ISS | AFRICAN FUTURES

Africa in the World

Africa's Trade Futures

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Last updated 24 August 2026 using IFs v8.72

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Africa’s Trade Futures

Briefly

A previous section concluded that despite growing geopolitical competition over Africa, the continent still accounts for only around 1-2% of the global outward FDI portfolios of China, the EU and the US. Africa's challenge is consequently less about choosing between competing investors than about dramatically increasing its share of investment and trade from all investors.

Africa’s total trade

The bulk of Africa’s export basket consists of precious stones, crude oil, natural gas, minerals and metals. Its import composition consists of machinery, vehicles, pharmaceuticals, electronics and other refined products. Africa’s reliance on exporting raw materials means that much of the value added through processing and manufacturing takes place outside the continent, limiting domestic production, industrial employment, technology development and economic growth.

In 2025, Africa’s total trade (both exports and imports) amounted to almost US$1.3 trillion. This represented less than 3% of global trade, with its trade flows remaining predominantly extra-continental (which excludes intra-African trade). Intra-African trade remained very low compared with other regions of the world. A paltry 16.3% of Africa’s trade is internal (intra-African trade), compared to 62.6% for Asia and 66.5% for the EU in 2025.

Looking to 2050, Africa’s total trade increases in three of the four scenarios, but is 9 percentage points lower than the 2025 level in the World at War. Africa’s total trade doubles in the Divided World, increases more than threefold in the Sustainable World, and is more than fourfold larger in the 2050 Growth World forecast. Whereas total trade, as a percentage of GDP, was 56% in 2025 and remains at that level in the 2050 World at War forecast, it increases to 113% in 2050 in the Growth World. Because the ratio includes both exports and imports, total trade can exceed 100% of GDP, particularly in highly open economies and regions with cross-border value chains.

The future share of the EU, US, China and other partners in African trade will depend on their own economic growth, trade policy, enlargement and internal cohesion. These factors are held constant or treated exogenously in the present scenarios and represent an area for sensitivity analysis. The findings underscore the extent to which Africa’s future in trade will be dominated by its relations with China and the EU. However, trade with other regions, such as the Gulf countries, is also growing rapidly.

In all four scenarios, South and Central America remain relatively peripheral to Africa’s future in trade, despite a shared history of conquest and exploitation.

Africa’s exports

Africa’s export performance has remained low, stagnant and heavily skewed towards primary and commodity goods, despite efforts to expand market access through numerous external and internal trade agreements. The most significant external trade agreements have historically been with the EU, the US and China. These agreements provide African exporters with preferential access to the EU, the US and China, while requiring participating African economies to gradually liberalise their own markets. With the EU, trade agreements have progressively shifted from unilateral preferences towards reciprocal Economic Partnership Agreements (EPAs).

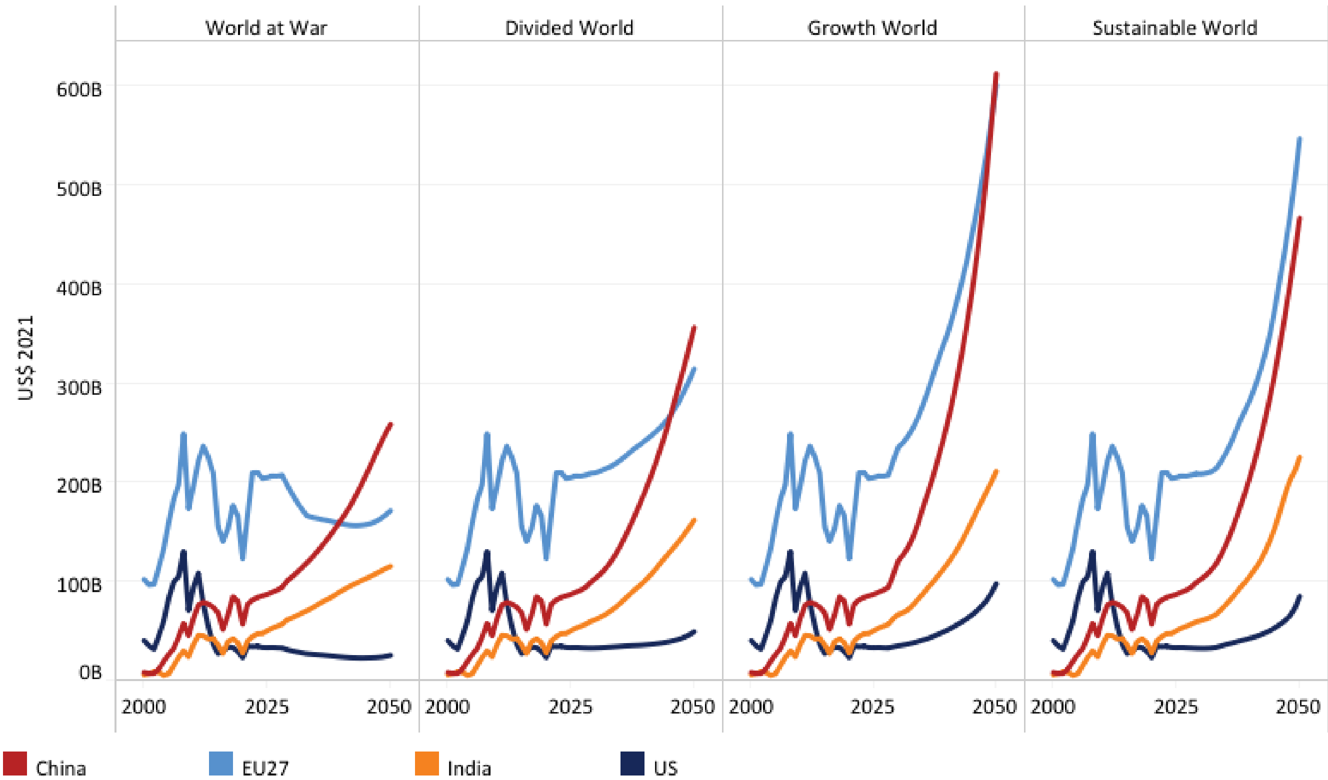
The US has primarily provided preferential market access AGOA. Rather than a conventional reciprocal free-trade agreement, AGOA grants eligible sub-Saharan African countries preferential access to the US market across a wide range of products, subject to eligibility requirements. Although AGOA has supported export-oriented industries in some countries, particularly apparel and manufacturing, its benefits have been unevenly distributed, and African exports to the US remain concentrated among a relatively small number of economies and products.

Africa's trade relationship with China has developed differently. It has been built around bilateral economic cooperation, investment agreements and preferential market-access initiatives rather than a single continent-wide free-trade agreement. This relationship has expanded considerably alongside Chinese investment in African infrastructure and natural resources. Importantly, China has progressively widened duty-free treatment for African exports and, from May 2026, extended a non-reciprocal zero-tariff treatment to goods from the 53 African countries (excluding Eswatini) with which it maintains diplomatic relations. This could improve market access for African exporters, though whether it substantially changes the composition of exports will depend on African economies' ability to increase productive capacity and supply higher-value goods competitively.

In 2025, Africa’s total exports amounted to around US$934, representing only about 2.9% of world exports, highlighting the continent’s relatively small share of global trade value. The majority of African economies remain at the upstream end of the global value chain (GVC), supplying primary and commodity goods. This limits opportunities for industrial upgrading, productivity gains and economic diversification. The potential of downstream beneficiation of its natural resources is large.

Using IFs, Chart 12 presents the recent history and a forecast of the value of Africa’s exports to China, India, the EU and the US for each of the four scenarios. The value of African exports to the EU is much higher than that to China, although exports to China increase in all scenarios. In contrast, exports to the EU decline significantly in the World at War scenario. As in China, exports to India also increase in all four scenarios, while exports to the US trend lower than those to the others.

Chart 12: Value of Africa's exports to China, India, the EU and the USA, 2000 to 2022, with a forecast to 2050 per scenario



Source: IFs 8.72 initialising from World Population Prospects data

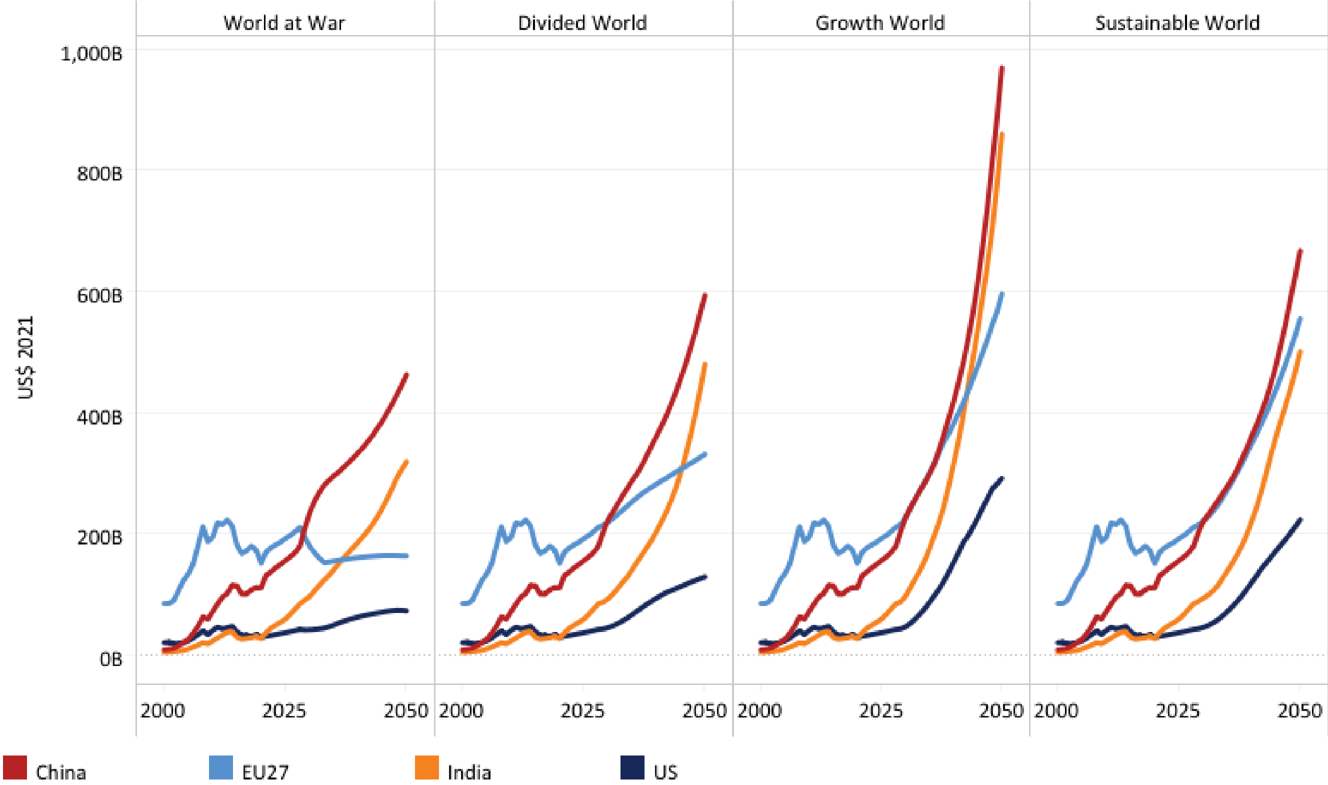
Africa’s imports

In contrast to its export structure, Africa’s import basket comprises a significant share of capital and intermediate goods that support domestic production, investment and economic development. Imports of machinery, equipment and industrial inputs can enhance productive capacity, facilitate infrastructure development and promote the transfer and adoption of technology. As such, a high level of imports is not inherently economically undesirable, particularly when imports are directed towards productivity-enhancing investment rather than solely final consumption. Imported capital goods and intermediate inputs can raise productivity, strengthen domestic industrial capacity and support structural transformation, ultimately improving Africa’s competitiveness and its ability to produce and export higher-value-added goods.

In 2025, Africa’s total imports were estimated at approximately US$1 trillion, exceeding exports and resulting in a trade deficit of around US$74 billion. The continent accounted for only 3.2% of global imports.

Chart 13 presents a history and forecast of Africa’s imports from China, India, the EU and the US in billion US$ for each scenario. Similar to the export profile, the value of exports from the EU is higher than that of China, but export growth from China and India to Africa is much higher than that from the EU. In fact, Chinese exports to Africa are rapidly overtaking those from the EU.

Chart 13: Value of Africa's imports from China, India, the EU and the USA, 2000 to 2022, with a forecast to 2050 per scenario



Source: IFs 8.72 initialising from World Population Prospects data

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Jakkie Cilliers, Marvellous Ngundu and Blessing Chipanda (2026) Africa in the World 2043. Published online at futures.issafrica.org. Retrieved from https://futures.issafrica.org/thematic/18-africa-in-the-world/ [Online Resource] Updated 24 August 2026.

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Dr Jakkie Cilliers is the founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Institute's Pretoria office, and an extraordinary professor at the University of Pretoria. His 2017 best-seller Fate of the Nation addresses South Africa's future from political, economic and social perspectives. His four most recent books, Africa First! Igniting a Growth Revolution (March 2020), The Future of Africa: Challenges and Opportunities (April 2021), Africa Tomorrow: Pathways to Prosperity (June 2022) and *Africa's Road to Prosperity: 10 Things to Know* (July 2026) offer rigorous analyses of the continent as a whole. From August to December 2025, Cilliers was a Richard von Weizsäcker Fellow at the Robert Bosch Academy in Berlin, during which he worked on *Africa's Road to Prosperity*

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About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.