



Transforming Africa's Trade

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China's Zero-Tariff Policy and Africa's Trade Future: A Strategic Inflection Point

Introduction

In a landmark policy shift announced in June 2025, China extended zero-tariff treatment to all 53 African nations with which it maintains diplomatic relations. The historic initiative marks a turning point in Africa-China economic and trade relations. It signals a broader, more inclusive approach to economic engagement when compared with historical precedent and further consolidates the growing relationship between Africa and its single largest trading partner. Moreover, by providing an alternative to Western trade schemes—such as the United States' African Growth and Opportunity Act (AGOA) and the European Union's Economic Partnership Agreements (EPAs)—China's initiative significantly alters Africa's external trade landscape in an increasingly multipolar world order. China's approach stands out for its emphasis on economic access over borrower conditions. Its current initiative is broad in scope and coverage, underpinned by a desire to strengthen relations with Africa, among other factors. For instance, the country's earlier tariff regime, operating through the Forum on China-Africa Cooperation, applied preferential access to 33 African countries. In contrast, the 2025 policy reform eliminates tariffs across all product lines and expands to include 20 additional African countries, including key middle-income players such as Egypt, Nigeria, and South Africa.

Key Thrust of China's Announcement

The new tariff regime signals a pivot from infrastructure-focused diplomacy to trade-led engagement, aligning more closely with Africa's goals of industrialisation and economic transformation, while reinforcing China's use of trade as a diplomatic instrument. Unlike Western trade frameworks, China's program avoids imposing governance or human rights conditions, instead embodying a South-South cooperation ethos. In terms of trade development, China's trade surplus with Africa reached nearly US\$98 billion in 2024, driven by a surge in Chinese exports. By granting tariff-free access to African goods, China aims to improve import diversity while simultaneously addressing the trade surplus gap with Africa. However, African exports remain concentrated in a few countries—

namely Angola, Democratic Republic of Congo, and South Africa—and heavily skewed toward raw materials such as petroleum, copper, and ores. China's new tariff regime is a unique opportunity: it positions China to lead Global South trade networks while reinforcing the country's geopolitical strategy as an economic partner without conditionality. Also, it could boost Africa's efforts to move up the value chain in key sectors such as agriculture, light manufacturing, automotive components, and textiles. These are areas where Africa's comparative advantage could be enhanced with appropriate investment and skills transfer.

An Opportunity for African Economies

The historic announcement by China offers several opportunities for African economies, including:

Expanded Market Access

Middle-income African economies—previously subjected to standard Chinese tariffs of up to 25 percent—now benefit from cost-advantaged access. Sectors such as processed foods, electronics, apparel, and agriculture stand to gain significantly, provided exporters meet China's quality and safety standards.

Value-Added Exports and Regional Integration

While 2024 trade data still show unprocessed goods (e.g., crude oil, copper, and cobalt) dominating Africa's exports to China, the zero-tariff policy offers an opportunity to accelerate Africa's diversification. Strategically investing in value-added industries and regional supply chains—supported by the African Continental Free Trade Area (AfCFTA)—could help countries specialise in different production stages, for example:

- Côte d'Ivoire: cocoa cultivation
- Ghana: chocolate manufacturing
- Ethiopia: branding and packaging

This intra-African value chain approach could boost regional trade and strengthen the continent's competitive advantage globally.

Stronger Bargaining Power in Global Forums

China's offer could serve as a benchmark in Africa's negotiations with the United States on the renewal of AGOA and with the European Union on EPA reforms. African countries can now demand more favorable rules of origin, longer preference terms, and fewer conditions, citing China's precedent.

Key Constraints and Implementation Challenges

Despite growing enthusiasm for enhanced trade between Africa and global partners such as China, several persistent structural and operational barriers hinder the continent's ability to fully capitalise on these opportunities. Chief among these are infrastructure and logistics deficits that continue to undermine trade across the region.

Infrastructure and Logistics Deficits

Africa's trade competitiveness is significantly constrained by inefficient and outdated infrastructure. Disorganised ports, inadequate road and rail networks, and underdeveloped logistics ecosystems drive up the cost of doing business. For instance, transporting goods from Nairobi to the nearest port can cost more than the subsequent ocean freight to Shanghai—a glaring example of the distortions caused by weak domestic logistics systems. Cold chain logistics, which are essential for preserving the quality of perishable agricultural exports, are fragmented or virtually non-existent in many regions. This limits not only the volume of agricultural trade but also the quality and marketability of African exports in discerning markets such as China's.

In addition, customs procedures are often characterised by fragmentation, inconsistency, and poor inter-agency coordination, resulting in significant delays to clearing cargo. Without substantial improvements in transport connectivity, storage infrastructure, and customs efficiency, even opportunities for tariff-free access may remain underutilised, thereby dampening the continent's export growth potential.

Strategic Pathways Forward

To fully harness the opportunities presented by deepening trade relations with China and other global markets, African economies must adopt a holistic and proactive strategy that addresses both supply-side constraints and market-access dynamics. Four interlinked, strategic pathways are critical to this effort:

Aligning Exports with Chinese Market Demand

First, African exporters must align their offerings with the evolving preferences of Chinese consumers. This requires more than simply increasing output: it demands a data-driven approach to identifying high-potential, niche products such as specialty coffee, macadamia nuts, avocados, and green transition minerals. Equally important is the need to upgrade domestic standards and certification systems to meet China's stringent quality requirements, which are often a prerequisite for market entry.

In parallel, exporters must be equipped with the knowledge and tools to navigate China's e-commerce platforms and to understand its unique consumer behaviors. Familiarity with digital retail channels such as Alibaba, JD.com, and Pinduoduo—coupled with insights into packaging, labeling, and payment preferences—will be key to unlocking new market segments and improving brand visibility.

Scaling Up Development Finance and Trade Infrastructure

Second, scaling up development finance is essential for building the physical and financial infrastructure that underpins competitive trade. Policymakers should prioritise the establishment of industrial and export processing zones, strategically located near ports and equipped with reliable utilities and modern customs facilities. These zones can serve as hubs for value addition, enabling African countries to move up the export value chain.

Boosting access to trade finance is also critical. Providing instruments such as export credit insurance, supplier finance, and renminbi-denominated trade loans can help reduce risk and improve liquidity for exporters, especially small and medium enterprises. Investments in logistics infrastructure—such as integrated rail links, dry ports, and cold storage networks—are equally vital. These would reduce transit times, improve product quality, and lower overall transaction costs, making African exports more competitive in distant markets such as China's.

Deepening AfCFTA Integration

Third, maximising the benefits of extra-African trade requires a stronger foundation of intra-African coordination. The AfCFTA offers a platform for consolidating fragmented markets, streamlining regulations, and building continent-wide production networks. Harmonising standards, documentation, and border procedures across countries would greatly reduce administrative burdens and delays. Moreover, fostering regional value chains—such as an East African textile manufacturing corridor or a Southern African battery mineral hub—could enable scale and specialisation, improving Africa's global trade posture. Accelerating the digitalisation of customs and transport systems will also be pivotal to efficiently moving goods across borders under the AfCFTA framework.

Enhancing Trade Diplomacy and Global Trade Governance

Lastly, African countries must adopt a more assertive and coordinated approach to trade diplomacy. This includes leveraging China's new trade policy to renegotiate key agreements such as AGOA and various EPAs. These renegotiations should aim for preferential trade terms that are more development-oriented and responsive to Africa's long-term industrialisation goals.

Furthermore, African countries should collectively advocate for the adoption of harmonised rules of origin

and pan-African product certification frameworks, which would simplify cross-border trade and boost investor confidence. At multilateral forums such as the World Trade Organisation and the United Nations Conference on Trade and Development, African countries should promote reforms that support South–South trade and prioritise the development needs of low-income economies. Together, these strategic pathways offer a comprehensive blueprint for transforming Africa’s trade landscape, enabling the continent to not only export more, but also to export smarter, positioning itself as a credible and competitive player in the evolving global trade order.

A Real Opportunity or a Mirage? Some Reflections

China’s offer of zero-tariff access to African exports has the potential to transform the continent’s trade and industrial development. If fully leveraged, this preferential arrangement could catalyse deeper integration into global value chains, foster industrial diversification, and significantly expand Africa’s non-commodity export base. However, realising this potential will depend not only on access, but also on Africa’s readiness to take advantage of it. The ultimate impact hinges on three interdependent variables: institutional readiness, private sector capability, and regional coordination.

Institutional Readiness

The first determinant of success lies in the strength and responsiveness of national institutions. Effective customs administrations, reliable standards and certification bodies, and well-resourced investment and trade promotion agencies will be critical to ensuring that goods can meet the technical requirements of Chinese markets and cross borders efficiently. Without these enablers, preferential access may be undermined by delays, rejections, or quality concerns that could erode confidence in African exports. Countries that have modernised their trade governance architecture—such as through digital customs systems, one-stop export shops, and robust standards agencies—will be better positioned to benefit from the new trade window.

Private Sector Capability

Equally important is the capacity of African firms to respond to demand, to scale up production, and to

meet the price, quality, and consistency expectations of Chinese consumers. Moving beyond the export of raw materials to higher-value processed goods will require investment in technology, skills, and capital. Strengthening the competitiveness of small and medium enterprises, encouraging value addition, and building ecosystems around key export sectors—such as agro-processing, light manufacturing, and green mineral beneficiation—will be essential. Without a dynamic and competitive private sector, market access alone will not translate into sustained trade growth or structural transformation.

Regional Coordination

Finally, regional cooperation under the AfCFTA will be critical to ensuring that the benefits of China’s zero-tariff policy are broadly shared across the continent. This includes harmonising rules of origin, aligning product standards, and developing cross-border production corridors that enable scale, specialisation, and intra-African value chain development. Without such coordination, trade gains may remain concentrated in a handful of better-prepared economies, exacerbating regional disparities and undermining the continent’s collective trade potential. In the absence of these foundational reforms and collaborative strategies, the promise of zero-tariff access may prove illusory: a mirage that benefits a few while leaving the majority behind. However, with deliberate, coordinated, and sustained action at both national and regional levels, China’s policy offer could mark a pivotal turning point. It has the potential to trigger a structural shift, transforming Africa from a supplier of primary commodities into a competitive hub for diversified, value-added, and globally integrated trade. The opportunity is real, but only if Africa chooses to act.

Conclusion

China’s zero-tariff initiative represents a significant evolution in Africa’s global trade positioning. It reframes the continent’s role from aid recipient to commercial partner and signals a shift from extractive trade to mutual industrialisation. But preferential access is not an endpoint, it is an invitation. African stakeholders must seize this moment with the view to optimizing the gains associated with this invitation.

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