PAFTRAC

Pan-African
Private Sector
Trade & Investment
Committee

Trade Advocates for Africa

Africa CEO Trade Survey Report 2025

Leveraging the AfCFTA in an era of global trade uncertainty

In partnership with

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Foreword

In a world marked by volatility and shifting global trade dynamics, Africa's private sector continues to demonstrate remarkable resilience and ingenuity. Now in its 5th edition, the *PAFTRAC Africa CEO Trade Survey Report* once again captures the perspectives of the continent's leading executives as they navigate a complex and fast-changing international trade environment.

Reflecting on the 2024 edition, we highlighted the persistence of inflationary pressures, geopolitical tensions, and protectionist policies that reshaped global trade flows. In 2025, these trends have intensified. The sweeping tariff measures introduced by the United States have disrupted supply chains and reshaped Africa's access to key markets, while uncertainty surrounding the future of the African Growth and Opportunity Act (AGOA) adds further pressure. At the same time, global conflicts, energy market disruptions, and attacks on vital shipping routes have contributed to higher trade costs and instability.

Yet amid these challenges, Africa's economies have shown resilience, with GDP growth projected at 3.2% in 2024 – outperforming many other regions. This strength has been underpinned by diversification strategies, strong commodity prices, and public investment. Moreover, intra-African trade is gathering momentum: Afreximbank reports that intra-African trade rebounded by 12.4% in 2024, rising to $220.3bn, supported by the expanding implementation of the African Continental Free Trade Area (AfCFTA).

Indeed, the AfCFTA continues to be the most important tool for securing Africa's trade future. In 2025, the Guided Trade Initiative expanded significantly, enabling 46 countries – including Africa's largest economies, Nigeria and South Africa – to begin trading goods under AfCFTA preferences. Mechanisms such as the Pan-African Payment and Settlement System (PAPSS), the Intra-African Trade Fair (IATF), and the AfCFTA Adjustment Fund are steadily gaining traction, helping to reduce barriers and provide practical pathways for businesses to trade across borders.

The AfCFTA offers a foundation for building integrated markets and value chains, while digitisation and sustainability offer the means to future-proof African trade.

Survey responses this year clearly reflect rising awareness and engagement with these tools, even as challenges remain.

At the same time, Africa is embracing the future. This year's survey introduces a new focus on digitisation and sustainability – two pillars that will define the continent's role in global trade in the decades ahead. Nearly every respondent emphasised the importance of digital tools for trade, with many already adopting digital payments, e-commerce platforms, and supply chain technologies. Similarly, there is overwhelming recognition of the need to embed green and sustainable practices into business models, aligning with global trends while ensuring long-term competitiveness.

The lessons are clear: Africa's private sector is determined not only to weather global shocks but to shape the continent's future on its own terms. The AfCFTA offers a foundation for building integrated markets and value chains, while digitisation and sustainability provide the means to future-proof African trade. But success will depend on collective action – by governments, development partners, and most importantly, the private sector itself.

We are deeply grateful to the more than 2,000 executives who shared their views in this year's survey, and to the dedicated team who made this report possible. We hope that the *PAFTRAC Africa CEO Trade Survey Report 2025* will serve as a vital resource for policymakers, investors, and entrepreneurs committed to advancing Africa's trade and unlocking the continent's vast potential.

Executive Summary

Welcome to the fifth edition of the *PAFTRAC Africa CEO Trade Survey Report*, an initiative that was launched in 2021, shortly before the official launch of the African Continental Free Trade Area (AfCFTA). The survey was envisioned as a platform for the private sector to influence trade policy discussions across the continent by sharing their views and experiences. The annual survey provides insights into current and future trends in African trade, as well as into the ambitions and obstacles faced by businesses in leveraging opportunities offered by the AfCFTA.

This edition, under the theme 'Navigating Global Uncertainty: How Africa is forging new trading partnerships', aims to reflect the dynamic changes in the trading environment that have characterised recent years, and which gained momentum in 2025. Key among these is the uncertainty in the current system globally, which has its roots in other crises, but which has been exacerbated in 2025 by a tariff rollercoaster unleashed by the US.

Global trade uncertainty

The most recent catalyst for global uncertainty has been the election of maverick politician Donald Trump for a second term as the US president in 2024. Since his inauguration in January 2025, he has aggressively used tariffs as leverage to boost his country's economy, with decisions often tied to diplomatic or strategic objectives rather than a traditional economic rationale. Key US trading partners such as the UK, China and India have been rocked by radical tariff shifts in key sectors, with the unpredictable, politically driven moves shaking up the world of trade.

This has added to the severe disruption of global trade as a result of the Covid-19 pandemic and associated lockdowns from 2020 as well as Russia's war with Ukraine, which disrupted the export of many vital goods from these two large economies. This uncertainty was further compounded by regular attacks on ships passing through the Red Sea by a rebel group in Yemen as part of the fallout from Israel's attacks on Palestine. This significantly affected the routing of vessels through this strategic passageway, with an associated hike in trade costs.

The importance of the AfCFTA in protecting Africa's trade interests at this time of global uncertainty was highlighted in the survey responses. Nearly 50% of respondents believed it was of key importance.

Africa has not been spared the consequences of these global events, despite the low levels of engagement with international markets for many countries. Most recently, the US tariff hikes have had a significant impact on many nations, with South Africa, Lesotho, Madagascar, Botswana and Mauritius being among the hardest hit.

Aligned to the tariff disruption was the question mark over the renewal of the Africa Growth & Opportunity Act (AGOA), scheduled for 30 September 2025. Expectations that it will be renewed have been low, given the Trump administration's protectionist shift and lack of support for multilateral trade arrangements. As of January 2024, the number of AGOA beneficiary countries was listed as 32, the most recent official count.

Current events and those of the recent past have made it even more urgent for African countries to find new markets. The AfCFTA presents an ideal opportunity for companies to explore the region for both exports and imports under this beneficial trade regime that encourages the building of regional value chains and smoother, easier trade across borders, coupled with greater industrialisation, increased trade in services and investment in technology.

Main report trends

Surveying over 2,000 people, the report provides a comprehensive analysis of how the African private sector is responding to the current dynamic global economic landscape. It also examines the strategic opportunities and operational challenges presented by key trade developments. The findings of this report aim to equip businesses, policymakers, and trade bodies with actionable intelligence to foster resilient, competitive, and sustainable growth across the continent.

The importance of the AfCFTA in protecting Africa's trade interests at this time of global uncertainty was highlighted in the responses to the survey. Nearly 50% of respondents believed that the initiative was of significant importance in the present climate.

The report explores the effectiveness and awareness of mechanisms such as the Pan-African Payment and Settlement System (PAPSS) and the African Trade Observatory (ATO). It also looks to the future, examining the integration of digital technologies and the growing importance of sustainability in shaping future trade strategies.

The highest number of responses to the survey came from Egypt (11.61%), Ethiopia (9.69%), Nigeria (7.68%), Algeria and Tunisia (4.43% each), Senegal (4.25%), Kenya (4.16%) followed by Ghana, Morocco, Mozambique, Cote d'Ivoire, Angola, Cameroon and Democratic Republic of Congo at over 3%, with the other responses less than 3%. Some responses were received from non-African countries, including the United Kingdom, Germany, Qatar, France, the Philippines, Saudi Arabia, United States, Bahrain and Jordan.

The main sectors in which respondents operate were Banking & Financial Services; Agriculture & Agribusiness; Tech & Telecom; Transport, Logistics, Supply Chain and Storage; Manufacturing (including Automotive); Mining and Natural Resources; and Pharmaceuticals. The biggest category was 'Other', which included, amoungst others; Education & Research; Government & Public Sector; Arts & Culture; Legal Services; and Construction & Engineering.

The results show that respondents represented a large part of the business spectrum, across regions and across company size and revenue levels. The size and stability of companies that participated appeared to be mostly at either end of the spectrum. The majority were relatively well established, with 39.75% having been in business for more than 10 years, and 31.56% for between two and five years. Just 13.98% were new or start-ups.

However, the majority of respondents were also small companies with one to 10 employees and less than $1m annual revenue (45.87%), which also reflects the structure of African economies. The World Bank estimates that SMEs account for about 90% of all businesses across Africa, with most at the small end of the category, and that they employ about 80% of the workforce.

The next largest category (22.46%) was large companies with 500+ employees. Only 8.48% of respondents worked for companies with annual revenue of more than $1bn, while 8.65% reported annual revenues of between $101m and $1bn. This suggests that smaller companies have more to gain from participation in such a survey.

The majority of respondents (49.62%) said they did not currently export goods and/or services, although a large proportion (39.99%) said they exported to Africa, with the remainder to other regions such as Europe, North America, Asia and the Gulf states.

For those that do export to Africa, all 54 countries received a response of some kind, with the top 10 recipient countries being South Africa (22.51%), Kenya (20.39%), Egypt (18.73%), Nigeria (17.98%) and Algeria (17.07%). There was a similar pattern to imports, which is unsurprising given that these are also the biggest economies on the continent and trade extensively within their own regions, in particular.

The survey respondents represented a large part of the business spectrum, across regions and across company size and revenue levels.

45.87%

of respondents were small companies with 1–10 employees and under $1m annual revenue.

Chapter 1

Is global fragmentation forcing Africa to find new strategies?

This chapter examines how businesses in Africa are reacting to the current environment of trade instability, noting that the survey was conducted during a period when the world was both shocked by but also quickly acclimatising to the US tariff rollercoaster.

The economic headwinds being experienced by many African countries in the wake of tariff increases imposed by the US government during 2025 follow several years of trade disruption due to exogenous factors. For example, the onset of the Covid-19 pandemic from 2020 and associated lockdowns made global trade impossible and severely disrupted supply chains. The Covid-19 crisis spread across the globe at lightning speed owing to the interconnectedness of today's societies and economies.

But even as the impact of the pandemic began to ease in 2021, when trade began in earnest and commodity prices began rising, Russia invaded Ukraine in February 2022, which changed trading patterns as countries sought new sources of energy, wheat and other main exports sourced from the conflict region.

This trade uncertainty was further compounded by regular attacks on ships passing through the Red Sea from 2024, as part of the fallout from Israel's attacks on Palestine. This, too, caused significant disruption in the routing of vessels through this strategic passageway, with an associated hike in global trade costs.

The current year has been characterised by tariff wars between the US and its trading partners, which are heightening risk and deepening policy uncertainty. This comes at a time when multilateral systems are also disrupted and fragmenting.

As external trade relationships become more uncertain, regional trade offers stability and growth. Thus, the current instability in the world may be a driver of intra-African trade as businesses seek to find opportunities and build closer to home in a region where the risks are better known.

It is in this context that the AfCFTA has gained in prominence as a vehicle for not just improving intra-African trade but for protecting Africa's trade interests.

This shift is evident from the results of the 2025 PAFTRAC survey, where just over 95% of respondents said the AfCFTA was important for protecting Africa's trade interests. Exports to and between African countries were also captured, with 39.99% of respondents saying they are exporting to the continent, with other regions such as Europe, Asia and North America at less than 20%.

The AfCFTA provides a solid foundation for Africa to overcome global disruption and build a more sustainable and resilient continent.

The survey also captured an expected shift to new trade allies, seeking information about trade with the Gulf states and the Caribbean.

More than 30% of respondents said they currently interact with the Gulf and plan to continue to do so, while 41.37% said they had no past interactions although they were interested in exploring in the future, indicating that the region is very much on the radar.

A related question delved into trade between Africa and Caribbean countries, which is being strongly driven by Afreximbank. This showed similar outcomes from respondents despite the fact that trade between the two regions is currently low – historically, below 6% of total exports for both. But there is a growing recognition of the potential for growth.

In tandem with the strong sentiment about the importance and value of the AfCFTA in this volatile global environment, the rollout of AfCFTA processes, mechanisms and tools has also gained momentum. The initiative entered its operational phase in April 2024, with key milestones reached. By late 2024, the AfCFTA had finalised Rules of Origin (RoO) for approximately 92.4% of tariff lines, with the remaining outstanding RoO concerning Textiles & Clothing and Automotive products, as negotiations continued to close the gaps and enable full implementation of preferential trade.

Other achievements included the liberalisation of about 90% of goods under the tariff concession framework, establishment of an online system to report non-tariff barriers, full activation of the Pan-African Payment and Settlement System (PAPSS) and the launch of the African Trade Observatory to monitor trade obstacles.

Global context

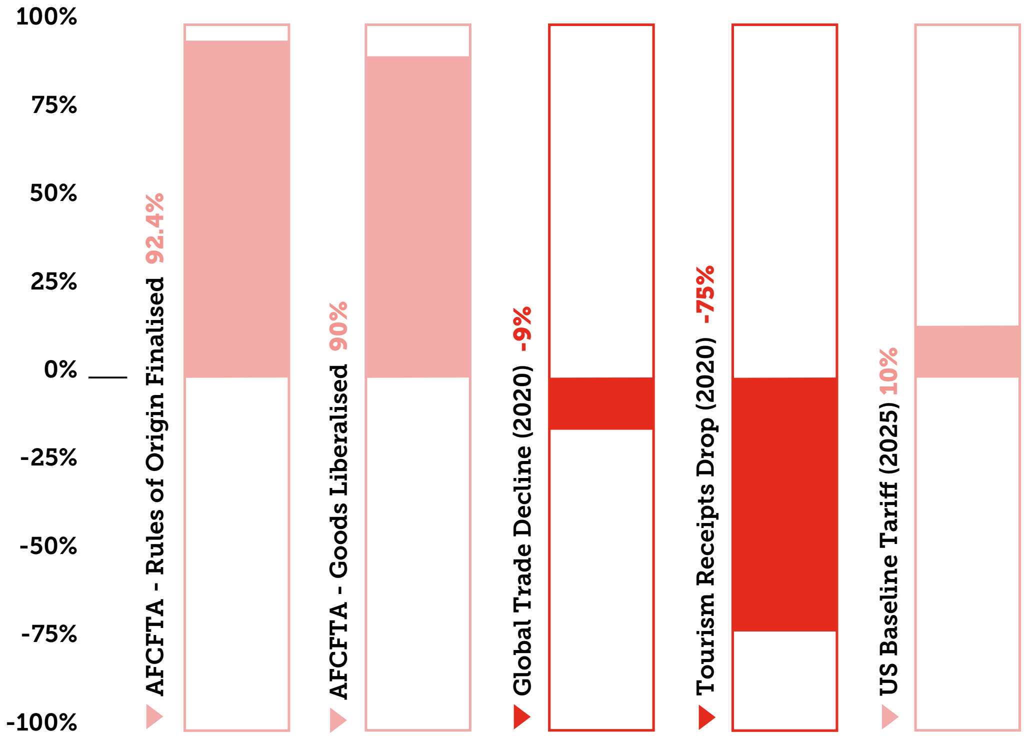
As noted above, in recent years the trade disruption across the globe was catalysed by the Covid-19 pandemic, when country lockdowns shut down most trade. In Africa, exports and imports both contracted sharply and the inability to move goods around impacted supply chains, logistics, transport, and demand, hitting African economies heavily reliant on commodities and tourism in particular. Global lockdowns restricted shipping, port activity, and air cargo. Tourism receipts fell by about 75% in 2020, the first year of the pandemic, and informal trading networks at border crossings came to a halt.

Overall, global trade declined by about $2.5trn in 2020 or by about 9% compared with the level in 2019, according to UNCTAD.

By mid-2021, recovery began as lockdowns eased and trade routes reopened, resulting in a rebound in commodity prices. While both trade and investment recovered strongly, the recovery was uneven across countries and sectors. And even as the impact of the pandemic began to ease, Russia invaded Ukraine in February 2022, which had a serious knock-on effect in Africa in particular, which was dependent on several commodities provided by the affected countries.

This included fertiliser and cereals, predominantly wheat. A number of African countries had imported more than 50% of their wheat from Ukraine and Russia. The conflict pushed up the costs of these commodities, and shipping costs overall, driving inflation in affected markets.

African trade: AfCFTA progress vs global disruption



Further disruption emanated from attacks on ships by rebels in Yemen, in the wake of Israel's conflict with Palestine, in one of the world's most important trade routes through the Red Sea, linking Europe, Asia and Africa.

As this began to ease, the US presidential election was won by political maverick, Donald Trump in late 2024, who moved swiftly after his inauguration in January 2025 to issue new tariffs for trading partners. His stated aim is to reduce the US's budget deficit and rebuild the country's manufacturing capacity, but it will also reduce demand for imports.

In early April, Trump announced most countries in the world would face a 10% "baseline" tariff – or import tax – on all goods sent to the US. Much higher tariffs were placed on about 60 countries, described as the "worst offenders" among America's trading partners, which were accused of taking advantage of the US by running trade surpluses with it. A number of African countries were hard-hit, including Lesotho, South Africa, and Madagascar.

An updated round of tariffs was issued in August, which offered some relief to nations in Africa and elsewhere. In the revision of tariffs, seven African countries were worse off than they had been in April – Cameroon, Chad, the DRC, Equatorial Guinea, Ghana, Nigeria and Uganda.

The impact has not only been from the tariffs themselves, but from global supply chain adjustments by trading partners seeking to manage this trade rollercoaster, which has affected Africa's ability to integrate or build supply chains with countries such as China and the US itself.

While trade between Africa and the US has declined in recent years, it remains a strong trading partner for countries such as South Africa and others, and many countries benefitted from preferential trade benefits through the Africa Growth and Opportunity Act (AGOA), signed into law in 2000.

Aligned to the tariff disruption has been the question mark over the renewal of AGOA, scheduled for 30 September 2025. Experts suggested renewal was unlikely given the Trump administration's protectionist shift and lack of support for multilateral trade arrangements. Those worst impacted will not only have to deal with the new tariffs but also the removal of strategic access to one of the world's biggest markets. As of January 2024, the number of AGOA beneficiary countries was listed as 32, the most recent official count.

Structural transformation

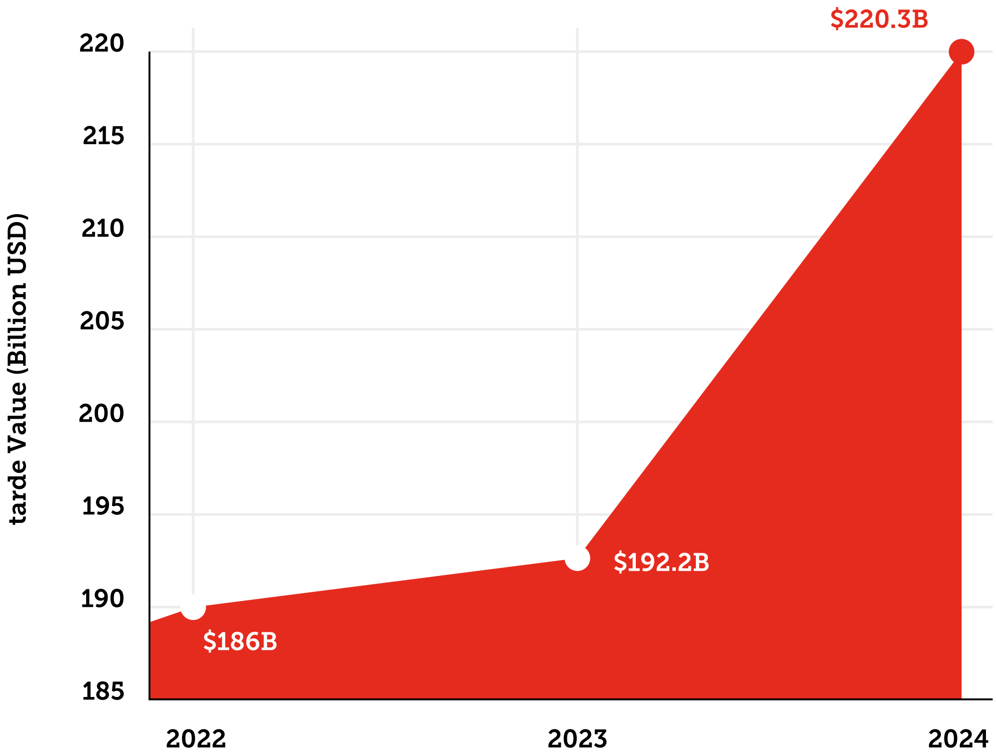
These disruptions have played a key role in exposing significant structural weaknesses in Africa, which include its commodity dependence, limited manufacturing capability and weak logistics. The crises have exposed countries' overreliance on external markets and underdeveloped regional value chains.

On the upside, this has driven companies to shorten their supply chains, increase localisation and remove redundancy in these chains to mitigate future risk from trade disruptions. The pandemic, and subsequent trade upheavals have also pushed up costs, forcing companies to find cheaper ways to run their businesses without relying on costly global shipping delays and rising costs.

A practice of 'near-shoring' took off, with companies bringing their business operations closer to home and investing in value chains to boost local production of key inputs. Manufacturers rethought 'just-in-time' imports and started building buffer stocks and local partnerships.

The AfCFTA has gained visibility as policymakers highlight the benefits of the initiative for building resilience in African economies and cushioning countries against future global and regional shocks.

Intra-African trade growth (2022-2024)



Geopolitics is increasingly becoming a key determinant of production location, with a shift to 'friend-shoring', a supply chain strategy where countries and companies source materials and goods from other countries that share similar political, economic, and social values. This is an effort to reduce political risks and enhance supply chain reliability.

These changes are giving momentum to the continent's efforts to strengthen intra-African trade and reduce vulnerability to global shocks. The AfCFTA has gained visibility as policymakers highlight the benefits of the initiative for building resilience in African economies and cushioning countries against future global and regional shocks.

Intra-African trade performance

The growth of intra-African trade has historically been slow, sitting at below 15% of continental trade for some years. The AfCFTA is constrained by the legacy of years of underwhelming trade facilitation. Challenges include the vastly different states of readiness of participating countries, a lack of value addition and industrial policies, lengthy customs procedures and corruption at borders, and fragmented legal and regulatory systems.

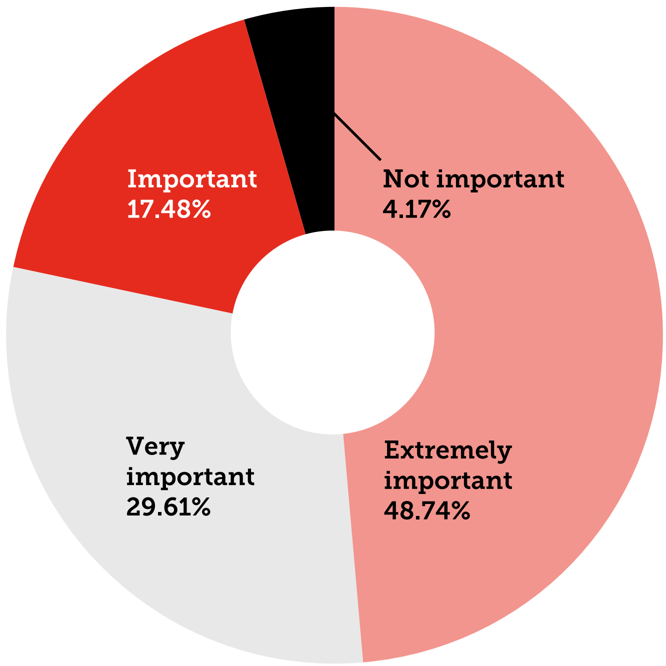
But it appeared to have turned a corner in 2024 when it rebounded strongly, rising 12.4% to $220.3bn, up from growth of 3.2% in 2023, when it reached approximately $192.2bn, according to Afreximbank's *African Trade Report 2024*.

This was up from $186bn the previous year. According to the report, the rebound was sparked by improved economic performance in countries such as South Africa, Nigeria, and Congo.

As noted above, the rollout of AfCFTA mechanisms and tools has also gained momentum in the past 18 months. The initiative entered its operational phase in April 2024, with key milestones reached.

In addition to the successful tariff and rules of origin negotiations, several key protocols have been finalised including Trade in Goods, Trade in Services, Competition Policy, Digital Trade, and Rules and Procedures for the Settlement of Disputes. They have all been adopted by the African Union, although they require ratification by participating countries.

The survey results on the AfCFTA's importance



Intra-African trade rebounded strongly in 2024, rising 12.4% to $220.3bn, up from 3.2% growth in 2023.

In tandem with these developments, the Tripartite Free Trade Area (TFTA) finally came into force on 25 July 2024 after years of delays. It faced hurdles related to achieving the required number of ratifications and finalising key agreements. It was able to take off following ratification by 14 out of the 29 Member States.

The TFTA unites COMESA, SADC and the EAC, covering about 53% of African Union membership and 60% of continental GDP. It fully liberalises tariffs and aims to eliminate non-tariff barriers, and is expected to increase regional trade in manufactured goods.

New trade allies

At a strategic level, Africa is well positioned for growth in a world where trade is expected to double over the next decade. This is no less the case for African companies themselves, which are also looking at new opportunities on their own continent to address issues such as cost, risk and market gaps. It is in this context that the AfCFTA has gained in prominence as a vehicle for not just improving intra-African trade but for protecting Africa's trade interests.

This shift was evident in the PAFTRAC survey, where 48.74% of respondents said the AfCFTA was "extremely important" for protecting Africa's trade interests, while a further 29.61% said it was "very important" and 17.48% said it was "important". Just 4.17% said it was not important at all, suggesting that this group may have been respondents based outside Africa.

In the wake of uncertainty in global markets, driven by protectionist policies, trade wars, and geopolitical instability, the game has changed in other ways. Investors from outside the continent are looking to Africa for stability and high-yield opportunities. Emerging markets offer attractive diversification benefits at a time when developed markets are perceived to be overvalued or volatile.

Even as Europe and China, among others, continue to engage African countries assiduously for trade and investment opportunities, new partners are emerging. Emerging economic relations between Africa and the Gulf Cooperation Council (GCC), which covers the UAE, Saudi Arabia, Qatar, Bahrain and Oman, are poised for significant growth and in 2023, the GCC announced 73 foreign direct investment projects in Africa worth more than $53bn.

Over the last decade GCC countries have collectively invested over $100bn in Africa, according to the World Economic Forum – led by the UAE ($59.4bn) and Saudi Arabia ($25.6bn).

On the back of this, trade is also growing, with African exports including minerals such as copper and gold, citrus and other fruit, livestock and meat, cocoa beans and diamonds. Countries export many manufactured goods to African nations. The UAE has also focused its investment on trade infrastructure, in particular ports. DP World and Abu Dhabi Ports (AD Ports) are the beachhead of a hard-nosed drive for African assets, operating 13 ports and related infrastructure in eight African countries.

The relationship is buoyed by geographical proximity and is focused on addressing issues critical to both regions such as food security, the energy transition and infrastructure development. The Arab Bank for Economic Development in Africa (BADEA) has played a role in fostering engagement with its mandate to strengthen economic, financial, and technical cooperation between the regions.

As a result of this growing engagement, the PAFTRAC survey included a question about engagement with the Gulf states.

More than 30% of respondents said they currently interact with the Gulf and plan to continue to do so, while 41.37% said they had no past interactions although they were interested in exploring them in the future, indicating that the region is very much on the radar. A small number, 6.95%, said they had had previous business interactions with the region but had no plans to continue.

A related question delved into trade between African and Caribbean countries. This showed some similar outcomes from respondents, with 43.95% saying they have not engaged with this region but are interested in exploring possibilities in the future. Another 17.02% said they are currently interacting with the region and plan to continue.

However, unlike the more positive result for the Gulf region, 32.16% said they had not engaged with Caribbean countries and had no plans to do so in the future, and 6.87% indicated they had interacted with these markets in the past but had no plans to continue.

This is unsurprising given that trade between the two regions is historically below 6% of total exports for both regions. The main driver for trade relations between Africa and the Caribbean has been Afreximbank, which has established an office in Barbados and helped to develop the CARICOM Payment and Settlement System (CAPSS). The bank also launched the Afri-Caribbean Trade and Investment Forum (ACTIF) in Barbados in 2022, designed as an annual event to foster deeper economic cooperation between the regions.

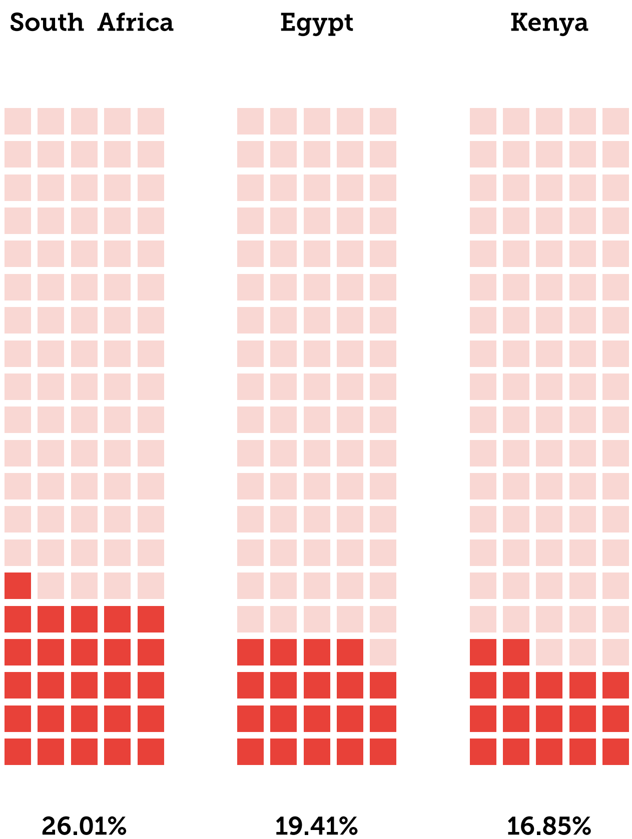
The fourth edition was held in Grenada in 2025 under the theme, 'Resilience and Transformation – Enhancing Africa-Caribbean Economic Cooperation in an Era of Global Uncertainty', which was the most well-attended ACTIF event to date.

Despite Afreximbank's enthusiasm, appetite for strategic business engagement remains quite low, possibly due in part to the distance between these regions and associated costs of trade.

Exports and imports

As the world becomes less certain, regional trade is expected to rise for the reasons outlined above. In the survey a large number of people said they were exporting to Africa. All 54 countries received a response of some kind, with the top 10 recipient countries being South Africa (22.51%), Kenya (20.39%), Egypt (18.73%), Nigeria (17.98%), Algeria (17.07%), followed by Democratic Republic of Congo, Ghana, Mozambique, Senegal, and Cote d'Ivoire. Others were Cameroon, Angola, Ethiopia and Burkina Faso.

The top 3 source nations for imports



The list shows a spread of interests geographically and a diversity in terms of economies, with a relatively high number of resource-driven states in the top echelons of responses.

In terms of the type of exports by respondent companies, services was a clear leader with 45.91%, reflecting the overall shift to services in Africa within countries and in terms of trade. Africa has largely bypassed industrialisation in its transformation, making an early shift to services. The sector has absorbed most of the shift away from agriculture in the wake of increased urbanisation and it is now the biggest contributor to GDP in most African countries.

The second highest was agricultural goods at 28.66%, which is also not surprising, given that agriculture is the main employment sector for Africans, even though this mostly still consists of subsistence farming. However, the commercial farming sector is expanding as a result of investment in supply chains, productivity and technology.

The other export products named comprised a diversified range: software and digital products (18.36%), food and beverages (17%), energy equipment (15.76%), consumer goods (15.26%) and hospitality and tourism (9.68%).

Other regions that respondents exported to were Europe (16.54%), followed by 10.97% to Asia, 10.21% to North America, 10.16% to the Gulf states, and just 6.96% to South America.

In terms of imports from Africa, the majority of respondents (43.17%) said they did not import goods or services from African countries while 35.47% said they actively did. The next highest sourcing regions were Europe (23.52%) and Asia (22.23%) followed by North America (11.45%), the Arab Gulf States (10.34%) and South America (7.76%).

The top 10 source nations for imports were similar to the export destinations at the top levels with South Africa (26.01%), Egypt (19.41%), Kenya (16.85%), Nigeria (16.12%) and Algeria (14.10%) in the top five, followed by Morocco, Ghana, Cote d'Ivoire, Angola and Tanzania.

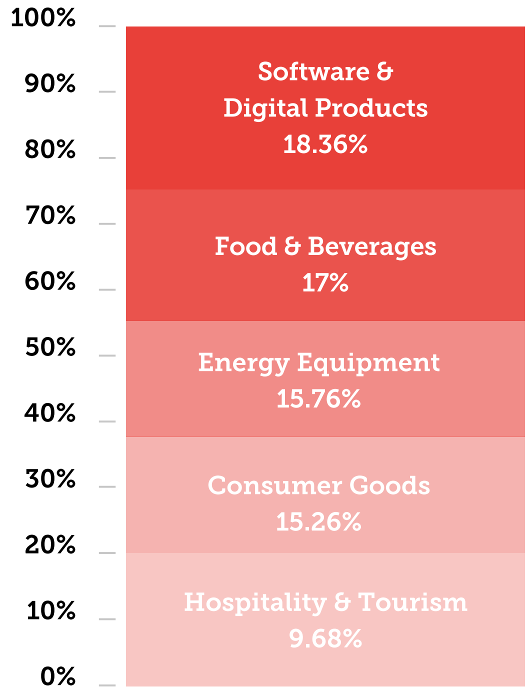
Push for industrialisation

The survey results about imports into the continent highlight Africa's vulnerability in terms of industrialisation, and its continuing dependence on manufactured inputs for industry, mining, agriculture and other sectors. These are typically imported from outside the continent and often re-exported, with a minimal amount coming from more industrialised African countries such as South Africa.

At the top of the list of imports was machinery, machine parts and other manufactured goods at 37.88%. It outpaced services, which came in at a still high 35.90%.

Agricultural products were imported by 24.59% of the respondents importing from Africa, followed by software and digital products (24.36%), energy equipment (19.93%), consumer goods (19%), food and beverages (14.80%), and hospitality and tourism (8.51%).

Other export products named were a diversified range



Fostering industrialisation is one of the main aims of the AfCFTA, to diversify production and exports. Although the AfCFTA itself does not have a formal, overarching industrial policy, the initiative serves as a framework to promote and accelerate continental industrialisation through trade liberalisation, the development of regional value chains and the creation of a large, integrated market.

However, the implementation of national and regional industrial policies and the development of a continental strategy for them remains a critical challenge for member states that have low or no industrial capacity.

South Africa is the most industrialised country on the continent, and the biggest exporter of manufactured goods, with Morocco, Egypt, Tunisia, Mauritius and Eswatini closely behind it.

The significant push for connectivity and closing trading gaps by large multilateral players will better position Africa for a more integrated trading future. For example, the African Development Bank (AfDB) and others are investing in industrial processing zones and logistics corridors to build new value chains in an effort to diversify exports.

The AfDB has invested heavily in Special Agro-Industrial Processing Zones across the continent and others have been built near ports or along economic corridors to take advantage of infrastructure development and increased connectivity.

This year, the AfCFTA Secretariat, the AfDB and the infrastructure investment platform Africa50 signed a Memorandum of Understanding to catalyse development across the continent, focusing on projects that will enhance trade and accelerate regional integration.

This will prioritise developing multimodal transport corridors, cross-border infrastructure, logistics hubs, ports, and airports to seamlessly connect African markets and reduce the cost of doing business across borders. The AfDB invested over $8bn across 109 cross-border, economic corridors, and infrastructure projects between 2014 and 2024.

Eliminating trade barriers and creating a more predictable investment environment will support diversification and value addition, and leverage economies of scale for African businesses.

The top 10 nations for imports from Africa were similar to the export destinations at the top levels, with South Africa, Egypt, Kenya, Nigeria and Algeria in the top five.

Chapter 2

Leveraging the AfCFTA: Mechanisms, payments, and tools

Africa is on track to realise the benefits of being the largest free trade area in the world through the AfCFTA, which connects 1.3bn people across 55 countries with a combined GDP of around $3trn. It is a slow-moving process, which was expected given the complex knitting together of such a large number of countries at varying stages of development, and a baseline of low levels of intra-African trade.

This is reflected in what are still relatively low levels of awareness about the details of the AfCFTA and its implementation. The PAFTRAC survey for 2025 uncovered a mixed picture, with some distinctly positive responses about the initiative, but there is still a lack of robust engagement with the mechanisms put in place to make trade easier for businesses.

It is also surprising that a number of people who responded to the questions had little or no knowledge of the initiative and its support structures despite being interested enough to participate in the survey in the first instance.

On the upside, more than a quarter of respondents (25.24%) said they had actively benefited from the AfCFTA's tariff preferences for intra-African trade, with a higher number – 30.29% – saying that they had not benefited so far but planned to do so in the near future, suggesting an awareness of the benefits and an appreciation of their use.

However, 21.17%, also a notable number, said they were not aware of AfCFTA tariff preferences. Given the coverage given to the AfCFTA project, certainly inside Africa, this is surprising even given the fact that nearly half of respondents to the survey said they were not exporting. More understandable was the 12.62% of companies that said the question was not applicable as they do not trade within Africa.

Nonetheless, awareness is growing as the rollout continues, with significant work already done to address trade challenges, improve capabilities and value chains, and drive priority areas by the AfCFTA Secretariat and its partners, including Afreximbank and the African Development Bank.

Progress is reflected in Afreximbank's *African Trade Report 2025.* It said intra-African trade exhibited a remarkable upturn in 2024 of 12.4% to $220.3bn, rebounding from a decline of 5.9% the previous year, as noted in Chapter 1. The Bank considered that this positive trend is expected to be sustained, bolstered by continued implementation of the initiative.

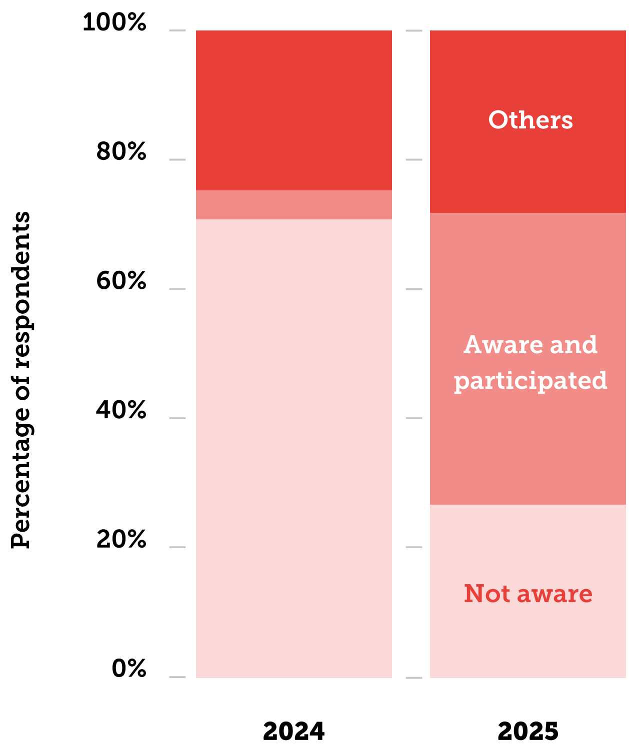
It also found that Africa's merchandise trade recovered in 2024, rebounding by 13.9% to $1.5trn, significantly up from a decline of about 5.4% in 2023, when it continued to battle with the fallout of the pandemic.

This progress is against the backdrop of uncertainty and escalating trade tensions in the global environment. Also notable is the fact that Africa recorded a 3.2% growth rate in 2024, stronger than many other regions, although still below its 5% pre-pandemic growth. This performance was underpinned by stronger public investment, high commodity prices (notably for gold, cocoa, and coffee), and the early success of diversification strategies.

But Africa has a long way to go, both at home and to build its profile in the global trading environment. Africa's share of world exports has seen a slight decline, from 3.5% in 2009 to 3.3% in 2024, while intra-African trade accounts for a still low 14.4% of the region's formal trade, which highlights its continued dependence on external demand and related exposure to commodity shocks.

The challenges are compounded by an annual trade finance gap of about $100bn. Just 18% of African banks' trade finance portfolios support intra-African trade, reflecting a bias towards external markets. This particularly constrains the ability of SMEs, which make up nearly 90% of businesses on the continent, to engage in regional trade.

IATF Awareness: 2024 vs 2025 survey results



AfCFTA awareness

One of the criticisms of the AfCFTA has been the fact that awareness of what it offers and how companies can access it remains relatively low. The PAFTRAC survey last year found low levels of awareness of many of the key initiatives rolled out by the Secretariat and its partners. Even if companies were aware of AfCFTA mechanisms, they had not engaged

Despite strong growth in 2024, intra-African trade remains just 14.4% of the region's formal trade, underscoring its dependence on external demand and related exposure to commodity shocks.

with them or expressed an interest in doing so, which is hard to measure.

There are many issues that may influence the way companies engage with a complex initiative such as the AfCFTA. These include a lack of national or private capacity to trade across borders, low levels of industrialisation which constrain the number of goods available to trade, continuing challenges in moving goods and services around the continent, the technical nature of negotiations on tariffs and other issues. For all the progress made, the reality is that the initiative is still at a nascent stage.

In addition, there is already a complex array of regional trade agreements and structures in place, which business is also still grappling with.

The AfCFTA Secretariat has promoted its products at a range of conferences, at national and regional workshops and events and through the media. Information is online and also being promoted by partners such as Afreximbank, and the increase in awareness is incremental.

However, high levels of global uncertainty and volatility could elevate the appreciation and visibility of the AfCFTA. This is signalled in the 2025 survey where more than 95% of respondents said they believed the AfCFTA is extremely important for protecting Africa's trade interests in the context of recent trade tensions. More than 50% said it was extremely important.

The question was framed differently in the 2024 survey, with companies being asked what impact the AfCFTA had on their businesses. Nearly 50% said it had had no impact, with just 7.3% saying it had had a high impact. Extrapolating from this suggests that awareness of the initiative is much higher just a year later.

The current trading environment and its challenges may be a catalyst for greater awareness, which may be reflected in next year's survey.

Awareness is being driven in part by the rollout of the Guided Trade Initiative, which began with a small pilot exercise in 2022 and is gaining pace rapidly.

The Guided Trade Initiative

The GTI has been a major driver of trade under the AfCFTA. It allows selected countries and businesses to begin trading in 96 products, for which rules of origin have been finalised, under AfCFTA preferences, while the broader agreement's rules and systems are finalised. This was launched in Ghana in 2022, with seven countries selected to provisionally start trading goods under the AfCFTA on a pilot basis. Those countries were Rwanda, Cameroon, Egypt, Ghana, Kenya, Mauritius, and Tanzania, chosen because their tariff offers on goods had been fully approved and officially published.

Products to be traded in the initial phase included ceramic tiles, batters, horticulture products, avocados, flowers, pharmaceuticals, palm oil, tea and components for air conditioners. The first transaction under the GTI was the shipment of tea from Kenya to Ghana on 5 October 2022.

The Pan-African Payment and Settlement System (PAPSS) now links 18 central banks and 150 commercial banks, settling local currency trades in seconds.

Since then, 39 countries have joined the initial seven, according to the AfCFTA Secretariat. These include South Africa and Nigeria, sub-Saharan Africa's two biggest economies by GDP, in January and July 2024 respectively.

The government-driven initiative is expected to pave the way for more commercial transactions and to provide experience for customs and other trade officials in the implementation of the AfCFTA rules. A number of initiatives and mechanisms put in place by the AfCFTA Secretariat and its partners support this rollout, and are listed below to provide context to many of the questions in the 2025 PAFTRAC survey.

Intra-African Trade Fair

The Intra-African Trade Fair (IATF) brings together businesses and governments to explore trade and investment opportunities across Africa. It was launched in 2018 by Afreximbank in collaboration with the African Union Commission (AUC) and the AfCFTA Secretariat as a unique platform to connect African buyers, sellers and investors, addressing the gap in trade and market information.

It has grown each year. The inaugural IATF 2018 in Cairo attracted over 1,000 exhibitors and generated deals worth more than $32bn. In Durban, in 2021, it welcomed over 1,100 exhibitors from 59 countries and recorded deals worth $42bn. In 2023, the last one before Algeria hosted the 2025 edition, Cairo hosted 1,600 exhibitors and achieved trade and investment commitments exceeding $43bn.

In 2024's PAFTRAC survey, nearly 70% of respondents said they were not aware, or only somewhat aware, of the IATF, with just 3.3% saying they were fully aware and had participated. This year, it seemed that more than 40% of respondents had attended the IATF and had benefited. Even allowing for the fact that many of the same people may not have responded to both surveys, the trajectory of progress seems to be clear. Still, in 2025 the number of respondents who said they were not aware of the event was still fairly high, 30.78%, showing that more promotion of the event and its benefits is needed.

Pan-African Payment and Settlement System (PAPSS)

The PAPSS is a platform to facilitate instant cross-border payments in local currencies between African countries. It was officially launched in January 2022 following a successful pilot phase in the West African Monetary Zone (WAMZ) and in 2025, had 18 participating countries, with the Bank of Algeria joining the network in August 2025. It now links 18 central banks and 150 commercial banks, settling local currency trades in seconds. It is projected to shrink transaction costs by up to 50%.


Trade and investment commitments achieved at IATF 2023 in Cairo:
$43bn

Central banks connect to the PAPSS and through a formal agreement, they can oversee, supervise and enforce compliance of banks, fintechs, and financial institutions in their jurisdiction.

Settling intra-African transactions directly in local currencies eliminates multiple conversions, reduces reserve requirements, and shortens settlement lags. Bringing down the cost of transactions for African traders and businesses, as well as reducing the complexity of moving money across borders, is at the heart of the initiative. This is no small feat on a continent with more than 40 different currencies, few of which have value outside their borders.

The exchange rate of each transaction is set by the real-time gross settlement systems of the central banks, with PAPSS setting benchmark reference rates to put a reasonable boundary on the exchange rate, to give comfort and avoid arbitrage. There is also a mechanism that ensures they are not out of sync with other available rates.

Trades done through correspondent banks and money transfer systems cost Africans about $5bn in charges every year, according to Afreximbank.

AfCFTA Adjustment Fund

Established in 2023 and managed as a partnership between the AfCFTA Secretariat, the AU and Afreximbank, the fund aims to help African countries and businesses adjust to the new liberalised trade environment.

It provides compensation for governments for potential tariff losses and provides funding for the building of trade-enabling infrastructure. It also offers technical assistance and financing to businesses to retool, reskill and expand their operations to take advantage of the new trade regime.

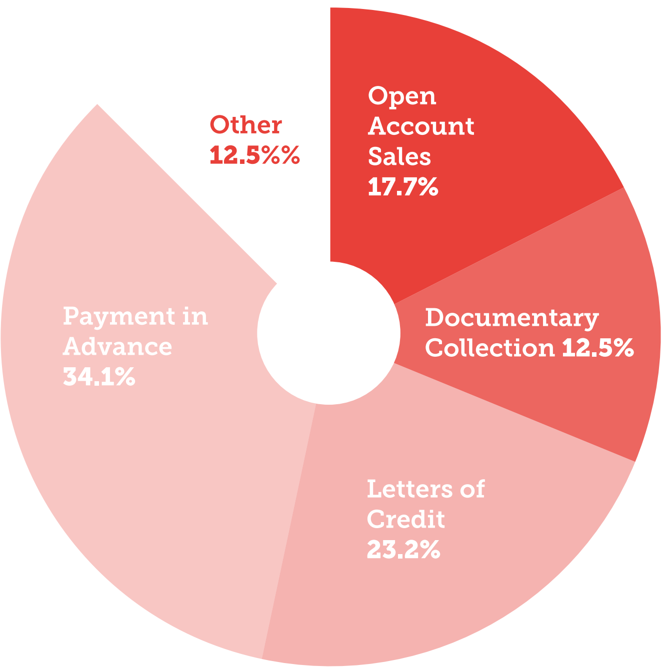
The fund consists of three sub-funds, namely the Base Fund, the General Fund, and the Credit Fund. The Base Fund is set up to use contributions from AfCFTA State Parties as well as grants and technical assistance to address tariff revenue losses that would result from the AfCFTA's implementation. The General Fund aims to finance the development of trade-enabling infrastructure, while the Credit Fund is designed to mobilise commercial funding to support both the public and private sectors to enable them to take advantage of the opportunities created by the AfCFTA.

The fund, which is domiciled in Rwanda, has already mobilised up to $1bn in liquid capital and aims to raise an additional $10bn from governments and the private sector. The Credit Fund made its first investment in 2025, extending a $10m loan to Telecel Global Services to support the company's expansion in Ghana and Liberia.

AfCFTA Non-Tariff Barriers (NTB) Mechanism

The NTB Mechanism is a digital tool and legal framework to identify, report, monitor, and eliminate non-tariff barriers that hinder trade within Africa. Developed by UNCTAD and the AfCFTA Secretariat, it allows African businesses to report trade obstacles such as customs delays, excessive fees, or restrictive product standards, via an online platform, tradebarriers.africa.

Preferred payment system used in trade



The survey shows that the increased rollout of PAPSS over the past one year and more has driven not just greater awareness but also increased engagement.

National Focal Points are used to resolve issues and facilitate information exchange for the progressive elimination of NTBs. Categories of NTBs addressed include government practices such as import and export bans, customs procedures such as excessive delays and complex documentation, and technical barriers such as restrictive product standards.

How to Export with the AfCFTA

The training programme, provided jointly by the International Trade Centre (ITC) and Afreximbank, is designed to prepare African enterprises to take maximum advantage of the AfCFTA. Participants need to register and complete the online modules. The programme guides African businesses through the opportunities provided by the AfCFTA by covering topics such as market research, export readiness, financing, market access conditions, and product distribution in new markets.

It has been rolled out as a pilot programme in three countries, Nigeria, Rwanda and Cote d'Ivoire, with courses localising the offering for each national context. An expansion phase has been added to the project involving a further 12 countries. The online training is open to organisations in all African countries.

African Trade Observatory

The Observatory is a critical operational instrument of the AfCFTA, providing real-time, reliable trade data and intelligence to African businesses and policymakers. It offers tools to identify trade opportunities, compare market conditions, monitor the AfCFTA's implementation, and evaluate its economic impact.

The main components of the Observatory are:

- An automatic data transfer system: this collects, processes and analyses automatically sourced data from Member States and other sources
- Monitor Module: This tool, accessible to African policymakers, tracks the implementation of the AfCFTA and evaluates its impact through real-time indicators
- Business Intelligence dashboard: The Compare and Explore modules offer African businesses reliable information on intra-regional trade flows, highlighting opportunities for export growth within the region and the relevant market requirements
- Trade analysis unit: This offers a network of African trade experts with recognised skills in data analysis to support the policy decisions of African Union members.

The project is led by the African Union Commission, implemented by the ITC and funded by the European Union.

There are other AfCFTA initiatives being rolled out. These include, for example, the AfCFTA e-Tariff Book, a web-based resource that provides businesses with essential tariff and rules of origin information. There is also the Automotive Fund, which aims to pursue local content development in the automotive value chain, done in partnership with Afreximbank. Pharmaceuticals is another priority area, with a focus on changing the continent's import dependence in this sector by establishing regional value chains for active pharmaceutical ingredients and building manufacturing capability.

Survey results

The picture of awareness and usage of the AfCFTA in business was mixed, with some distinctly positive responses but with many showing a lack of awareness of, and a lack of participation in AfCFTA tools and mechanisms.

On the upside, more than a quarter (25.24%) said they were actively benefiting from AfCFTA's tariff preferences for intra-African trade, and a higher number – 30.29% – saying that they were not benefitting so far but planned to do so in the near future, suggesting an awareness of the benefits and an appreciation of their use. This might also reflect the participation of national governments, or not, in the GTI.

However, 21.17%, also a notable number, of respondents said they were not aware of AfCFTA tariff preferences. With the coverage given to the AfCFTA project, certainly inside Africa, this is surprising even given the fact that nearly half of respondents to the survey said they were not exporting. More understandable was the 12.62% of companies that said the question was not applicable as they do not trade within Africa.

The **Intra-African Trade Fair** received the most positive response to questions on the AfCFTA initiatives, with the results suggesting that just over 40% of respondents had attended at least one of the trade fairs.

Of those who responded to the survey question of whether their business had benefited from participating in the IATF, 16.02% said they had secured new trade deals and partnerships. A further 11.07% said they had gained valuable market insights and information and 10.19% had expanded their network and established new business contacts. A low number of people, just 4.76%, said they had increased visibility and brand recognition as a result of participating in the trade fair. Another 27.18% said they had not participated but planned to do so in the future.

However, a significant number, 30.78%, said they were not aware of the IATF, which is relatively high given that those who participated in the survey would be engaged with Africa in some way in order to have been attracted to respond at all.

A relatively high level of awareness was shown for the Pan-African Payment and Settlement System (PAPSS). The question asked what impact PAPSS had had on facilitating cross-border transactions, rather than actual usage of the facility – although respondents with a positive impression could also be assumed to have used it for trade payments at some time.

Nearly 60% of respondents said they believed it had had a positive impact on facilitating cross-border transactions. Of these, 30.97% said it had had a "significant" positive impact while a further 28.06% said it had had a positive impact. A third question about awareness had 26.70% of respondents saying they were unaware of the details of PAPSS but believed it had had a positive impact.

The lowest number of responses showed that just 7.86% knew about the initiative but believed it had had no impact while a further 6.41% were unaware of it or believed it had had no impact. This suggests that these responses may be largely from other regions where PAPSS would not be relevant.

But this is a major leap from the 2024 survey where less than 20% of respondents said they were fully aware of the initiative, showing that the increased rollout of PAPSS over the past one year and more has driven not just greater awareness but also increased engagement.

Respondents to the question of what type of payment system they mostly used said payment in advance (47.07%), letters of credit (32.08%), documentary collection (17.25%), open account sales (24.36%) and other (17.24%). The diversity of options being used gives a picture of fragmentation of payment types in settling trade transactions.

Awareness levels were low for the **AfCFTA**

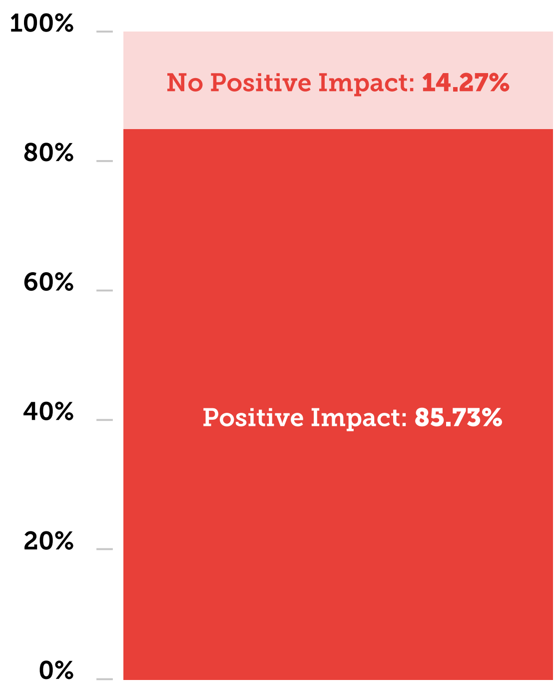
In terms of the **AfCFTA Non-Tariff Barriers Mechanism**, an online portal designed to identify, monitor, and help resolve non-tariff barriers that hold back intra-African trade, respondents were asked which statement best reflected their company's awareness or usage of this mechanism. The overriding response was from 45.24% of people, who said they were not aware of it.

NTBs are often listed as one of the biggest impediments to trade in Africa, in contrast to the stated intent by governments and their agencies on public platforms, in support of free trade. NTBs range from specific problems at border posts and arbitrary powers of customs officers at points of entry to port congestion, technical standards, ad hoc import restrictions and discriminatory regulations, all of which collectively increase the cost and difficulty of trade with and within Africa.

The unpredictability of these measures is more frustrating for business than actual tariffs, which can be built into planning and projections.

However, 18.35% said they had used it and successfully reported or resolved issues, with another 23.50% saying they were aware of it but had not used it. A further 12.91% said they were aware of it but felt it did not apply to their business.

Awareness/usage of AfCFTA tariff preferences



The picture of awareness and usage of the AfCFTA in business was mixed, with some distinctively positive responses but with many showing a lack of awareness of, and a lack of participation in AfCFTA tools and mechanisms.

Awareness of the `**How to Export with the AfCFTA'** training platform, which provides guidance on rules of origin, tariff schedules and the documentation needed to export under the AfCFTA, also appears to be low, with the highest number of respondents – 37.57% – saying they were not aware of the platform. On the upside, 16.31% said they had used it extensively and 10.49% had used it to some extent. A further 20.39% said they were aware of it but had not used it. For a relative few, 15.24%, it had no relevance to their business.

The **African Trade Observatory** enjoyed higher levels of awareness than actual usage. Of respondents asked how they had used the ATO to enhance their trade within Africa, 20.78% said they had used it extensively to identify new trade opportunities. However, two other sets of responses showed 14.37% only occasionally used it for market research while 9.32% rarely used it but found it helpful.

A large number of people – 40.19% – said they were unaware of the tool at all. This suggests that business is missing a trick with the AfCFTA by not keeping up with what is being rolled out.

Overall, the picture is mixed, with high levels of awareness of certain programmes, which have a presence across many countries, such as PAPSS and the IATF, and much lower awareness for mechanisms that have a more specific focus. But it also speaks to insufficient information dissemination across the continent, the technical nature of many details of the AfCFTA, including negotiations, and the slow rollout.

It may also reflect the different levels of development and capacity to trade under the AfCFTA, with Africa's many commodity-dependent states focused on narrow trade facilitation, mostly with markets outside Africa. As a result of that commodity dependence, they may not have much to trade with other African countries.

And it also may reflect the overall complexity of the trade arrangements in Africa, with the AfCFTA being layered on top of an array of other arrangements under regional economic communities. Business has often been criticised for being slow to react to tariff and other preferences developed over the years and the picture is getting ever more complex. Many companies, particularly SMEs, do not have the deep pockets that many levels of compliance require and the specific resources dedicated to keeping up with multiple changes in the trading environment.

Chapter 3

Future-proofing African Trade: Digital and sustainable strategies

This chapter examines how Africa can leverage technology and take advantage of the shift to digitisation to improve its trading environment, with survey respondents giving their views on this. It also includes a new feature on sustainability and green practices, which have become a feature of modern business, helping companies to future-proof their organisations and integrate better into global trade.

Digitising companies and processes across trade will improve efficiencies and transparency, making it easier and cheaper to trade while also addressing corruption and other practices that continue to frustrate the movement of goods and services. Technology will also help businesses to become more sustainable, bolstered by the assimilation of more 'green' processes into their operations. This will enable them to better engage with global or regional value chains.

Shift to digital money

The shift to digitisation is critical for businesses to remain competitive in the modern age. It enhances efficiency, fosters innovation, improves customer experience, and allows companies to adapt to market changes and create scalable, resilient business models.

Digital finance is a major part of the overall digitisation process, which is already underpinning economic growth across African economies. Mobile wallets, real-time cross-border apps such as M-Pesa and Wave, and PAPSS already enable traders to clear small invoices in seconds without routing funds through correspondent banks outside the continent.

The growth of mobile money in Africa has been meteoric, rapidly increasing financial inclusion. In many countries, more people have a mobile money account than one with a traditional bank. In a few, typically the more sophisticated countries such as South Africa, people have both.

The World Bank's *Global Findex Database 2025* says 40% of adults in sub-Saharan Africa are now utilising mobile money accounts, propelling the region into the leading position globally for digital financial access.

In sub-Saharan Africa, 49% of adults own a bank account, a rate that has more than doubled since 2011, although there is a great deal of variation in account ownership, ranging from 6% in South Sudan to 91% in Mauritius. In 16 of the 36 economies surveyed in 2021-22, well over 50% of adults had an account, with 79% in Kenya, 56% in Senegal and 85% in South Africa, says the World Bank.

Mobile companies have seen the market opportunity and have moved swiftly to roll out their own mobile money services, leveraging their existing mobile phone businesses, and extensive databases, to drive mobile banking.

This issue is a key focus area of the PAFTRAC 2025 survey, the results of which show that digital advancement and awareness are high on people's minds.

Asked how important people thought digitisation is for the future of trade in Africa, nearly 100% of respondents to the survey said it was important, with the highest category believing it was "extremely important".

Nearly 50% of respondents said they use digital payment systems to conduct trade, with a high number also using e-commerce platforms and supply chain management software, among other methods.

As indicated in Chapter 2, there is high awareness of new initiatives under the AfCFTA, including PAPSS, and an increasing willingness to use it to conduct trade across borders in local currencies. As detailed, PAPSS now links 16 central banks and 150 commercial banks, settling local currency trades in seconds. This is projected to shrink transaction costs by up to 50%, according to the ITC.

Regional economic communities have also developed their own payment systems and countries have experimented with digital currency pilots such as the e-naira and e-cedi corridors for ease of trading and to reduce the use of cash. But the reality is that while countries are on the right track, the dollar is likely to remain dominant for some time to come.

Digital reform efforts

Most governments have a stated intent to digitise their economies and at a pan-African level those commitments have been clearly articulated. For example, the AU Commission has undertaken to develop a comprehensive Digital Transformation Strategy for Africa in collaboration with the UN Economic Commission for Africa, Smart Africa, AUDA-NEPAD, regional economic communities, African Development Bank, Africa Telecommunications Union, and the World Bank, among others.

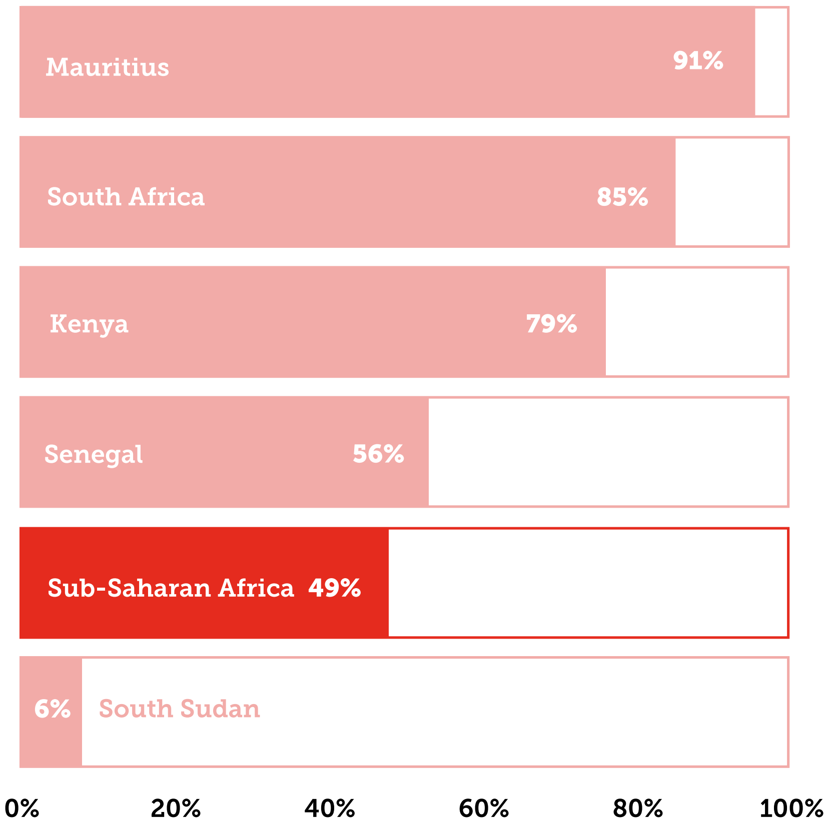
Smart Africa is a continent-wide alliance of governments, international organisations, and private sector companies working to create a single digital market by 2030 by enabling affordable access to broadband and ICT, strengthening digital policies, and fostering innovation and digital skills.

A big step forward, potentially, is the approval of the AfCFTA Protocol on Digital Trade, which establishes a harmonised legal framework to boost intra-African digital trade and economic integration. It aims to do this by promoting cross-border data flows, digital payments, electronic commerce, and cybersecurity. It aims to create a secure digital trade ecosystem for businesses and citizens.

While the Protocol was approved in February 2024, supplementary annexes covering areas like digital identities and fintech are still under negotiation, and states can only ratify the protocol once these have been concluded. But they are, in terms of the treaty, expected to invest in digital infrastructure, harmonise national laws with the provisions of the protocol and conduct policy gap analyses.

Most countries in Africa now have some sort of digital strategy but the rollout is slow and progress has been uneven. The best performers, according to the Africa Policy Research Initiative, are Mauritius, Seychelles, South Africa and Tunisia, but even these have a patchy performance across segments. The private sector is playing a big role in digital rollout. In South Africa, for example, the banking sector has stepped in to dispense passports, identification cards and other services.

Bank account ownership in sub-Saharan Africa (2021-2022)



Cost and access challenges

Survey respondents, while embracing the need for business to go digital, also report a raft of challenges in exploiting these new tools for trade and other business. Problems include the high costs of implementation, limited access to reliable internet, cybersecurity concerns and a lack of technical expertise.

Countries still grapple with high connectivity prices and poor infrastructure, making digital services inaccessible for many, especially in rural areas. Unclear data privacy laws and restrictive telecom policies also hinder progress, creating uncertainty and slowing investment in digital systems.

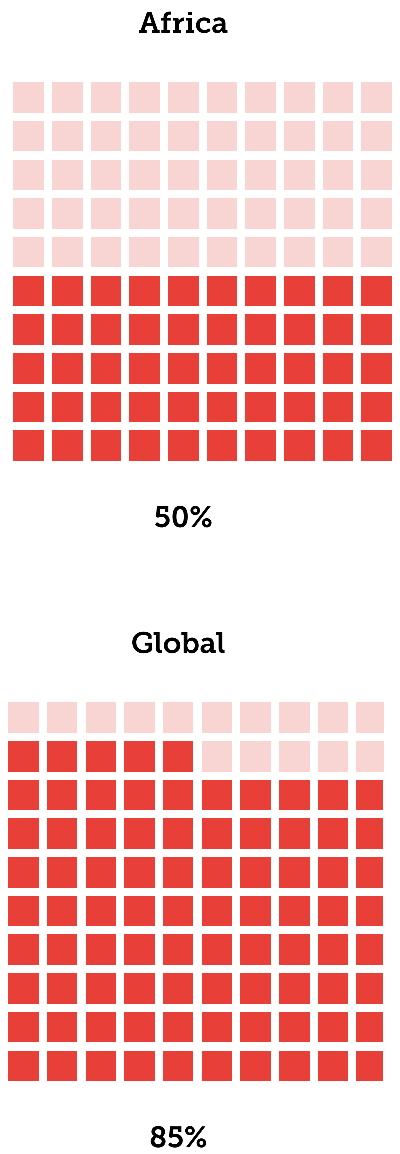
A lack of foundational digital systems and connectivity makes widespread adoption of digital trade difficult and expensive in many countries, compounded by high costs for reliable broadband and internet access as well as the cost of digital hardware. These create a significant barrier to entry for businesses, particularly for SMEs, which may also lack the financial resources and technical expertise to invest in new technology and required training.

This is being addressed by organisations such as the ITC in its multi-faceted interventions to assist SMEs. One initiative, the Africa Digital Innovation Accelerator, is a two-year initiative implemented by the ITC and funded by the Global Development Fund through the China International Development Cooperation Agency (CIDCA), that aims to empower 100 SMEs from 25 African countries to build their e-commerce stores.

However, a general lack of digital literacy among the population can hinder the adoption and effectiveness of digital trade solutions. There is a huge need in Africa for digital literacy training, with levels lower than those in other parts of the world. According to a report by the World Bank, only 50% of countries in Africa have computer skills as part of their school curriculum, compared to 85% of countries globally.

Africa's internet penetration rate was 38% in 2024, the lowest globally, according to the International Telecommunication Union. This is due to factors like the high cost of services, poor infrastructure in rural areas, and a lack of digital skills, despite rapid growth in user numbers and high mobile broadband coverage.

Computer skills as part of the school curriculum



Nearly 50% of respondents said they use digital payment systems to conduct trade, with a high number also using e-commerce platforms and supply chain management software, among

50%

There are other problems that create challenges for companies wanting to digitise their operations. Many existing systems in businesses and financial institutions are outdated and it is costly to upgrade, replace or integrate them with modern platforms.

The absence of universally recognised legal and operational frameworks for digital trade can force organisations to use multiple, costly platforms to meet different jurisdictional requirements.

A lack of harmonised standards for digital trade can also increase compliance costs.

Sustainability and green business
The survey, in a new feature, also raised the issue of sustainability and greening business, key issues in the modern workplace, which are also linked to the digitisation trend to modernise business processes and data capture.

An overwhelming number of respondents believe that integrating sustainable solutions into the company's future trade strategy is important, given the global shift towards environmentally friendly practices. This is essential for organisations to remain relevant and competitive.

Sustainable energy solutions employed by respondents to the survey include reducing carbon emissions in production or logistics, and using eco-friendly packaging, in a shift toward greener businesses.

While ESG (Environmental, Social and Governance) principles may not be as developed in Africa as in the developing countries, it is important for businesses to keep up in order to be able to engage with trade partners, multinational companies and prospective funders from other regions.

And there are many benefits to doing so, including setting up frameworks that promote transparency and accountability, fostering trust among stakeholders and putting into place more ethical business practices. This can drive more efficient and effective operations and better resource management.

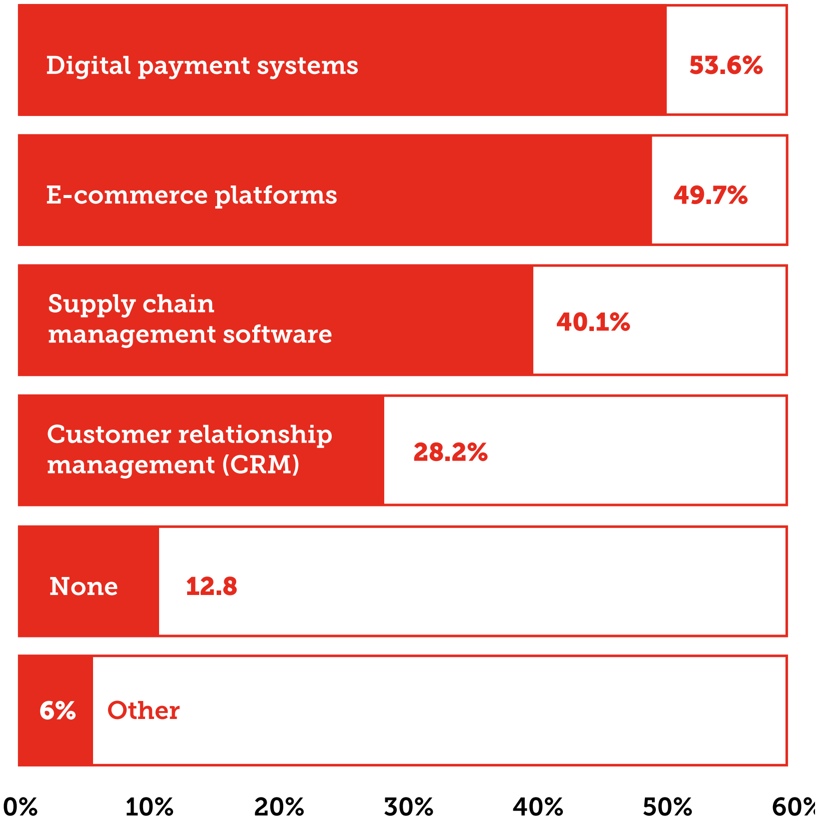
Compliance with ESG principles in Africa is not mandatory but increasingly being eyed by governments and regulatory bodies across the continent, which are introducing guidelines and frameworks to promote ESG reporting and sustainable practices.

But despite the fact that ESG has become mainstream in modern business, there are many challenges in applying it, including skills shortages, the need for new systems to be integrated into existing companies, and reporting issues.

There is also a lack of alignment with global standards, weak governance oversight and insufficient social transformation. SMEs in particular face challenges in mainstreaming ESG into their businesses. They struggle to access affordable financing and the patient capital needed for long-term sustainable investments.

This is in addition to costs they already have to bear from operating in unpredictable economic conditions. Managing sustainable supply chains can be challenging due to limitations in sourcing sustainable materials or ensuring ethical practices throughout the chain.

Survey respondents' adoption of digital tools or technology to facilitate trade



Survey results

As noted above, there was an unprecedented response to the question of whether respondents believed digitisation was important for the future of trade in Africa. Almost 100% said they believed it was, with just 1.07% believing it is not important.

The answers were broken down into "extremely important" (63.81%), very important (26.12%), and "important" (8.99%). This is a resounding vote of confidence for the shift to digitisation, although the results do speak to sentiment rather than application.

However, the second question in this section did support a significant shift to the actual adoption of digital tools and technology to facilitate trade, backing up the positive sentiment on the shift outlined above.

There has been a distinct shift to digital tools or technology by companies in order to facilitate trade. The survey showed that 53.64% of respondents were now using digital payment systems, with another 49.68% using e-commerce platforms. Another 40.04% had moved to customer relationship management (CRM) systems and 28.18% to supply chain management software.

Surprisingly, 12.74% said they had not adopted any digital tools or technology to facilitate trade, although this might reflect the type of business they are in. Another 6% said "other" in reply to the question but did not specify what this was.

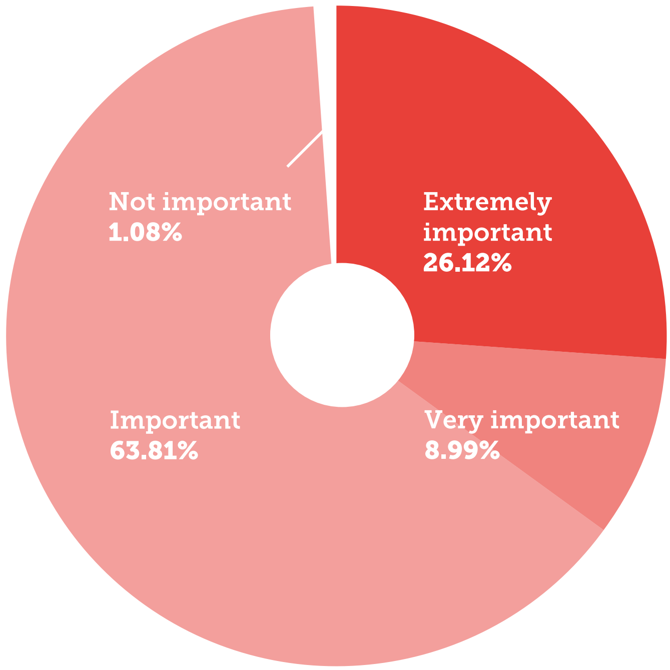
However, companies indicated that they are facing a raft of challenges in adopting digital trade solutions. Top of the list by a fairly large margin was the high costs of implementation, raised by 46.15% of respondents.

This was followed by limited access to reliable internet (31.16%), which is unsurprising given the widespread lack of reliable electricity, even in many cities across Africa. Cybersecurity concerns also registered high on the list, with 30.84% of respondents listing that as a big issue.

The rapid growth of mobile banking, communication, and e-commerce services in Africa has outpaced the development of robust cybersecurity defences, creating fertile ground for cybercriminals.

The problem is exacerbated by insufficient cybersecurity infrastructure and systems, leaving many companies and public institutions vulnerable.

Respondents on the question of whether digitisation is important for the future of trade in Africa



Respondents, while embracing the need for business to go digital, also reported challenges, including the high costs of implementation, limited access to reliable internet, and cybersecurity concerns.

According to INTERPOL's *Africa Cyberthreat Assessment Report 2025*, cybercrime accounts for more than 30% of all reported crime in West and East Africa, while South Africa and Egypt suffered the highest number of ransomware detections and other scams.

In the past year, suspected scam notifications rose by up to 3,000% in some African countries.

Other challenges raised by respondents in adopting digital trade solutions were a lack of technical expertise (30.09%), followed by regulatory and compliance issues (24.20%), and resistance to change within the organisation (18.20%). 13.49% said they had experienced no significant challenges.

Sustainability and green business

The need to build sustainable and green businesses was a new topic introduced in this year's survey, which is timely given the rapid shift to these models across the globe as companies respond to increased pressure on the triple bottom line and the greening of economies on the back of climate change concerns.

Respondents were asked how important sustainable solutions were to the company's future trade strategy, given the global shift towards environmentally friendly practices.

There was also an overwhelmingly positive response to this question, with 98.29% of respondents agreeing that it is important. Of these, the biggest number, 48.07%, said it was "extremely important". This highlights a decisive global trend for eco-friendly approaches, which seems to be replicated in Africa too.

However, the question did not cover how many were actually putting in place solutions to this end, making it important to distinguish between sentiment on issues and practical implementation.

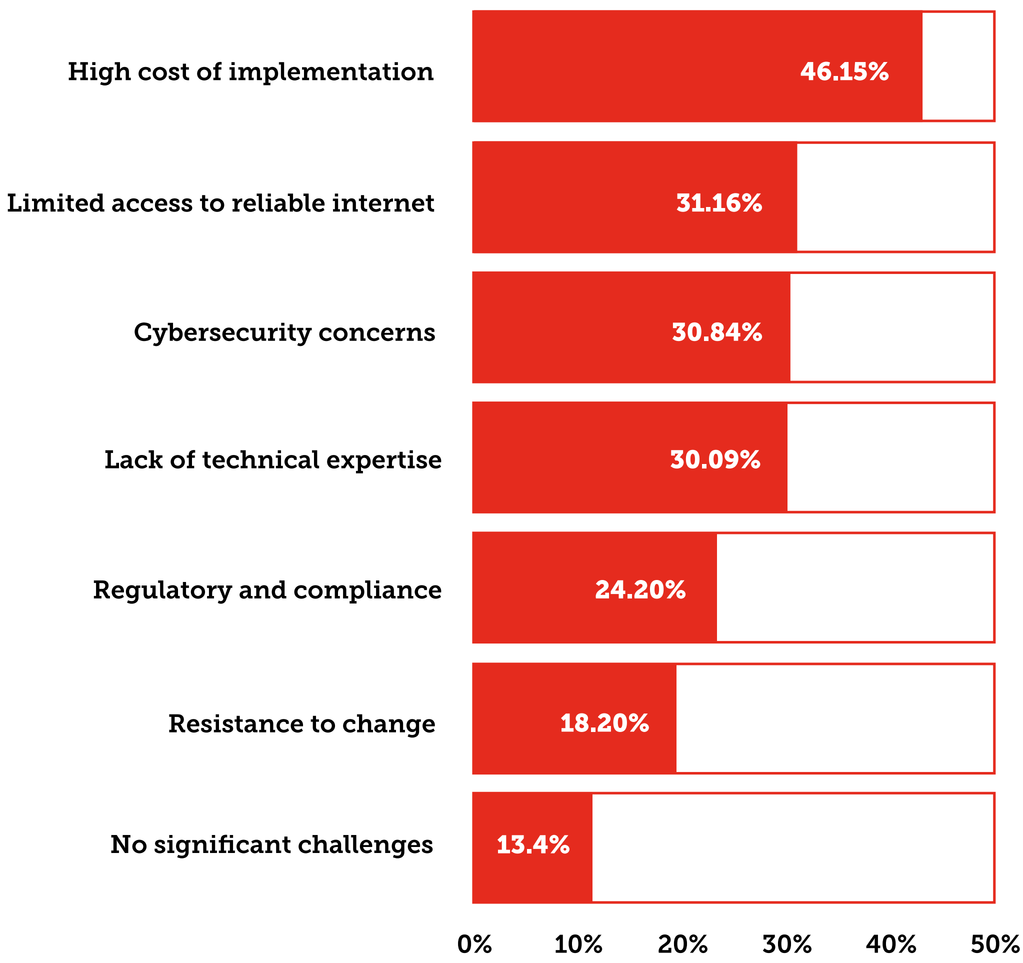
Companies were asked which green solutions the company had prioritised if they were adopting these solutions. The biggest response came from those implementing sustainable energy solutions (36.01%), followed by 31.34% reducing carbon emissions in production or logistics.

This was followed closely by those prioritising eco-friendly packaging or materials (28.09%). A low number (4.56%) chose "other" without specifying what they were.

The importance of running an environmentally friendly, ethical business with due consideration for stakeholders and the impact of the business was clearly highlighted by the survey, despite the many challenges ahead as companies adapt. It also shows that African companies, large and small, are on the same trajectory as those from other regions in terms of these major global trends.

The importance of running an environmentally friendly, ethical business, with due consideration for stakeholders and the impact of the business, was clearly highlighted by the survey results.

Survey respondents on the challenges to adopting digital trade solutions in Africa



Chapter 4
Conclusion

This report has highlighted key trends in African trade and the opinions of respondents in the PAFTRAC 2025 survey. The questions were asked during a time of disruption in African trade, part of a wider crisis in global trade driven by the US's destabilising tariff rollercoaster.

This also presented an opportunity for the AfCFTA to shine, offering comfort to African economies amid heightened uncertainty. As external trade relationships become less reliable, regional trade offers stability and growth. About 98% of respondents said they believed the AfCFTA is important for protecting Africa's trade interests.

These views suggest that the unstable global environment, coupled with the undermining of the multilateral system, may actually drive regional trade, even as some countries face new US tariffs. Businesses are seeking opportunities closer to home to reduce risk and disruption, while investors look for stability.

The progress made by the AfCFTA has been stellar, given the complexity of building a pan-African free trade area from 54 countries at different levels of development, many with limited trade and industrial capacity.

At a strategic level, Africa is well positioned for growth in a world where trade is expected to double over the next decade. This involves not only new African markets under preferential arrangements but also new partners with an interest in Africa. These go beyond Europe, Asia and the US, to include the Gulf countries, and possibly the Caribbean, a project led by Afreximbank.

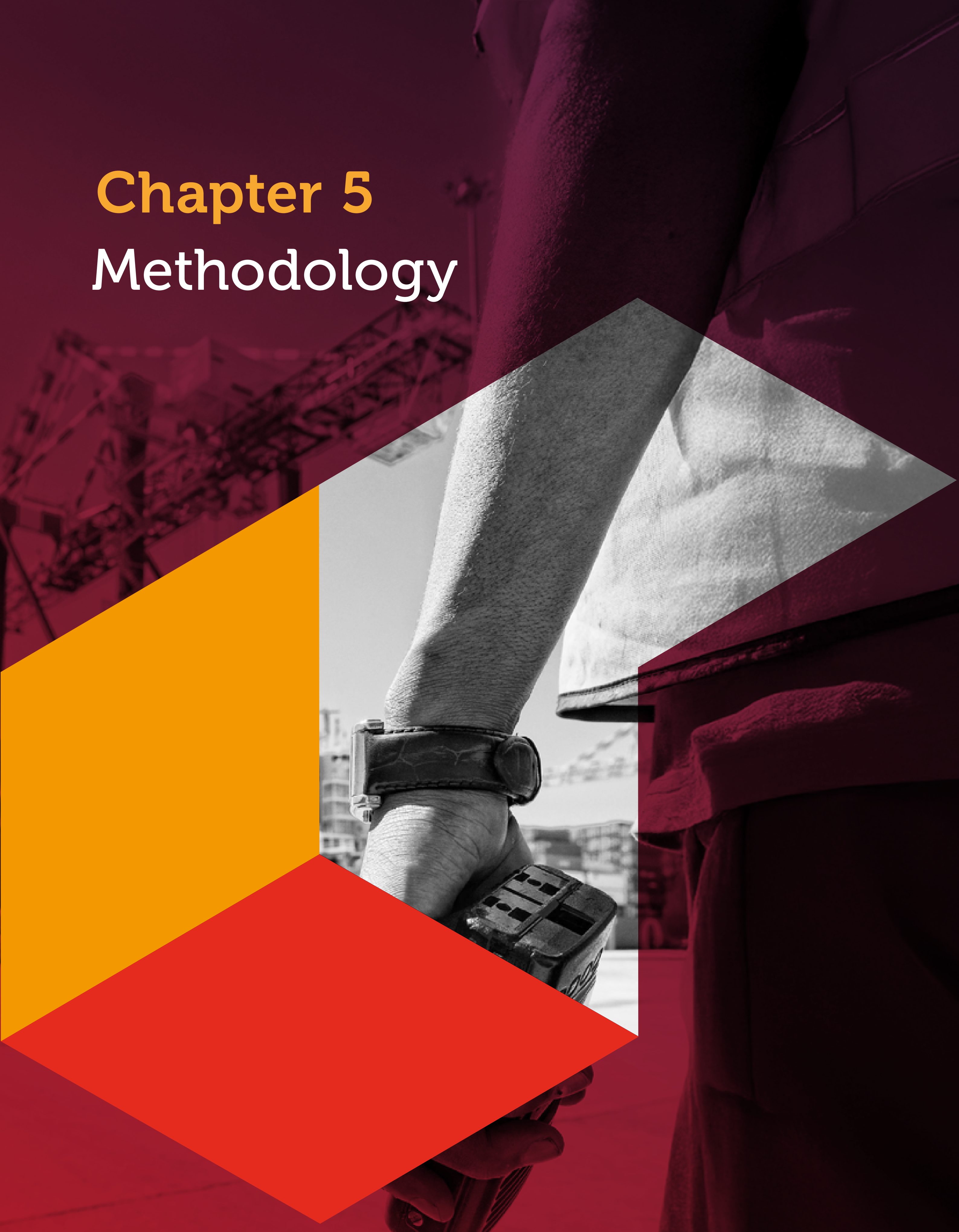
To realise the vision of the free trade area, awareness of the AfCFTA's support mechanisms, tools and programmes – launched with strategic partners – must be better promoted and used. Businesses also need to engage more. The survey showed low awareness and little usage. PAPSS and the Intra-African Trade Fair fared better than others, such as the African Trade Observatory, but overall more needs to be done.

The bigger issue is infrastructure, systems and industrialisation. African countries must become more resilient and productive to benefit from intra-African trade. This requires not only hard infrastructure but also soft systems: affordable digital access and a mindset shift that prioritises regional trade over reliance on external markets. Recent global crises have underscored this.

The AfCFTA provides a foundation for Africa to overcome global disruption and build a more sustainable, resilient continent, but more focus is needed on industrialisation, regional value chains, digitisation and green development.

The AfCFTA provides a foundation for Africa to overcome global disruption and build a more sustainable, resilient continent.

Chapter 5
Methodology



This year's Pan-African Private Sector Trade and Investment Committee (PAFTRAC) CEO Trade Survey was completed by a total of 2,188 executives. It was compiled by *African Business* in conjunction with Botho Emerging Markets Group.

We reduced the number of questions in the survey from 59 in 2023 to 30 this year to provide a more focused analysis. 2,151 of the respondents came from a total of 51 African countries, with only 37 respondents based outside Africa. The questions were answered over a period of 9 weeks from 15 April until 15 August 2025. *African Business* and Botho then undertook quantitative and qualitative thematic analysis, creating data visualisations for presentation in this report.

Along the lines of our surveys in previous years, most businesses participating in the survey (55.93%) employ fewer than 50 employees, with the proportion of larger companies decreasing slightly from 45% to 44.08%. This range of different sizes should ensure a spread of views to go with the geographical spread of participants. Many very small business owners, such as sole traders, lack any access to digital platforms and so are unlikely to have taken part in our survey.

The companies surveyed come from a wide range of different sectors. While in previous years agriculture dominated, slightly more participants are from the tech and telecoms sector this year. Transport and logistics are also well represented, with slightly fewer firms from both banking and manufacturing, as we sought to source interested companies from across the African business world.

Just 13.98% of the companies involved have operated for less than a year, while 39.75% are more than a decade old. Given that 55% are SMEs, it is no surprise that 45.87% have annual revenues of less than $1m. Another 21.62% earn between $1m and $10m, with just 8.48% earning over $1bn. Again, this spread has enabled us to garner wide-ranging views.

Chapter 6

About PAFTRAC

The pan-African private sector trade and investment committee (paftrac)

PAFTRAC unites African leaders from the private sector and provides a unique advocacy platform bringing together the African private sector and African policymakers to support extra and intra-African trade, investment and pan-African enterprise.

The platform drives pan-African results by providing a framework for private sector engagement in trade and investment issues in Africa, including policy formulation and trade negotiations to support African economies in line with the ambitions of Agenda 2063: "The Africa We Want".

PAFTRAC enhances advocacy and supports policy actions and recommendations of the private sector on trade; and investment issues at the national, trade corridor, regional and multilateral levels.

Members of the Executive Committee
(above, clockwise):
Prof. Patrick Utomi, Chairperson; Mr Samuel Dossou-Aworet, Vice-Chair; Dr Amany Asfour, Vice-Chair; Mr Agostinho Kapaia, Vice-Chair; Mr Walid Loukil, Vice-Chair

Thank you to our partners

African Business is the leading publication for business news and analysis across Africa. With a stellar network of correspondents and experts across the continent, African Business provides exclusive insights and in-depth features on the sectors and industries that shape African markets. Whether you are an investor, entrepreneur, or policymaker, African Business is your essential guide to understanding Africa's dynamic and diverse business landscape.

African Export-Import Bank (Afreximbank) is a Pan-African multilateral financial institution mandated to finance and promote intra- and extra-African trade. For 30 years, the Bank has been deploying innovative structures to deliver financing solutions that support the transformation of the structure of Africa's trade, accelerating industrialization and intra-regional trade, thereby boosting economic expansion in Africa.

Though the **AfCFTA** is driven by its Member States, the Secretariat functions as the coordinating body for all its activities. The Secretariat is the administrative organ mandated to coordinate the implementation of the AfCFTA. The Secretariat is responsible for convening meetings, monitoring and evaluating the implementation process of the AfCFTA and other duties assigned to it by the AU Assembly of Heads of State, the Council of Ministers, and the Committee of Senior Trade Officials. The Secretariat houses experts, notably in legal affairs, economic policymaking, research, and communications, to assist the Member States, among other things, in ensuring easy progress of negotiations and that the rules set out in the Agreement are correctly applied and enforced.

AUDA-NEPAD
AFRICAN UNION DEVELOPMENT AGENCY

The establishment of **AUDA-NEPAD** is part of the global reforms geared at improving the African Union's impact and operational efficiency. The mandate of AUDA-NEPAD is to coordinate and execute priority regional and continental projects to promote regional integration towards the accelerated realisation of Agenda 2063; and strengthen capacity of African Union Member States and regional bodies, advance knowledge-based advisory support, undertake the full range of resource mobilisation and serve as the continent's technical interface with all Africa's development stakeholders and development partners. The new mandate gives the organisation a wider role in terms of providing knowledge-based advisory support to AU Member States in the pursuit of their national development priorities.

Botho Emerging Markets Group is a leading advisor and consultant to investors, companies, governments and nonprofits navigating the world's fastest-growing markets. We're guided by a common set of values: curiosity, collaboration, and impact. Botho is the Setswana word for respect, which shapes our approach to business.

The International Trade Centre is the joint agency of the World Trade Organisation and the United Nations. ITC assists small and medium-sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development within the frameworks of the Aid-for-Trade agenda and the United Nations' Sustainable Development Goals.

The International Islamic Trade Finance Corporation (ITFC) is a member of the Islamic Development Bank (IsDB) Group. It was established with the primary objective of advancing trade among OIC Member Countries, which would ultimately contribute to the overarching goal of improving socioeconomic conditions of the people across the world. Commencing operations in January 2008, ITFC has provided US$70 billion to OIC Member Countries, making it the leading provider of trade solutions for the Member Countries' needs. With a mission to become a catalyst for trade development for OIC Member Countries and beyond, the Corporation helps entities in Member Countries gain better access to trade finance and provides them with the necessary trade-related capacity building tools, which would enable them to successfully compete in the global market.

The AATB Program is a multi-donor, multi-country, and multi-organizations program supported by the African Export-Import Bank (Afreximbank), Arab Bank for Economic Development in Africa (BADEA), Islamic Development Bank, the International Islamic Trade Finance Corporation (ITFC), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) and the Islamic Corporation for The Development of The Private Sector (ICD). The Program aims to promote and increase trade and investment flows between African and Arab OIC Member Countries; provide and support trade finance and export credit insurance and enhance existing capacity-building tools relating to trade. The Program specifically focuses on supporting the key sectors of agriculture and related industries including textiles; the health industry including pharmaceuticals; infrastructure and transport; and petrochemicals, construction material, and technology.

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