



Regional Integration and Market Access Insights

Number 2- September 2025



1. INTRODUCTION

This edition of the Regional Integration and Market Access Insights highlights the latest dynamics shaping Africa's integration and trade landscape. Building on earlier milestones, the review period has been marked by concrete steps in trade policy, infrastructure, and financial integration that are gradually redefining the continent's economic trajectory. To gauge how these efforts are translating into measurable outcomes, the African Regional Integration Index provides a useful benchmark¹. The Index, measured on a scale from 0 (least integrated) to 1 (fully integrated), shows that Africa is integrating at only about one-third of its potential, with an overall score of 0.327. South Africa leads the continent with an overall integration score of 0.63, followed by Kenya, Rwanda, Morocco, Mauritius, and Egypt (Figure 1). The strongest area on the continent remains the free movement of people (0.441), supported by frameworks such as the Economic Community of West African States (ECOWAS) Protocol and expanding visa openness in parts of East and Southern Africa. Facilitating the free movement of people provides a powerful boost to economic growth and skills development.

Macroeconomic integration (0.399) also performs relatively well, anchored by established monetary unions such as the West African Economic and Monetary Union (WAEMU), the Southern African Customs Union (SACU), and the Central African Economic and Monetary Community (CEMAC). When capital flows move freely across Africa, investment rises, and finance is allocated where it can generate the highest productivity. Trade integration (0.383) occupies a mid-range position, underscoring that getting goods to move more freely across the continent is essential for regional integration. When trade flows become faster and more cost-effective, businesses and consumers across regions benefit. Trade directly impacts livelihoods and incomes, accelerating Africa's

development. Productive and infrastructure integration continue to underperform, both scoring just above 0.20. These patterns reveal a continent making tangible progress in areas where institutional reforms are less capital-intensive but still constrained in domains that demand large-scale investment, deeper institutional alignment, and stronger enforcement mechanisms.

Figure 1: Regional Integration Scores and Ranks in Africa (The more integrated a country is, the darker is the shade of blue)



Source: Adopted from the African Regional Integration Index data

2. REGIONAL VARIATIONS OF THE INTEGRATION INDEX

Beneath the continental averages lie wide regional disparities. While some blocs are emerging as clear leaders in specific dimensions of integration, others continue to struggle with structural weaknesses and fragile institutional frameworks. In North Africa, the Arab Maghreb Union (AMU)

¹ The Africa Regional Integration Index (ARII) is constructed as a composite index: it is made up of several indicators that reflect the state and efforts towards achieving greater regional integration in Africa. It draws from the economic literature on the subject and the experiences of the different collaborating partners and international institutions to define its conceptual framework.

posts an overall score of 0.488, performing strongest in macroeconomic integration (0.571) and infrastructure linkages. Tunisia leads the bloc with a score of 0.78, followed by Morocco and Algeria in the middle range, while Libya and Mauritania lag far behind. Moving across the Sahel and Sahara, the Community of Sahel-Saharan States (CENSAD) records an overall score of 0.377, with its relative strength laying in the free movement of people (0.508), reflecting the long-standing migration corridors in the region. Côte d'Ivoire and Senegal emerge as the most integrated members within CENSAD, with scores of 0.54 and 0.51 respectively, while fragile states such as Chad, Sudan, and Eritrea remain at the bottom, with scores of 0.28, 0.25, and 0.16, respectively.

Moving eastward, the Common Market for Eastern and Southern Africa (COMESA) achieve an overall score of 0.367, with trade integration (0.445) as its strongest dimension, underpinned by its long-standing free trade area. Kenya and Rwanda stand out as the most integrated members, while Eritrea and Eswatini remain on the margins. Within the same subregion, the East African Community (EAC) distinguishes itself as one of the strongest performers continent-wide, with an overall score of 0.537. Its leadership in free movement of people (0.664) and macroeconomic integration (0.66) reflects advanced institutional frameworks, with Kenya anchoring the bloc at 0.79, while South Sudan remains largely disengaged. Turning to Central Africa, Economic Community of Central African States (ECCAS) posts an overall score of 0.442, with macroeconomic integration (0.684) as its defining strength, supported by the CEMAC common currency – the CFA Franc. Republic of Congo, Gabon, and Cameroon lead the bloc, while Burundi lags behind as the least integrated, with a score of 0.201.

In West Africa, ECOWAS demonstrates the power of people-centered integration, scoring 0.425 overall and achieving the continent's highest dimension score in free movement of people (0.733). Côte d'Ivoire stands out as the most integrated member, with a score of 0.67, while

smaller and more fragile economies such as Guinea-Bissau and Liberia continue to trail, with scores of 0.31 and 0.29, respectively. Further east, the Intergovernmental Authority on Development (IGAD) achieves a score of 0.438, excelling in free movement of people (0.54) and infrastructure connectivity, boosted by flagship projects such as the Lamu Port–South Sudan–Ethiopia Transport Corridor (LAPSSET) Corridor. Uganda and Kenya lead integration within the bloc, with scores of 0.68 and 0.67 respectively, while South Sudan and Eritrea remain at the periphery, with scores of 0.25 and 0.20, respectively.

In Southern Africa, the Southern African Development Community (SADC) posts an overall score of 0.337, only slightly above the continental average. Its relative strength lies in free movement of people (0.49), supported by Southern African Customs Union (SACU) arrangements, but infrastructure and productive integration remain particularly weak, scoring 0.21 and 0.24, respectively. South Africa dominates the bloc with a score of 0.67, far ahead of peers such as the Democratic Republic of the Congo at 0.19.

3. REGIONAL INFRASTRUCTURE AND CONNECTIVITY

At the local level, targeted projects are beginning to ease cross-border trade. In June 2025, the Democratic Republic of Congo (DRC) and Uganda launched €25 million in European Union (EU)-funded cooperation projects in their frontier areas. Although modest in size, these initiatives are vital in regions where insecurity and weak last-mile infrastructure have long hindered commerce. By improving logistics and local stability, they provide the foundation for larger regional corridors to deliver their full benefits.

Building on this foundation, major corridor investments advanced during the year. In June 2025, the Africa Finance Corporation mobilised €250 million for the Lobito Corridor rail network linking Angola, the DRC, and Zambia. The project is expected to reduce logistics costs, increase the throughput of copper and cobalt exports, and stimulate the emergence of new industrial

clusters. Its strategic importance was underlined by international commitments, including a US\$5 billion pledge from the United States under the Partnership for Global Infrastructure and Investment, alongside European and Chinese interest. By connecting Central and Southern Africa more efficiently to Atlantic gateways, the corridor strengthens Africa's role in critical mineral supply chains.

Central and Southern Africa also recorded tangible gains. In July 2025, Cameroon and Chad launched upgrades to the Douala–Ndjamena Corridor, including a new bridge over the Logone River, while Australia's Canyon Resources invested in Camrail to support bauxite exports. The North–South Corridor benefited from the rehabilitation of the Chirundu One-Stop Border Post, reducing crossing times by 40 percent, and from the Kazungula Transit Agreement signed by Botswana, Zambia, Zimbabwe, and Namibia in August 2025. Further south, the Trans-Kalahari Corridor advanced with a new single-bond system for goods transiting to Walvis Bay, where Namibia is simultaneously expanding its container terminal to serve Zambia, Botswana, and the DRC.

4. TRADE POLICIES, MARKET REFORMS, AND AFRICA'S POSITION IN GLOBAL TRADE AGREEMENTS

4.1. Recent Developments in the African Trading Environment

Namibia marked a milestone by dispatching its first AfCFTA-guided shipment, a 45,000-tonne consignment of salt exported through Walvis Bay to Nigeria. Although modest in scale, the transaction was symbolically important, demonstrating how the AfCFTA can evolve from political commitment into concrete trade flows. It highlighted the scope for African exporters to diversify beyond traditional partners, strengthen intra-African value chains, and test the operational framework of AfCFTA rules of origin.

Yet utilisation of AfCFTA preferences remains at an early stage, with the Secretariat still finalising Phase II issues on investment, competition policy, and intellectual property, alongside ongoing Phase III negotiations on e-commerce.

Progress was also visible on the financial integration front. In August 2025, Algeria became the 18th country to join the Pan-African Payment and Settlement System (PAPSS)². By reducing transaction costs and enabling local-currency settlements, PAPSS is addressing one of Africa's most persistent non-tariff barriers, reliance on third-party currencies such as the US dollar and euro. With participation now spanning four regions, the system is gradually but steadily making intra-African trade faster, cheaper, and more accessible.

External partners are also aligning with Africa's integration agenda. In July 2025, the European Union launched the much anticipated €200 million Africa Trade Competitiveness and Market Access programme, designed to boost trade competitiveness and improve market access across the continent. Regional components include a €25 million allocation for SADC and €50 million for ECOWAS, complemented by tailored programmes in COMESA, EAC, and ECCAS. By helping SMEs meet international standards, strengthening quality infrastructure, and enhancing regional value chains, the programme helps Africa to compete more effectively in global markets while deepening intra-African trade.

These initiatives converged in September 2025, when North Africa cemented its role as a continental trade hub by hosting the Intra-African Trade Fair in Algiers. Organised by Afreximbank, the African Union Commission, and the AfCFTA Secretariat, the fair attracted over 35,000 participants and facilitated trade and investment deals worth US\$48.3 billion. Beyond the numbers, the gathering showcased the breadth of opportunities opened by the AfCFTA, reinforced

² The Pan-African Payment and Settlement System (PAPSS) is a centralised payment infrastructure launched by Afreximbank and the African Union in 2022 to facilitate cross-border trade settlements in local currencies and reduce dependence on external currencies such as the US dollar and euro.

Algeria's role as a gateway for market access, and illustrated how collective platforms can accelerate Africa's integration trajectory.

4.2. Regional Trade Reforms

In West Africa, ECOWAS intensified efforts to make AfCFTA implementation more inclusive. In July 2025, six member states — The Gambia, Guinea, Guinea-Bissau, Liberia, Sierra Leone, and Togo — were selected for capacity-building programmes aimed at strengthening institutional readiness for continental trade. Momentum carried forward on 6 August with the launch of a complementary AfCFTA support project by ECOWAS, the African Development Bank (AfDB), and the United Nations Development Programme (UNDP), designed to help these economies adapt to new market opportunities.

Regional cooperation also deepened in agriculture. On 20 August, the African Union Commission, ECOWAS, and UNECA initiated a joint programme to build cross-border value chains between Côte d'Ivoire and Ghana. By targeting cocoa and rice, the initiative seeks to boost processing, harmonise standards, and develop agro-industrial parks, turning borders into bridges and reinforcing West Africa's position in food and agribusiness exports.

Yet risk remains a defining concern. Fragile political environment in Mali, Burkina Faso, Guinea, and Niger continues to disrupt trade flows, raising costs along key corridors such as Abidjan–Ouagadougou and Dakar–Bamako. Although Nigeria and Benin reopened their land border in September 2025, longstanding tensions linked to the removal of Nigeria's fuel subsidy still weigh on informal cross-border trade. Meanwhile, plans for a common currency, the ECO, remain stalled, exposing regional traders to persistent exchange-rate volatility.

Shifting eastward, the focus has been on combining institutional reforms with bilateral action. On 11 August, the EAC and the East African Business Council pressed for rapid ratification of the EAC Trade Dispute Remedies Committee – a mechanism critical for addressing

non-tariff barriers. In parallel, Kenya and Uganda signed agreements covering trade, transport, mining, and agriculture, underscoring a pragmatic approach to deepening bilateral ties. However, tensions between Kenya and Tanzania exposed structural weaknesses in compliance with the EAC Common Market Protocol. Restrictions on Kenyan traders and transporters led to a 17 percent decline in cross-border activity at Namanga and Arusha, illustrating how uneven enforcement of common rules continues to undermine progress even as cooperation expands.

Across Central Africa, reforms concentrated on inclusion and connectivity. In May 2025, ECCAS launched a programme to support youth and women traders in the Lake Chad Basin, seeking to shift commerce away from smuggling towards legal cross-border channels. Infrastructure and digitalisation reinforced this agenda, with the AfDB financing the US\$90 million Central Africa Fibre-Optic Backbone to connect Chad, the Central African Republic, Congo, and Gabon. At the same time, Gabon and the Republic of Congo created a joint taskforce to promote processed timber exports to China, aligning with opportunities under the new zero-tariff regime.

4.3. Africa in Global Trade Agreements

In June 2025, China announced a zero-tariff policy on imports from the 53 African countries with which it maintains diplomatic relations, excluding Eswatini. The initiative extends beyond least-developed countries to cover middle-income economies, opening new opportunities for African exporters in agriculture, manufactured goods, and industrial inputs. While the announcement signals a major shift, its real impact will hinge on effective implementation, the removal of non-tariff barriers, and the ability of exporters to comply with technical and regulatory standards.

While China's announcement created significant momentum, Africa's trade relationship with the United States remains clouded by uncertainty. The African Growth and Opportunity Act (AGOA) expired in September 2025, and its renewal has yet to be confirmed. This lack of clarity has

generated anxiety among exporters in sectors such as textiles, automobiles, and agriculture. In response, African policymakers are increasingly advocating for a shift from reliance on unilateral preferences towards reciprocal arrangements anchored in the AfCFTA. Such a transition would not only enhance Africa's bargaining power but also provide greater predictability and stability in market access.

At the same time, Europe continues to play a key role in shaping Africa's trade environment. The European Union's (EU) Carbon Border Adjustment Mechanism presents structural challenges by requiring exporters to meet stringent low-carbon standards. Yet it also offers opportunities for African industries to reposition themselves as competitive players in the global green economy. A concrete step in this direction came in March 2025, when the EU and South Africa launched the Clean Trade and Investment Partnership, supported by €4.7 billion. The initiative is designed to back South Africa's green transition while integrating African suppliers into sustainable European value chains.

Global realignments also featured prominently. BRICS expanded with Egypt and Ethiopia joining in 2024–2025, raising Africa's profile in South–South cooperation and opening prospects for BRICS–Africa trade frameworks. Meanwhile, critical mineral supply chains deepened: the United States broke ground on a copper–cobalt processing plant in Zambia in June 2025, and the European Union launched a pilot lithium beneficiation project in Namibia in September.

Alongside these external shifts, Africa's integration agenda is also being tested by the volatility of global food markets. High grain prices and supply disruptions, partly driven by the Ukraine conflict and extreme weather, continued through 2025. As a net food importer, the continent has faced significant pressures, but these challenges are also spurring regional cooperation in agriculture. Across the regions, governments and RECs have begun to translate these pressures into coordinated responses,

tailoring solutions to their own contexts while reinforcing continental food security ambitions. In West Africa, countries like Benin, Côte d'Ivoire, and Ghana ramped up rice production and expanded intra-regional supply chains in mid-2025 to offset the effects of India's ongoing rice export restrictions. ECOWAS and Sahel states also agreed to fast-track grain movements from surplus to deficit areas, positioning Côte d'Ivoire as part of a broader regional response to strengthen food security and reduce dependence on Asian imports. Similarly, East Africa activated its staple foods trade mechanism to move maize and sorghum from Tanzania and Uganda to Kenya and South Sudan amid a moderate drought, reinforcing regional cooperation on food security.

5. OUTLOOK

Looking ahead, the prospects are encouraging but will depend on effective execution. Priorities include accelerating the use of AfCFTA preferences from pilot shipments to routine trade, scaling PAPSS settlements to reduce reliance on third party currencies, and fast-tracking implementation of trade facilitation instruments. Investments in infrastructure across transport, energy, and digital systems will need to be intensified to unlock value chains and improve competitiveness. Externally, Africa must prepare for both opportunities and risks by leveraging China's market opening, navigating uncertainty over AGOA renewal, and aligning with Europe's low carbon standards to ensure sustainable effective market access.

If Africa can bridge the gap between ambition and delivery, the coming years could mark a shift from fragmented gains to structural transformation. Success will be measured not simply by agreements signed or projects launched, but by tangible outcomes such as increased intra-African trade, deeper regional value chains, greater SME participation, and stronger bargaining power in global markets. Achieving these outcomes would confirm that Africa's integration agenda is not only advancing but also beginning to reshape the continent's economic future.

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