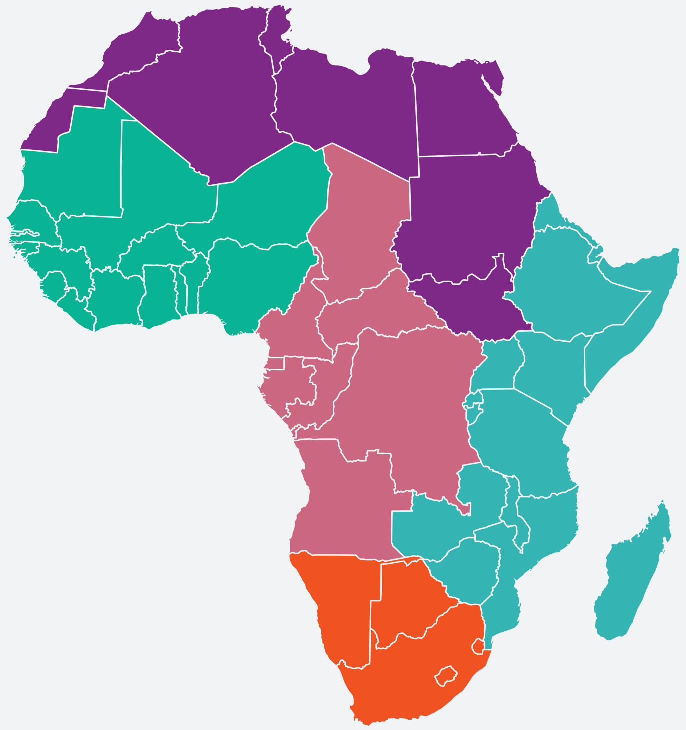
The Bank helped create a total of 157,714 direct jobs in Africa.

8.5 million
beneficiaries

benefited from Afreximbank's investee projects across Africa.

2024 Impact across Subregions

West Africa
- ✓ US$6.9 billion disbursed
- ✓ 71 investments made
- ✓ US$4.1 billion increase in the value of intra-African trade facilitated
- ✓ US$913 million increase in manufactured exports facilitated
- ✓ 42,819 SMEs with access to trade finance
- ✓ 74,913 direct jobs created



North Africa
- ✓ US$7.6 billion disbursed
- ✓ 23 investments made
- ✓ US$1.6 billion increase in the value of intra-African trade facilitated
- ✓ 65,055 SMEs with access to trade finance
- ✓ 31,779 direct jobs created

Central Africa
- ✓ US$457 million disbursed
- ✓ 12 investments made
- ✓ US$104 million increase in the value of intra-African trade facilitated
- ✓ 2,287 SMEs with access to trade finance
- ✓ 1,893 direct jobs created

Southern Africa
- ✓ US$1.8 billion disbursed
- ✓ 37 investments made
- ✓ US$1.6 million increase in the value of intra-African trade facilitated
- ✓ US$124 million increase in manufactured exports facilitated
- ✓ 3,558 SMEs with access to trade finance
- ✓ 14,352 direct jobs created

East Africa
- ✓ US$1.9 billion disbursed
- ✓ 31 investments made
- ✓ US$1.3 billion increase in the value of intra-African trade facilitated
- ✓ US$536 million increase in manufactured exports facilitated
- ✓ 13,341 SMEs with access to trade finance
- ✓ 34,777 direct jobs created

Executive Summary

As of 2024, 39 countries had begun trading under the AfCFTA's Guided Trade Initiative, reflecting growing confidence in this transformative trade deal

The year 2024 marked the halfway point of the sixth Strategic Plan (2022–2026) of the African Export-Import Bank (Afreximbank). Despite increased global geopolitical and economic uncertainties, the Bank made significant progress in advancing its key strategic pillars.

In 2024, Afreximbank began implementing the second half of its sixth Strategic Plan, IMPACT 2026: Extending the Frontiers. Despite the intensification of global geopolitical and economic challenges it has remained focused on pursuing its strategic priorities. The 2024 Annual Trade Development Effectiveness Report (ATDER) provides evidence of the Bank's contribution toward African trade and development under three of its key strategic pillars: Intra-African Trade and AfCFTA Implementation, Industrialisation and Export Development, and Leadership in Global Trade Banking in Africa. The ATDER also highlights the Bank's impact across Africa's five subregions.

In the evolving context of intra-African trade, significant progress has been made in creating a more integrated continent, accelerated by the implementation of the African Continental Free Trade Area (AfCFTA) agreement. Amid shifting global dynamics, Africa is increasingly turning inward, strengthening regional cooperation, economic integration, and intra-African trade to build resilience and reduce external dependencies. As of 2024, 39 countries had begun trading under the AfCFTA's Guided Trade Initiative, reflecting growing confidence in this transformative trade deal and a shared commitment to expanding intra-African trade.

Exploiting regional complementarities creates new competitive advantages for African countries. The integration of markets provides the critical mass of consumers, skills, suppliers, and other resources needed to develop and scale up knowledge-intensive sectors such as automotive and pharmaceutical value chains. Combining key natural resources available across African countries creates competitive advantages in high value-added activities such as battery production. Smaller economies benefit from access to larger markets, enhancing local productive capacities by attracting new investments and gaining in efficiency from specialisation.

The AfCFTA-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are facilitating seamless trade under the agreement. The Bank is also scaling up strategic investment in industrial and trade-enabling infrastructure to reduce production costs and build a dynamic export sector, improve logistics, streamline border processes, and develop vibrant creative industries that empower small and medium enterprises (SMEs).

With sustained commitment and strategic collaboration, the AfCFTA has the potential to accelerate Africa's economic transformation, boosting income by US$450 billion by 2035, lifting 40 million people out of extreme poverty, and amplifying the Bank's strategic impact.

Chapter 1 herein focuses on the progress and key challenges of trade integration in Africa as it relates to the implementation of the AfCFTA and the Bank's contribution to boosting intra-African trade. Chapter 2 assesses progress in building industries and growing value-added exports and the Bank's contribution to industrialisation and export development. Chapter 3 explores the challenges and opportunities in Africa's trade finance sector and highlights the Bank's role in narrowing the trade finance gap across the continent. Chapter 4 concludes with a summary of the progress made in improving the Bank's trade development impact in Africa.

Box 1: Afreximbank's contributions to the Sustainable Development Goals

Cross-sector Impacts
Across sectors and regions, Afreximbank seeks to promote:
- Employment creation and economic growth
- Shared prosperity
- Poverty elimination
- Gender equality
- Environmental and social sustainability
- Climate change adaptation
- Partnership with private investors

Sector Impacts
The Bank promotes intra-African trade, industrialisation and export development, and case access to trade finance in the following sectors:
- Trade enabling infrastructure
- Manufacturing
- Energy
- Financial services
- Health care
- Tradable services
- Creative industries

Impact Highlights
Notwithstanding the challenges in 2024, the Bank's operations delivered significant results. The Bank ended the first half of its sixth Strategic Plan with major achievements, such as the successful deployment of 174 financial investments across the continent, with a total value of US$18.7 billion; the provision of US$2.8 billion in guarantees and letters of credit; and the crowding in of US$ 5.7 billion.

These investments stimulated US$8.7 billion in intra-African trade, which is equivalent to 4.7 percent of total intra-African trade and US$1.6 billion (or 1.4 percent) in Africa's total manufactured exports, creating additional 157,714 direct jobs and benefiting more than 8.5 million Africans through investee projects, connecting 296,241 rural farmers and SMEs to local markets and providing 127,060 SMEs with access to trade finance. Ultimately, these investments supported the advancement of 11 Sustainable Development Goals in Africa (Box 1).

In 2024, seven new notable rated disbursed projects underscored the Bank's consideration of impactful projects to address the most urgent trade-enabling infrastructure challenges in Africa, including two projects in East Africa, four in West Africa, and one in Central Africa. The Bank also completed 11 existing projects in the manufacturing, energy, power, transport, and health care sectors across Africa. It brought another project in the energy sector in West Africa to bankability through the Bank's Project Preparation Facility.

In 2024, the Africa Trade Exchange (ATEX) facilitated US$142 million in total trade across eight countries, supporting 11 African exporters and importers of fertilisers, food, and oil and gas

Intra-African Trade

As of 2024, 39 countries had begun trading under the AfCFTA's Guided Trade Initiative, demonstrating growing confidence in this transformative trade deal and a shared commitment to boosting intra-African trade. The AfCFTA-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are facilitating seamless trade under the agreement, supporting the continent's economic integration and development.

The Pan-African Payment and Settlement System (PAPSS), a centralised infrastructure for intra-African trade payments, is domesticating transactions under the AfCFTA. The AfCFTA Adjustment Fund helps countries and the private sector adapt to the new trading landscape, while the AfCFTA Transit Guarantee Scheme improves efficiency by enabling the seamless movement of goods under a single transit guarantee across 110 borders.

In 2024, the Bank approved a customs bond/guarantee facility covering all container-related obligations, including damage and total loss. This eliminates the need for users to pay upfront deposits—typically between US$4,000 and US$5,000 per container—to shipping lines.

In a market of 55 countries, harmonising standards and conformity assessments is essential for boosting intra-regional trade. The Bank is providing grant funding to the African Regional Standards Organisation (ARSO) to harmonise standards in key sectors. As of the end of 2024, 385 pharmaceutical standards have been harmonised, including 139 in 2024 alone. In 2024, the organisation harmonised 60 standards in fashion, textiles, and leather and is endeavouring do so in gastronomy and food services. The Bank is also establishing African Quality Assurance Centres (AQACs) to enhance testing, inspection, and certification across the continent. The first center is operational, with more under way in Benin, Gabon, Chad, and other countries.

The Intra-African Trade Fair has become a vital platform for advancing the AfCFTA vision. Established by Afreximbank in collaboration with the African Union Commission and the AfCFTA Secretariat, this biennial event fosters trade and economic integration across the continent. The most recent edition, held in Cairo in November 2023, facilitated US$43.77 billion in trade deals and attracted more than 28,000 visitors. The fourth edition is scheduled to take place in Algiers in September 2025.

The Bank's digital ecosystem, the Africa Trade Gateway (ATG), supports trading under the AfCFTA through five integrated digital platforms: PAPSS, MANSA, TRADAR Intelligence, TRADAR Regulations, and the Africa Trade Exchange (ATEX). ATEX has evolved beyond its role of aggregating Africa's demand to enhance market power in response to the Ukraine war into a seamless digital marketplace connecting buyers and sellers across Africa. In 2024, ATEX facilitated US$142 million in total trade across eight countries, supporting 11 African exporters and importers of fertilisers, food, and oil and gas while reducing cross-border transaction costs and generating US$7 million in savings.

In June 2024, through its Diaspora Strategy, the Bank hosted the Africa–Caribbean Trade and Investment Forum (ACTIF), which attracted more than 3,682 delegates and generated US$4 billion in trade and investment deals.

The Bank is also providing technical and financial support in the preparation and development of the modernisation and expansion of a shipyard in the oil and gas free zone in Onne, Nigeria

Addressing constraints to intra-African trade also entails establishing efficient trade facilitation and logistics. The Bank is investing in railway construction, cross-border road networks, port upgrades, warehouses, and streamlined logistics processes to drive Africa's economic transformation. For example, the upgrading and modernisation of Beitbridge Border Post in Zimbabwe, supported by Afreximbank, has increased its capacity by 30 percent compared to pre-modernisation levels, significantly reducing the average wait time for commercial trucks from 35 to 39 hours to just 5 hours. This improvement translates into cost savings of approximately US$567–US$671 per truck per trip.

Similarly, the Dar es Salaam railway project, spanning 1,596 kilometres in Phase 1 and 1,685 kilometres in Phase 2, has made significant progress, with Lots 1 and 2 (722 kilometres) now complete. The project has delivered 65 passenger coaches and 17 electric locomotives. As of August 2024, trains had made 548 trips between Dar es Salaam, Morogoro, and Dodoma, transporting 393,910 passengers. The project has created 21,586 direct jobs and 80,000 indirect jobs to date. Once fully completed, the railway will connect Dar es Salaam's ports to landlocked neighboring countries, including Burundi, the Democratic Republic of Congo, Malawi, Uganda, and Zambia, fostering regional trade and economic integration across East Africa.

The Bank is also supporting the construction of the Lobito-Luau railway, a narrow-gauge line linking Angola's port city of Lobito to Dar es Salaam in Tanzania, passing through the Copperbelt region of Zambia and the Democratic Republic of Congo. The project is also investing in the construction of a 45-kilometre road linking Liberia's capital city to its only international airport, the Roberts International Airport, and to the South-Western part of the country, which hosts its two major rubber plantations. When completed, the road is expected to facilitate the cross-border movement of more than 350,000 tonnes of cargo annually and create 700 direct jobs.

Aligning with the vision of the Economic Community of West African States for an interconnected railway system, the Bank, through its Project Preparation Facility, is providing technical and financial support for the preparation and development of railway upgrades in Ghana. The project aims to facilitate the efficient transport of 20 million metric tonnes of bauxite and manganese annually, along with 3 million metric tonnes of iron ore, clinker, and agricultural products. It is expected to boost exports by about US$950 million annually.

In the same vein, the Bank is also providing technical and financial support to modernise and expand a shipyard in the oil and gas free zone in Onne, Nigeria. Upon completion, the project will increase the dry dock crane lifting capacity from 500 to 9,000 metric tonnes, extend the ship repair vessel length by 76 metres, and expand the handling capacity from 1 to 10 vessels. It is expected to generate about 2,000 direct jobs during the construction phase and 3,000 direct and indirect jobs during the operational phase.

The Bank continued to make deliberate efforts to attract intra-African investments, as trade usually follows such investments and regional value chains are created when they occur. In 2024, the Bank facilitated more than US$1 billion worth of contracts for leading African firms to help them compete effectively with global players in African markets. This enabled them to win contracts across Africa and the Caribbean, specifically, in Comoros, Nigeria, Gabon, Guyana, and Mozambique. These contracts range from trade-enabling infrastructure to support for the acquisition of African banks by leading continental banks.

The Bank has been investing in a leading agro-processing company in Tanzania since 2021, which has facilitated the production of 924,104 metres of yarn and grey fabrics, 47 metric tonnes of knitted fabrics, and 64,313 garment pieces

Industrialisation and Export Development

In addition to increasing the volume of intra-African trade, the AfCFTA is also promoting economic diversification across Africa. Over the past two and a half decades, Africa's manufacturing value-added more than doubled, rising from US$145 billion to US$314 billion. Twenty-eight African countries experienced manufacturing value-added growth exceeding the 6.1 percent global average between 2000 and 2023. There have been positive trends toward greater regional integration of industrial value chains and increased intra-Africa investment.

In the health care sector, the Bank is making significant investments in world-class medical facilities across Africa to improve access to quality services, reduce the high costs of medical tourism, and address inequalities. The African Medical Centre of Excellence in Abuja, Nigeria, which is being jointly developed with Kings College Hospital London, is now 80 percent complete, with commissioning set for 2025. This quaternary-level facility will specialise in oncology, haematology, cardiology, and general care. Discussions are under way to establish similar AMCE facilities in Cameroon (Central Africa), Tanzania (East Africa), and other regions. The Bank is also supporting the development of a 60-bed state-of-the-art hospital in The Gambia. The construction of a 40-bed neurology department at a hospital in Rwanda and the expansion and upgrade of a rehabilitation home care and neonatal intensive care facility are almost completed.

In the agro-processing sector, the Bank has been investing in a leading agro-processing company in Tanzania since 2021, which has facilitated the production of 924,104 metres of yarn and grey fabrics, 47 metric tonnes of knitted fabrics, and 64,313 garment pieces. This investment has benefited 613 local SMEs and created 370 direct jobs (40 percent of which are held by women). In 2024, the Bank expanded its support to this company to enable it to invest in high-tech machinery capable of processing short-fibre lint—a key challenge in local textile production. This investment aims to reduce the country's dependence on fabric and yarn imports. The support is expected to create 170 additional direct jobs and benefit 2,424 local SMEs, further strengthening Africa's textile and garment industry.

As part of its ongoing effort to build a resilient food system, in 2024 the Bank supported the construction and operationalisation of a 30,000 metric-tonne-per-annum cashew processing factory within a vertically integrated company in Nigeria. The facility aims to enhance local processing capacity and add value to raw cashew exports. Upon completion, the project is expected to boost value-added exports, create about 450 direct and indirect jobs, and benefit 80 local SMEs.

The Bank is also investing in the construction of a fish freezing, processing, and storage plant in Mauritania, with a capacity of 300 tonnes per day. This project is expected to boost exports by US$110 million and create 158 direct jobs, 34 percent of which will be held by women. In addition, the Bank is supporting

Notably, the Gabon SEZ has generated 8,000 direct and 12,000 indirect jobs and attracted more than US$1.6 billion in foreign direct investment

Togo's Adétikopé Industrial Platform is set to generate 8,200 direct and indirect jobs

one of Mauritania's largest food and consumer goods distributors, which previously relied on imports, to transition to a major integrated food production and distribution group in the subregion. This support will benefit more than 4,700 local SMEs and generate 319 direct jobs (40 percent of which will be held by women), strengthening regional food security and supply chains.

Overcoming infrastructure bottlenecks requires the development of well-functioning special economic zones (SEZs) as integrated production and trade hubs. In partnership with Arise Integrated Industrial Platform, Afreximbank is driving industrial growth by investing in SEZs across Africa. Established zones in Benin, Chad, Gabon, Rwanda, and Togo—along with ongoing projects in Côte d'Ivoire, Democratic Republic of Congo, Kenya, Malawi, Nigeria, and Zambia—are strengthening regional value chains, boosting intra-African trade and investment and creating opportunities for small businesses, especially for youth and women. Notably, the Gabon SEZ has generated 8,000 direct and 12,000 indirect jobs and attracted more than US$1.6 billion in foreign direct investment. Likewise, Togo's Adétikopé Industrial Platform is set to generate 8,200 direct and indirect jobs, while Benin is expected to create 14,000 direct and indirect jobs. The SEZs in the Democratic Republic of the Congo and Zambia are aimed at tapping into the US$7.7 trillion global electric vehicle market, projected to reach US$46 trillion by 2050. These investments will strengthen Africa's role in the global energy transition.

In the oil and gas sector, the Dangote Refinery, which began operations in 2024 with Afreximbank as the primary lender, is reshaping Nigeria and Africa's energy landscape. Earlier, the Bank had financed the refurbishment of a 210,000 barrel per day (bpd) refinery and is supporting the recent development of another 200,000-bpd integrated refinery and petrochemical complex in Nigeria. It is also investing in a 60,000 bpd high conversion petroleum modular refinery in Cabinda, Angola. The first phase, with a capacity of 30,000 bpd, is nearing completion and is set to be completed in 2025. The construction phase led to the creation of about 2,873 jobs.

Furthermore, an Afreximbank-supported oil jetty and 150,000-square-metre storage depot project in Djibouti is set to be commissioned in 2025. It will enhance marine connectivity to the Djibouti Industrial Development Free Zone and strengthen the country's position as a regional transshipment and logistics hub. This project is expected to generate US$2.2 billion in government revenues over the next five years.

In the power sector, the Bank is investing in energy infrastructure to provide access to affordable electricity. A key example is Tanzania's Rufiji Dam Project, the largest intra-African EPC initiative, developed entirely by African contractors and financed by African banks, with a total installed capacity and annual power generation of 2,115 megawatts and 6,307 gigawatts per hour. The project, set to be completed in 2025, has created more than 1,500 jobs and will boost electricity access for Tanzanians, creating far-reaching economic impacts across East Africa.

The 141-megawatt Aba Integrated Power Project in Nigeria was completed in 2024 and is set to significantly boost the local economy. It is expected to reduce power outage costs for manufacturing firms by US$1.3 billion annually, increase manufacturing output by US$707 million

CANEX supported 50 African fashion designers representing 12 countries to showcase and connect African brands with global players at Paris, Japan, and New York Fashion Weeks, securing orders from France, Germany, Japan, the United Arab Emirates, the United Kingdom, and the United States

(8.1 percent of the state's GDP), attract 2,000 new industries, support more than 28,000 local SMEs, and create 3,300 direct and indirect jobs.

In Cameroon, the Bank is supporting the construction of a 200-unit solar photovoltaic power station with a 15-megawatt capacity, which will enhance diversification of the country's energy supply. The project is expected to increase renewable energy production by 1.04 percent, create approximately 400 direct jobs during construction and 100 during operation, and benefit thousands of SMEs, industries, and households.

The construction and installation of a solar-powered electricity generation project in Angola is expected to produce 482,000 megawatts of clean energy, providing power to industries, SMEs, and households and generating more than 800 jobs. Through its Project Preparation Facility, the Bank is also providing technical and financial support in the preparation and development of 166 megawatts of hydropower and 46 megawatts of solar power in the Democratic Republic of Congo. The project will cut the incremental cost of power by 23 percent, making the country's mining sector far more competitive, with opportunities to attract US$420 million in investment and create 2,000 direct and indirect jobs.

With youth and women playing a dominant role in the creative economy, the social sector is a crucial driver of their economic empowerment. Afreximbank's Creative Africa Nexus (CANEX) initiative is addressing the financing gap in Africa's creative industries by providing funding for infrastructure and strengthening activities across the creative value chain—including sports, film, music, fashion, arts and crafts, culinary arts, and more.

The CANEX Music Factory benefited 68 aspiring songwriters, with 2,12 track CANEX Music Album currently available on all major streaming platforms, including iTunes and Spotify. They have recorded more than 700,000 streams since August 2024. This provides young Africans in the creative industry with a unique opportunity to join the growing list of legally recognised African songwriters with publishing stakes in the songs that they help write.

In a similar vein, in 2024, the CANEX supported 50 African fashion designers representing 12 countries to showcase and connect African brands with global players at Paris, Japan, and New York Fashion Weeks, securing orders from France, Germany, Japan, the United Arab Emirates, the United Kingdom, and the United States.

The Afreximbank Factoring Programme, developed in 2017, is bridging the knowledge and financing gap for African SMEs in the export supply chain. Burkina Faso, Côte d'Ivoire, Mali, Niger, Egypt, the Republic of Congo, and Togo are among the countries that have adopted the Afreximbank Model Law. Kenya, Madagascar, and Nigeria are in the final stages of adoption. The Democratic Republic of Congo has amended its banking law to include factoring as a recognised banking product.

Additionally, the Programme has conducted 27 factoring seminars in 13 African countries in the past 7 years. The Bank, in partnership with FCI through various e-learning programmes, has successfully trained more than 380 registered participants,

The Bank, in partnership with FCI through various e-learning programmes, has successfully trained more than 380 registered participants

49 students have earned the Certificate of Finance in International Trade, and 102 candidates have enrolled on COTFIA since it began in 2022. Without the Bank's support, these countries would not have been able to access similar assistance from other sources.

These initiatives have contributed to the emergence of factoring companies in Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Côte d'Ivoire, Kenya, Mali, Niger, Nigeria, the Republic of Congo, Senegal, Tanzania, Togo, Uganda, and Zimbabwe (the major markets for factoring). Egypt, Mauritius, Morocco, and South Africa have witnessed remarkable growth in their factoring companies, from 33 in 2017 to 187 in 2023.

The Fund for Export Development in Africa (FEDA), a subsidiary of the Afreximbank Group, is dedicated to transforming Africa's export sector through its multi-investment impact fund platform. In 2024, FEDA added six new Member States by securing agreements with Benin, Egypt, The Gambia, Guinea-Bissau, Malawi, and Nigeria, bringing the total number of signatories to its establishment agreement to 20 as of the end of December 2024.

Afreximbank invested more than US$1 billion in 2023 and 2024 to help African regional banks acquire the assets of international banks that are withdrawing from the continent

Trade Finance

Between 2014 and 2024, eight international banks announced their exit from 20 African countries. Through its African Banks Acquisition Support Strategy, Afreximbank invested more than US$1 billion in 2023 and 2024 to help African regional banks acquire the assets of international banks that are withdrawing from the continent. As the implementation of the AfCFTA intensifies, navigating the trade finance landscape effectively will be crucial for unlocking Africa's full trade potential and driving long-term economic growth across the continent.

In 2024, the Bank helped narrow the trade finance gap in Africa by 18 percent (surpassing the 15 percent annual target). Through its Trade Facilitation Programme (AFTRAF), the Bank cumulatively onboarded 533 African banks and extended letter of credit confirmation to 256 banks, benefiting 49 member states. The Bank also granted 111 trade finance lines amounting to US$10.4 billion to 27 countries across Africa (predominantly least-developed and landlocked countries) to meet their trade financing needs. These lines of credit resulted in 127,060 sub-loans to SMEs, benefiting, among others, women and youth.

The Bank's Payment Services Programme (AfPAY) made it possible for 203 banks (233 including non-regional banks) and 134 corporations (222 including non-regional corporations) in 46 member states (67 including non-regionals) to access payment services, benefiting more than 321 sub-clients.

During 2024, the MANSA Digital Platform grew by 73.35 percent following the onboarding of an additional 11,239 verified entities, bringing the number of onboarded entities to 26,561 from 15,322 profiles recorded in 2023. Onboarded entities comprised 21,834 SMEs, 4,367 corporations, and 360 financial institutions, representing 82.20 percent, 16.44 percent, and 1.35 percent of onboarded entities, respectively.

AfrexInsure, the Bank's entity set up to offer specialty insurance solutions for trade and trade-related investments across Africa, made significant progress in 2024. Marketing and stakeholder engagement efforts in 2024 raised the company's profile and awareness among insurance market players and clients, which catalysed success in business development. The company's specialty insurance solutions were deployed to a growing number of consumers across several sectors and regions. By the end of the year, AfrexInsure had completed transactions in 17 countries, up from 7 in 2023.

Trade Development Impact

Measuring Afreximbank's development results is critical to understanding how well its strategy is working. Despite the intensification of global geopolitical and economic challenges over the past two years, the Bank has made notable achievements towards its five broad trade development objectives set out in its sixth Strategic Plan (2022-2026).

By the end of 2024, the Bank remained on track to achieve its macro-objectives. It met an average of 81.7 percent of its annual targets, slightly below the 83.7 percent achieved in 2023.

Objective 1
Contribute towards an increase in Africa's share of global trade in goods and services.

Objective 2
Contribute towards an increase in the intra-African share of Africa's total trade in goods and services.

Objective 3
Contribute to an increase in Africa's share of global manufactured exports.

Objective 4
Contribute towards the narrowing of the trade finance gap in Africa.

Objective 5
Contribute towards employment creation in Africa (cross-cutting development objectives).

During 2024, the MANSA Digital Platform grew by 73.35 percent following the onboarding of an additional 11,239 verified entities

01 Intra-African Trade

As of 2024, 39 countries had commenced trading under the African Continental Free Trade Area's (AfCFTA) Guided Trade Initiative (GTI), demonstrating growing confidence in this transformative trade deal and a shared commitment to boosting intra-African trade.

Afreximbank's AfCFTA-enabling initiatives play a key role in facilitating seamless trade under the agreement, supporting the continent's economic integration and development. In 2024, the Bank financed about 3 percent of total intra-African trade and facilitated a nearly US$8.7 billion increase in the value of intra-African trade (equivalent to 4.7 percent of the total intra-African trade).

This chapter presents the progress and key challenges of trade integration in Africa as it relates to the implementation of the AfCFTA, as well as the Bank's contribution to unlocking the continent's potential in this regard.

Intra-African Trade in the AfCFTA Era

The AfCFTA's GTI has facilitated the start of actual trade under the trade preferences. Initially, the initiative facilitated trade in 96 products among seven member countries. By 2024, the scope of coverage was expanded to include 39 countries, marking a new era of commercially meaningful trading under AfCFTA rules. For example:

- In 2022, Kenya exported tea to Ghana while Ghana exported ceramic tiles to Kenya.
- In 2023 Tunisia exported its first shipment of 60 tonnes of resin to Cameroon.
- In 2022, Nestlé Cameroon imported maggi laminates from Nigeria.
- In 2024, Nestlé Kenya imported the first-ever consignment, infant nutrition products, from South Africa at a reduced rate of 15 percent from 25 percent.
- Rwanda exported packaged coffee to Cameroon and Ghana and has since diversified its shipments to include tea, avocado oil, and honey.
- Egypt exported pharmaceutical products to Ghana under AfCFTA trade preferences. This is a major step in boosting intra-African trade in health care and medicine.
- Tanzania exported coffee to Algeria, batteries to Ghana, and sisal fibre to Nigeria, diversifying beyond traditional agricultural products.
- In 2024, South Africa made its inaugural shipment of refrigerators, home appliances, and mining equipment to Kenya under the AfCFTA, symbolizing a crucial step in regional trade dynamics.
- In 2024, Nigeria's inaugural consignments under the AfCFTA regime also included high-technology content products such as cables and smart cards to Algeria, Cameroon, Egypt, Kenya, and Uganda.

The AfCFTA has made significant progress, characterised by successful trading stories and encouraging statistical evidence. Success stories like Igire Coffee in Rwanda and Mazia Honey in Ghana are prime examples of how women entrepreneurs and African SMEs can leverage the AfCFTA to expand their businesses.

Robust trade figures reflect encouraging progress in the implementation of the AfCFTA. As of 2023, intra-African trade accounted for approximately 17 percent of Africa's total trade, a modest increase from previous years but still below the levels seen in Europe (68 percent) and Asia (59 percent).

To continue to facilitate trade and achieve deeper integration, it is important to address existing challenges, summarized in Figure 1.1 and detailed below.

Figure 1.1: Key challenges of trading under the AfCFTA

- Weak trade facilitation infrastructure, such as inefficient border controls, causes delays in shipments.
- Inefficient customs and administrative procedures and regulations among countries and inefficient transit systems create delays and increase costs.
- Cross-border trade in Africa relies heavily on foreign currencies, which makes transactions costly.
- There are cases where products could have been sourced competitively from other African countries but were procured from outside the continent due to inadequate trade information.
- Fragmented product standards significantly affect intra-African trade by creating barriers to the seamless movement of goods and services across borders. A product that meets safety requirements in one African country may require retesting and recertification in other countries, increasing costs and delays.
- African governments have agreed to 854 bilateral investment treaties (512 in force) 169 of which are intra-African (44 in force). Harmonising domestic investment legislation could improve the continent's fragmented investment environment and boost intra-African investment. Accelerating national adoption of regionally agreed protocols such as the Pan-African Investment Code is a priority.
- Many African businesses lack access to digital marketplaces, making it difficult for them to connect with regional buyers and sellers.

Afreximbank is expanding innovative financial programmes and partnerships while leveraging technology to lower intra-African trade costs, enhance logistics, streamline border processes and standards, and facilitate trade to promote deeper regional integration.

The Bank's Contribution to Boosting Intra-African Trade and Supporting AfCFTA Implementation

Intra-African trade remains the arrowhead of Afreximbank's strategy. In 2024, the Bank financed about 3 percent of total intra-African trade and facilitated a nearly US$8.7 billion increase in the value of intra-African trade (equivalent to 4.7 percent of total intra-African trade). The AfCFTA-enabling initiatives developed by Afreximbank, in collaboration with the AfCFTA Secretariat and the African Union Commission, are supporting the continent's economic integration and development.

The AfCFTA Adjustment Fund to Enable Smooth Adjustments

Afreximbank, in collaboration with the AfCFTA Secretariat, has established the US$8 billion AfCFTA Adjustment Fund. The African Union appointed Afreximbank as the manager of the fund platform that will compensate countries for tariff revenue losses arising from AfCFTA implementation, while preparing companies and countries to adjust to the new trading regime in an orderly manner. Afreximbank is contributing US$1 billion to the Fund.

Reducing the Foreign Currency Content of Intra-African Trade: The PAPSS

To facilitate business transactions and lower payment service costs under the AfCFTA, Afreximbank, in collaboration with the AfCFTA Secretariat, has operationalised the Pan African Payment and Settlement System, which is already domesticating intra-African payments.

In 2024, the PAPSS expanded its network by incorporating 3 additional central banks, bringing the total to 15. Furthermore, the system welcomed 50 new commercial banks, increasing the total number of connected banks to 144. The integration of 3 additional switches further enhanced its operational capabilities, resulting in a total of 13 switches.

Moreover, the launch of the pilot programme for the PAPSS African Currency Marketplace (PACM) has established a new platform for the matching and exchange of African currencies, thereby decreasing the continent's reliance on foreign currency. The PACM has empowered numerous African corporations across various sectors–including airlines, insurance, and fast-moving consumer goods–to repatriate millions of U.S. dollars of trapped funds that were depreciating in certain African nations back to their headquarters on the continent. This initiative has mitigated losses due to currency depreciation and facilitated the reinvestment of these funds within Africa.

Cutting Costs and Saving Shipping Time: The African Collaborative Transit Guarantee Scheme

The movement of goods across Africa's 110 borders has long posed a challenge to intra-regional trade. To address this, Afreximbank is working in partnership with the African Union Commission, the AfCFTA Secretariat, and the Common Market for Eastern and Southern Africa (COMESA) to implement a Regional Transit Guarantee Scheme. A pilot project is already under way in COMESA and will soon be expanded across the continent. As the Regional Transit Guarantor, Afreximbank enables goods to move seamlessly across borders under a single transit bond. To support this initiative, the Bank has committed a US$1 billion guarantee limit.

In 2024, the bank approved a customs bond/guarantee facility for a technology company to help ease financial constraints in the East African region, enhancing the competitiveness of small and medium enterprises (SMEs) by removing the need for upfront security deposits on containers. The container guarantee covers all container-related obligations, including damage and total loss, eliminating the need for users to pay upfront deposits—typically ranging from US$4,000 to US$5,000 per container—to shipping lines.

Box 1.1: Support for Harmonisation of Standards in Africa: Testimonial from African Regional Standards Organisation Secretary General

The African Regional Standards Organisation (ARSO) is committed to harmonising standards across Africa to enhance intra-African and global trade while promoting sustainable development.

Afreximbank has played a key role in strengthening Africa's quality infrastructure by supporting regulatory frameworks that align with major continental agreements, including the AfCFTA and the African Quality Policy. Its support for ARSO's standards harmonisation efforts in sectors such as automotive, pharmaceuticals, textiles, and leather has fostered new partnerships with UNIDO, the African Development Bank, MasterCard, and the Rockefeller Foundation, while reinforcing existing collaborations with Germany's PTB and UNECA.

To date, ARSO has harmonised 2,042 African standards in priority AfCFTA sectors, ensuring compliance with WTO and AfCFTA agreements.

Harmonisation of Standards

One of the main obstacles to intra-African trade is the diversity of regulatory frameworks, standards, and customs procedures across the continent's 55 countries. These variations increase compliance costs, cause delays, and discourage cross-border trade. Harmonising these frameworks is crucial to fostering a friendly environment for trade and investment.

Accordingly, through grant funding, Afreximbank has supported the African Regional Standards Organisation (ARSO) to harmonise standards in the pharmaceutical/medical equipment and textile sectors. So far, 385 pharmaceutical standards have been harmonised, of which 139 were harmonised in 2024. In fashion, textiles, and leather products, 60 standards were harmonised during the year. Work on standards harmonisation is progressing in the gastronomy and food services sector. To ensure that there is the infrastructure to implement the harmonised standards, Afreximbank has also established a subsidiary, the African Quality Assurance Centre (AQAC), to develop testing, inspection, and certification facilities across Africa. Its first AQAC project is already operational, with additional centres under development in Benin, Chad, Gabon, and other countries.

Deepening Access to Trade and Investment Information

Afreximbank, in collaboration with the African Union Commission and AfCFTA Secretariat, put in place the biennial Intra-African Trade Fair (IATF). The last edition, held in Cairo in November 2023, concluded US$43.77 billion worth of trade deals and received more than 28,000 visitors. The fourth edition is scheduled to be held in Algiers in September 2025.

As part of its effort to bridge the trade and market information gap, the Bank, under its TRADAR Club, a prestigious member-driven network comprising the TRADAR Intelligence and TRADAR Regulations, is helping businesses easily identify potential suppliers of inputs or distributors of their products in other parts of the continent, discover new markets, grow their businesses, save time, access dedicated expert support, and respond to new business opportunities.

Connecting African Industries to Markets

The Bank continues to make deliberate efforts to attract intra-African investments, as trade usually follows such investments and regional value chains are created when they occur.

Despite the constraints imposed by geopolitical and economic uncertainties, in 2024, the Bank facilitated more than US$1 billion worth of contracts for leading African firms to help them compete effectively with global players in African markets. This effort enabled them to win contracts across Africa and the Caribbean, specifically, in Comoros, Gabon, Guyana, Mozambique, and Nigeria. These contracts range from trade-enabling infrastructure to support for the acquisition of African banks by leading continental banks.

In June 2024, through its Diaspora Strategy, the Bank hosted the Africa–Caribbean Trade and Investment Forum (ACTIF), which attracted more than 3,682 delegates and generated US$4 billion in trade and investment deals.

Leveraging for Intra-African Trade Facilitation

The establishment of the AfCFTA is projected to boost intra-African freight demand by 28 percent by 2030, necessitating an additional 2 million trucks, 100,000 rail wagons, 250 aircraft, and more than 100 vessels. To continue to drive Africa's economic transformation, the Bank is investing in railway construction, cross-border road networks, port upgrades, warehouses, and streamlined logistics processes. For example, the capacity of Beitbridge Border Post in Zimbabwe, one of Africa's busiest ports of entry, has increased by 30 percent compared to pre-modernisation levels, significantly reducing the average wait time for commercial trucks from 35 to 39 hours to just 5 hours. This improvement translates into cost savings of approximately US$567–US$671 per truck per trip.

Similarly, the Dar es Salaam railway project, spanning 1,596 kilometres in Phase 1 and 1,685 kilometres in Phase 2, has made significant progress, with Lots 1 and 2 (722 kilometres) now complete. The project has delivered 65 passenger coaches and 17 electric locomotives. As of August 2024, 548 train trips have been made between Dar es Salaam, Morogoro, and Dodoma, transporting 393,910 passengers. The project has created 21,586 direct jobs and 80,000 indirect jobs to date. Once completed, the railway will connect Dar es Salaam's ports to landlocked neighboring countries, including Burundi, the Democratic Republic of Congo, Malawi, Uganda, and Zambia, fostering regional trade and economic integration across East Africa.

Recognising the strategic importance of cross-border railways in enhancing regional integration, trade, and industrialisation, Afreximbank is supporting the construction of the Lobito-Luau railway, a narrow-gauge line linking Angola's port city of Lobito to Dar es Salaam in Tanzania, passing through the Copperbelt region of Zambia and the Democratic Republic of Congo.

Afreximbank-supported Dar es Salaam railway project

The Bank is also investing in the construction of a 45-kilometre road linking Liberia's capital city to its only international airport, the Roberts International Airport, and to the South-Western part of the country where its two major rubber plantations are located. Upon completion, the road is expected to facilitate the cross-border movement of over 350,000 tons of cargo annually and create 700 direct jobs.

Aligning with the vision of the Economic Community of West African States (ECOWAS) for an interconnected railway system that promotes regional interoperability, the Bank, through its Project Preparation Facility, is providing technical and financial support for the preparation and development of railway upgrades in Ghana, with opportunities for future conversion to standard gauge line. The project aims to facilitate the efficient transport of 20 million metric tonnes of bauxite and manganese annually, along with 3 million metric tonnes of iron ore, clinker, and agricultural products. It is expected to boost exports by about US$950 million annually.

Similarly, the Bank is providing technical and financial support for the modernization and expansion of a shipyard in the oil and gas free zone in Onne, Nigeria. The project aims to increase the dry dock crane-lifting capacity from 500 to 9,000 metric tonnes, extend the ship repair vessel length by 76 metres, and expand the handling capacity from one to ten vessels. Once completed, it will be the first internationally compliant shipyard in the ECOWAS subregion. The project is expected to generate approximately 2,000 direct jobs during the construction phase and 3,000 direct and indirect jobs upon completion.

Transforming Intra-African Trade Through Innovation

Digital innovations, driven by the COVID-19 pandemic and the war in Ukraine, have the potential to enhance trade-related logistics, streamline customs processes, improve cross-border transaction payments and finance, and greater private sector participation in African trade. Afreximbank's digital ecosystem, the ATG, supports trading under the AfCFTA through five integrated digital platforms: PAPSS, MANSA, TRADAR Intelligence, TRADAR Regulations, and Africa Trade Exchange.

For example, the PAPSS is facilitating the domestication of trade under the AfCFTA, while the Africa Trade Exchange (ATEX) has evolved beyond its role of aggregating Africa's demand to enhance market power in response to the Ukraine war into a seamless digital marketplace connecting buyers and sellers across Africa. In 2024, ATEX facilitated US$142 million in total trade across eight countries, supporting 11 African exporters and importers of fertilisers, food, and oil and gas, while reducing cross-border transaction costs and generating US$7 million in savings.

Figure 1.2: Africa Trade Exchange in figures, 2024

5,594
Users

US$142 million
In Africa's total trade facilitated

11
Exporters and Importers from 8 countries conducted actual trade

US$7 million
In savings for exporters and importers

02 Industrialisation and Export Development

Over the past two and a half decades, Africa's manufacturing value-added more than doubled, rising from US$145 billion to US$314 billion.

Twenty- eight African countries experienced manufacturing value-added growth that exceeded the global average growth rate of 6.1 percent between 2000 and 2023. The African Export-Import Bank (Afreximbank) plays a facilitative and catalytic role, working with the public and private sectors and specialised international organisations. In 2024, the Bank facilitated more than 50 transactions across Africa, stimulating US$1.6 billion in manufactured exports, equivalent to 1.4 percent of Africa's total manufactured exports.

This chapter explores Africa's progress in building a viable industrial sector, as well as the Bank's contribution to regional industrialisation and export development.

Progress in Building Industries and Growing Export Diversification

An expanding number of African countries are promoting industrialisation and diversifying their economies despite the recent crises. The African manufacturing sector's share in value-added—one of the indicators of industrialisation—has more than doubled in the past two and a half decades from US$145 billion to US$314 billion (Table 2.1). Twenty-eight African countries experienced manufacturing value-added growth that exceeded the global average between 2000 and 2023.

Ethiopia, renowned for its burgeoning leather industry, and Ghana and Kenya, both situated in the pharmaceutical sector, have promising emerging industries. Several countries have developed or are developing networks of special economic zones (SEZs) and industrial parks. The Lobito Corridor, which connects the southern part of the Democratic Republic of Congo and north-western Zambia to regional and global trade markets via the port of Lobito in Angola, is another potential industrialisation driver, especially for critical minerals value chains, including battery manufacturing. The Dangote Refinery in Nigeria is reshaping the African energy sector. Major power generation projects are under way across the continent, with opportunities for interconnection to facilitate electricity exchange between neighbours.

Trade is playing a critical role in this regard. Africa's product export concentration and diversification indices have improved, albeit marginally (Table 2.2). Although processed and semi-processed goods represent 79 percent of intra-African exports compared to 41 percent of Africa's exports to other destinations, regional value chains contribute only 2.7 percent of Africa's global value chain participation, against 26.4 percent in Latin America and the Caribbean and 42.9 percent in developing Asia, according to Africa's Development Dynamics 2022. However, the ongoing effort among African countries to improve regional trade-enabling infrastructure and industrial agglomeration and firm capabilities and strengthen regional production networks under the AfCFTA have the potential to propel industrial expansion further and accelerate export diversification.

Rising domestic markets, fuelled by demographic growth, urbanisation, and a new class of workers and consumers, offer new opportunities in many sectors, including the food, pharmaceutical, and digital economy sectors. For scale-intensive industries such as the automotive industry, the continental market can facilitate a hub-and-spoke model of multiple vehicle assembly centres and component supplier economies.

Table 2.1: Manufacturing value-added (constant at 2015 prices, US$ billions)

	2000	2005	2010	2015	2020	2023
Africa	145	170	211	259	281	314
North Africa	52	61	82	91	104	120
West Africa	34	38	42	68	74	81
Southern Africa	35	41	45	47	42	45
East Africa	14	16	23	29	35	40
Central Africa	1	2	2	3	3	3

Source: United Nations Statistics

Table 2.2: Manufacturing value-added (constant at 2015 prices, US$ billions)

	2000	2005	2010	2015	2020	2023
Export diversification	0.60	0.59	0.56	0.54	0.56	0.54
Export concentration	0.35	0.41	0.40	0.27	0.19	0.22
Number of products	260	260	260	258	258	258

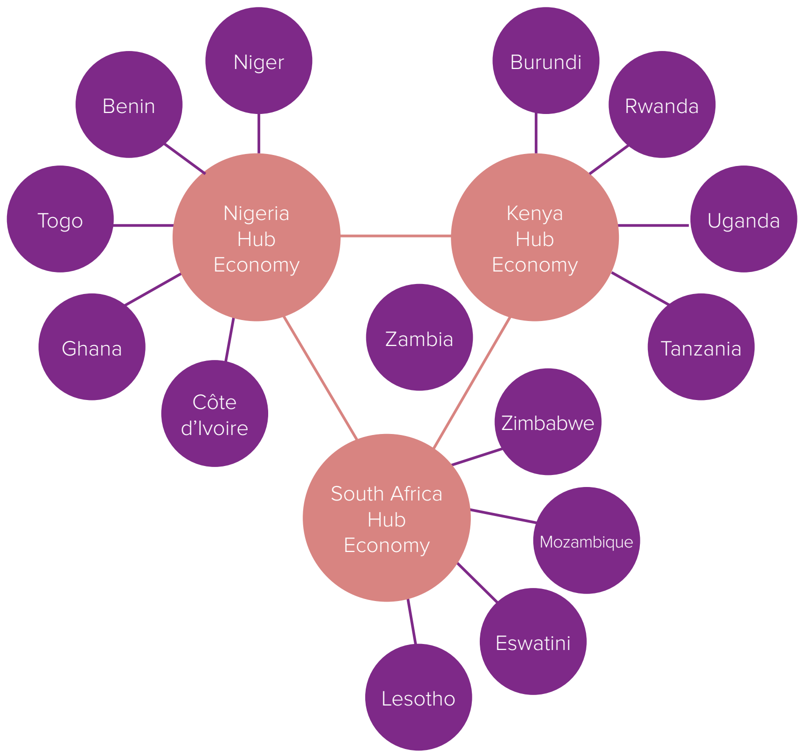
Source: United Nations Conference on Trade and Development (UNCTAD) statistics.
Note: Export diversification and concentration indices range from 0 to 1. A value closer to 1 in the export diversification index indicates a broader and more varied export pattern, while in the export concentration index, it signifies that exports are heavily focused on a limited number of products.

Table 2.3: Overview of promising regional value chains in Africa

Value chain	Strengths	Weakness	Opportunities	Treats
Agro-industry	• Large workforce • Competitive advantage in key cash crops (i.e., cashews, coffee, cocoa) • 60% of the world's uncultivated arable land • Increased food demand driven by population growth and urbanisation	• Fragmented chain leading to a 20-60% mark-up import price in major agricultural inputs • Only 10% of the continent's arable land being registered • Agro-processing value-added below 50%	• High export potentials in processed products • The AfCFTA expected to increase intra-African trade in agriculture by 574% • Changes in dietary habits due to increase in middle income population • Potential in productivity and off-farm jobs • Sustainable farming • Attracting private sector investment flows	• Recuring droughts, climate-induced disasters and decertification • Falling youth labour participation in agriculture • Limited uptake of conservation agriculture • Shortage of skills and technologies • Lack of financing and risk mitigation mechanism • Lack of storage infrastructure • Unsustainable land and soil management
Pharmaceutical	• Strong political momentum (e.g., AUDA's Pharmaceutical Manufacturing Plan for Africa; the African Union's African Medicines Agency) • National initiatives to boost manufacturing development • International co-operation mechanisms (e.g., WHO resolution of 2021 sponsored by all 54 African countries)	• 95% of medicines imported and 3% of medicine produced locally • An underdeveloped local sector • Lack of education and skills policies that foster R&D in pharmaceuticals	• The health and wellness sector in Africa being valued at US$259 billion by 2030 • Over 16 million potential jobs to be created by 2030 • AfCFTA-anchored CPPM to encourage global manufacturers to build plants in Africa	• Endemic diseases • Counterfeit drugs
Automotive	• Rising demand • Existing intermediary production • Up to seven additional jobs created by every automotive manufacturing job	• Africa remaining a retail automotive market • Dominant semi-knockdown model reducing value chain development • Limited access to affordable finance hindering car ownership	• Africa produces only 1% of the world's motor vehicles • Africa's vehicle ownership rates are low compared to the world average (203 per 1 000) • The AfCFTA expected the industry in Africa to grow by more than US$42 billion by 2027 • Auto parts production offering an opportunity for industrialisation • Electric two-wheelers leapfrogging to electric vehicle technologies	• Imported used cars with limited assembly potential hindering regional integration

Source: Africa's Development Dynamics, 2022

Figure 2.1: Realising the potential of the African automotive market: the importance of establishing a sub-continental automotive hub



Hub economics

Component supply economics

Component vehicle assembly

Complementary production

Source: Barnes. Erwin and Ismail (2019).

Exploiting regional complementarities creates new competitive advantages for African countries. The integration of markets provides the critical mass of consumers, skills, suppliers, and other resources needed to develop and scale up knowledge-intensive sectors such as automotive and pharmaceutical value chains. Combining key natural resources available across African countries can create unique competitive advantages in high value-added activities such as battery production. Smaller economies could benefit from access to larger markets, enhancing local productive capacities by attracting new intra-African investments and gaining in efficiency from specialisation.

This will depend on countries implementing effective industrial and sector strategies to address constraints to industrial development and on investment in industrial and trade-enabling infrastructure. The Bank plays a facilitative and catalytic role, working with public and private sectors and specialist international organisations to support the building of a resilient health care system and the regenerative export sector as well as viable industrial and trade-enabling infrastructure. It is also developing vibrant creative industries that empower small and medium enterprises (SMEs) and create jobs for 420 million young Africans.

The Bank's Contribution to Industrial Development

In 2024, Afreximbank facilitated more than 53 transactions across the five regions of Africa, stimulating US$1.6 billion in manufactured exports, which is equivalent to 1.4 percent of Africa's total manufactured exports. The Bank's interventions benefit more than 8.5 million people in Africa through investee projects in agroprocessing, trade-enabling infrastructure, small enterprise development, and creatives.

Promoting the Agro-processing Value Chain

A significant share of value addition in the production of final goods on the continent occurs within the agricultural sector. Accordingly, investments in agro-business, food processing, and supply chain efficiencies will amplify agriculture's contribution to Africa's industrialisation, food security, and trade expansion, reducing dependency on imported finished goods and enhancing the continent's self-sufficiency.

Afreximbank, through its investment in a leading agro-processing company in Tanzania since 2021, has so far facilitated the production of 924,104 metres of yarn and grey fabrics, 47 metric tonnes of knitted fabrics, and 64,313 garment pieces, benefiting 613 local SMEs and creating 370 direct jobs (40 percent of which are held by women). In 2024, the Bank expanded its support to this company, enabling it to invest in high-tech machinery capable of processing short-fibre lint—a key challenge in local textile production. This investment aims to reduce dependence on fabric and yarn imports, as local manufacturers currently import 85 percent of fabrics and 15 percent of yarn from outside Africa. The support is expected to create 170 additional direct jobs and benefit 2,424 local SMEs, further strengthening Africa's textile and garment industry.

As part of its ongoing effort to build a resilient food system, the Bank is supporting the construction and operationalisation of a 30,000 metric-tonne-per-annum cashew processing factory within a vertically integrated company in Nigeria, one of the largest producers of raw cashew nuts. The facility aims to enhance local processing capacity, adding value to raw cashew exports. Upon completion, the project is expected to boost value-added exports, create about 450 jobs, benefit 80 local SMEs, strengthen local industries, and enhance economic growth.

Similarly, the Bank has invested in the construction of a freezing, processing, and storage plant for fish in Mauritania, with a capacity of 300 tonnes per day. This project is expected to boost exports by US$110 million and create 158 direct jobs, 34 percent of which will be held by women. In addition, the Bank is supporting one of Mauritania's largest food and consumer goods distributors, which previously relied on imports, to transition into a major integrated food production and distribution group in the subregion. This support will strengthen regional food security and supply chains. It will also benefit more than 4,700 local SMEs and generate 319 direct jobs, with 40 percent of them designated for women.

Enabling Access to Trade-Related Infrastructure

Unlocking the full potential of the AfCFTA requires strategic partnerships and investments. The Bank plays a facilitative and catalytic role, working with the public and private sectors and specialised international organisations to support the building of a sustainable health care system and the regenerative export sector as well as viable industrial and trade-enabling infrastructure that will empower SMEs and create jobs for 420 million young Africans.

In the health care sector, the Bank is making significant investments in world-class medical facilities across Africa to improve access to quality services, reduce the high costs of medical tourism, and address inequalities. For instance, the African Medical Centre of Excellence in Abuja, Nigeria, which is being jointly developed with Kings College Hospital London, is now 80 percent complete, with commissioning set for 2025. This quaternary-level facility will specialise in oncology, haematology, cardiology, and general care. Discussions are also under way to establish similar facilities in Cameroon, Tanzania, and other countries. The Bank is also supporting the establishment of a 60-bed state-of-the-art hospital in The Gambia, the construction of a 40-bed neurology department at a hospital in Rwanda, including the expansion and upgrading of a Rehabilitation Home Care and Neonatal Intensive Care.

Africa's existing networks of industrial clusters provide a critical entry point for developing infrastructure and promoting investment. Afreximbank, in collaboration with its investee company, Arise Integrated Industrial Platform, is actively investing in the development of SEZs across the continent. SEZs have already been established in Benin, Chad, Gabon, Rwanda, and Togo, with ongoing projects in Côte d'Ivoire, the Democratic Republic of Congo, Kenya, Malawi, Nigeria, and Zambia. These industrial hubs are

Afreximbank’s first African Medical Centre of Excellence project in Abuja, Nigeria is 80 percent complete

The expansion and upgrade of Neonatal Intensive Care in Rwanda

fostering continental value chains, driving intra-African trade and investment, and creating opportunities for small businesses, particularly for youth and women. Notably, the Gabon Special Economic Zone has generated 8,000 direct and 12,000 indirect jobs and attracted more than US$1.6 billion in foreign direct investment. Likewise, Togo’s Adétikopé Industrial Platform is set to generate 8,200 direct and indirect jobs, while Benin is expected to create 14,000 direct and indirect jobs. The SEZs in the Democratic Republic of Congo and Zambia aim to unlock Africa’s potential in the rapidly growing electric vehicle market, currently valued at US$7.7 trillion and projected to reach US$46 trillion by 2050. These investments will position the continent as a key player in the global transition to clean energy.

In the oil and gas sector, the Dangote Refinery, which began operations in 2024 with Afreximbank as the primary lender of the project, is transforming Nigeria and Africa’s energy landscape. (Box 2.1). Earlier, the Bank had financed the refurbishment of a 210,000-bpd refinery and is supporting the recent development of another 200,000-bpd integrated refinery and petrochemical complex in Nigeria.

The Bank is also investing in the building of a 60,000 bpd high conversion petroleum modular refinery in Cabinda, Angola. The first phase, with a capacity of 30,000 bpd, is set to be completed in 2025. About 2,873 jobs have been created during the construction phase. During the year, the Bank also facilitated investments in Angola, Cameroon, Congo, Côte d’Ivoire, and Nigeria by providing funding for maintenance contracts, capital expenditures, and oil and gas imports, ensuring industries have a stable and reliable energy supply.

The newly completed special economic zones in Benin and Togo are creating greater regional integration of industrial value chains

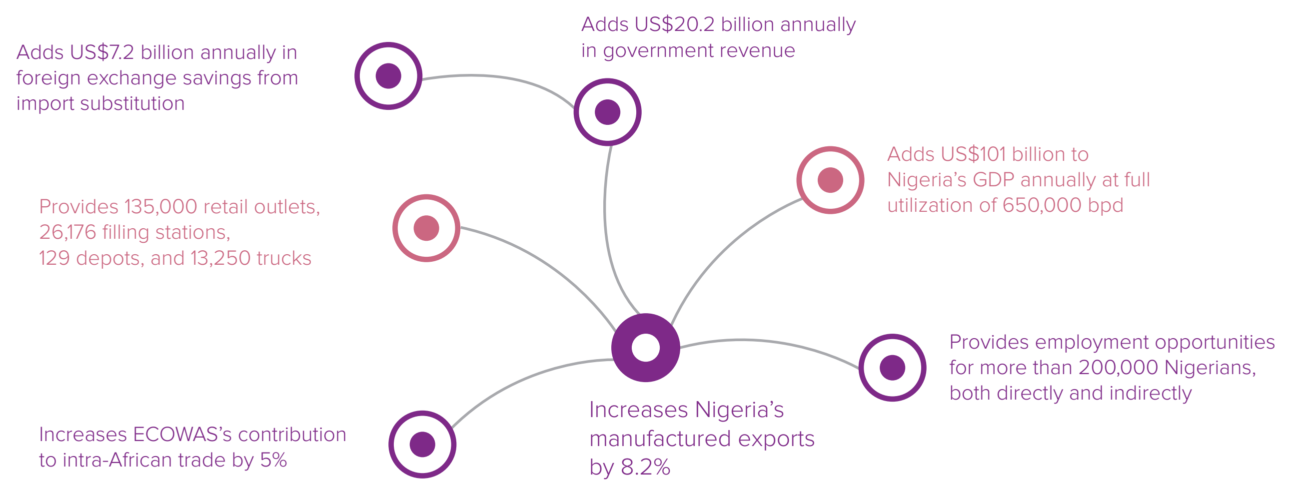
Box 2.1: Afreximbank-Supported Dangote Refinery and crude oil swap initiative: transforming the energy sector in Nigeria

Nigeria's recent decision to halt the importation of refined fuel marks a significant milestone for the country. This decision is directly linked to the completion and operationalisation of the Dangote Refinery, for which Afreximbank was the primary lender, along with the Federal Government's endorsement and implementation of a local crude oil swap initiative.

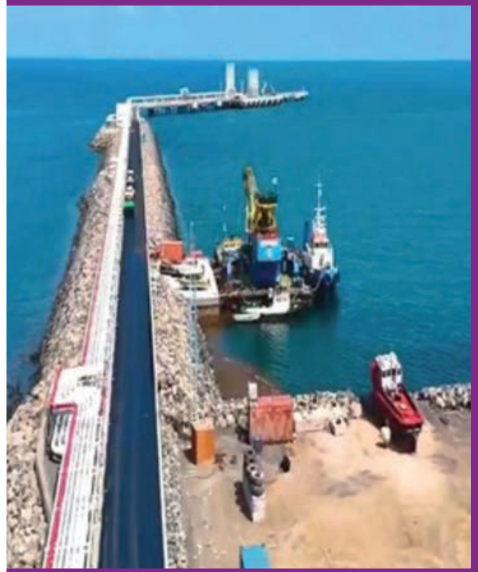
Nigeria is Africa's biggest oil producer and one of the largest global oil exporters. However, the country spends on average US$600 million on importation of petrol per month, amounting to about US$7.2 billion annually (equivalent to 30 to 40 percent of its foreign exchange), implying huge foreign exchange outflows with commensurate effects on the current account balance. This leaves a substantial opportunity for value-added to meet domestic demand for petrol, kerosene, jet fuel, and diesel, and thus to reduce the import bill while diversifying exports.

The Dangote Refinery, recognised as the world's largest single-train refinery with a processing capacity of 650,000 barrels of crude oil per day, came as a long-awaited solution to Nigeria's refining challenges. However, upon completion, the refinery encountered a major hurdle in securing a consistent feedstock supply. To maintain its operations, the refinery estimated a need for around 15 crude cargoes per month, translating to an annual crude supply cost of approximately US$13.5 billion, based on an average cargo size of 1 million barrels and an oil price of US$75 per barrel. The Nigerian National Petroleum Corporation Limited committed to supplying the crude oil cargoes monthly, but payments were mandated in US dollars. This requirement placed considerable burden on Nigeria's foreign currency liquidity, as the Dangote Refinery had to acquire large sums of US dollars from the market to meet its supply needs. Local petroleum marketing companies in turn required substantial foreign currency to purchase refined products from the refinery. This pressure on foreign currency liquidity created significant economic challenges for Nigeria, including exchange rate pressures and resulting macroeconomic imbalances. To alleviate the foreign exchange pressures and ensure the smooth operation of the Dangote Refinery, Afreximbank, in addition to being the single largest lender to the refinery, spearheaded an innovative solution involving the sale of crude oil and the purchase of refined products from the refinery using local currency—a mechanism known as the local currency crude oil swap. The federal government approved this initiative, and it was successfully implemented on October 1, 2024.

This development has eliminated the need for refined fuel imports, contributing to recent stability in petroleum pump prices and exchange rates. It is also expected to deliver substantial economic and developmental benefits to the country, as highlighted in the figure below.



The Afreximbank-supported oil jetty and storage facility in Djibouti is almost complete



Furthermore, an Afreximbank-supported oil jetty and 150,000-square-metre storage depot project in Djibouti project is almost complete, enhancing marine connectivity to the Djibouti Industrial Development Free Zone and strengthening the country's position as a regional transshipment and logistics hub. This project is expected to generate US$2.2 billion in government revenues over the next five years.

In a similar vein, the Bank is supporting the construction of a 40 x 614 km gas pipeline in Nigeria, which is expected to transport 3,500 million metric standard cubic feet per day of dehydrated wet gas after being processed, benefiting 849 local SMEs and creating 815 additional direct jobs.

Reliable electricity access remains a challenge for many African countries, slowing progress toward industrialisation. Afreximbank is actively investing in energy infrastructure to bridge this gap. For example, African developers, financed by African banks, are building a hydro-electric dam project, the Rufiji Dam Project, in Tanzania. It is the largest intra-African EPC project, with a total installed capacity and annual power generation of 2,115 megawatts and 6,307 gigawatts per hour. The project is set to be completed in 2025. More than 1,500 jobs have been created so far during the construction phase. It will boost electricity access for Tanzanians, with far-reaching economic impacts across East Africa.

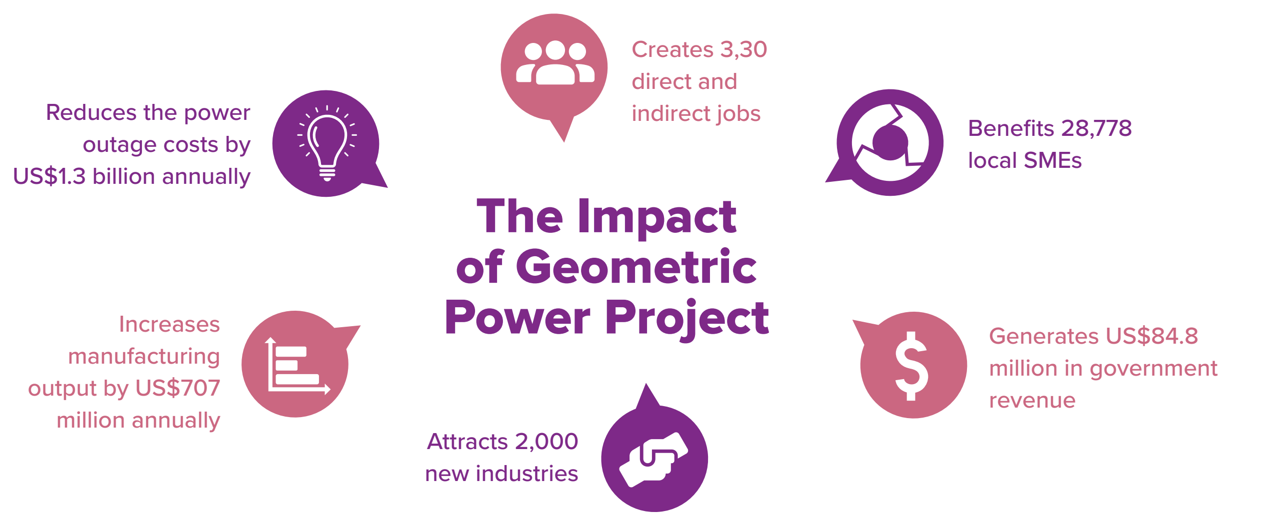
The Julius Nyerere (Rufiji Dam) project is nearing completion

Box 2.2: The impact of the Afreximbank-supported Geometric Power Aba Project in Nigeria

Seventy-one percent of Nigerian industries generate their own power (Osakwe, 2017). Evidence from the World Bank 2021 energy progress report also shows that Nigeria has the largest electricity gap in the world.

In recognition of this, in 2021, the Bank acting as notable investor, signed a US$50 million term loan facility with Geometric Power Aba to support the completion of the generation and distribution infrastructure and commencement of operations of the project. Three gas turbines with a total of 141 MW capacity were installed and commissioned in February 2024.

The Geometric Power Project offers promising prospects for Aba, the industrial hub of Abia State, and one of the largest commercial centres in Nigeria and West Africa. As the first integrated power generation and distribution company in Nigeria, it has the potential to provide reliable and affordable 24-hour electricity. The project promises to have huge social and economic impacts, as presented below.



Source: Afreximbank's Development Impact evaluation of Geometric Power Aba, 2025

The 141-megawatt Aba Integrated Power Project in Nigeria has been completed and is set to reduce power outage costs for manufacturing firms in the metropolis by US$1.3 billion annually and increase manufacturing output by US$707 million, equivalent to 8.1 percent of the State's GDP (Box 2.2)

In Cameroon, the Bank is supporting the construction of a 200-unit solar photovoltaic power station with a total capacity of 15 megawatts, contributing to the diversification of the country's energy sources. This project is expected to boost renewable energy production by 1.04 percent, creating about 400 direct jobs during construction and 100 during operation. It will also benefit thousands of SMEs, industries, and households.

Furthermore, the construction and installation of a solar-powered electricity generation project in Angola is expected to produce 482,000 megawatts of clean energy, providing power to industries, SMEs, and households and creating more than 800 jobs. Through its Project Preparation Facility, the Bank is also providing technical and financial support to the preparation and development of 166 megawatts of hydropower and 46 megawatts of solar in the Democratic Republic of Congo. The project is projected to cut the incremental cost of power in the country by 23 percent, making the country's mining sector far more competitive, with opportunities to attract US$420 million in investment and create 2,000 direct and indirect jobs.

Sporting SME Development and Giving Creative Industries the Spotlight

With youth and women playing a dominant role in the creative economy, this sector serves as a crucial driver of their economic empowerment. Afreximbank's Creative Africa Nexus (CANEX) initiative is addressing the financing gap in Africa's creative industries by providing funding for infrastructure and strengthening activities across the creative value chain—including sports, film, music, fashion, arts and crafts, culinary arts, and others.

In addition to financing, CANEX also supports the commercialisation of Africa's creative content and the protection of intellectual property rights through the newly established CANEX Creations Incorporated. These efforts aim to expand Africa's share of the global creative economy, currently valued at US$2 trillion. Additional interventions focus on enhancing market access, capacity building, skills development, and cross-industry exchanges.

The CANEX Music Factory benefited 68 aspiring songwriters, with 2,12 track CANEX Music Album currently available on all major streaming platforms including iTunes and Spotify. These platforms have recorded more than 700,000 streams since August 2024. This provides young Africans in the creative industry with a unique opportunity to join the growing list of legally recognised African songwriters with publishing stakes in the songs that they help to write.

In a similar vein, in 2024, CANEX supported 50 African fashion designers representing 12 countries to showcase and connect African brands with global players at Paris, Japan, and New York Fashion Weeks, securing orders from France, Germany, Japan, the United Arab Emirates, the United Kingdom, and the United States.

The Bank collaborated with Food Africa to offer a platform for African food entrepreneurs to showcase their products at the Food Africa Expo in Cairo. This initiative aimed to promote African food brands and connect them with global retail buyers, wholesalers, and investors. This inaugural edition of CANEX Presents Africa, at Food Africa, successfully hosted the first-ever African pavilion featuring 10 African food brands.

The creation of the CANEX Deal Room during the CANEX Weekend organised by the Bank in Algeria in 2024 hosted 108 exhibitors with more than 3,876 delegates and generated a pipeline of more than US$540 million across film, music, technology, sports, and infrastructure.

Box 2.3: Reine Ablaa: Elevating African music on the global stage

Reine Ablaa, a pioneering Ivorian artist, has built a unique Afro-House style rooted in her Baoulé heritage, blending music and dance. Her talent has earned her recognition, including the 2023 Women of the Year award and selection for MASA 2024.

Before joining CANEX, she pursued international recognition independently, performing at major events like FEMUA. CANEX proved transformative, providing mentorship, networking, and branding strategies that elevated her career. She gained global exposure, securing collaborations with artists like South African producer Oskido and performing internationally in Egypt and Nigeria.

Her music, including Pakinou and Kontrola, has expanded her reach, with increasing Spotify listeners and a CNN feature scheduled for 2025. Grateful for CANEX's support, she remains committed to representing African music on the world stage.

Box 2.4: Vanhu Vamwe: a journey of ethical luxury and global recognition

Vanhu Vamwe (VV), an internationally acclaimed luxury accessories brand founded in 2014 by Dr. Pam Samasuwo-Nyawiri and Simba Nyawiri, seamlessly merges traditional craftsmanship with modern innovation. Known for its ethically handcrafted handbags, VV has earned 15 international fashion awards, establishing itself as a leader in African luxury design.

A pivotal moment for the brand came in 2022 when VV joined the CANEX programme, unlocking access to global markets and high-profile retail opportunities. Showcasing at Paris Fashion Week attracted global buyers from New York, Milan, and Dubai, captivated by the brand's unique narrative—handbags crafted by artisans, including ex-prisoners, as a means of rehabilitation through design. The story of luxury pieces meticulously woven under a mango tree in Zimbabwe resonated widely, garnering significant media attention and driving demand, much recently featuring in publications like Vogue Italia, WWD and many more.

With CANEX's continued support, VV has grown from employing 55 women in 2022 to 150 women and three male wire artists today. The invaluable mentorship and networking opportunities provided by CANEX have helped refine the brand's business model, leading to unprecedented success. In 2023, VV made groundbreaking sales from retail orders received at Tranoi Paris Fashion Week in September 2022 and March 2023. This was the highest number of sales since the conception of the brand, with a 72 percent surge in sales and distribution in over 49 global retail stores.

More than just a business success story, VV has played a vital role in shifting global perceptions of African craftsmanship. Through CANEX, the brand has demonstrated that "Made in Africa" represents not only quality and authenticity but also a new standard of ethical luxury on the global stage.

The Afreximbank Factoring Programme, developed in 2017, is providing an alternative to traditional bank funding and bridging the knowledge and financing gap for African SMEs in the export supply chain. It allows businesses to sell their accounts receivable at a discount for immediate cash flow, offering a vital funding solution that is gaining momentum across Africa. In addition to the legal and regulatory framework, awareness and capacity building, services, and strategic partnerships, the Bank has also provided some factoring lines of credit to African factoring companies.

Burkina Faso, Côte d'Ivoire, Egypt, Mali, Niger, the Republic of Congo, and Togo are among the countries that have adopted the Afreximbank Model Law. Kenya, Madagascar, and Nigeria are in the final stages of adoption. The Democratic Republic of Congo has amended its banking law to include factoring as a recognised banking product. Additionally, the Programme has conducted 27 factoring seminars across 13 African countries. The Bank, in partnership with Factor International Chain (FCI) through various e-learning programmes, has successfully trained more than 380 registered participants, 49 students have earned the Certificate of Finance in International Trade, and 102 candidates have enrolled on COTFIA since it commenced in 2022. Without the Bank's support, these countries would not have been able to access similar assistance from other sources.

This initiative has contributed to the emergence of several factoring companies in Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Côte d'Ivoire, Kenya, Mali, Niger, Nigeria, the Republic of Congo, Senegal, Tanzania, Togo, Uganda, and Zimbabwe. Egypt Mauritius, Morocco, and South Africa (the major markets for factoring) have witnessed remarkable growth in their factoring companies from 33 in 2017 to 187 in 2023.

Total approved factoring facilities of US$38 million in 2024 available to factoring companies in Africa, benefiting SMEs in Burkina Faso, Nigeria, the Republic of Congo, Uganda, and Zimbabwe. The Bank has continued to (i) support the development of a facilitative legal and regulatory environment for factoring leading to the adoption of the law by the Republic of Benin; (ii) provide guarantees and technical assistance to both emerging and established factors; (iii) form strategic partnerships to promote the development of factoring on the continent; and (iv) carry out training, capacity building events, workshops, and seminars. Through the efforts of the Bank and FCI, five companies from Egypt, Ghana, Mali, and Zimbabwe joined the latter in 2024.

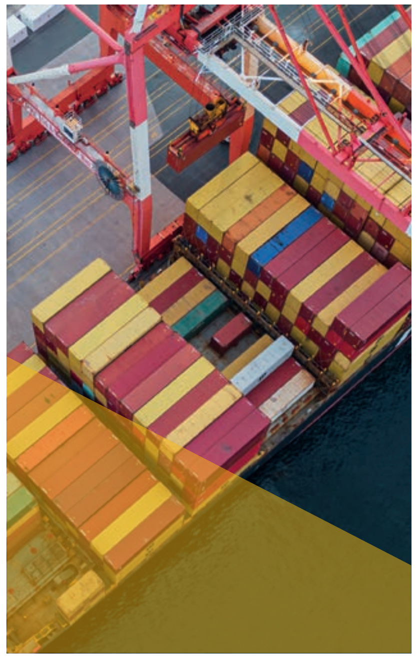
In 2024, the Bank also rolled out several capacity building initiatives in support of African SMEs in the export value chain to enable them to increase their participation in exports (Box 2.5).

A Fund for Export Development in Africa

The Fund for Export Development in Africa (FEDA), a subsidiary of the Afreximbank Group, is dedicated to transforming Africa's export sector through its multi-investment impact fund platform. In 2024, FEDA made seven strategic investments across various sectors, including value-added agricultural exports, telecommunications, logistics and transportation, financial services, and the creative industry. Its largest investment of the year was in Arise Integrated Industrial Platforms (Arise IIP), reinforcing their joint commitment to developing special industrial zones across Africa, having already established industrial zones in Benin, Chad, Gabon, Rwanda, and Togo, with ongoing projects in Côte d'Ivoire, the Democratic Republic of Congo, Malawi, Nigeria, and the Republic of Congo.

Recognising that the growth of manufactured goods exports relies on robust trade networks, FEDA has partnered with Arise IIP and the AfCFTA Secretariat to launch the Africa Trade and Distribution Company. This new entity will serve as a central aggregator, facilitating the distribution of tradable goods across Africa and international markets.

FEDA remains committed to expanding the number of member states that accede to its Establishment Agreement. In 2024, FEDA added six new member states by securing agreements with Benin, Egypt, The Gambia, Guinea-Bissau, Malawi, and Nigeria, bringing the total number of signatories to its Establishment Agreement to 20 as of the end of December 2024.



Box 2.5: Boosting African SMEs within the cross-border trade value chains

While SMEs make up more than 90 percent of businesses in Africa, only 7 percent currently participate in the AfCFTA's US$3.4 trillion market. To bridge this gap, Afreximbank launched the Export SME Development Programme (ESDP) to enhance capacity-building and market access for SMEs.

Between 2023 and 2024, the ESDP trained 3,170 SMEs across 45 countries, including 7 in CARICOM, through 6 accelerators and 12 workshops. The programme focuses on key sectors such as agribusiness, manufacturing, and health care, with a strong emphasis on youth-led enterprises—69 percent of participants over the past two years were youth-led SMEs.

03
Trade Finance

Between 2018 and 2024, eight international banks announced they would exit 20 African countries. Through its African Banks Acquisition-Support Strategy, the African Export–Import Bank (Afreximbank) invested more than US$1 billion in 2023 and 2024 to help African regional banks acquire the assets of the international banks that are withdrawing.

As the implementation of the African Continental Free Trade Area (AfCFTA) intensifies, navigating the trade finance landscape effectively will be crucial for unlocking Africa's full trade potential and driving long-term economic growth across the continent.

This chapter explores the challenges and opportunities in Africa's trade finance sector and highlights the Bank's role in narrowing the trade finance gap across the continent.

Trade Finance in Africa: Navigating the Challenging Landscape in the Era of AfCFTA

While trade finance in Africa faces significant challenges, there are also considerable opportunities to address the financing gap and unlock the continent's full trade potential. By leveraging the AfCFTA, strengthening regional financial institutions, embracing digital solutions, and fostering partnerships, Africa can build a more resilient trade finance ecosystem that supports economic growth and regional integration.

Africa's trade finance sector has undergone significant transformation over the past 30 years. Despite ongoing efforts, the trade finance gap remains a major challenge, limiting the ability of businesses, particularly small and medium enterprises (SMEs), to participate in regional and global trade. Africa's trade finance gap is estimated at US$80 billion to US$120 billion annually, with only 40 percent of trade finance requests from African businesses being approved, compared to the global average of 60 to 70 percent, according to the African Trade Report 2020. This gap has been widening due to the withdrawal of international banks from the continent, driven by stricter regulations and higher compliance costs, amid shifting global dynamics and heightened economic uncertainties.

Between 2018 and 2024, 8 international banks made announcements to exit 20 African countries (Figure 3.1 and Table 3.1). This presents a significant risk to the continent, as it weakens commercial correspondent banking relationships and makes it harder for local banks to access the international payments system. As a result, businesses face restricted access to global trade and financing, while disruptions in cross-border trade flows threaten the success of the AfCFTA and its efforts to promote intra-African trade and investment.

Figure 3.1: International banks exit from Africa, 2014–2024

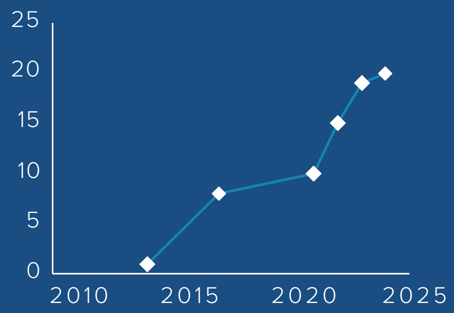


Table 3.1: Cumulative increase in African countries affected by international bank withdrawal announcements, 2014–2024

Year	Bank(s)	Newly affected African countries	Cumulative total (African countries)	Cumulative total number
2014	Citi Bank	Egypt	Egypt	1
2017	Barclays Plc	Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Zambia	Egypt, Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Zambia	8
2021	Atlas Mara	Mozambique, Rwanda, Tanzania, Botswana, Zambia	Egypt, Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Zambia, Mozambique, Rwanda	10
2022	Credit Suisse, Standard Chartered	Angola, Cameroon, Gambia, Sierra Leone, Zimbabwe	Egypt, Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Zambia, Mozambique, Rwanda, Angola, Cameroon, Gambia, Sierra Leone, Zimbabwe	15
2023	Société Générale	Congo, Equatorial Guinea, Mauritania, Chad	Egypt, Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Zambia, Mozambique, Rwanda, Angola, Cameroon, Gambia, Sierra Leone, Zimbabwe, Congo, Equatorial Guinea, Mauritania, Chad	19
2024	HSBC, BNP Paribas	South Africa	Egypt, Botswana, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Zambia, Mozambique, Rwanda, Angola, Cameroon, Gambia, Sierra Leone, Zimbabwe, Congo, Equatorial Guinea, Mauritania, Chad, South Africa	20

Source: Figure 3.1 and Table 3.1 compiled by Afreximbank from different sources.

Afreximbank has played a crucial role in addressing the trade finance gap by collaborating with regional and domestic partners to facilitate the acquisition of international banks by African entities. Through its African Banks Acquisition Support Strategy, the Bank invested more than US$1 billion in 2023 and 2024 to help African regional banks acquire the assets of international banks that are withdrawing from the continent. However, despite these efforts, Africa's trade finance gap continues to widen, highlighting the need for further strategic interventions and increased financial support to strengthen the continent's trade finance ecosystem.

Drawing lessons from Asia and Latin America on addressing the trade finance gap left by the withdrawal of international banks, Africa should prioritise strengthening the capital base of its continental and regional multilateral financial institutions, including Afreximbank. These institutions were created in a way that enabled them to mobilise capital from within and outside the continent and to deploy it to meet Africa's trade finance needs.

The top five regional and continental multilateral financial institutions in Africa collectively hold capital of US$17 billion (or 0.7 percent of the continent's GDP). Their combined total assets stood at less than US$90 billion as of 2022. In contrast, the Brazil Development Bank alone has shareholder funds of US$23 billion (1.4 percent of Brazil's GDP) and total assets of about US$150 billion, surpassing the combined capital and assets of Africa's top five institutions. Similarly, the China Development Bank and China EXIM together have capital representing 1.6 percent of China's GDP, with their total combined assets exceeding US$3 trillion. These figures underscore the scale of financial resources available in other regions compared with those available in Africa.

Adequate capitalisation of regional and continental financial institutions will enhance their ability to effectively address Africa's trade finance challenges while enabling the large-scale deployment of innovative financing solutions in support of effective implementation of the AfCFTA.

The Bank's Contribution to Trade Finance in Africa

The Bank is helping to fill both the financing and the knowledge gaps in Africa's trade finance market. In 2024, the Bank contributed to the narrowing of the trade finance gap in Africa by 18 percent (surpassing the 15 percent annual target).

The value of Bank-related trade finance disbursed was US$17.9 billion, 15 percent of which was dedicated to intra-Africa trade, 35 percent to extra-African trade, and the remaining 50 percent to multidirectional trade (Figure 3.2). On a regional basis, North Africa received 43 percent of disbursements, followed by West Africa (37 percent) (Figure 3.3).

Figure 3.2: Afreximbank-related trade finance disbursements in 2024, by direction of trade

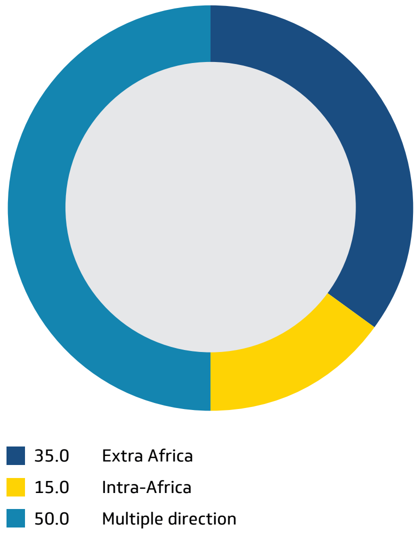
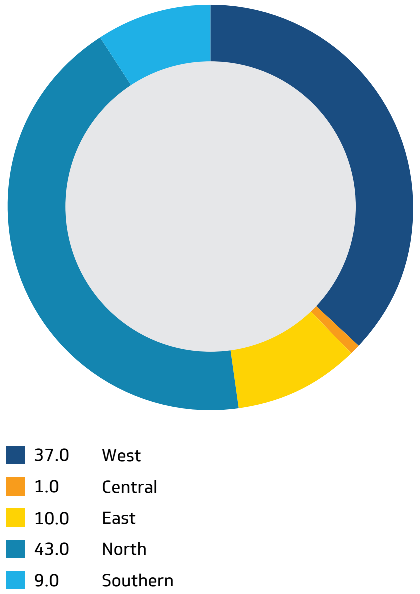


Figure 3.3: Afreximbank-related trade finance disbursements in 2024, by region



Afreximbank has been building strategic partnerships with national and international institutions to address the trade financing needs of its clients and member countries. The Afreximbank Trade Facilitation Program (AFTRAF) supports African banks and financial institutions that are contending with the large-scale withdrawal of international banks from correspondent banking relationships as part of de-risking to avoid stringent compliance and regulatory requirements.

Under the programme, Afreximbank offers new uncommitted short-term revolving trade finance facilities, which are used interchangeably among key essential products, including trade confirmation guarantees and letter of credit confirmation. As of December 2024, the Bank onboarded 533 African banks and extended letter of credit confirmations to 256 banks, benefiting 49 member states.

The Bank also granted 111 trade finance lines amounting to US$10.4 billion to 27 countries across Africa (predominantly least developed and landlocked countries) to meet their trade financing needs. These lines of credit resulted in 127,060 sub-loans to SMEs, benefiting, among others, women and youth.

AfPAY, the Bank's payment services programme, made it possible for 203 banks (233 including non-regional banks) and 134 corporations (222 including non-regional corporations) in 46 member states (67 including non-regionals) to access payment services, benefiting more than 321 sub-clients.

In 2024, the MANSA Digital Platform grew by 73.35 percent following onboarding of additional 11,239 verified entities, bringing total onboarded entities to 26,561 from a total of 15,322 profiles recorded for the year 2023. Onboarded entities comprised of 21,834 SMEs, 4,367 corporations and 360 financial institutions, representing 82.20 percent, 16.44 percent and 1.35 percent of the total onboarded entities respectively.

Among the outcomes and achievements of the MANSA platform were consultancy and advisory services rolled out and conducted in Compliance and Governance and zero non-conformities on the MANSA first-year ISO Surveillance Audit for the integrated management system (covering four standards: ISO/IEC 27001:2022, ISO 22301:2019, ISO/IEC 20000:2018 and ISO 27701:2023). It launched the Africa Entity Identifier and demonstrated its relevance in cross-border payments for inclusion in amendments to Financial Action Task Force (FATF) Recommendation 16 by FATF Intergovernmental. It rolled out managed services including Customer Risk Assessment, Transaction Monitoring, Transaction Screening and Name Screening against Sanctions, Politically Exposed Persons, and Adverse Media, and implemented the Global Legal Entity Identifier Foundation System. It rolled out the inaugural MANSA Masterclass at the CANEX WKND 2024 in Algiers and actively participated and delivered papers at regional and international fora.

Building on the solid foundation laid in 2023, during which AfrexInsure started its first full-year operation, it made significant progress in 2024. Marketing and stakeholder engagement efforts in 2024 raised the company's profile and awareness among insurance market players and clients, which catalysed success in business development. The company deployed its specialty insurance solutions to a growing number of consumers across several sectors and regions. By the end of the year, AfrexInsure had completed transactions in 17 countries, up from 7 in 2023. AfrexInsure is now scaling up its operations and has deployed its solutions to clients in the energy, mining, construction, manufacturing, and financial services sectors, among others, aligning with the group's industrialisation and export development pillars.

In support of the trade development agenda to keep premiums on the African continent, AfrexInsure placed more than 90 percent of the premiums written through pan-African (re)insurance entities, thus increasing their access to larger pools of insurance premiums. This is a significant step toward building large and strong (re)insurance institutions on the continent and lowering Africa's reliance on foreign securities in the long run. In line with its 2024 plans to scale up activities and operations, AfrexInsure extended its partnerships to include additional risk carriers and brokers, enhancing service delivery and facilitating penetration of specialty insurance across the continent and the Caribbean.

04 Trade Development Impact

Measuring Afreximbank's development results is critical to understanding how well its strategy is working. The Bank uses its Trade Development Impact Assessment (TDIA) tool to strengthen the appraisal process and enhance its ability to monitor and report actual development results achieved toward the attainment of its strategic development objectives.

This chapter summarises progress and key accomplishments made in improving the Bank's trade development impact in Africa.

In the context of heightened global economic uncertainties and limited development resources, Afreximbank's TDIA framework enables it to use its resources more effectively and better track results for greater impact.

The Bank uses its TDIA rating tool to evaluate potential transactions based on expected trade development outcomes before making investment decisions. In so doing, it selects facilities from a developmental impact point of view and drives more impactful deals to be considered for approval at the pre-assessment stage. Its monitoring system tracks progress and employs various evaluation methods to assess the impact of interventions after implementation.

Key Accomplishments in 2024

In 2024, Afreximbank conducted 163 ex-ante assessments, 2 ex-post evaluations (one project evaluation and one programme evaluation) and 7 progress monitoring reports for development funding partners (Boxes 4.1 and 4.2). The Bank will continue to build its development impact capacity to track its performance against development outcomes and use this information to improve the design of future facilities for even greater impact.

The Bank continued to implement initiatives to strengthen its environmental, social, and governance (ESG) framework, including its institutional and operational safeguards, to promote the Bank's balanced approach to preserving the environment while optimising Africa's natural resources for development purposes.

During the period under review, the Bank completed the development of its ESG Reporting and Disclosure framework. The framework is designed to provide a structured approach to the disclosure of the Bank's ESG activities for the benefit of its internal and external stakeholders. The Bank also continued its internal ESG capacity building by conducting workshops and webinars in addition to its annual Risk Awareness program.

The Bank's ESG Committee oversees a thorough transaction screening process that categorises and monitors projects based on risk levels. As part of the Bank's ESG safeguard requirement, it implements standard control measures, including undertakings and monitoring arrangements to ensure that projects are aligned with set ESG principles and attendant risks are mitigated.

Box 4.1: Development impact evaluation of the Geometric Power Aba Project in Nigeria

Main Findings

Relevance: Project objectives and outputs were generally consistent with the Abia State and Nigeria government's development strategy and Geometric Power (GP) business strategic plans as well as Afreximbank's Industrialisation and Export Development strategic pillar. Thus, the Bank's assistance to GP is considered highly relevant to the country's overall development needs and GP's institutional development as well as the Bank's development objectives.

Effectiveness: With few exceptions, the completed power project achieved the expected outputs and immediate objectives, including improvement in power generation capacity, modernisation of transmission infrastructure, and enhancement in distribution efficiency and reliability, with significant expected economic and social impacts. While the project encourages greater use of local energy resources, the realisation of the anticipated socioeconomic development hinges on GPAL operating at full capacity, which is contingent upon the availability of gas. The power project has improved the power supply situation in Aba; however, the factories still do not receive adequate power to operate at full capacity due to inadequate gas supply to the power plant. Each gas turbine requires 10 million standard cubic feet of gas supply per day (MMscf/d) to be fully operational. Hence, for the 141 MW of already built capacity to deliver electricity each day (or the completed three gas turbines to be fully utilised), 30 MMscf/d of gas supply would be required. Between February and May 2024, the actual average gas supply per day was 3.26 MMscf/d, implying that none of the three turbines built has been fully utilised due to inadequate gas supply. That said, overall, the project was found to be effective in increasing access to electricity for the beneficiaries.

Efficiency: By design, all projects were to produce a planned output and be implemented in a reasonable time frame at reasonable cost. Nonetheless, the Aba IPP experienced multiple challenges that delayed its completion and led to cost overruns. Afreximbank stepped in to help restructure the debt and bring the project to fruition. Moreover, APL Electric Company Limited, the distribution special purpose vehicle, has initiated a mass metering programme to ensure all electricity users have prepaid metres, aiming to enhance timely bill payments and customer trust. Despite this initiative, the significant cost involved has resulted in the majority of users still lacking metres.

Sustainability: Afreximbank's support ensures the sustainability of Aba IPP by addressing financial challenges and facilitating project completion. The Bank's involvement in restructuring debt and raising capital underscores its commitment to long-term investments in critical trade-enabling infrastructure projects that promote sustainable economic growth and development in Africa. The recent government measures to increase electricity tariffs will allow GP to enhance its investments, expand current operations, and realise the anticipated development impacts of the project, ensuring their sustainability.

Key Lessons

1. Afreximbank's financing of Aba IPP not only addresses Nigeria's energy challenges but also unlocks significant opportunities for economic growth, job creation, and sectoral development. The project serves as a pivotal initiative in the region, illustrating the Bank's role in promoting trade-enabling infrastructure development and fostering economic transformation through strategic investments.
2. The project is strategically located in South-Eastern Nigeria's industrial hub. Aba is renowned as a commercial center bustling with thousands of small and medium enterprises (SMEs) and manufacturers of made-in-Nigeria industrial products. The presence of the Geometric Power Plant in Enyimba City (also financed by Afreximbank) and its associated benefits underscores the potential development impact of the project. It also reinforces the strong alignment between Afreximbank's interventions and its trade and development objectives.
3. The project underscores the importance of public-private partnerships in tackling Nigeria's energy crisis. It has garnered support from the federal government of Nigeria through a carve-out and concession agreement, as well as from private investors such as Afreximbank and local banks. It also emphasises the crucial role of the private sector in driving innovation and technology to tackle challenges within the power sector.
4. The existence of capacity incongruencies across the power supply value chain could be due to infrastructure deficits or poor services or both. Ensuring the success of an integrated power generation and distribution infrastructure project requires careful consideration of several factors. These include securing necessary agreements with gas suppliers, end-use consumers, and distribution companies; ensuring the availability of meters for customers; and addressing tariff issues to maintain a fair balance between cost reflectivity and consumer affordability.
5. The Aba IPP can serve as a blueprint for advancing development in the African electricity supply sector, offering a replicable model for future strategic and operational directions for the Bank's assistance to the energy sector.
6. The results of this evaluation report offer valuable insights for both medium- and long-term business planning for the client. Additionally, it aids in the effective design of power projects within the Bank and serves as a foundation for ongoing monitoring and evaluation.

Box 4.2: Development Impact Progress Monitoring Report for Export Trading Group, 2018–2022

Export Trading Group (ETG) is one of the Bank's strategic development interventions under its intra-African trade pillar. In line with the Bank's TDIA framework, this monitoring report aims to assess the actual performance of the Bank's disbursed facilities to ETG between 2018 and 2022 against expected outcomes provided by the client during the time of application at the pre-assessment stage, detecting discrepancies and reasons for such divergence and how the performance of the facility with the Group can be improved and greater impact realised over the period of the ongoing support. Lessons learnt can also help ensure better design of projects in the agricultural/agro-processing sector while strengthening strategy formulation.

Main Findings

Overall, the performance of the Bank's investments with ETG during the period 2018-2022 achieved 83 percent in the TDIA rating, which falls under a "high impact" score. This performance is driven by the growing presence of the Group across the continent in facilitating trade and promoting food security in Africa, expanding trade-enabling infrastructure, and supporting farmers/SMEs through its various impactful and sustainable interventions.

Global commercial banks have limited risk appetite to provide the kind of support required by ETG given the increased geopolitical and global economic uncertainties. While Africa presents substantial opportunity and potential for growth, global commercial banks do not often recognise it. Thus, the support from Afreximbank is crucial for meeting the growth objectives of ETG in Africa. By growing the intra-African trade content of its business and expanding its processing capacity beyond meeting local consumption to export, the Group could improve performance and achieve greater impact over the period ahead. The renewal of the Bank's facility with the Group should focus on realising these objectives.

Key Lessons

1. Afreximbank investment with ETG has indeed helped the Group to grow its presence across the continent in facilitating Africa's trade as well as supporting farmers/SMEs through its various impactful and sustainable interventions, including agronomy services and establishment of market linkages between farmers and buyers. This is practical evidence that Afreximbank's ETC strategy is bearing fruit.
2. The Group's operating strategy, including dis-intermediation and diversity in geography, products, and functionality, as well as economies of scale it enjoys, are among the factors contributing to its positive impact. ETG has an extensive origination and distribution infrastructure network strategically located in or close to its end markets. Through this network, ETG can access new markets for the origination of commodities and the distribution of its goods and services. The Group has created enormous opportunities for downstream players in the agribusiness and food sector to source their intermediate inputs more effectively in Africa.
3. While ETG provides smallholder farmers with market access and ensures that they receive income for their produce, evidence shows that most of the agricultural products produced by the farmers is still exported outside of Africa as primary commodities. This poses a delicate balance between achieving the short-term goal of supporting farmers with income against realising the long-term objective of promoting industrialisation and sustainable export development.
4. Drawing on the two approaches adopted by ETG, there is no one-size-fits-all approach; rather, the choice of approach depends on what works well for a given country. While the cooperative approach has worked in Côte d'Ivoire due to its strong governance structure, a different approach (depots) was followed in Zambia because of weak farmers' cooperatives.
5. African producers are constrained by limited connective infrastructure, which undermines producers' and firms' ability to reach wider markets. Vessel availability is becoming a challenge, with the war in Ukraine adding complexity to it (most recently conflict in the Red Sea). These incidents led to an uptick in freight costs and container shortages, resulting in escalation of costs, delayed shipment and realisation of export proceeds, and an elongated working capital cycle.


MAERSK
MAERSK
MAERSK
EVERGREEN
ONE

African Export-Import Bank
Banque Africaine d'Import-Export

Headquarters
(Cairo, Egypt)
72B El-Maahad El-Eshteraky Street
Roxy, Heliopolis, Cairo 11341, Egypt
info@afreximbank.com
T +(202) 2456 4100/1/2/3/4

West Africa Branch Office / Anglophone
(Abuja, Nigeria)
Afreximbank African Trade Centre
Plot 1573, off Ralph Shodeinde Street,
Central Business District, Abuja 900001
P.M.B 601, Garki 2, Abuja, Nigeria
abuja@afreximbank.com
T: +(234) 9 460 3160

West Africa Branch Office / Francophone
(Abidjan, Cote d'Ivoire)
3ème Etage, Immeuble CRRAE-UMOA,
Angle Boulevard Botreau Roussel –
Rue Privée CRRAE-UMOA Abidjan,
Côte d'Ivoire
abidjan@afreximbank.com
T +(225) 2030 7300

Southern Africa Branch Office
(Harare, Zimbabwe)
Eastgate Building, 3rd Floor
(North Wing), Sam Nujoma Street
Harare, Zimbabwe
P.O. Box CY 1600
Causeway, Harare, Zimbabwe
harare@afreximbank.com
T +(263) 4 700 904 / 941

East Africa Branch Office
(Kampala, Uganda)
Rwenzori Towers, 3rd Floor,
Wing A, Plot 6 Nakasero
P.O. Box 28412
Kampala, Uganda
kampala@afreximbank.com
T +(256) 417 892 700
+(256) 312 423 700

Central Africa Branch Office
(Yaounde, Cameroon)
National Social Insurance Fund
(NSIF)/CNPS New Building,
5th & 6th Floor Hippodrome,
Charles de Gaulle Avenue
P.O. Box 405 Yaoundé, Cameroon
yaoundebranch@afreximbank.com
T: +237 680 88 69 46

Caribbean Office
(Bridgetown, Barbados)
Trident Insurance Financial center
Hastings, Christ Church, Highway 7,
Bridgetown, Barbados BB5156
CaribbeanOffice@afreximbank.com
T +1 246 629 2342

978-92-95097-67-4

9 789295 097674

Transforming Africa's Trade
afreximbank.com

AFREXIMBANK