

2025 AFRICA EXPORT COMPETITIVENESS REPORT

FROM MARKET ACCESS TO MARKET UTILISATION

IN PARTNERSHIP WITH

ACBF THE AFRICAN CAPACITY BUILDING FOUNDATION

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FOREWORD
MEASURING WHAT MATTERS IN AFRICAN TRADE



Mamadou Biteye
Executive Secretary
African Capacity Building Foundation

Can an African business reach a customer across a border at a cost worth taking?

Since its inaugural edition in 2023, the Africa Export Competitiveness (AEC) Index has grown from a pilot assessment of 30 economies to this year's coverage of 44, reflecting the continent's appetite for rigorous, comparable evidence on what stands between African economies and the export transformation they seek. This third edition is the product of a genuinely joint effort: the African Capacity Building Foundation's (ACBF) mandate for evidence-based capacity development, Shared Value Africa's grounding in what competitiveness looks like from the vantage point of the firm, and the Institute for Competitiveness's rigour in benchmarking economies against one another and against themselves over time. Each of our organisations came to this report from a different angle. We share a conviction that the evidence assembled here deserves to be read together, not in parts.

This evidence tells an important and, at times, uncomfortable story. Export policy, including trade agreements signed, promotion strategies adopted, and tariff regimes reformed, correlate well with a country's overall standing in this Index, but far less well with its actual export performance. The Index's own regression analysis puts a number on this: policy explains roughly 30% of the variation in what countries actually export, how sophisticated those exports are, and how far they reach. The remaining 70% is carried by productive capacity, infrastructure, skills, and institutions, which require the harder, slower work of capability building that no trade agreement can substitute. Mauritius, with one of the strongest policy frameworks on the continent, illustrates the point precisely: strong policy alone did not translate into commensurately strong export performance.



This is not a finding to read at the level of the state alone. Behind every pillar and sub-pillar in this Index sits a simpler, more human question: can an African business reach the customer on the other side of a border, at a cost and with reliability that makes the trip worth taking? An economy's export policy can be sound and its trade agreements plentiful, yet if credit does not reach the private sector, if small and medium enterprises (SMEs) cannot navigate the practicalities of the African Continental Free Trade Area, or if the basic infrastructure a firm depends on remains unreliable, none of that architecture converts into shared prosperity. The report's own evidence that behind-the-border constraints account for the majority of Africa's trade costs is, in our joint reading, an argument for putting the firm, and particularly the SME, at the centre of the next phase of AfCFTA implementation, not at its periphery.

None of this diminishes the value of measurement itself. The AEC Index draws, as it states plainly in its methodology, on the competitiveness framework set out more than three decades ago, the same intellectual foundation on which the Institute for Competitiveness has built its own comparative work benchmarking competitiveness across India's states. We recognise in this report a rigour of method that allows its findings to travel beyond any single edition or any single continent. What this year's edition demonstrates, and what comparable work elsewhere in the Global South has shown, is that competitiveness indices earn their value not from the score a country receives but from the diagnostic conversation that score should provoke.

The report's contrasting case studies of Egypt and Mauritius make a further point worth carrying forward: there is no single template for export transformation. What is universal is the need for the institutional capability to act on what the evidence shows, namely the capability at the level of the state, the firm, and the comparative humility to keep learning from how other economies, in Africa and beyond, have closed the same gap between policy intent and productive capability. It is in that spirit that we are proud to present this year's Report to the African Union, its Regional Economic Communities, member states, and the wider development community.



Mamadou Biteye
Executive Secretary
African Capacity Building Foundation



ACKNOWLEDGMENTS

We extend our heartfelt gratitude to all our colleagues and partners whose invaluable contributions have been pivotal in the development of this third edition of the Africa Export Competitiveness Report. Your expertise, insights, and dedication have significantly enriched our understanding of Africa's export competitiveness and the broader goals of the African Continental Free Trade Area (AfCFTA).

Our sincere appreciation goes to Mamadou Biteye, Executive Secretary of the African Capacity Building Foundation (ACBF), for his vision and leadership. His unwavering support and profound insight have been instrumental in shaping this research, and we are grateful for the collaborative spirit he has brought to this project across three consecutive editions. The entire ACBF team, and in particular its Programs and Impact Department, deserve recognition for their continued commitment to strengthening the index's analytical framework.

We are profoundly thankful to Dr. Amit Kapoor, Honorary Chairman of the Institute for Competitiveness and Lecturer at Stanford University, and to the Institute's research team, for their dedication and meticulous attention to detail. Their contributions have significantly deepened the analysis presented in this report and supported the expansion of its coverage to 44 countries in this edition, allowing us to draw meaningful conclusions that will benefit stakeholders across the continent.

We also wish to acknowledge and express our appreciation to Tiekie Barnard, Founder of Shared Value Africa. Her leadership in shaping this report since its earliest edition, and her continued insight into regional and firm-level dynamics, have been invaluable. Her contributions have again played a crucial role in strengthening the report's relevance and impact.

This collaborative effort underscores the importance of partnership and shared vision as we work towards economic integration and sustainable development in Africa. We are grateful to each person who contributed their time, knowledge, and resources to this endeavour. Together, we are paving the way for a more competitive and prosperous African economy.

> **This is a shared endeavour,** and the story it tells belongs to all who helped write it. We hope that this report will generate more conversations, decisions, and partnerships that carry Africa’s export ambitions forward.

ABBREVIATIONS

ACBF	African Capacity Building Foundation
AEC	Africa Export Competitiveness
ACI	Advance Cargo Information
AfCFTA	African Continental Free Trade Area
AFTA	Africa Free Trade Area
AEO	Authorised Economic Operator
CBAM	Carbon Border Adjustment Mechanism
CECPA	Comprehensive Economic Cooperation and Partnership Agreement
CEPA	Comprehensive Economic Partnership Agreement
COMESA	Common Market for Eastern and Southern Africa
CPI	Corruption Perception Index
D-8	Developing Eight
EAC	East African Community
ECI	Economic Complexity Index
ECOWAS	Economic Community of West African States
EDB	Economic Development Board
EDA	Export Development Authority
EFTA	European Free Trade Association
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GNI	Gross National Income
GOEIC	General Organization for Export and Import Control
GSP	Generalized System of Preferences
GTI	Guided Trade Initiative
HDI	Human Development Index
HS	Harmonized System
ICT	Information and Communication Technology
IEA	International Energy Agency
IMF	International Monetary Fund
IP	Intellectual Property
ITC	International Trade Centre
LDCs	Least Developed Countries
LFPR	Labour Force Participation Rate
MERCOSUR	Southern Common Market (Mercado Común del Sur)
MFN	Most-Favoured Nation
MIFC	Mauritius International Financial Centre
MVA	Manufacturing Value Added
MTI	Ministry of Trade and Industry
ODI	Overseas Development Institute
OEC	Observatory of Economic Complexity
PAPSS	Pan African Payment and Settlement System
PTA	Preferential Trade Agreement
QIZ	Qualifying Industrial Zones
RTA	Regional Trade Agreement
RTAs	Regional Trade Agreements
SACU	Southern African Customs Union
SADC	Southern African Development Community
SCZONE	Suez Canal Economic Zone
SPS	Sanitary and Phytosanitary
TFTA	Tripartite Free Trade Area
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Fund
USD	United States Dollar
VAT	Value Added Tax
WDI	World Development Indicators
WGI	Worldwide Governance Indicators
WTO	World Trade Organization

EXECUTIVE SUMMARY

The 2025 Africa Export Competitiveness report is the third edition and examines Africa's export performance within an increasingly fragmented and uncertain global economy. The global energy shift, shaped by geopolitics, is reshaping supply chains, while the rise of artificial intelligence, digitalisation, and new environmental requirements is changing the conditions under which African economies compete. These forces create both new pressures and new opportunities, while raising a fundamental question: what does it mean for Africa to be export-competitive in today's global economy?

Africa enters this uncertain global economy from a relatively disadvantaged position in global trade. Many economies continue to face limited industrial depth, constraints on infrastructure financing, low participation in higher-value segments of trade, and long-standing structural inequalities. At the same time, the continent possesses important strategic advantages, including abundant natural resources, critical minerals, expanding markets, and a central position within evolving global energy and supply chain networks.

The challenge is therefore not simply to participate in global trade, but to convert these advantages into stronger production capacity, with greater value addition arising from diversification and sustained export performance. The African Continental Free Trade Area (AfCFTA) is central to the discussion. Creating a large preferential market is important, but market access alone does not guarantee that firms will use it. Its outcomes will be seen over the next decade, and whether they are realised will depend on the transition from nominal market access to effective market utilisation. Its success will not be determined by the extent to which these preferences translate into actual trade, investment, regional production linkages, and stronger intra-Africa value chains.

This implementation challenge extends beyond the AfCFTA. Across the continent, export strategies, industrial policies, and regional integration commitments have not always translated into stronger export outcomes. Instead, the second question of export competitiveness is one of transformation: can African economies convert economic and resource opportunities into stronger industrial capacity by driving merchandise and service exports, and can that capacity generate sustained export growth, diversification, and higher value addition?

First, against this background, the AEC third edition assessment includes indicators across 44 African economies, expanding from 40 in the previous edition and 30 in the inaugural study. While the AEC index is itself presented as the 2025 edition, the broader contextual analysis has been updated through 2026 to reflect current geopolitical tensions and the increasingly fragmented and uncertain global economy in which African economies are operating. The broader coverage offers a more comprehensive view of export performance, market positioning and structural constraints across a highly heterogeneous continent.

This edition also features case studies of Egypt and Mauritius, demonstrating that export transformation may follow different trajectories. Egypt exemplifies a diversification of its industrial merchandise export base, whereas Mauritius illustrates a deeper transition towards services. Collectively, these cases indicate that diversification and openness alone are insufficient. Competitiveness depends on whether structural changes lead to higher productivity, stronger innovation, greater sophistication, and more sustainable participation in global markets.

The coming decade may prove decisive for Africa's place in the global economy. Progress will depend not only on resources, market size, and geography, but also on how effectively African economies convert opportunity into capability and broadly shared transformation, especially given the basic, fragmented global geopolitical tensions, erupting technological change, and the challenges they pose because African economies are not merely adapting to the global economy. They will play an important role in shaping it. This is the ultimate question of agency, as Paul Kagame observed: *Africa's story has been written by others. We need to own our problems and solutions and write our stories*. **Perhaps this is the decade in which Africa's story moves from resilience to rising.**

2025 AFRICA EXPORT COMPETITIVENESS REPORT

CHAPTER 01



01 AFRICA IN A FRAGMENTING GLOBAL ECONOMY

New opportunities and competitive pressures

AFRICA IN A FRAGMENTING GLOBAL ECONOMY

NEW OPPORTUNITIES AND COMPETITIVE PRESSURES

African exporters operate in a global economy characterised by resilient trade, yet one marked by growing uncertainty, heightened strategic management, and escalating geopolitical tensions worldwide. The World Trade Organization (WTO) estimates that world merchandise trade expanded by 4.6% in 2025, while services trade grew by 5.3%. In current U.S. dollar terms, global merchandise exports totalled USD 26.26 trillion, and commercial service exports totalled USD 9.56 trillion. According to the WTO's March 2026 baseline scenario, merchandise trade volume growth is expected to slow to 1.9% in 2026, with service trade growth projected at 4.8%. These 2026 figures are forecasts and remain contingent on geopolitical tensions, developments in energy markets, and other prevailing uncertainties (WTO, 2026a). The more fundamental alteration pertains to the organisation of global trade. UNCTAD reports that global tariffs rose during 2025, especially in the manufacturing sector, while governments progressively utilise tariffs, industrial policies, and other trade instruments to achieve strategic economic objectives. At the same time, nearly two-thirds of global trade takes place within value chains, and geopolitical tensions, technological change, industrial policy, and firms' efforts to diversify suppliers and reduce exposure to disruption are reshaping these networks (UNCTAD, 2026a).

For African economies, this presents both risks and opportunities. Economies reliant on a limited array of commodities or export destinations remain especially vulnerable to fluctuations in prices, tariffs, shipping routes, and geopolitical relationships. Concurrently, multinational initiatives aimed at diversifying suppliers and production sites may generate new prospects for African economies that possess reliable infrastructure, appropriate skills, a stable policy environment, and access to expanding markets.

The implications extend beyond tariffs. UNCTAD's May 2026 analysis reveals that non-tariff measures impose higher export costs than tariffs in 88% of the countries assessed. These measures encompass technical regulations, health and safety requirements, product standards, certification prerequisites, and administrative procedures. UNCTAD estimates that enhancing transparency could diminish trade costs related to these measures by approximately 19%, while increased regulatory convergence could reduce specific NTM-related costs by 15% to 30% (UNCTAD, 2026b).

The 2026 conflict in the Middle East illustrates how geopolitical shocks can affect African competitiveness through channels far beyond the countries directly involved. A joint assessment by the African Development Bank Group, African Union Commission, UNICEF, and UNDP identifies three principal transmission mechanisms to African economies:

1. Disruptions to global trade and logistics
2. Higher energy, food, and fertiliser prices
3. Volatility in capital and foreign exchange markets

The exposure is also uneven across African countries. Around 80% of African countries are net oil importers, whereas East Africa sources more than 75% of its crude oil imports and at least 30% of its fertiliser needs from the Gulf region. The resulting rise in fuel input costs can raise transportation and agricultural production expenses, destabilise external balances, and contribute to domestic inflation. Conversely, higher oil prices may provide advantages to certain African energy-exporting countries (African Development Bank Group et al., 2026)

The description also highlights the importance of trade route resilience. Shipping constraints, combined with ongoing insecurity around the Red Sea and Bab el Mandeb, have intensified trade and logistics pressures and prompted some shipping to divert around the Cape of Good Hope. Fertiliser markets have also been affected, with the global price of urea rising by more than 35% between February and March 2026, and several African economies are heavily dependent on Gulf supply. April 2026 estimates suggest the conflict could cut Africa's economic growth by up to 0.2% in 2026, with impacts varying across countries (African Development Bank Group, 2026, April 16). These tensions highlight a broader challenge for African exporters: exposure not only to tariff and demand changes but also to geopolitical shocks through energy, logistics, agricultural inputs, finance, and global supply chains as they work to reduce export disparities.

The importance of these measures for export competitiveness: state-supported preferential trade access holds limited commercial value when companies fail to meet technical standards, acquire recognised certifications, demonstrate product origin, efficiently complete customs procedures, or reliably deliver products. Export competitiveness increasingly relies not merely on the existence of formal market access but also on whether firms possess the necessary capabilities to utilise that access effectively.

Environmental requirements add another layer of complexity. The European Union's Carbon Border Adjustment Mechanism (CBAM) officially came into effect on 1 January 2026. Presently, it is applicable to specific imports including cement, iron and steel, aluminium, fertiliser, electricity, and hydrogen, with the aim of assigning a carbon cost to the embedded emissions tied to these covered imports (European Commission, 2026b). For affected exporters, compliance increasingly requires measuring emissions, documenting production processes, and adapting technology and energy inputs to evolving environmental requirements. This does not imply that every African exporter is directly exposed to the CBAM. Rather, it reflects a broader shift in international markets. Access is increasingly tied to production methods, traceability standards, and regulatory compliance.

Digitalisation is expanding export opportunities in parallel. The WTO estimates that commercial services accounted for 27.6% of total trade in 2025, while digitally delivered services expanded by about 10% during the year (WTO, 2026b). This expansion creates opportunities for African economies to diversify beyond merchandise exports, including through digitally delivered professional, financial, business, and technology-enabled services.

However, artificial intelligence is adding a new dimension to competition in these markets. AI can raise productivity, reduce trade costs, and expand the range of services that can be delivered across borders, but it can also raise the capabilities required to compete as firms increasingly depend on advanced digital infrastructure, data computing capacity, and specialised skills.

The WTO projects particularly strong AI-related gains in digitally deliverable services, while UNCTAD cautions that unequal access to computing capacity, finance, data, and expertise could deepen existing digital divides. Africa's capacity to leverage opportunities arising from the expansion of services trade increasingly relies not solely on broadband connectivity and digital literacy, but also on AI preparedness, data infrastructure, payment systems, regulatory compatibility, and technological proficiency (WTO, 2026b; UNCTAD, 2026).

For African economies, the challenge is consequently not only to secure changing global markets but also to build the productivity and institutional capabilities required to compete within them in the age of rapid digitalisation and artificial intelligence.

1.1 NEED TO ADVANCE FURTHER ON AFRICA'S STRATEGIC ADVANTAGE

Africa's role in critical mineral and clean energy supply chains exemplifies the distinction between resource potential and productive capacity. **According to estimates from the International Energy Agency, Africa supplies approximately 75% of global manganese, 70% of cobalt, and nearly 20% of copper. However, the continent captures less than 1% of the value created by manufacturing clean energy technologies and their components (IEA, 2025).** This disparity underscores a fundamental challenge for the transformation of African exports.

<1%

SHARE OF CLEAN-ENERGY TECHNOLOGY MANUFACTURING VALUE CAPTURED BY AFRICA, WHICH SUPPLIES AROUND 75% OF GLOBAL MANGANESE AND 70% OF COBALT

Resource abundance offers comparative advantage and strategic importance, but capturing more value needs upgrading into refining, beneficiation, material production, component manufacturing, and industrial processing. This upgrading requires more than raw material access. The IEA highlights reliable energy, transport infrastructure, skills, investment, technology, and suitable regulations as key for expanding higher-value production.

The same principle extends beyond minerals. Agro-processing can increase the value retained from agricultural production, while stronger supply networks can deepen manufacturing capabilities. In pharmaceuticals, automated production enables energy industries, and digitally delivered services to provide additional routes towards activities involving greater skills, technology, and productive knowledge. **Diversification should therefore be understood as productive transformation rather than simply an increase in exported products. This distinction also changes how regional integration is viewed.**

Regional integration can facilitate this process by establishing sufficiently large markets to sustain scaled production, promoting specialised suppliers, and fostering investments in new capabilities. Its strategic significance, therefore, extends beyond merely increasing intra-African trade; it also encompasses enabling regional production networks, industrial upgrading, and enhancing value retention within Africa. Consequently, the African Continental Free Trade Area holds particular relevance. The subsequent question pertains to whether a large, integrated market can effectively convert Africa's productive potential into cross-border manufacturing and sustained export opportunities.

1.2 AFRICA'S POSITION IN THE GLOBAL TRADE LANDSCAPE

Africa enters 2026 with considerable economic momentum despite a more uncertain international environment. **The African Development Bank Group estimates that the continent recorded average real GDP growth of 4.4% in 2025. There are 22 African economies growing by more than 5%. Growth is projected to be slightly lower at 4.2% in 2026, before reaching 4.4% in 2027.** The bank attributes Africa's resilience in 2025 to factors including improved agriculture production, supportive macroeconomic policies, and commodity prices, while cautioning that the 2026 outlook remains exposed to geopolitical tensions and disruptions to global supply chains (African Development Bank Group, 2026).

Recent trade data also indicate continued demand for African exports. In the first quarter of 2026, the U.S. dollar value of Africa's merchandise exports increased by 14% year on year, the second-highest increase among the regions reported by the World Trade Organization. The expansion was supported by exports including precious metals and gold, copper, fertilisers, and minerals. African

merchandise imports rose by 15% over the same period. These changes reflect nominal trade values rather than real export volumes and should therefore be interpreted partly in the context of international price movements (WTO, 2026A).

Despite this momentum, Africa's position in global trade remains modest relative to its population, markets, and resource base. Africa has not been able to establish itself as a prominent export hub in recent years. This is evidenced by the fact that Africa's share of total merchandise exports has not exceeded 3% since 2014, remaining at a mere 2.63% as of 2025. A comparable trend is observable in Africa's share of service exports, which has not surpassed the 2% threshold since 2016, averaging 1.8% over the last decade, significantly lower than Asia and Europe.

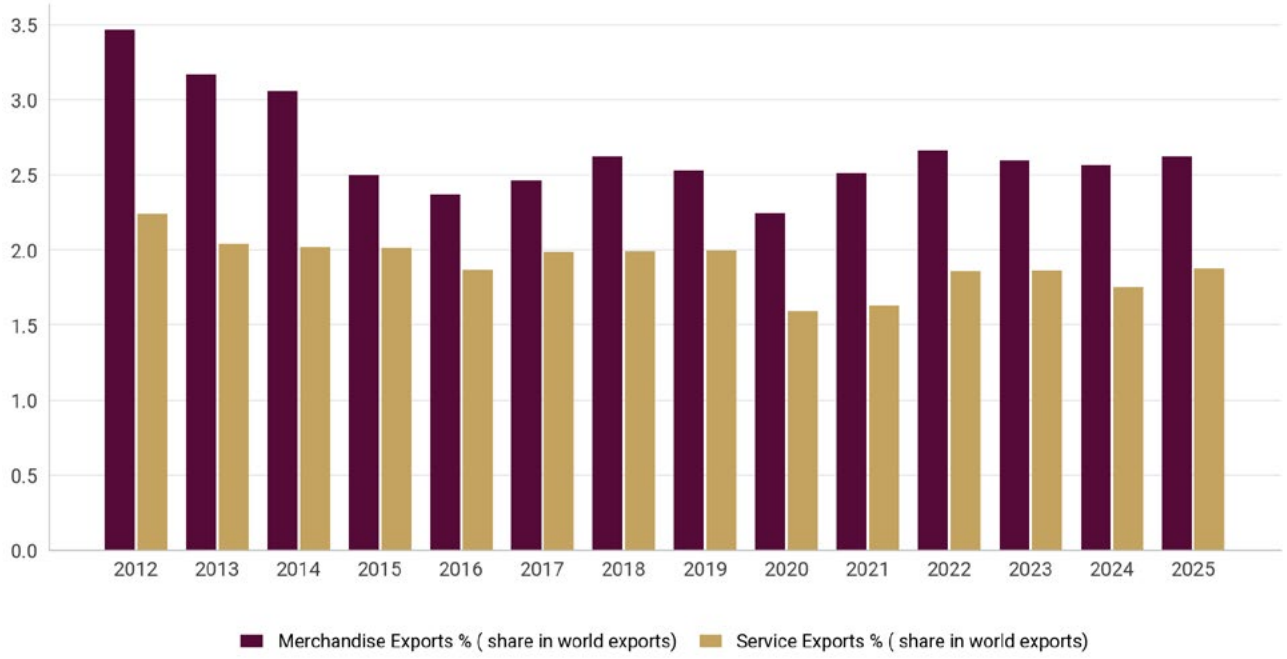
2.63%

AFRICA'S SHARE OF GLOBAL MERCHANDISE EXPORTS IN 2025



FIGURE 1: SHARE OF AFRICA'S EXPORTS IN THE WORLD (2012-2025)

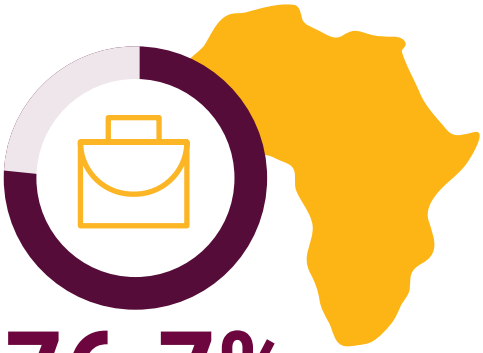
Source: UNCTAD STAT calculations



A broad measure reported by the United Nations Economic Commission for Africa in March 2026 indicates that Africa accounted for approximately 2.8% of global merchandise trade in 2025, compared with 5% in 1994. The continent's contribution to global manufacturing value added remained below 2% (United Nations Economic Commission for Africa, UNECA, 2026a).

The composition of African exports is central to understanding this gap. Data updated in 2020 and June 2026 show that primary goods accounted for 76.7% of Africa's merchandise exports in 2025, with fuels alone accounting for 29.5%. By comparison, primary products represent 5.5% of merchandise exports from developing economies in the Americas and 25.4% in developing Asia and Oceania (United Nations Conference on Trade and Development, 2026a).

This high concentration of primary products should not be automatically interpreted as evidence of low export competitiveness. Many of the resources supplied by African economies are becoming increasingly important to global energy, industrial, and technology systems. The more consequential issue is whether resource exports generate wider domestic production linkages through processing, supply deployment, technology, employment, and progressively higher-value economic activity.



76.7%

SHARE OF PRIMARY GOODS IN AFRICA'S MERCHANDISE EXPORTS IN 2025

Services provide a second important source of opportunity. The WTO estimates show that the value of Africa's commercial service exports increased by 15% in 2025, the fastest rate among the world regions included in its comparison. African travel service exports increased by 16% during the year (WTO, 2026b).

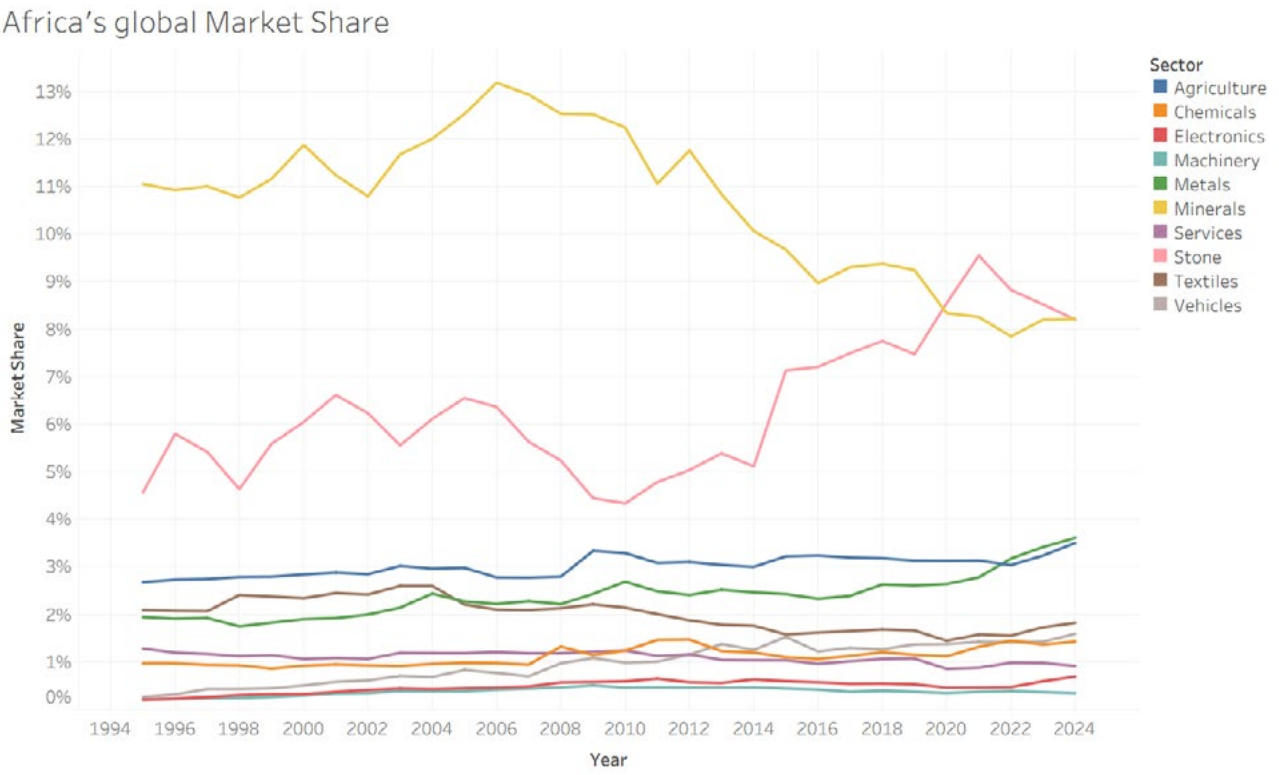
Taken together, these trends suggest that Africa's export challenges should not be defined only by whether the continent can increase export value. The deeper question concerns what is exported, how it is produced, how much productive knowledge is embedded in those exports, the range of markets reached, and how much value is retained within African economies. This creates an important distinction between export growth and export transformation. Higher international prices or additional mineral extraction can raise export receipts substantially without fundamentally changing an economy's productive capabilities. By contrast, expansion into processed agricultural products, increasingly sophisticated manufactured goods, more technology-intensive activities, professional and digital services, or additional destination markets may signal a deeper transformation of the underlying production base.

1.3 EXPORT BASKET: DIVERSIFICATION OF PRODUCTS AND MARKETS A MUST

Africa's export basket has remained relatively concentrated over the past three decades, with minerals and stone consistently accounting for the largest share of exports. Minerals dominated most of the period, but their share declined from mid-2000 as stone gained ground, overtaking them around 2020. By 2024, both held similar shares. Metals' share has risen recently, while agriculture remained stable. Textiles have lost export share from their earlier levels, while electronics and machinery continue to represent a limited portion of the overall export basket. Services have remained low, below 2%, throughout this period. Overall, Africa's export structure has diversified gradually and remains concentrated in resource-based products.

FIGURE 2: AFRICA'S GLOBAL MARKET SHARE (1994-2024)

Source: The Growth Lab at Harvard University. The Atlas of Economic Complexity



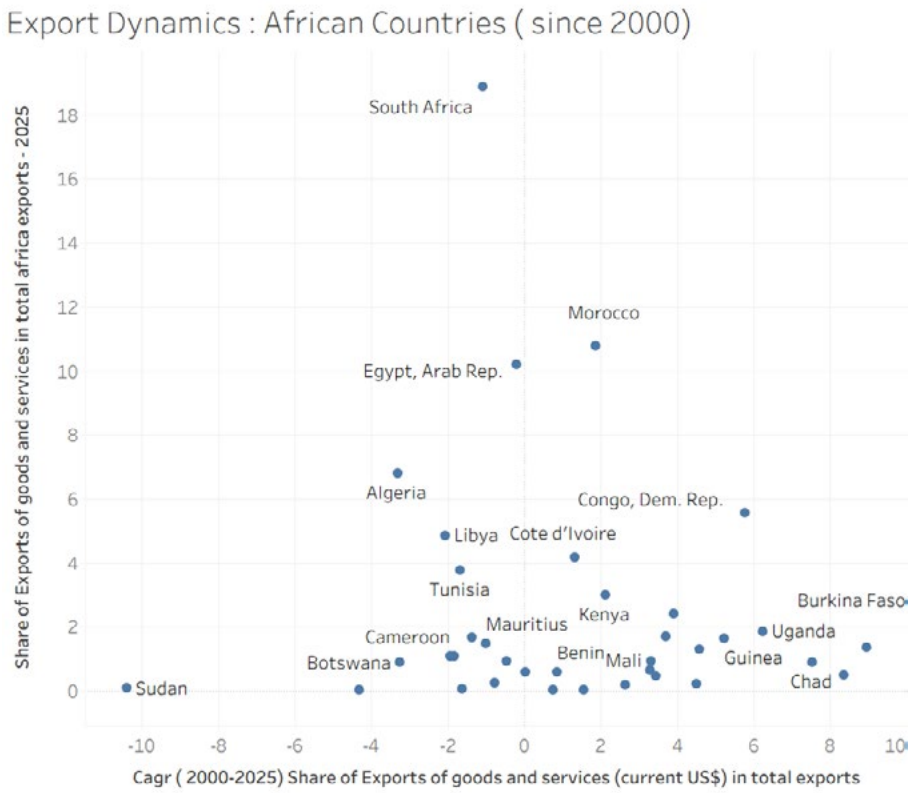
Diversification should therefore be interpreted as more than simply increasing the number of products exported or markets reached. The stronger form of diversification is associated with accumulating productive knowledge and capabilities that allow firms in economies to move into processing, manufacturing, and increasingly sophisticated services. This is consistent with the IEA's analysis of African industrialisation, which emphasises that moving beyond raw material extraction requires skills, infrastructure, energy, technology investment, and a fit-for-purpose regulatory system (IEA, 2025).

Furthermore, export diversification can be comprehended as the broader distribution of productive and export capacity across African economies. Any evaluation of Africa's export performance would therefore be incomplete without acknowledging the significant heterogeneity characterising the continent's export landscape.

Africa's export landscape has shifted considerably between 2000 and 2025, with 21 countries having a positive compound annual growth rate (CAGR) in their share of the continent's exports of goods and services. Burkina Faso, Rwanda, and Chad recorded the strongest gains, with export shares growing at a CAGR of 8.94%, 8.37%, and 7.53%, respectively. However, several other African nations, despite lower export shares, are experiencing remarkable export growth. This highlights the continent's diverse and evolving export landscape, and an exploration of the factors driving these trends is needed to understand the intricate export dynamics within African countries.

FIGURE 3: EXPORT DYNAMICS: SELECTED AFRICAN COUNTRIES SINCE 2000[1]

Source: World Bank



Moreover, diversification and industrial upgrading concentrated in a small number of advanced economies, such as South Africa, Morocco, and Egypt, do not by themselves constitute continent-wide transformation. In 2025, they accounted for 39.87% of Africa's total goods and services exports. The objective should therefore be to create conditions that allow a much wider range of African economies to develop productive capabilities in higher-value-added activities and participate more effectively in regional and global markets, consistent with their respective industrial strategies.

However, the challenge is not only geographical concentration but also limited product diversification across these economies. Africa's export transformation should ultimately be measured not simply by the performance of a few leading exporters, but by the extent to which industrialisation and export diversification become broad-based across the continent.

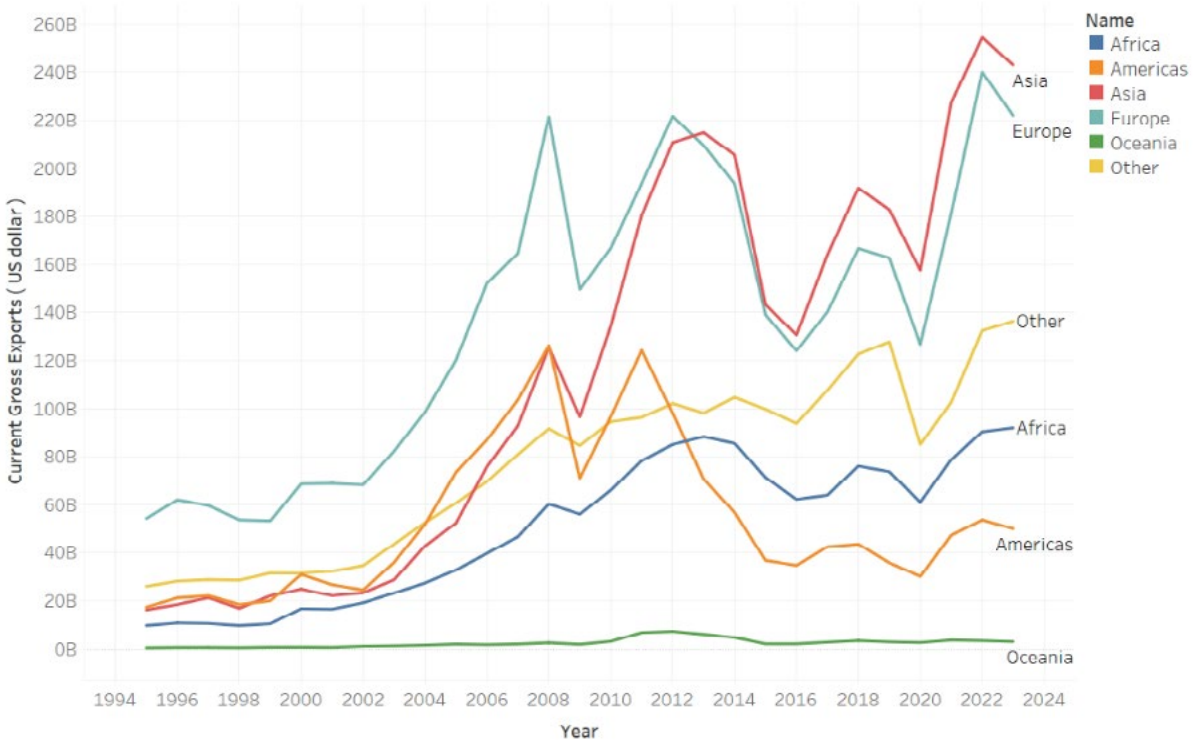
After examining the export trends of the African continent as a whole, it becomes imperative to examine the export trends of individual countries. It is evident that the majority of exports within the African continent are consistently dominated by a selected group of African countries. However, several other African nations, despite having a lower export share, are experiencing remarkable export growth. This highlights the continent's diverse and evolving export landscape. Further analysis and exploration of the factors driving these trends are needed to understand the intricate export dynamics within African countries.

Over the years, the primary export destinations for African goods have changed significantly. In the early 2000s, Europe was the most favoured continent for African exports. This trend persisted until 2016, when Asia surpassed Europe as the preferred destination for African exports, which continues to this day.

[1] This includes 36 countries due to data limitations across other countries

FIGURE 4: DESTINATION OF AFRICAN EXPORTS SINCE 1995

Source: World Integrated Trade Solution (WITS)



1.4 AfCFTA: MOVING BEYOND MARKET ACCESS

The African Continental Free Trade Area (AfCFTA) offers a potentially significant regional platform. By establishing a larger and more integrated market, the AfCFTA can enable enterprises to specialise, augment production capacity, develop cross-border supply chains, and engage in regional production networks. However, the existence of a substantial preferential market does not inherently guarantee that firms will utilise it. Consequently, the economic relevance of the AfCFTA increasingly depends on the transition from nominal market access to actual market utilisation in practice: whether firms can comply with rules of origin, efficiently navigate customs procedures, reliably transport goods across borders, make and receive payments, and connect with regional suppliers and customers at commercially sustainable costs (World Bank, 2026).

This is important because intra-African trade exhibits a distinct productive composition relative to Africa's trade with the rest of the world. Agricultural products and manufactured goods constituted 46% of intra-African exports during the period 2019-2023, in contrast to 24% of Africa's total exports within the same timeframe. Food products represented a further 21% of intra-African exports, followed by fuels at 20%, and ores and metals at 10% (UNECA, 2025a). Consequently, regional trade holds potential structural importance beyond its aggregate value. It fosters increased manufacturing intensity, thereby creating greater opportunities for production sharing, supplier development, knowledge transfer, and domestic value addition.

The regional analysis conducted by the World Bank consequently reinforces the interpretation of "Integrating Africa from Threads to Hubs": regional markets possess the capacity to offer the scale necessary for firms to

engage in specialisation and investment, while enabling the pooling of production capabilities across borders. Simultaneously, the report estimates that approximately 60% of Africa's trade costs stem from unilateral behind-the-border constraints, including customs inefficiencies, weak logistics and transport restrictions, regulatory divergence, fragmented standards and service barriers, and inadequate infrastructure (World Bank, 2026). This implies that tariff liberalisation remains essential; however, a significant portion of the benefits of integration ultimately hinges on reforms to systems that largely fall within national jurisdictions.

This shifts the AfCFTA implementation question from negotiation and market access to the interoperability of the systems firms use to trade. Customs administrations must be able to implement tariffs and preferences and verify origin; transport and transit systems must permit reliable movement across borders; and standards and regulatory procedures need sufficient compatibility, while payment, financial, energy, and digital systems need to support cross-border commercial activity. As the World Bank (2026) argues, functioning connections between these systems are what convert formal market access into commerce.

There is evidence indicating progress in certain enabling systems. The 2025 UN Global Survey on Digital and Sustainable Trade Facilitation reported that Africa's overall implementation rate for trade facilitation measures increased from 55.6% in 2023 to 62.4% in 2025, representing a rise of 6.8 percentage points. However, progress has been more substantial on measures targeting SMEs, agricultural trade, and other facets of sustainable trade facilitation (UNECA, 2025b). This indicates that implementation is advancing; however, disparities continue to exist among nations and across different categories of trade facilitation measures.

The implementation indicators of the African Continental Free Trade Agreement (AfCFTA) likewise emphasise the importance of distinguishing progress in negotiations from operational implementation. The African Union's 2025 report documented that 48 of the 50 submitted tariff schedules have undergone technical verification. Furthermore, the report indicates that 25 member states have gazetted designated trade schedules, while 24 service schedules have been adopted across 5 priority sectors. At that point, 92.43% of product-specific rules of origin had been negotiated, with remaining negotiations primarily focused on automotive production, clothing, and textiles (African Union Commission, 2025b).

In September 2026, the remaining rules of origin were adopted, achieving 100% agreement on the AfCFTA rules of origin (Department of Trade, Industry, and Competition, 2026). Additionally, in September 2026, Somalia deposited its instrument of ratification, making it the 50th state to become party to the AfCFTA agreement (AfCFTA Secretariat, 2026). Progress at the continental level continues, but agreement on and ratification of common regulations remain separate from domestic implementation. Influence in transactions now extends beyond tariffs and rules of origin to include the financial and institutional trade infrastructure.

The Africa Adjustment Fund, established collaboratively by the AfCFTA Secretariat and the African Export-Import (Afrexim) Bank, is designed to help governments and enterprises manage the adjustment costs of trade liberalisation and strengthen their capacity to engage effectively in the continental market. The Fund's projected financing requirement is estimated at USD 10 billion over 5 to 10 years, with Afrexim Bank having committed USD 1 billion to the mechanism. The Fund Corporation also engaged African institutional investors as part of its capital mobilisation efforts (African Export-Import Bank, 2026).

The cross-border payment infrastructure exemplifies another transition: from negotiating access to enabling regional trade to operate in practice. Following the Bank of Central African States' integration into the Pan-African Payment and Settlement System (PAPSS) in July 2026, PAPSS reported establishing connections across 28 African countries, encompassing over 190 commercial banks and fintech firms, and integrating 16 payment switches. Its primary objective is to facilitate cross-

border payments within the African continent, thereby mitigating one of the practical obstacles encountered in trading across national markets (PAPSS, 2026). These developments show Africa's shift from setting rules to building systems for applying them. Export success depends on Africa's commitment and firms' ability to leverage it affordably and predictably to access markets, expand, and conduct research.

The core implementation centres on the transition between three stages: AfCFTA participation, readiness, and utilisation. Participation establishes the legal opportunity. Readiness concerns whether tariffs, schedules, rules of origin, and other customs procedures make the facility operational. Utilisation is the final commercial test: whether firms claim preferences, enter regional markets, and integrate into cross-border production networks.





02 THE IMPLEMENTATION GAP IN AFRICA

Beyond formal trade policy commitments

THE IMPLEMENTATION GAP IN AFRICA

Beyond formal trade policy commitments, evidence indicates that institutional execution remains a significant constraint on African trade and investment integration. ODI Global's 2026 synthesis of the AfCFTA protocol on investment highlights recurring gaps between legal alignment and operational delivery across 21 countries. These discrepancies include fragmented institutional mandates, limited digitalisation, substantial investment in aftercare, grievance mechanisms, and national focal points that may exist formally but are not fully operational (Te Velde et al., 2026). The study further reveals that digital systems often coexist with manual processes, duplicating rather than completely replacing administrative processes. Significantly, these findings pertain specifically to implementing the AfCFTA protocol on investment; however, they also highlight the broader need for institutional capacity to turn commitments into commercial results. The AfCFTA implementation underscores the difference between ratification and operationalisation.

As of 26 September 2026, 54 of the African Union's 55 member states had signed the AfCFTA agreement, with Eritrea the only non-signatory. Of these, 50 countries, including Somalia, which deposited its instrument on 4 September 2026, have officially ratified the agreement. Progress is therefore substantial, but the commercial effectiveness of the AfCFTA continues to depend on national gazetting, system implementation, and firms' practical ability to demonstrate origin and to claim preferential treatment in practice. Persistent high intra-African trade costs reinforce the significance of this implementation gap.

292%

AVERAGE NON-TARIFF TRADE COSTS ON GOODS TRADED BETWEEN AFRICAN COUNTRIES (AD VALOREM EQUIVALENT)

UNCTAD's Economic Development in Africa Report 2024 estimates that goods traded between African countries incur average non-tariff trade costs equivalent to 292% ad valorem, including income, transport, border, administrative, and other costs beyond tariffs. Empirical research reaches a similar conclusion.

Kumari (2024) finds that WTO trade facilitation agreement ratification itself does not significantly increase trade, whereas improvements in actual trade facilitation performance raise agricultural manufacturing trade. Chekrouni and Benchekara (2024) estimate that Morocco's domestic implementation of trade facilitation reforms improved export performance by around 6.1% to 6.3%, with domestic reforms accounting for the principal effect. Wassie, Kornher, and Zaki (2025) further estimate that one additional day of customs delay carries a tariff-equivalent cost of approximately 0.9%, illustrating the direct competitiveness cost of border delays.

The broader evidence suggests that Africa's trade competitiveness depends not only on trade agreements but also on the capability to implement them effectively at border crossings and within domestic institutions. Kareem (2025) finds that telecommunications, logistics, and time-to-trade conditions influence both firms' probability of exporting and their export intensity across African economies. Similarly, Safaeimanesh and Jenkins (2020) estimate potential annual welfare gains ranging from USD 1.6 billion to USD 2.7 billion from reducing excessive border and documentary compliance costs in coastal ECOWAS economies, which are approximately 2.5 to 4.4 times greater than the welfare gains from completely removing import tariffs. These findings indicate that customs efficiency, institutional coordination, digital integration, and predictable border procedures are vital to turning preferential market access into real export competitiveness.



03 AEC METHODOLOGY

The framework behind the Africa Export Competitiveness Index

AEC METHODOLOGY
AFRICA EXPORT COMPETITIVENESS INDEX

The Index utilises the competitiveness framework established by Prof. Porter (1990) to provide a thorough understanding of the various factors influencing the performance of African economies. The Africa Export Competitiveness Index 2025 presents an in-depth assessment of current export conditions, highlighting significant drivers and warnings that affect export capabilities. Through its extensive framework, it analyses national export capacity and ecosystems. For the third edition, the index assessment has increased from 40 to 44 out of 55 AU member states.

Pillar	Sub-Pillar
Enabling Environment	Export Policy
	Basic Infrastructure
	Knowledge Workforce and Creation
	Administration
Demand Sophistication	Income Distribution
Business Dynamism	Business Environment
Export Performance	Growth and Orientation of Exports

3.1 CONCEPTUAL FRAMEWORK

The Africa Export Competitiveness Index framework, as defined in the 2023 report, which is the first edition, continues to thoroughly assess countries across several essential pillars and sub-pillars that are vital to export competitiveness. These aspects are crucial for gauging a nation's readiness and potential in international trade. The primary pillars are "Enabling Environment", which includes "Export Policy", "Basic Infrastructure", "Knowledge Workforce and Creation", and "Administration". The index also investigates "Demand Sophistication" through the "Income Distribution" sub-pillar. Moreover, it analyses "Business Dynamism" by examining the "Business Environment". Finally, the "Export Performance" pillar assesses the "Growth and Orientation of Exports". This comprehensive framework provides valuable insights into different dimensions of a country's ability and prospects in the global trade landscape, deepening our understanding of export competitiveness. A more thorough discussion of the framework is included in the analysis.

3.2 GEOGRAPHICAL COVERAGE

The Africa Export Competitiveness Index covers **44 of the African Union's 55 member countries.** Equatorial Guinea, Eritrea, Guinea, Guinea-Bissau, Liberia, Libya, the Sahrawi Arab Democratic Republic (Western Sahara), Sierra Leone, Somalia, South Sudan, and Sudan are excluded from the AEC ranking due to data availability, consistency, and comparability issues across the indicators. The index recognises the heterogeneity and vastness of the African continent in terms of geographical size, language, culture, and policies, which present complexities in analysing the index.

Countries
Algeria
Angola
Benin
Botswana
Burkina Faso
Burundi
Cabo Verde

Countries
Cameroon
Central African Republic
Chad
Comoros
Dem. Rep. of the Congo
Congo
Côte d'Ivoire
Djibouti
Egypt
Eswatini
Ethiopia
Gabon
The Gambia
Ghana
Kenya
Lesotho
Madagascar
Malawi
Mali
Mauritania
Mauritius
Morocco
Mozambique
Namibia
Niger

Countries
Nigeria
Rwanda
São Tomé and Principe
Senegal
Seychelles
South Africa
Tanzania
Togo
Tunisia
Uganda
Zambia
Zimbabwe

3.3 CHANGES TO INDICATOR COVERAGE

The 2025 Africa Export Competitiveness Index third edition omits several indicators from previous editions that the World Bank originally provided. The World Bank excluded these mainly because the data were outdated and could no longer accurately represent the current economic and business landscape in African countries. Many relevant series haven't been updated since 2019, limiting their usefulness for current export competitiveness comparisons. Some data gaps for certain countries also affect comparability and assessment robustness.

The indicators removed from the current edition are:

Sub-Pillar	Indicator Removed
Export Policy	Share of Tariff Lines with International Peaks
Basic Infrastructure	Cost to Export: Border Compliance
Knowledge Workforce and Creation	Labour Force Participation Rate (LFPR), ages 15–64
Knowledge Workforce and Creation	Patent Applications by Residents (per million population)
Knowledge Workforce and Creation	Trademark Applications by Residents (per million population)
Business Environment	Cost of Starting a Business
Business Environment	Time Required to Start a Business

The decision to discontinue these indicators is aimed at enhancing the relevance and timeliness of the Index, rather than diminishing the significance of the underlying dimensions they represent. Maintaining indicators derived from substantially outdated observations could lead to an inaccurate portrayal of current conditions and undermine comparability across countries.

To enhance the evaluation of knowledge workforce and creation, the current edition incorporated the indicator 'Scientific and Technical Journal Articles per Million Population' within the Knowledge pillar. This indicator offers a supplementary metric of national scientific and research productivity and strengthens the Index's ability to assess countries' capacity to generate and disseminate knowledge relevant to innovation and sustained export competitiveness.

3.4 DEALING WITH DATA AND INDEX SCORES

A few indicators lacked updated data in the public domain. In such cases, data from the previous year or national average of countries was considered.

Data Transformation

All the indicators in the final set are modified so that a greater value means a higher score for the state. For instance, the pendency of court cases will have a negative impact on the Index. Therefore, transformations are applied to make its impact positive.

As all the indicators are measured in different units, it is important to standardise them so they become comparable. Otherwise, a variable that has relatively less variance, but is measured on a larger scale, may appear to have much greater variation than it actually does. Standardisation helps to solve this problem by making all the indicators unitless as it rescales using a mean of zero and a standard deviation of one.

Indicators are normalised using either total Africa exports or population to enable relative country comparisons. This implies that changes in individual indicators may either be driven by the numerator or normalisation factor. Moreover, assessing year-on-year performance relies on consistent data collection over time that is not collected for all indicators. Therefore, a change in definition or old variable data could create movements in the rankings unrelated to performance. Thus, inferences about the performance of the countries based on a year-on-year ranking can be misleading.

Evaluating the Fit

The indicator selection process includes those that best describe the pillars' concept and are conceptually linked to each other. The rigour of the ACI methodology is strengthened by assessing multiple aspects of fit between those indicators.

First, the exploratory factor analysis is used to test the underlying factors among the set of selected indicators in each pillar. In this process, the indicators that are statistically incompatible are removed. Furthermore, the Advance Cargo Information (ACI) methodology involves evaluating the fit between the individual indicators by calculating Cronbach's alpha for each pillar.

Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1 (Tavakol & Dennick, 2011). Internal consistency describes the extent to which all the items in a test measure the same concept or construct; hence, it is connected to the interrelatedness of the items within the test. Internal consistency can be employed for research or examination purposes to ensure validity. An applied practitioner's rule of thumb is that the alpha value should be above 0.7 for any logical grouping of variables (Cortina, 1993).

The alpha values are significantly lower, i.e., 0.519 for Business Dynamism. We acknowledge this shortcoming, but we keep some indicators in the Index because they are important in Africa's export landscape. This is also due to the unavailability of data for African countries beyond the selected parameters.

Aggregation

After calculating each pillar, the goodness of fit is evaluated using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. The KMO index ranges from 0 to 1; as a rule of thumb, KMO scores should be above 0.5 (Williams, Onsman, and Brown, 2010). The results of this analysis are shown in Table 1 below. The KMO of all the pillars is above the set standards.

TABLE 1: RESULTS OF CRONBACH ALPHA AND KMO

Pillar	Sub-Pillar	Alpha	KMO
Enabling Environment	Export Policy	0.6785	0.6350
	Basic Infrastructure	0.7925	0.6858
	Knowledge Workforce and Creation	**0.8971**	**0.7341**
	Administration	**0.9706**	**0.8533**
Demand Sophistication	Income Distribution	**0.7776**	**0.5467**
Business Dynamism	Business Environment	**0.519**	**0.5815**
Export Performance	Growth and Orientation of Exports	**0.7538**	**0.7089**

The Africa Export Competitiveness Index uses the Principal Component Analysis (PCA) to calculate the indicators' weights within a pillar. The pillar values are calculated by summing up the weighted scores using the following formula:

The last step in determining the pillar score involves transforming the values to a 0 to 100 scale. This is done by calculating the scores using the best- and worst-case scenarios in addition to the regional dataset. The best- and worst-case scenarios are either actual best- and worst-case values from the dataset or adopted from global best practices.

$$Pillars = \Sigma (wi * indicator)$$

This method enhances comparability as well as comprehensiveness across the dataset. The calculation is done using the following formula:

$$(Xj\text{-}Worst\ Case) / (Best\ Case\text{-}Worst\ Case)$$

Where Xj represents the raw pillar values.

Dimension Scores

Each dimension score is taken to be a simple average of its pillars. The rationale being the absence of any theoretical or empirical proof to weigh any of the pillars higher than the others.

$$Dimension\ d = 1/i\ \Sigma\ Pillar\ s$$

Index Scores

The four dimensions are believed to reflect equally important aspects of export competitiveness. Therefore, no priority has been given to any dimension while calculating the Index. Equal weights have been assigned to each of them to highlight their roles.

$$Africa\ Competitiveness\ Index = 1/2\ \Sigma\ Dimension\ d$$



04 ANALYSIS: AEC SCORES

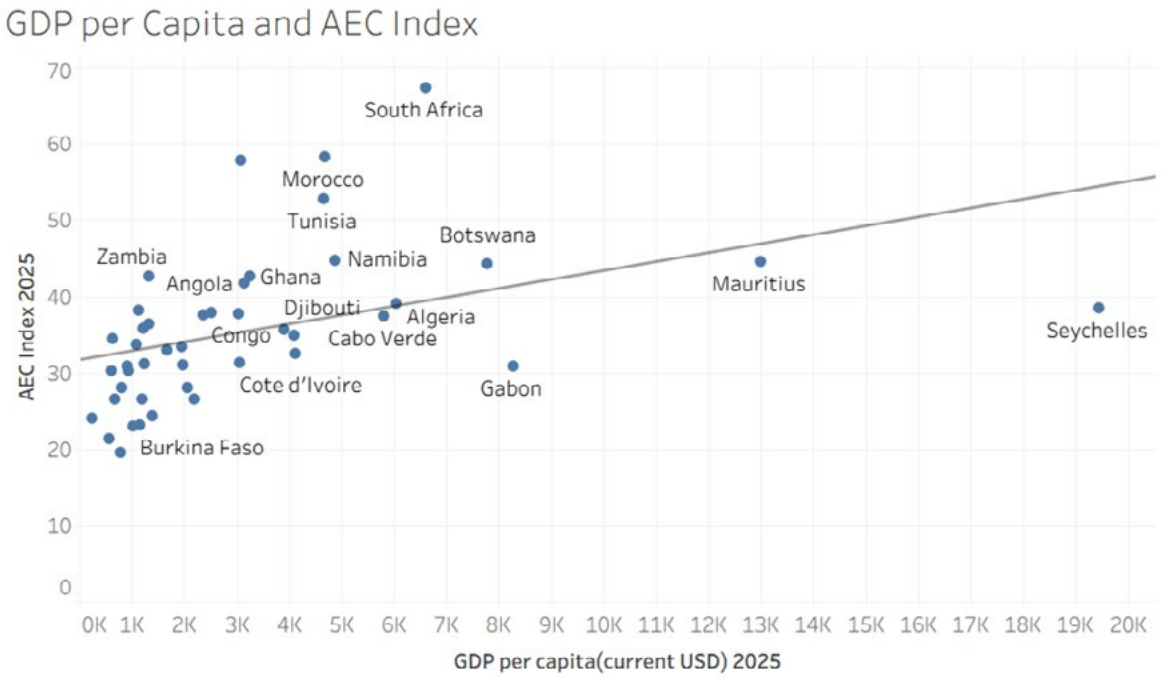
AEC scores across the African countries

ANALYSIS

AEC SCORES ACROSS THE AFRICAN COUNTRIES

This section outlines African countries' performance in the African Export Competitiveness Index, highlighting key strengths and areas for improvement. The Index ranks 44 countries on the African continent. Of the countries included in the Index, South Africa performed best with a score of 67.41 followed by Morocco (58.26), Egypt (57.80), Tunisia (52.72) and Namibia (44.75). The average score of all 44 countries in the Index was 35.42, with scores ranging from 67.41 to 19.53. Twenty of the 44 countries scored above the average, indicating that less than half performed above the continental average. South Africa ranked first with a score of 67.41, standing 9.15 points ahead of Morocco (58.26) and 9.61 points ahead of Egypt (57.80). The upper tier of the Index is relatively wide, with 10th-placed Angola scoring 41.67, 16.59 points below Morocco. In contrast, scores become increasingly concentrated towards the lower end of the Index, with 30th-placed The Gambia scoring 30.86, only 11.33 points above the lowest-ranked Niger (19.53). This concentration of scores among lower-performing countries highlights persistent export competitiveness constraints and underscores the need for coordinated efforts to strengthen the enabling conditions for trade and exports across African economies.

FIGURE 5: ANALYSIS OF GDP PER CAPITA AND AEC INDEX[2]



[2] Refer to Appendix 3 for ranking of 44 countries list

A notable trend within the Index is the significant clustering of countries at the lower end of the GDP per capita spectrum. Further analysis reveals a positive relationship between GDP per capita and overall AEC Index scores, with a correlation coefficient of approximately 0.41. Statistically significant at the 5% level ($p = 0.0049$), GDP per capita explains about 17.4% of the variation in AEC scores ($R^2 = 0.174$). This indicates a moderate positive association: countries with higher income levels tend to record higher export competitiveness scores, although the considerable variation around the trend line shows that income alone does not determine AEC performance.

A high per capita GDP, however, is not a prerequisite for achieving a high AEC score. For instance, Morocco, with a GDP per capita of approximately USD 4,672, registers an AEC score of 58.26, whereas Seychelles, despite having the highest GDP per capita in the Index at approximately USD 19,449, records a lower AEC score of 38.38. Similarly, countries with comparable income levels can show markedly different AEC performance. Angola, with a GDP per capita of approximately USD 3,129, achieves an AEC score of 41.67, while Côte d'Ivoire, at approximately USD 3,050, records a score of 31.26. **These disparities underscore that export competitiveness is influenced by factors beyond income levels, including policy, institutional, infrastructural, knowledge, and business environment conditions encapsulated by the AEC Index.**

The AEC Framework comprises four key pillars: Enabling Environment, Income Distribution, Business Environment and Export Performance. The Enabling Environment pillar is further divided into four key dimensions: Export Policy, Basic Infrastructure, Administration, and Knowledge Workforce and Creation.

4.1 ENABLING ENVIRONMENT

The "Enabling Environment" dimension assesses countries across critical pillars such as "Export Policy", "Basic Infrastructure", "Administration", and "Knowledge Workforce and Creation", which together reflect the multifaceted institutional and infrastructural foundations upon which export capacity is built.

1. **Export Policy:** The pillar gauges indicators which measure the extent to which countries have implemented favourable export policies that foster competition, remove trade impediments, and offer financial and marketing incentives.
2. **Basic Infrastructure:** The pillar encompasses indicators related to access to financial services, the reliability of electricity and broadband connectivity, the cost burden associated with exporting, and the strength of air, sea, and land transport networks. Continued upgrades to this physical and financial infrastructure are indispensable for enhancing a nation's export competitiveness.
3. **Administration:** The pillar evaluates the quality of governance, encompassing the government's effectiveness, adherence to the rule of law, suppression of corruption, and regulatory standards. Good governance is essential for the development and expansion of the economy.
4. **Knowledge Workforce and Creation:** The pillar pertains to the presence of a workforce, the capacity for innovation, and the advancement of human resources. An innovative and knowledge-based workforce is critical for fostering economic development.

The Enabling Environment pillar has an average score of 33.74 across the 44 African economies, with 27 countries scoring below this average. Mauritius leads the continent on this measure (76.13), followed by Seychelles (69.25), Morocco (68.62), Egypt (63.14), and Tunisia (61.92). Chad (11.60), Niger (11.07), and the Central African Republic (9.26) recorded the weakest performances.

1. Export Policy

The Export Policy pillar captures indicators that influence a nation's engagement in international trade. A stable, comprehensive export policy forms the foundation that propels a country's export performance. The Export Policy pillar assesses whether countries have such a foundation. A focused export promotion policy helps a country to identify the sectors and markets exporters can target to grow exports. It also helps exporters to expand their exports worldwide. This pillar assesses the presence of an export promotion plan, the number

of regional trade agreements, and the extent to which duty drawback provisions relieve exporters of tariffs on imported inputs. Taken together, these indicators show how readily a nation's producers can compete beyond its borders, and their presence or absence offers an early and telling indication of a country's overall orientation towards external trade.

TABLE 2: SCORES OF TOP 10 COUNTRIES UNDER EXPORT POLICY

Rank	Country	Score
1	Egypt	100.00
2	Morocco	95.48
3	Mauritius	90.96
4	South Africa	86.45
5	Namibia	86.45
6	Eswatini	86.45
7	Zimbabwe	81.93
8	Ghana	72.89
9	Seychelles	72.89
10	Kenya	72.89

The pillar's average score was 48.14. With 23 of 44 countries scoring below this, the continent clearly needs policy reforms. Egypt's top ranking is mainly due to its involvement in 11 regional trade agreements — the most on the continent along with a formal export promotion strategy and duty drawback policies. According to the Trade Review Documents, 36 of 44 countries had an export promotion plan, but only 11 allowed exporters to claim duty drawbacks on imported intermediate goods.

At the other end of the ranking , São Tomé and Príncipe (0.00), together with Togo, Burkina Faso, and Niger (each recording 9.04), grapple with high and unpredictable tariffs, limited participation in beneficial trade agreements, cumbersome and expensive border procedures, a lack of strategic support for export activities, and difficulties accessing duty drawback schemes. These countries lacked an export promotion plan or the option to claim a duty drawback on imported intermediate goods.

2. Basic Infrastructure

Basic Infrastructure constitutes the fundamental foundation upon which all commercial activities are established. It guarantees the seamless movement of goods, services, and information, thereby connecting markets and enabling transactions. Without this infrastructure, commerce would be significantly obstructed, impeding economic development and global interconnectedness.

The pillar encompasses various variables. Reliable electricity access supports production and operations, while a high number of fixed broadband internet subscribers indicates strong connectivity for communication, transactions, and remote access to international markets for exporters. Lower border compliance costs ease trade friction and boost competitiveness. Efficient air freight transportation allows rapid movement of high-value goods, and numerous commercial bank branches reflect financial accessibility. Besides air freight, a comprehensive network of roads and railways is vital for building infrastructure that facilitates exports. In Africa, with its limited intercontinental trade, roads and railways are especially essential for cross-border commerce and smoother movement of goods between countries. Lastly, a high Liner Shipping Connectivity Index signifies established maritime trade routes, all fostering a vibrant and interconnected export environment.

TABLE 3: SCORES OF TOP 10 COUNTRIES UNDERBASIC INFRASTRUCTURE

Rank	Country	Score
1	Seychelles	64.08
2	Mauritius	53.25
3	Morocco	51.86
4	Egypt	49.14
5	Cabo Verde	47.68
6	Tunisia	45.37
7	Ethiopia	36.76
8	Algeria	34.37
9	South Africa	30.81
10	Ghana	27.79

The Basic Infrastructure pillar has a low average score of 21.21, with 28 countries below this mark, highlighting a significant impediment to export competitiveness for a majority of the nations on the continent. The top performers – Seychelles (64.08), Mauritius (53.25), and Morocco (51.86) – have relatively reliable access to a robust infrastructure. The four lowest-performing countries in the pillar are Chad (0.14), Central African Republic (1.03), Malawi (1.27), and Niger (2.24).

The top three countries, along with three others (Seychelles, Egypt, Algeria, Mauritius, Morocco and Tunisia), have provided access to reliable electricity to their entire population. In contrast, in countries such as Chad, Malawi, Central African Republic, Burundi, Niger and the Democratic Republic of Congo, less than a quarter of the population has access to electricity. Internet connectivity remains a severe issue across Africa, with 23 of the 44 countries having fewer than 1 fixed broadband subscription per 100 people; only 2 countries have more than 25 fixed broadband subscriptions per 100 people – Mauritius and Seychelles. This lack of international connectivity hinders exporters in these countries from accessing potential international markets remotely. Access to financial institutions is also limited in the region, with around 36 of 44 countries recording 10 commercial branches per 100,000 population. In addition, African nations show lower connectivity with the global liner shipping networks. However, among African countries, Egypt and Morocco earned the highest scores in the Liner Shipping Connectivity Index, ranking highly under this pillar.

Infrastructural deficits across Africa directly translate into higher transaction costs, longer lead times, and reduced competitiveness in international markets. The absence of well-maintained financial infrastructure, reliable energy sources, effective transport infrastructure including rail, air, roads and efficient communication systems creates significant hurdles for businesses. According to the UN Economic Commission for Africa, infrastructural deficits reduce the economic growth potential of the continent by 2% annually (United Nations Economic Commission for Africa, 2025). The road infrastructure deficit is of particular concern, with only 43% of Africa's rural population having access to an all-season road, severely constraining the movement of goods and limiting the continent's export potential (African Development Bank Group, 2023). Consequently, strategic and sustained investments in these fundamental areas are essential for these countries to participate more effectively in global trade and unlock their full economic potential.

3. Administration

Effective administration lays the groundwork for smooth and predictable trade. Strong governance ensures fair enforcement of contracts and regulations, reducing business risks and uncertainties. Efficient administrative processes minimise delays and costs associated with trade-related activities, fostering a more competitive environment.

A strong rule of law provides a stable and predictable legal framework, essential for enforcing contracts and protecting investments in trade. Effective control of corruption ensures a level playing field, preventing unfair advantages and reducing the hidden costs of trade. The latest Corruption Perceptions Index (CPI) 2025 highlights the persistent governance challenges across Africa. With an average score of 32 out of 100 and only 4 of the 49 countries scoring above 50, sub-Saharan Africa is the lowest-performing region on the global index of 182 countries. The region's performance also reflects limited progress over time, with 10 of the 49 countries recording significant deterioration since 2012, compared with only 7 showing significant improvement. Seychelles (68), Cabo Verde (62), Botswana and Rwanda (58 each) are among the continent's strongest performers, while Somalia and South Sudan (9 each), Libya (13) and Equatorial Guinea (15) remain at the lower end of the index.

Several major African economies also record relatively low scores, including Nigeria (26), Kenya and Egypt (30 each), and Zimbabwe (21), while South Africa scores 41 (Transparency International, 2025). These trends underscore the continued need to strengthen institutional accountability, judicial independence, transparency and effective anti-corruption mechanisms to create a more predictable environment for trade and investment.

High government efficiency translates to streamlined processes, reducing bureaucratic hurdles and the time

needed for trade-related procedures. Finally, regulatory quality ensures that trade regulations are clear, consistent, and minimally burdensome, fostering a more conducive environment for businesses to operate and engage in international commerce

The Administration pillar, with an average score of 40.98 and 23 countries below it, underscores the critical importance of governance and institutional quality in promoting trade. The leading nations within this pillar are Mauritius (92.19), Seychelles (91.61), and Botswana (81.41). Among the 44 countries assessed, Mauritius excels in three of the four parameters associated with this pillar, namely Rule of Law, Government Effectiveness, and Regulatory Quality, thereby serving as a benchmark for other nations in the region. For Control of Corruption, Seychelles holds the highest position, followed by Cabo Verde and Botswana.

TABLE 4: SCORES OF TOP 10 COUNTRIES UNDER ADMINISTRATION

Rank	Country	Score
1	Mauritius	92.19
2	Seychelles	91.61
3	Botswana	81.41
4	Cabo Verde	81.02
5	Rwanda	76.92
6	Namibia	70.69
7	Senegal	62.05
8	Ghana	62.00
9	South Africa	59.04
10	Morocco	56.79

Conversely, the bottom two countries – Democratic Republic of the Congo (0.90), and Central African Republic (3.20) – score below 5. At least seven countries score below 20, struggle with weak rule of law, high levels of corruption, inefficient government bureaucracy, and unpredictable or burdensome regulations. Such administrative shortcomings can substantially increase trade costs and risks, thereby deterring both domestic production aimed at export markets and foreign investment in export-oriented sectors. Improving administrative capacity and strengthening governance are essential to boosting export competitiveness.

4. Knowledge Workforce and Creation

A robust knowledge workforce and high-quality output are fundamental drivers of successful trade in the modern global economy. A skilled population fuels innovation and the creation of sophisticated goods and services that hold higher value in international markets. This capability enhances a nation's competitiveness and its ability to engage in profitable trade relationships.

The importance of this pillar is reflected in several key indicators. Strong Tertiary Institution Enrolment indicates investment in future knowledge and expertise. A high Human Development Index (HDI) encompasses health, education, and living standards, reflecting overall human capital. Innovation output is quantitatively assessed through the metric of Scientific and Technical Articles per Million Population, which exemplifies the creation and dissemination of novel knowledge as well as the robustness of a nation's research infrastructure. This indicator encapsulates research productivity in relation to population size, thereby serving as a valuable tool for comparing knowledge-generation capacity among countries of varying scales.

TABLE 5: SCORES OF TOP 10 COUNTRIES UNDER KNOWLEDGE WORKFORCE AND CREATION

Rank	Country	Score
1	Tunisia	82.87
2	Morocco	70.35
3	Algeria	70.14
4	Mauritius	68.13
5	Egypt	61.70
6	South Africa	55.37
7	Seychelles	48.43
8	Botswana	46.60
9	Namibia	38.87
10	Ghana	34.72

The Knowledge Workforce and Creation pillar, with a low average of 24.63 and a substantial skew with 31

countries below the average, emphasises the vital role of human capital and innovation in generating higher-value, competitive exports. Tunisia ranks at the forefront with a score of 82.87, followed by Morocco at 70.35 and Algeria at 70.14. Conversely, Central African Republic has the lowest scores, with 0.30, followed by Chad and Niger at 1.43 and 1.49, and Mali at 2.24.

The success of Tunisia in the pillar was largely driven by its HDI score of 0.75, which was only surpassed by the highest scoring African economy, Seychelles, at 0.85. The lowest HDI scores among the countries were Niger (0.42), Mali (0.42), and Central African Republic (0.41), the three bottom-ranked countries in the pillar. Higher education attainment is a significant concern across the continent, with a low average tertiary enrolment rate of just 14.1%, and 13 countries have tertiary enrolment above 15%. Similarly, scientific and technical articles per million population paint a lagging picture: of 44 countries, only 12 have scientific and technical articles per million population above 50.

14.1%

AVERAGE TERTIARY ENROLMENT RATE ACROSS THE COUNTRIES ASSESSED

Substantial improvements in higher education and innovation are crucial to enhancing export capacity, particularly in sophisticated and high-tech sectors. Increased investment in tertiary education will develop a skilled workforce capable of driving innovation. Furthermore, fostering a supportive ecosystem for research and development, protecting intellectual property, and incentivising local innovation are essential to boost the development and export of high-value goods and services.

After analysing the Enabling Environment pillar and its various dimensions, we examine the performance of the countries under the remaining three pillars: Demand Sophistication, Business Dynamism and Export Performance.

4.2 DEMAND SOPHISTICATION

Demand Sophistication evaluates the income distribution and the level of sophistication within countries by examining several key indicators. A skewed income distribution, concentrated among urban populations, significantly influences the demand landscape of a nation. A substantial accumulation of wealth and income at the upper end of the income distribution generates a demand for more refined and higher-quality goods and services. Domestic demand motivates local producers to innovate and enhance their capabilities to manufacture these complex products. As domestic firms develop expertise and efficiency in producing sophisticated goods, they become more competitive internationally, thereby facilitating exports of these high-end products.

TABLE 6: SCORES OF TOP 10 COUNTRIES UNDER DEMAND SOPHISTICATION

Rank	Country	Score
1	South Africa	92.00
2	Namibia	65.85
3	Botswana	64.93
4	Angola	61.27
5	Zimbabwe	54.35
6	Mozambique	53.97
7	Congo	53.43
8	Zambia	49.24
9	Tunisia	44.45
10	Dem. Rep. of the Congo	40.09

The Demand Sophistication pillar, with an average of 31.79 and more than 50% of economies (29) below it, adds another dimension to competitiveness. The top performers – South Africa (92) and Namibia (65.85) – exhibit higher levels of urbanisation and a high concentration of wealth and income among the top 10%. The bottom three countries, Niger (11.40), Ethiopia (4.72) and Seychelles (7.89), show the opposite pattern in terms of urbanisation and income concentration.

Gabon and Djibouti have the highest urban populations, at 92% and 72%, respectively, with 14 of the 44 countries having more than 60% of their populations living in

urban areas. Conversely, countries such as Niger and Malawi have less than 19% of their populations living in urban areas. In terms of heavy concentration of wealth among the top end of the population, Africa shows a significant upward trend with the top 10% of the population in 14 countries controlling over 50% of the pre-tax national income. In Mozambique, the top 10% of the population holds more than 60% of the net wealth and a corresponding share of pre-tax national income. A high concentration of wealth among the top tier of the population increases demand for sophisticated, high-quality products in these countries.

This increased demand drives the production of sophisticated goods, making the country's exports more attractive to foreign consumers. This trend has not changed over the last two editions. Nevertheless, the substantial concentration of wealth and income among the top 10% of the population indicates significant inequality within the nation. On the one hand, wealth concentration fosters demand sophistication; on the other, high inequality reduces the economy's overall demand potential, thereby harming the country's economic well-being. Addressing the high levels of inequality observed in countries with high scores on this pillar is imperative to promote more equitable national development and ensure more balanced export growth.

4.3 BUSINESS DYNAMISM

A positive business environment is essential for trade because it reduces entry and operational barriers, attracts investment, and promotes fair competition. It offers the stability and predictability that businesses need for both domestic and international transactions. Ultimately, strong business dynamism supports economic growth and ensures smooth trade flows.

The pillar encompasses the following indicators. A higher manufacturing value-added growth rate signifies robust domestic production capacity, facilitating the creation of goods for both local consumption and export. **An increase in foreign direct investment inflows signals foreign investor confidence in the economy's trade and growth potential, bringing capital and expertise. Strong growth in gross fixed capital formation underscores investments in infrastructure and productive assets, which are essential for expanding trade capacity.** Lastly, a healthy level of domestic credit to the private sector demonstrates the availability of financing for businesses to invest, produce, and engage in trade activities. Collectively, these indicators depict the fundamental conditions that support and propel export growth within an economy.

The Business Dynamism pillar has an average score of 49.53, with at least 23 countries above it. It reflects the enabling conditions for domestic firms to operate and compete, indirectly affecting their export capacity. The top performers under the pillar are Egypt (70.45), Zambia (65.50), and Djibouti (64.28). The lowest performers are the Central African Republic (28.88), Togo (33.06), and Namibia (35.57). At least 24 of 44 economies have experienced year-on-year increases in FDI inflows, whereas only 10 economies have a domestic credit-to-private-sector share above 25%.

TABLE 7: SCORES OF TOP 10 COUNTRIES UNDER BUSINESS DYNAMISM

Rank	Country	Score
1	Egypt	70.45
2	Zambia	65.50
3	Djibouti	64.28
4	Morocco	63.40
5	Chad	61.38
6	Rwanda	60.56
7	Madagascar	58.93
8	Benin	57.95
9	Mali	56.88
10	Ethiopia	56.44

4.4 EXPORT PERFORMANCE

The Export Performance pillar evaluates a country's current achievements and sophistication in international trade. It examines the composition and scope of exports by using indicators such as the proportion of high-tech exports to assess technological progress and added value. The service exports share emphasises the role of the services sector in global trade. Bio trade as a percentage

of total exports indicates engagement in environmentally sustainable trading practices. The merchandise exports share indicates traditional goods-based trade. The Complexity Score measures the sophistication and diversity of a country's export portfolio, while market penetration indicates how well the country reaches and serves international markets. Analysing these indicators offers a detailed view of a country's current status and future potential in the global export landscape.

TABLE 8: SCORES OF TOP 10 COUNTRIES UNDER EXPORT PERFORMANCE

Rank	Country	Score
1	South Africa	75.60
2	Morocco	70.44
3	Egypt	69.58
4	Tunisia	52.82
5	Kenya	42.44
6	Mauritius	34.10
7	Ghana	33.78
8	Benin	32.54
9	Ethiopia	31.61
10	Angola	29.74

The Export Performance pillar shows a notable skew in outcomes, as shown by its low average score of 26.58 and the fact that only 14 countries surpass this modest benchmark. This concentration of scores below the average shows considerable disparities in export success among the nations. The leading performers — South Africa (75.60), Morocco (70.44), and Egypt (69.58) — also have the highest shares of merchandise and service exports in global trade among the countries in the Index. Conversely, the bottom three countries — Chad (2.47), the Democratic Republic of the Congo (10.16), and The Gambia (12.47) — face substantial challenges across these dimensions, reflecting fundamental limitations in their export capabilities.

Egypt and Morocco have the highest service export shares, around 0.35% each, followed by South Africa with 0.18%. Meanwhile, South Africa dominates merchandise exports with a global share of 0.44%. However, the overall export share of African countries appears limited, with the combined service and merchandise exports of all 44 countries totalling only 1.81% and 2.4%, respectively. A key reason is the low proportion of high-tech exports in their export baskets. Among these 44 nations, only Benin, São Tomé and Principe, and Angola have high-tech export shares exceeding 15%, with Benin reaching 30.53%, indicating significant growth potential. Regarding export complexity, most countries display low levels, with only five economies — South Africa, Eswatini, Mauritius, Egypt, and Tunisia — having a complexity score above zero. The rest, including Nigeria, Congo, Côte d'Ivoire, and Chad, have scores below -2.5, some are near -3.5. This skewed distribution highlights a widespread lack of diversification and sophistication in these countries' export profiles.

In terms of access to a large number of export markets, South Africa, Morocco, Tunisia, Egypt, and Kenya lead with the highest market penetration among all countries. The nations included in the Index can effectively leverage biotrade to enhance their export performance. The 44 countries analysed have an average of 38.35% of their total trade derived from biological products. With rising demand for biosphere-friendly products, these nations can leverage this share to increase their global export share and expand exports in the coming years. However, a notably high proportion — exceeding 90% of total exports — in countries such as São Tomé and Príncipe, Comoros, Ethiopia, Malawi, and Cabo Verde — indicates a significant dependency and underscores the need for diversification.



05 CASE STUDY: EGYPT

Egypt's performance on the AEC Index

CASE STUDY
EGYPT

According to the Egypt Country Brief of May 2026, Egypt is a North African economy characterised by a substantial domestic market and a strategic location at the intersection of Africa, the Middle East, and Europe. Covering nearly 1 million square kilometres, Egypt has a population of 120.1 million and is the largest economy in North Africa, as well as the second largest in Africa by nominal gross domestic product (GDP). The nominal GDP being USD 365.25 billion in 2025, with a GDP per capita of USD 3,085.8 in the same year (World Bank, 2025). Egypt's geographical position, with access to the Mediterranean Sea, the Red Sea and the Suez Canal, gives it an important role in regional trade and logistics. Arabic is the official language, and Cairo is the capital and largest urban centre (Afreximbank, 2026).

Source: Egypt Country Brief – Africa Export-Import Bank, 2026

120.1 million
inhabitants (2026)

995,450
square kilometres

Egypt is the largest economy in North Africa and the second-largest in Africa by nominal GDP



The Egyptian economy is predominantly driven by the services sector, which constitutes approximately 55% of its GDP. This is followed by the industrial sector at 34% and agriculture at 11%. The services sector also accounts for the largest share of employment, employing about 53% of the workforce, compared with 28% in industry and 19% in agriculture (Afreximbank, 2024). This economic framework is supported by a substantial industrial sector encompassing chemicals, fertilisers, plastics, building materials, textiles, and consumer electronics, giving Egypt a relatively diverse production base to boost merchandise exports.

Egypt's trade profile reflects its large economy and high import needs, with total trade rising from USD 120.8 billion in 2018 to USD 150.8 billion in 2024 and is forecast to reach USD 197.3 billion in 2026. It continues to face a substantial trade deficit of around USD 41 billion in 2026, driven by high import demand for energy, food, and capital goods (Afreximbank, 2026). Export competitiveness is crucial for expanding foreign exchange and strengthening the economy.

Egypt's export markets are diverse, with the UAE accounting for 11.4% of exports in 2025, followed by Italy at 7.3%, the US at 6.4%, Türkiye at 5.9%, and Saudi Arabia at 5.8%. Africa remains underdeveloped relative to Egypt's export potential; in 2025, intra-African trade was 6.3% of total trade, African markets absorbed 15.4% of Egypt's exports but supplied only 1.6% of imports. Egypt had an intra-African trade surplus of about USD 6.2 billion, showing existing trade importance and room for deeper regional integration.

Egypt's strategic location, diversified industrial base, and participation in the AfCFTA provide a foundation for expanding this regional role. Investments in the Suez Canal Economic Zone, ports, and logistics infrastructure can further support manufacturing, processing, and distribution, while stronger trade links with African markets could create additional opportunities for Egyptian producers. Egypt therefore represents a large, increasingly diversified African economy seeking to translate its industrial capacity, strategic location, and market access into stronger, more geographically diversified export performance.

EGYPT'S TRADE POLICY OVERVIEW

Egypt is a key trade hub connecting Africa, the Middle East, and Europe. Its trade policy focuses on expanding exports, modernising industry, and regional integration. Based on recent updates from Egypt's Ministry of Trade and Industry, Nafeza customs data, and WTO records, the trade system balances domestic protection with digital and regulatory reforms. These priorities influence tariffs, border procedures, and trade agreements.

Egypt's trade policy oversight is centralised in the Ministry of Trade and Industry (MTI), which manages the General Organization for Export and Import Control (GOEIC), the General Authority for Industrial Development, the Egyptian General Authority for Specifications and Quality, and chairs the AfCFTA implementation committee. In October 2025, the MTI released a draft trade policy aiming to raise exports to USD 145 billion by 2030, requiring alignment of trade, industrial, fiscal and monetary policies to boost high-value industries and global integration.

The National Trade Facilitation Strategy (2024-2027) supports WTO commitments through coordination among the GOEIC, inspection bodies, the Ministry of Transport, and port authorities. In 2024/25, Egypt's trade grew 26% to USD 131.4 billion, with a 29% rise in the trade deficit to USD 51 billion, indicating growth in both imports and exports.

In contrast to economies that have progressively eliminated tariff structures, Egypt maintains a protective trade architecture. Tariff rates remain substantial, many categories of consumer goods require formal pre-registration before customs clearance, and executive authorities have periodically deployed administrative import controls during periods of foreign exchange volatility, as in 2022. Conversely, targeted regulatory adjustments have been implemented over recent years to streamline digital processing, modernise customs protocols, and reform foreign ownership regulations, even as the core protective structure remains intact. The regime's practical implementation is further reflected in the specific tariff mechanisms applied to foreign goods.

Tariff Structure and Import Protection

Most Favoured Nation (MFN) status is a WTO principle requiring countries to give equal tariff treatment to all trading partners unless a preferential agreement exists. Egypt's tariffs are higher than many regional peers. In 2019, the WTO reported the average MFN tariff at 19.0%, with a trade-weighted average of 12.4%, and only 12.1% of tariff lines duty-free[3].

Nearly all Egypt's tariff lines, about 99.3% to 99.4%, are bound under WTO commitments, with an average final bound rate of 36.6% to 36.8%. This includes 94.8% for

[3] This 2019 data is the latest Egypt has provided to the WTO; no more recent figures are available, so it should be considered the latest official WTO rate.

agricultural and 27.4% for non-agricultural goods. Some product categories have higher ceilings: up to 3,000% for cereals and beverages, 160% for transport equipment, and 80% for certain machinery and chemicals. These rates represent the legal WTO ceilings, not the actual tariffs applied. Egypt's latest WTO-reported simple average MFN applied tariff was 19% in 2019.

At the product level, applied tariffs determine trade access. In 2018, a presidential decree set tariffs: 30% for passenger vehicles up to 1,600cc, 100% for larger engines, with special rules for electric vehicles. Additional charges include 14% VAT and development fees from 3% to 8.5% based on engine size, applied to the duty-inclusive value. Television displays face tariffs of 40%, and consumer durables between 40% and 60%. Import rules for personal vehicles were tightened on 26 December 2024, limiting imports to one every five years and requiring full banking and ownership documentation. Besides tariffs, border regulations involve many non-tariff measures.

Non-Tariff Measures and Border Administration

Egypt's non-tariff framework significantly influences trade access, independent of the tariff schedule. Under regulations established in 2016, exporters of specified commercial goods, including food items, cosmetics, plastics, ceramics, textiles, consumer electronics, furniture, and toys, must register manufacturing facilities or trade names with the GOEIC before shipment clearance. Registration requires verified quality certifications and notarised documentation. Separate statutory import prohibitions and restrictions apply to selected used vehicles, asbestos-bearing materials, specific chemical compounds, designated agricultural products, and goods subject to public safety or religious compliance standards. Sanitary and phytosanitary inspections fall under the National Food Safety Authority conformity programme established in 2017.

Border administration is modernising even as the underlying protection stays high. Egypt's Nafeza platform serves as its integrated single window for foreign trade, supporting electronic documentation, shipment tracking, and digital customs processing. The Advance Cargo Information (ACI) system, mandatory for sea freight since 2021, became mandatory for air freight as well from 1 January 2026, requiring advance electronic information and exporter and importer registration. An enhanced export system rolled out through Nafeza introduces a Unique Consignment Reference intended to provide end-to-end shipment identification and reduce the requirement for paper documents. Egypt ratified the WTO Trade Facilitation Agreement on 24 June 2019 and currently has 74.4% of its notified implementation commitments in place, with the remaining timetable extending to June 2027; 22 specific measures are designated Category C, meaning implementation is tied to technical assistance and capacity building rather than a fixed date Egypt controls alone.

Egypt demonstrates willingness to implement sharp, temporary controls under pressing circumstances. In February 2022, amid a foreign currency shortage, the central bank mandated banks to finance imports via letters of credit, replacing the standard cash-against-documents method. This heavier burden caused shipments to sit at ports for months. The policy was reversed by December 2022, restoring cash-against-documents and expanding credit limits. This approach serves as a flexible non-tariff measure used under currency pressure rather than as a permanent policy. Egyptian law since 2008 allows the Egyptian Competition Authority to investigate companies holding 25% or more of a market for anticompetitive practices, with fines in the hundreds of millions of pounds for violations. Regulations and border controls govern domestic market entry, while strategic trade partnerships help expand outward trade.

Egypt's Engagement in Trade Agreements

Egypt's agreement network covers African, Euro-Mediterranean, and bilateral deals, reflecting broad strategic reach. These frameworks provide access to Western markets and regional economies, supporting development goals. Euro-Mediterranean and EFTA agreements bring in capital and industrial inputs to modernise manufacturing. Regional initiatives such as COMESA and the African Continental Free Trade Area (AfCFTA) help diversify exports. Bilateral agreements, such as the Egypt-Serbia FTA and the Qualifying Industrial Zones, secure market access and enhance sector competitiveness, aligning trade with industrial strategies.

TABLE 9: EGYPT'S ENGAGEMENT IN TRADE AGREEMENTS

Agreement	Partners	Status	Importance
Egypt-European Union Association Agreement	European Union	Entered into force 1 June 2004, replacing a 1977 Cooperation Agreement	Free trade area for industrial goods; Egypt's tariffs on EU imports phased out over 15 years across four product lists. Elevated to a Strategic and Comprehensive Partnership on 17 March 2024.
Agadir Agreement	Jordan, Morocco, Tunisia	Signed 25 February 2004; entered into force 27 March 2007	Eliminates customs duties among participating states; incorporates Pan-Euro-Mediterranean diagonal cumulation of origin rules. Accession protocols for Palestine and Lebanon were approved in principle in 2017.
Common Market for Eastern and Southern Africa (COMESA)	21 COMESA member states	Egypt joined June 1998	Provides for progressive tariff elimination, a common external tariff, and regulatory standards harmonisation; Egypt eliminated customs duties on COMESA-qualifying goods in October 2000.
Egypt–EFTA Free Trade Agreement	Iceland, Norway, Switzerland, Liechtenstein	Entered into force August 2007	Egyptian industrial exports entered EFTA duty-free in 2007; most EFTA industrial exports to Egypt became duty-free by 2020.
Egypt-Türkiye, Free Trade Agreement	Türkiye	Signed December 2005; entered into force March 2007	Granted immediate duty-free access for Turkish industrial exports to Egypt; Egypt's corresponding tariff reductions followed a schedule structured similarly to the EU Association Agreement.
Egypt-MERCOSUR Free Trade Agreement	Argentina, Brazil, Paraguay, Uruguay	Signed August 2010; entered into force July 2017	Gradual liberalisation of industrial, agricultural, and processed-agricultural trade across four tariff-reduction lists.
African Continental Free Trade Area (AfCFTA)	55 AU member states	Entered into force 30 May 2019; Egypt ratified in April 2019; trading since October 2022	Mandates tariff elimination on 90% of product lines; specific rules of origin governing apparel, textiles, and automotive sectors were formally concluded in September 2025.
Tripartite Free Trade Area (TFTA)	COMESA, EAC, and SADC member states	Signed 2015; entered into force 25 July 2024	Egypt is a ratifying state; the agreement resolves overlapping regional bloc membership across COMESA, SADC, and EAC.
United Kingdom-Egypt Association Agreement	United Kingdom	Signed 5 December 2020; entered into force 1 January 2021	Replicates the preferential trade provisions of the EU-Egypt Association Agreement following the United Kingdom's withdrawal from the EU; provides tariff-free treatment for industrial goods alongside tariff rate quotas for agricultural and fishery items.
Egypt-Serbia Free Trade Agreement	Serbia	Signed July 2024; entered into force 1 September 2025	Phases out customs duties on over 90% of traded items over a 10-year timeline; immediate duty-free status was granted to approximately 50% of agricultural tariff lines and 33% of industrial tariff lines across 16,000 product classifications.
Generalised System of Preferences (GSP)	Australia, Belarus, Canada, Japan, Kazakhstan, Russia, Türkiye, United States	Ongoing, non-reciprocal	Grantor countries offer Egyptian exports total or partial exemption from customs duties under their own GSP schemes.

Agreement	Partners	Status	Importance
D-8 Preferential Trade Agreement	Bangladesh, Indonesia, Iran, Malaysia, Nigeria, Pakistan, Türkiye	Signed 2006; in force among several members since 2011-2012	Egypt maintains member status within the D-8 organisation but has not ratified the Preferential Trade Agreement due to specific reservations regarding domestic value-add criteria.
Egypt-Israel Qualifying Industrial Zones (QIZ) Protocol	Israel, with resulting preferential access to the United States	Signed 14 December 2004	Goods manufactured in designated Egyptian industrial zones incorporating defined Israeli inputs qualify for preferential access to the United States market; 2025 United States tariff modifications require ongoing review of duty-free status.

Egypt and AfCFTA

Among these regional commitments, Egypt's AfCFTA engagement is sufficiently distinctive, including its role in a pilot programme, its recent chairing of the Council of Ministers, and a named certified trading entity, to warrant its own dedicated analysis rather than a single entry among the general agreements.

TABLE 10: EGYPT AND AFCFTA

Aspect	Status Update
Ratification and entry into force	Egypt ratified the AfCFTA in April 2019, shortly before the agreement was entered into force on 30 May 2019 with 24 ratifications continent-wide.
Guided Trade Initiative (GTI)	Egypt was one of the original eight countries (alongside Cameroon, Ghana, Kenya, Mauritius, Rwanda, Tanzania, and Tunisia) trading under the AfCFTA Guided Trade Initiative, launched in Accra on 7 October 2022. The GTI's objectives were confirmed as having been met at the AfCFTA Council of Ministers' 16th meeting in April 2025, with 39 state parties participating by its conclusion.
Rules of Origin Resolution	At the 17th meeting of the AfCFTA Council of Ministers, held in Cairo in September 2025, member states reached consensus on outstanding rules of origin for apparel, textiles, and automotives, ending a four-year stalemate and completing rules of origin negotiations under the agreement.
Council of Ministers Presidency	Egypt held the presidency of the AfCFTA Council of Ministers until Nigeria assumed the chairpersonship at the 18th Meeting of the Council of Ministers Responsible for Trade, held in Abuja on 30 June 2026.
Certified Trading Entity	El Gondy Trading functions as Egypt's designated AfCFTA commercial intermediary, coordinating trade operations for over 100 manufacturing facilities across the textile, agricultural, consumer appliance, and construction material sectors, while supporting small and medium enterprise access under the agreement framework.
Gazetting Status	Egypt is among the group of AfCFTA state parties that have gazetted final tariff schedules and are actively trading under the agreement, a group that had grown to 25 countries, including the continent's largest economies, as of late 2025.
Related Regional Agreement	Egypt separately ratified the Tripartite Free Trade Area, linking COMESA, the EAC, and SADC, which was entered into force on 25 July 2024, after Angola became the 14th of 29 state parties to ratify it.

From a broader perspective, Egypt's trade policy framework adopts a dual strategy that balances strong domestic industrial protection with proactive regional and international integration. The nation continues to modernise its trade infrastructure through digital initiatives such as the Nafeza platform and active participation in transformative frameworks such as the AfCFTA. Structural challenges and tariff barriers persist, yet ongoing alignment of regulatory standards and trade facilitation efforts position Egypt as a pivotal commercial hub connecting Africa, the Middle East, and Europe.

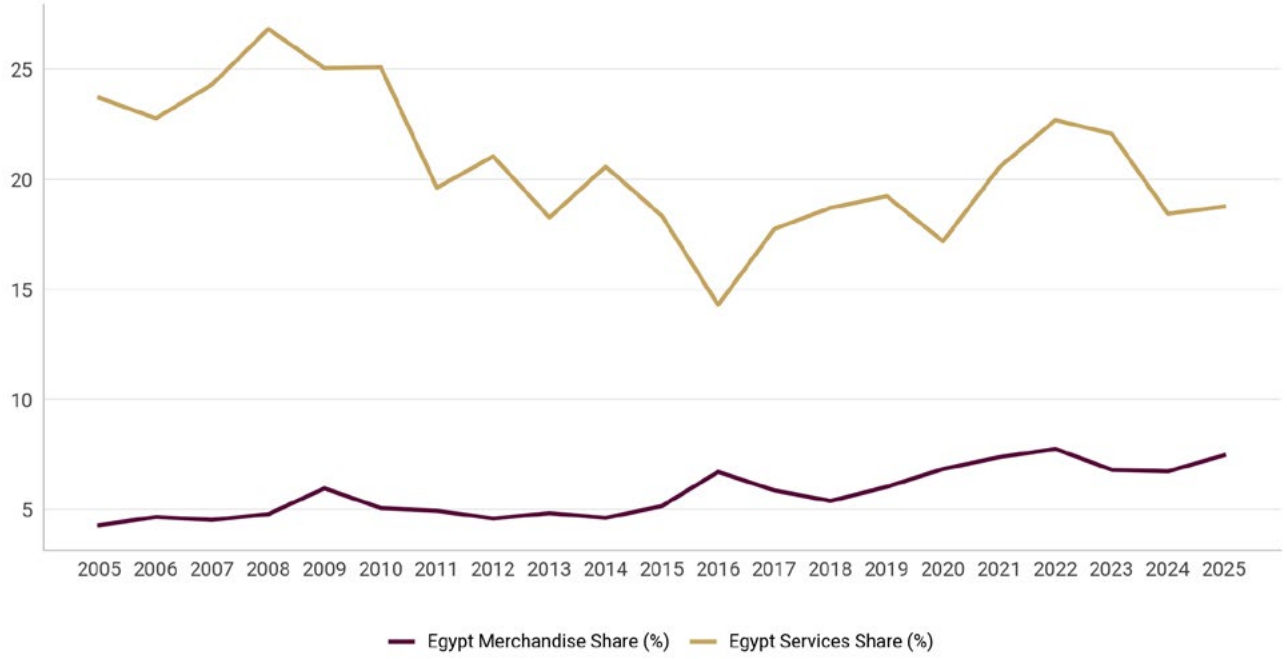
EGYPT'S PERFORMANCE ON KEY INDICATORS

Egypt's position in African trade has remained steady over the period covered by the data, although the trajectory differs considerably between merchandise and services exports. Egypt's share of Africa's merchandise exports increased from 4.28% in 2005 to reach 7.46% by 2025.

The services export share, however, followed a more volatile trajectory. Egypt accounted for 23.70% of Africa's services exports in 2005, then fell to its lowest level in the period at 14.28% in 2016. It then recovered to 22.53% in 2022 before moderating to 18.75% by 2025. UNCTAD data indicate that Egypt's services exports were valued at USD 34.06 billion, with travel and transport among the principal components of commercial services exports. The divergent movements and the narrowing gap between the two series are significant for Egypt's position within African trade. While merchandise exports have increased their share, services remain a vital source of export revenue.

FIGURE 6: TRENDS IN EGYPT'S SERVICE AND MERCHANDISE EXPORT SHARE IN AFRICA

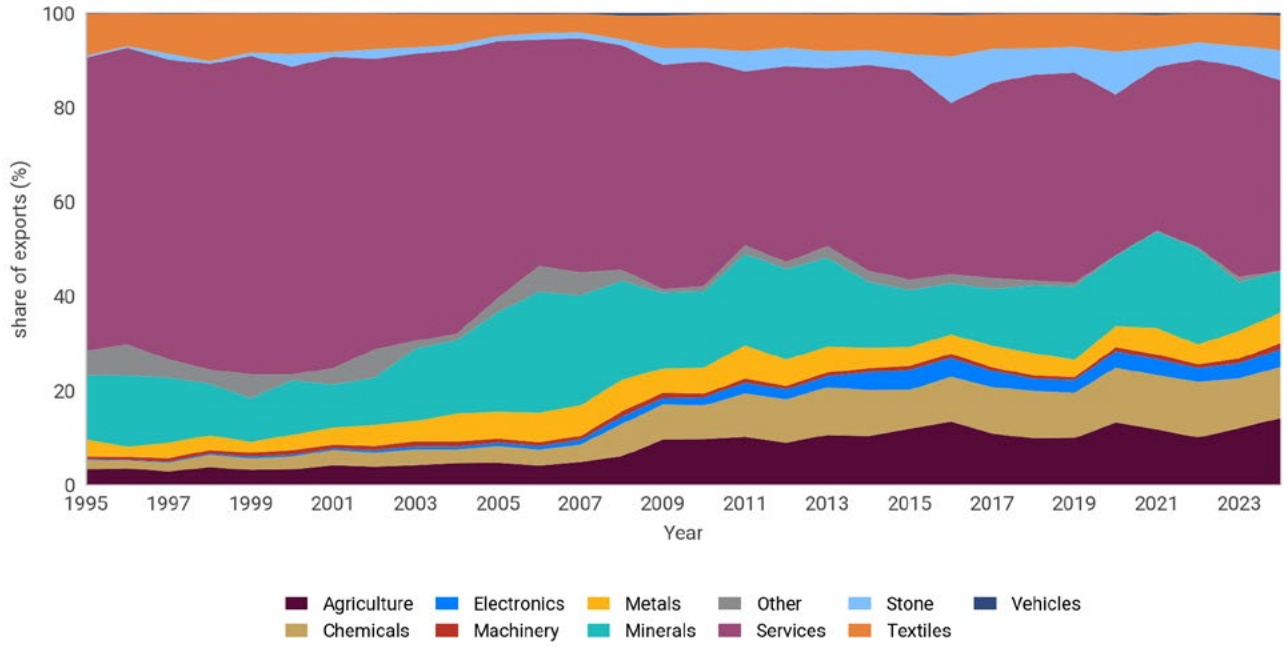
Source: UNCTAD



EXPORT COMPOSITION AND DESTINATIONS

FIGURE 7: EGYPT'S EXPORTS BETWEEN 1995 AND 2024

Source: The Atlas of Economic Complexity



Egypt's export portfolio has undergone a notable structural shift between 1995 and 2024, becoming more diversified and relatively more merchandise-oriented, while services remain an important source of export earnings.

Services accounted for the largest share of Egypt's exports during the late 1990s and early 2000s, but their contribution declined substantially over the following two decades, in 2005 services accounted for 62.17% of exports dropping down to 40.20% by 2024.

The decline was accompanied by a rise in minerals and other merchandise categories, while agriculture, chemicals, machinery, electronics and metals also increased their relative contributions. This indicates a gradual broadening of Egypt's export base beyond services, although mineral-based products continue to represent an important component of merchandise exports.

The changing composition is also consistent with Egypt's established industrial and resource base. Afreximbank describes Egypt's export basket as fairly diversified, with natural gas as a major export alongside agricultural products, cement, metals and petrochemical products. More recently, the bank's country brief identified natural gas, agricultural products, cement, metals and petrochemicals among the principal components of Egypt's export base (Afreximbank, 2026).

The expansion in Egypt's overall export value has been substantial. Total exports increased from USD 13.81 billion in 1995 to USD 73.84 billion in 2024, representing an increase of USD 60.03 billion or approximately 5.3 times the 1995 level. The increase reflects both the expansion of export volumes and the structural shift towards a broader range of merchandise and service categories.

5.3×

GROWTH IN EGYPT'S TOTAL EXPORTS, FROM USD 13.81 BILLION IN 1995 TO USD 73.84 BILLION IN 2024

Wrapping up, Egypt's export composition shifted from being predominantly services-led in 1995 towards a more diversified and merchandise-oriented export structure by 2024, with minerals and other industrial sectors gaining prominence.

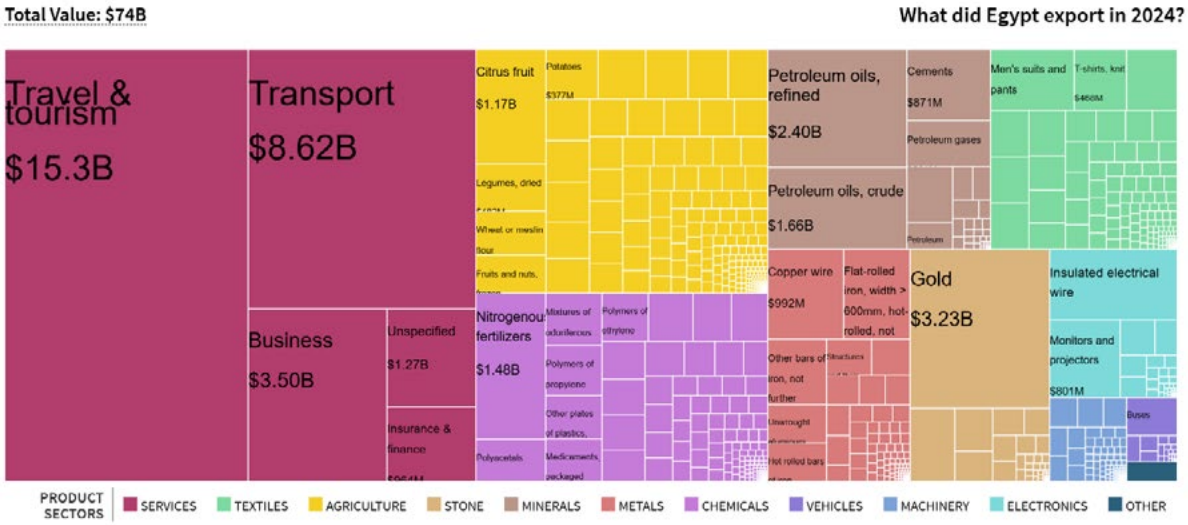
Egypt's Export Composition in 2024

Egypt's export composition in 2024 reflects significant contributions from tourism, transport, resource-based products and industrial goods. Services remain a major component of Egypt's export basket, led by travel and tourism at USD 15.3 billion, followed by transport at USD 8.62 billion and business services at USD 3.50 billion. Together, these three categories account for approximately 37% of Egypt's total exports, highlighting the importance of services in Egypt's external earnings.

Merchandise exports are spread across several sectors, although petroleum, minerals and chemicals remain prominent. Gold accounted for USD 3.23 billion, followed by refined petroleum oils at USD 2.40 billion, crude petroleum oils at USD 1.66 billion, and nitrogenous fertilisers at USD 1.48 billion. At the same time, Egypt has developed significant export capacity in food products, agricultural goods, chemicals, engineering products, garments and textiles.

FIGURE 8: EXPORT COMPOSITION: 2024

Source: The Atlas of Economic Complexity



Official Egyptian export data reinforce this broader composition, stating that the most important export sectors that formed the structure of Egyptian commodity exports in 2024 included building materials with a value of USD 10. 635 billion and an increase of 19%; food industries with a value of USD 6.054 billion and an increase of 11%; chemical products and fertilisers with a value of USD 8.436 billion and an increase of 5%; agricultural products with a value of USD 4.635 billion and an increase of 17%; engineering and electronic goods with a value of USD 5.768

billion and an increase of 25%; ready-made garments with a value of USD 2.841 billion and an increase of 18%; medical industries with a value of USD 809 million and an increase of 29%; furniture with a value of USD 308 million (General Organization for Export and Import Control [GOEIC], n.d.).

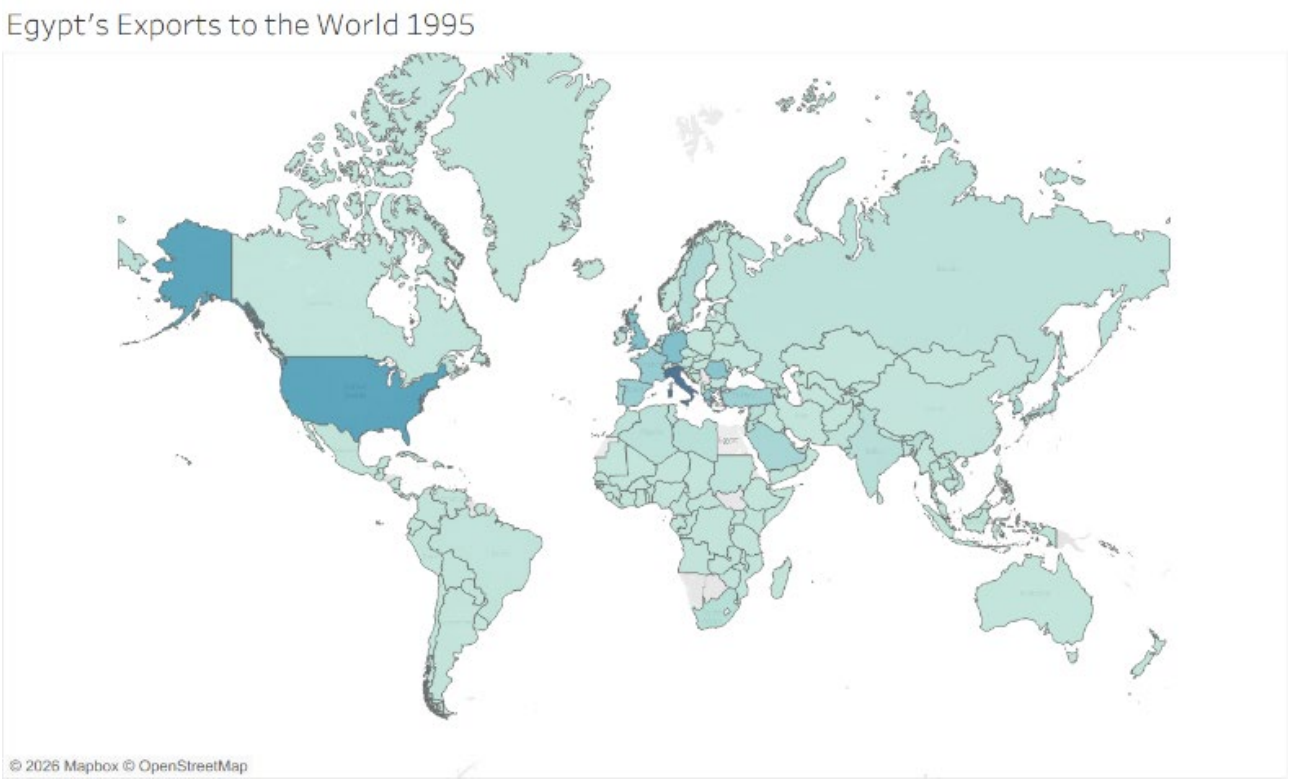
This distribution indicates that Egypt's export base extends beyond traditional commodity exports. The coexistence of these sectors with expanding engineering, food-processing, agricultural and garment exports points to gradual diversification, although the export structure continues to retain a substantial resource-based component.

Egypt's large trade volumes and relatively diversified product mix and the market's strategic position between Europe, Africa and Asia, together with the Suez Canal, free zones and industrial zones, provides a strong foundation for trade-led growth. However, even with exports increasing, the trade deficit remains large due to firm import demand and Egypt's continued reliance on imported energy, food and capital goods (Afreximbank, 2026).

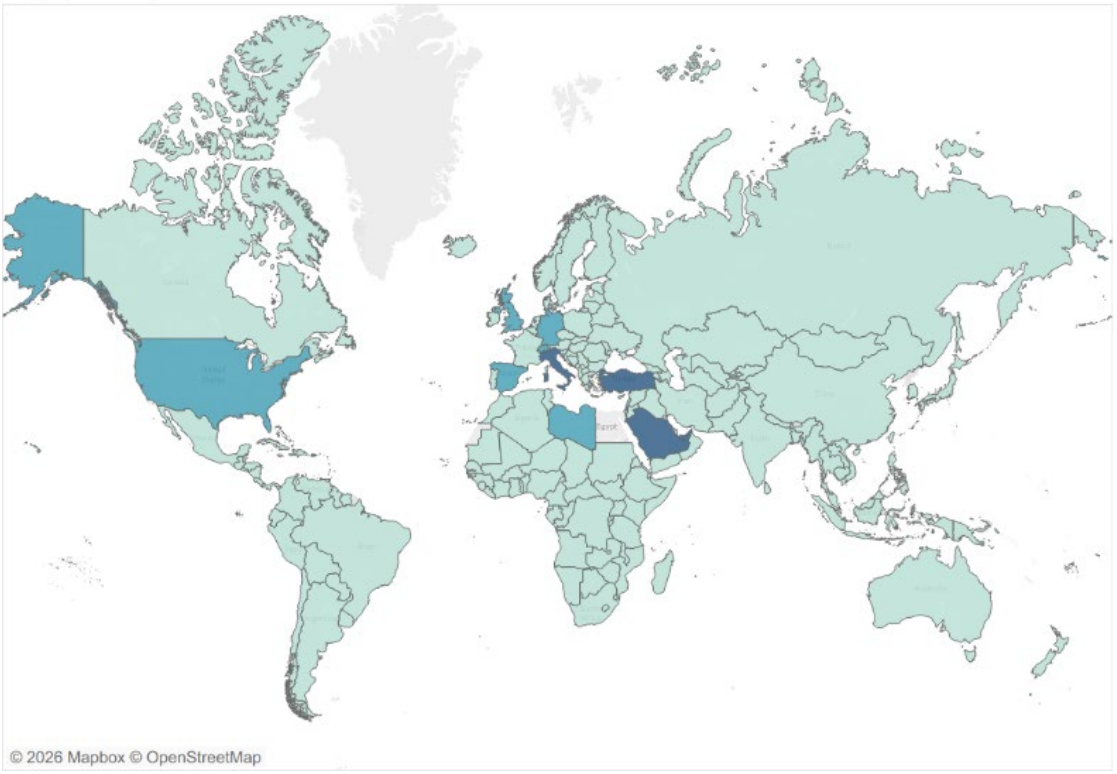
Egypt's Export Destinations 1995 Vs. 2024

FIGURE 9: EGYPT'S EXPORTS TO THE WORLD - 1995 VS 2024

Source: The Atlas of Economic Complexity



Egypt's export to world in 2024



Egypt's export destinations have also changed considerably since 1995. The 1995 map shows a stronger concentration of exports towards European markets and traditional Western trading partners, whereas the 2024 map shows a more geographically dispersed export network, with stronger trade links across the Middle East, North Africa and other African markets, alongside continued connections with Europe and the United States.

By 2024, Egypt's leading export destinations reflected a combination of Gulf, European and North American markets. Saudi Arabia was the largest destination at approximately USD 3.25 billion, followed by the United Arab Emirates at USD 3.19 billion and Türkiye at USD 3.11 billion. Italy and the United States accounted for a further USD 2.30 billion and USD 2.21 billion, respectively (GOEIC, 2025).

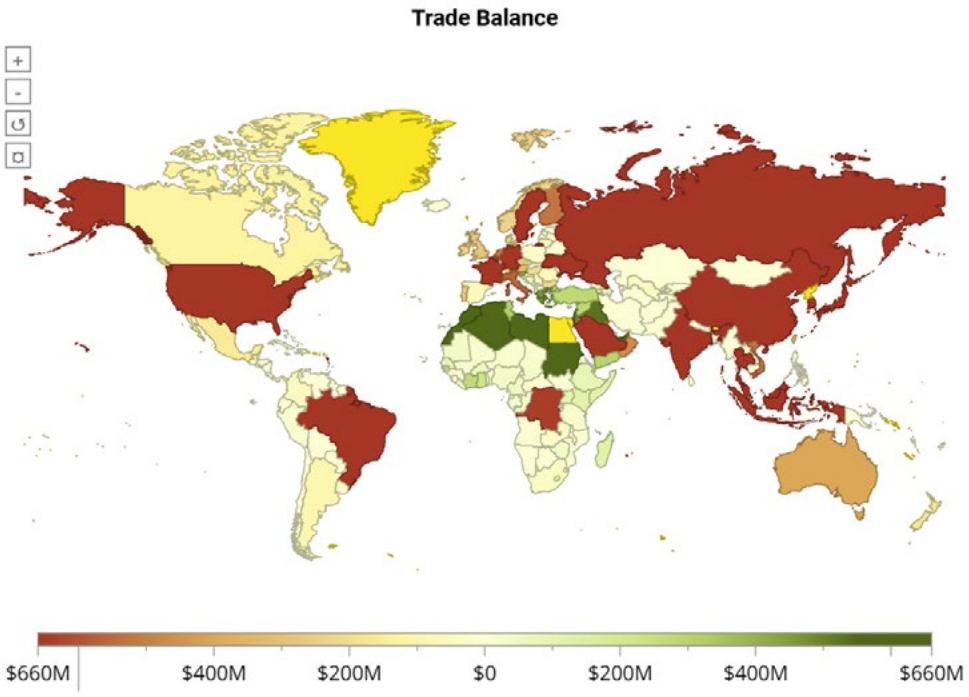
The change in destination structure reflects both the strengthening of regional trade relationships and Egypt's continued integration into European and global markets.

The expansion of markets beyond traditional European destinations is important from an export-competitiveness perspective. A broader destination base can reduce dependence on individual markets and create opportunities for Egyptian producers to respond to differences in demand across regions. At the same time, the concentration of leading destinations among a relatively small group of markets indicates scope for further diversification.

Trade Balance of Egypt with other Countries

FIGURE 10: TRADE BALANCE OF EGYPT WITH OTHER COUNTRIES

Source: The Observatory of Economic Complexity



Source: https://oec.world/en/profile/country/egy#bespoke-title-337#trade-balance

TABLE 11: TRADE BALANCE OF EGYPT WITH OTHER COUNTRIES

Source: The Observatory of Economic Complexity

Trade Surplus with Egypt (2024)			Trade Deficit with Egypt (2024)		
Rank	Country	Trade Balance USD	Rank	Country	Trade Balance USD
1	Libya	1.89 B	1	China	-16.3 B
2	Morocco	1.24 B	2	Russia	-5.4 B
3	Algeria	972 M	3	United States	-4.32 B
4	Lebanon	741 M	4	Brazil	-3.25 B
5	Sudan	574 M	5	Israel	-2.61 B

Egypt's trade balance map highlights a structurally uneven pattern of bilateral trade. The most pronounced deficits are associated with major import suppliers, particularly China and Russia, while stronger trade positions are visible across several markets in Africa, Europe and the Middle East. This pattern reflects the difference between Egypt's export strengths and its import requirements, particularly for machinery, intermediate inputs, energy-related products and manufactured goods.

The trade balance pattern therefore matches broader structural features of Egypt's external trade, the country

has developed competitive positions in commodities, agricultural products, processed foods, chemicals, garments and selected manufactured goods, while remaining dependent on external markets for a substantial range of manufactured and intermediate inputs.

EGYPT'S PERFORMANCE ON AEC INDEX

ENABLING ENVIRONMENT

Export Policy

Egypt performs strongly on the Export Policy pillar ranking number 1, with a score of 100, the highest possible score in the AEC framework. This is supported by all three underlying indicators: the presence of an export-promotion mechanism, 11 regional trade agreements, and a duty-drawback mechanism.

Egypt's trade policy framework provides preferential access across a broad set of markets, including the EU, Türkiye, COMESA, EFTA and the Pan-Arab Free Trade Area, while Egypt is also a participant in the African Continental Free Trade Area (AfCFTA). WTO records confirm that Egypt's agreements provide preferential tariff treatment across a substantial share of tariff lines. Egypt benefits from the Generalised System of Preferences (GSP) schemes of several countries. Egypt also offers improved market access to least developed countries (LDCs). The WTO's latest Trade Policy Review of Egypt also confirms that the Export Development Authority (EDA) is the principal government agency for export promotion, providing exporters with market research, export strategy support, technical assistance and services to meet international standards (World Trade Organization [WTO], 2018).

The combination of preferential market access, dedicated export support, and duty drawback provides an important foundation for export competitiveness by reducing trade costs and improving exporters' access to intermediate inputs. Egypt's position is particularly relevant for its regional role: its export base extends beyond neighbouring markets. Egypt had an intra-African trade surplus of about USD 6.2 billion, indicating that Africa is currently a more important destination for Egyptian exports than a source of imports (Afreximbank, 2026). This suggests that Egypt's relatively strong export policy framework supports access to both regional and external markets, although the extent to which firms convert this market access into higher-value exports remains a separate competitiveness challenge.

Basic Infrastructure

Egypt ranks 4th, with a Basic Infrastructure score of 49.14, indicating that infrastructure remains a mixed component of its competitiveness. Electricity access is a clear strength, reaching 100% of the population, while Egypt's position at the intersection of the Mediterranean, Red Sea and Suez Canal gives it an important structural advantage in international logistics. The Suez Canal remains a critical trade route and reinforces Egypt's potential as a regional logistics and distribution hub (Afreximbank, 2026). However, infrastructure indicators point to uneven capacity beyond basic electricity access. Fixed broadband subscriptions stand at 11.69 per 100 people, indicating that digital connectivity remains less developed than physical infrastructure.

Egypt's Air Transport Freight index of 492.65 million tonne-km also supports time-sensitive and higher-value goods, while its Liner Shipping Connectivity Index of 288.78 reflects the country's strong position in international maritime networks. This relatively strong maritime connectivity is an important advantage for a country whose export competitiveness depends heavily on access to international markets, but improving digital and broader trade infrastructure would be important to expand participation in higher-value and digitally enabled trade.

The financial infrastructure in Egypt presents a comparatively limited profile. The country has 6.56 commercial bank branches per one million inhabitants, reflecting relatively restricted physical access to banking and financial services. Collectively, these indicators demonstrate that Egypt's infrastructural strengths are most prominent in electricity provision and international transport connectivity, whereas deficiencies in digital connectivity and financial access continue to pose substantial obstacles to enhancing overall business and export competitiveness.

Knowledge Workforce and Creation

Egypt ranks 5th with a score of 61.70 for Knowledge Workforce and Creation, showing a mixed performance in developing and utilising its human capital. The score reflects a relatively substantial human capital base but still has scope to translate it into productive, export-oriented capabilities. The Labour Force Participation Rate (LFPR) of 47.37% indicates that less than half of the working-age population is economically active. The gap is particularly pronounced for women, whose participation was only 17.6%, highlighting a substantial pool of underutilised labour. The World Bank estimates that closing the gender employment gap could raise Egypt's economic output by around 56%. At the same time, tertiary enrolment stands at 37.58%, placing it among the higher tertiary education participation levels in Africa and indicating a relatively broad pipeline of university-educated workers (World Bank, 2025).

17.6%

LABOUR FORCE PARTICIPATION RATE OF WOMEN IN EGYPT



Egypt's HDI value of 0.754 in 2023 places it in the high human development category, ranking 100th out of 193 countries and territories and reflecting long-term progress across key development dimensions such as health, access to education and living standards ((UNDP, n.d.). However, high youth inactivity and low female labour force participation point to significant underutilisation of this human capital base, while weaknesses in the transition from education into productive employment constrain higher productivity and higher-value economic activity.

Administration

Egypt's Administrative score of 41.72 is one of the weaker components of its AEC profile with a rank of 21. Government Effectiveness stands at 49.45, with a Regulatory Quality score of 46.99 and a Rule of Law score of 44.03, pointing to institutional and regulatory constraints that can affect the predictability of the business environment. The World Bank's Worldwide Governance Indicators assess these dimensions through measures covering the quality of policy formulation and implementation, regulatory effectiveness, contract enforcement and the functioning of legal institutions. The weaker score of 31.11 for the Control of Corruption points to more pronounced institutional constraints.

This weakness is particularly relevant for export competitiveness because firms investing in manufacturing and internationally traded services depend on predictable regulations and effective institutions. Egypt's relatively strong export policy score therefore contrasts with weaker administrative performance. Market access and trade agreements create opportunities for exporters, but improving regulatory predictability and implementation is important for firms to fully benefit.

DEMAND SOPHISTICATION (INCOME DISTRIBUTION)

Egypt scores 28.01 on Demand Sophistication, ranking 25th, with the pillar reflecting the scale of its domestic market alongside the distribution of purchasing power. Egypt's urban population of 50.78 million provides a large and concentrated domestic market, creating substantial demand across consumer and business segments. However, purchasing power remains relatively concentrated, with the top 10% holding 59.51% of net personal wealth and receiving 45.33% of pre-tax national income. This suggests that while Egypt has the scale to generate significant domestic demand, it is unevenly distributed across households in depth and sophistication.

Egypt's score further substantiates Porter's assertion that the size of domestic demand is less significant than its quality; a nation's competitive advantage is augmented when domestic consumers are discerning and demanding, thereby exerting pressure on firms to enhance, innovate, and respond to more demanding needs. Egypt's large urban population provides substantial demand, but the concentration of wealth and income limits how broadly this purchasing power translates into sophisticated demand. For Egypt, the opportunity is therefore to cater to existing pockets of sophisticated demand, encouraging firms to develop higher-value products and capabilities. As firms respond to more demanding buyers, this can support higher productivity and better-paying jobs, which in turn can expand purchasing power and broaden the base of sophisticated domestic

buyers. This further strengthens firms' ability to compete internationally and supports the emergence of globally competitive industries.

BUSINESS DYNAMISM

In the Business Dynamism pillar, Egypt scores 70.45, ranking 1st, indicating a strong business environment with considerable investment and productive potential. Egypt's GNI per capita was USD 3,010, while the cost of starting a business was 40.3% of income per capita, indicating a relatively high financial barrier to entry. The process required 6.5 procedures and 11.5 days to complete, according to the 2019 World Bank data. These entry costs can weigh heavily particularly on smaller firms and entrepreneurs, limiting business formation and the ability of new firms to contribute to export diversification. Regarding investment attractiveness, FDI inflows increased by 373.32%, indicating a substantial improvement in foreign investment, while manufacturing value added stands at 11.20%, providing an established industrial base for productive and export activity.

Afreximbank's 2026 Country Brief notes that improving investor sentiment, business environment reforms and easing cost pressures have supported activity, with stronger performances in steel, cement, fertilisers, processed foods and textiles. Egypt's financial system also plays an important role in supporting investment and trade, although domestic credit to the private sector is only 25.84% of GDP. More than half of bank lending is to government-related entities, limiting credit availability for private firms. This matters for the development of SMEs and domestic suppliers that need access to finance to scale production, invest in technology and integrate into larger domestic and regional value chains.

At the same time, gross fixed capital formation declined by 6.21%, suggesting that the recent improvement in investment inflows has not yet translated into a comparable expansion of productive assets. Continued investment in the Suez Canal Economic Zone (SCZONE), ports and logistics infrastructure can nevertheless support value-added processing and regional distribution, while stronger manufacturing investment and deeper trade links with African markets can create opportunities for Egyptian firms to integrate further into regional value chains.

Overall, Egypt's business environment provides strong conditions for investment and industrial expansion, but sustained domestic investment and greater access to finance will be important to translate this momentum into deeper productive capacity and more competitive exports.

EXPORT PERFORMANCE

Egypt is ranked third in the current Africa Export Competitiveness (AEC) Index edition for growth. It is among Africa's export leaders, with its export performance substantially exceeding the African average of 26.58. Between 2000 and 2025, Egypt's share of Africa's goods and services exports declined by 0.21%. In 2000, Egypt represented 10.73% of Africa's total exports, and this share decreased marginally to 10.20% by 2025.

In 2024, Egypt ranked 12th among African countries with 3.81% as high-tech exports as a share of total manufactured exports, reflecting stronger performance than peers in exporting technologically advanced goods. This is supported by its market penetration value of 2.94 in 2024 and a notably significant presence in global merchandise and services than other African countries. Its merchandise exports comprised 0.196% of global exports, while its service exports accounted for 0.352% of worldwide service exports, which is the highest among African countries.

Egypt is a great example of how an untapped services export footprint can be converted into tradable services and enhance competitiveness in tourism, business outsourcing, and digital services. Moreover, Egypt's bio trade share of 31.98% in 2024 indicates a more diversified export base. However, its Economic Complexity Index (ECI) score of 0.075 suggests the need for a strategic shift towards more complex, higher-value products, which are essential for enhancing long-term export competitiveness.

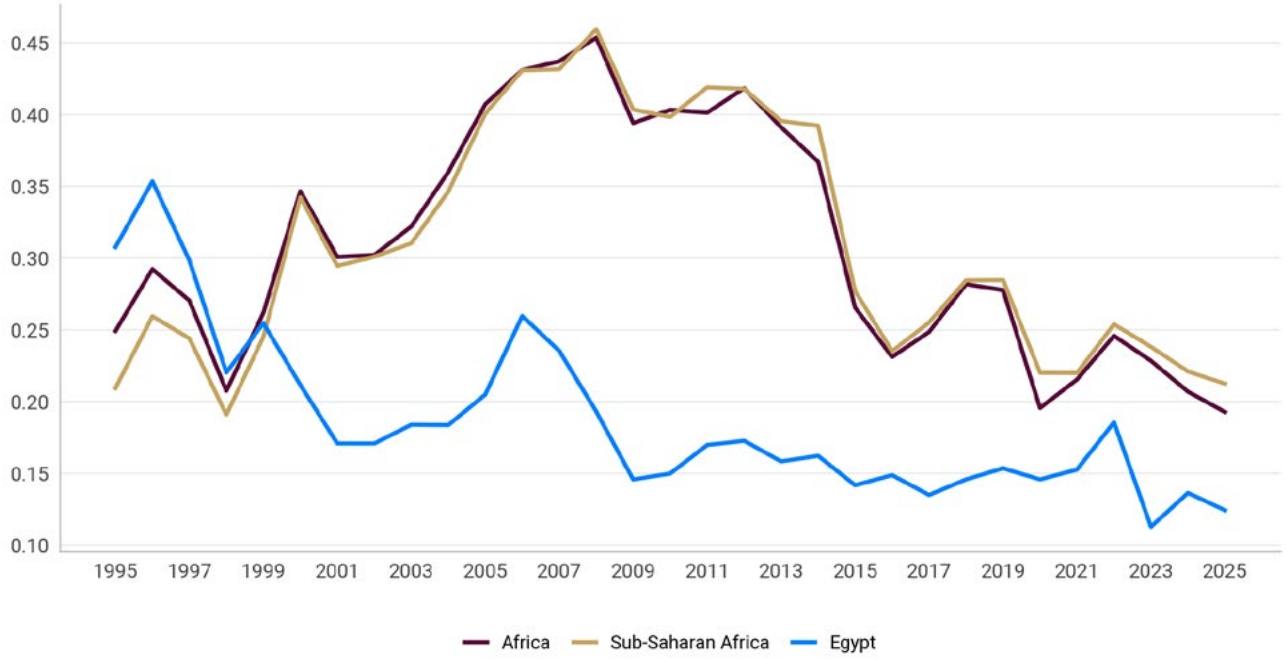
These figures indicate that although Egypt holds a comparatively strong position within Africa, its overall export performance remains constrained by a narrow global export share, despite a vibrant services sector, limited dependency on bio-trade sectors, and efforts to build capabilities to move further up the value chain.

Understanding Export Diversification

The Export Product Concentration Index measures how much a country's merchandise exports depend on a few products. A high index shows reliance on limited goods, indicating concentration, while a low index indicates diversification. This helps to assess export stability and vulnerability. Economies with high concentration face greater risks from external shocks such as price changes or demand shifts.

FIGURE 11: PRODUCT CONCENTRATION IN MERCHANDISE EXPORTS (1995-2025)

Source: UNCTAD



Egypt has demonstrated a notable long-term improvement in the diversification of its merchandise exports. The country's concentration index was comparatively high and exhibited volatility during the late 1990s, fluctuating between approximately 0.25 and 0.35. However, it experienced a significant decline over the subsequent two decades. Since around 2009, the index has predominantly remained below 0.20, reaching approximately 0.12 to 0.13 in recent years. Accordingly, Egypt displays considerably lower product concentration compared to the aggregate of sub-Saharan Africa over much of the recent period.

This pattern aligns with an export portfolio that encompasses agriculture and food products, chemical fertilisers, textiles, petroleum derivatives, electronics, and other manufactured goods. The downward trend in concentration enhances Egypt's export resilience by diminishing reliance on any singular product category. Nonetheless, diversification alone does not imply that exports have become more technologically advanced. Consequently, it must be analysed alongside Egypt's relatively modest ECI performance and its diversification into new product sectors such as chemicals, electronics, and manufactured goods.

Market Penetration

Market-penetration calculations reveal Egypt's top 10 export categories show a complex mix of strengths and vulnerabilities across sectors. These insights highlight Egypt's broad trade reach and structural challenges in export diversification and competitiveness. Market penetration measures the geographical reach of Egypt's main exports by the number of countries it exports to compared to all importing countries.

TABLE 12: EGYPT: TOP 10 PRODUCTS MARKET PENETRATION

Source: Author compiled data from ITC trade map

Product by Rank	HS Code	Product Label	Number of Countries to which it Exports	Number of Countries that Import the Product	Market Penetration
1	710812	Gold, including gold plated with platinum, unwrought, for non-monetary purposes (excluding gold powder)	11	151	0.07
2	999999	Commodities not elsewhere specified	51	205	0.25
3	310210	Urea, whether or not in aqueous solution (excluding tablets or similar forms, or packages ≤10 kg)	51	199	0.26
4	271012	Light oils and preparations of petroleum or bituminous minerals, of which ≥90% by volume distils at 210°C (ASTM D86 method), excluding those containing biodiesel	38	223	0.17
5	270900	Petroleum oils and oils obtained from bituminous minerals, crude	7	147	0.05
6	80510	Fresh or dried oranges	119	211	0.56
7	740811	Wire of refined copper, with a maximum cross-sectional dimension exceeding 6mm	29	166	0.17
8	852872	Colour television reception apparatus, whether or not incorporating radio, sound or video recording/reproducing apparatus, designed to incorporate a video display or screen	90	225	0.40
9	81110	Frozen strawberries, uncooked or cooked by steaming or boiling in water, whether or not sweetened	91	187	0.49
10	210690	Food preparations, n.e.s.	118	226	0.52

The pattern shows considerable variability across products, indicating a stronger international presence in agriculture and processed foods than in several commodity-based exports. Egypt's most prominent export is fresh or dried oranges, which are exported to 119 of 211 importing countries; food preparations and frozen strawberries also show extensive international reach. These products suggest notably robust access to international markets within Egypt's agriculture and food processing sectors and imply the existence of established distribution networks, compliance capabilities, and export experience across a relatively broad spectrum of destinations.

Among manufactured goods, coloured television reception apparatus has a penetration rate of 29%, indicating a reasonably extensive international presence and some manufacturing export capacity. Conversely, urea reaches about 26% of importing countries, while refined copper and light petroleum oils each reach about 17%. Egypt's primary commodity exports demonstrate the most limited global reach; gold is exported to only 11 of 151 importing countries, and crude oil reaches only about 4.8% of potential importing markets.

These low ratios do not necessarily indicate weak competitiveness. Commodity trade is often centred among major processing hubs, refineries, and trading centres, generating significant export values from few destinations. As a maritime nation, Egypt has a dual export structure: agricultural produce and food are geographically diversified, while minerals, fuels, metals, and certain industrial products are concentrated in fewer markets. There's an opportunity to improve export competitiveness by expanding destination bases for manufactured goods and further developing sectors like horticulture and food processing that already have international reach.

Economic Complexity Ranking: Performance of Egypt

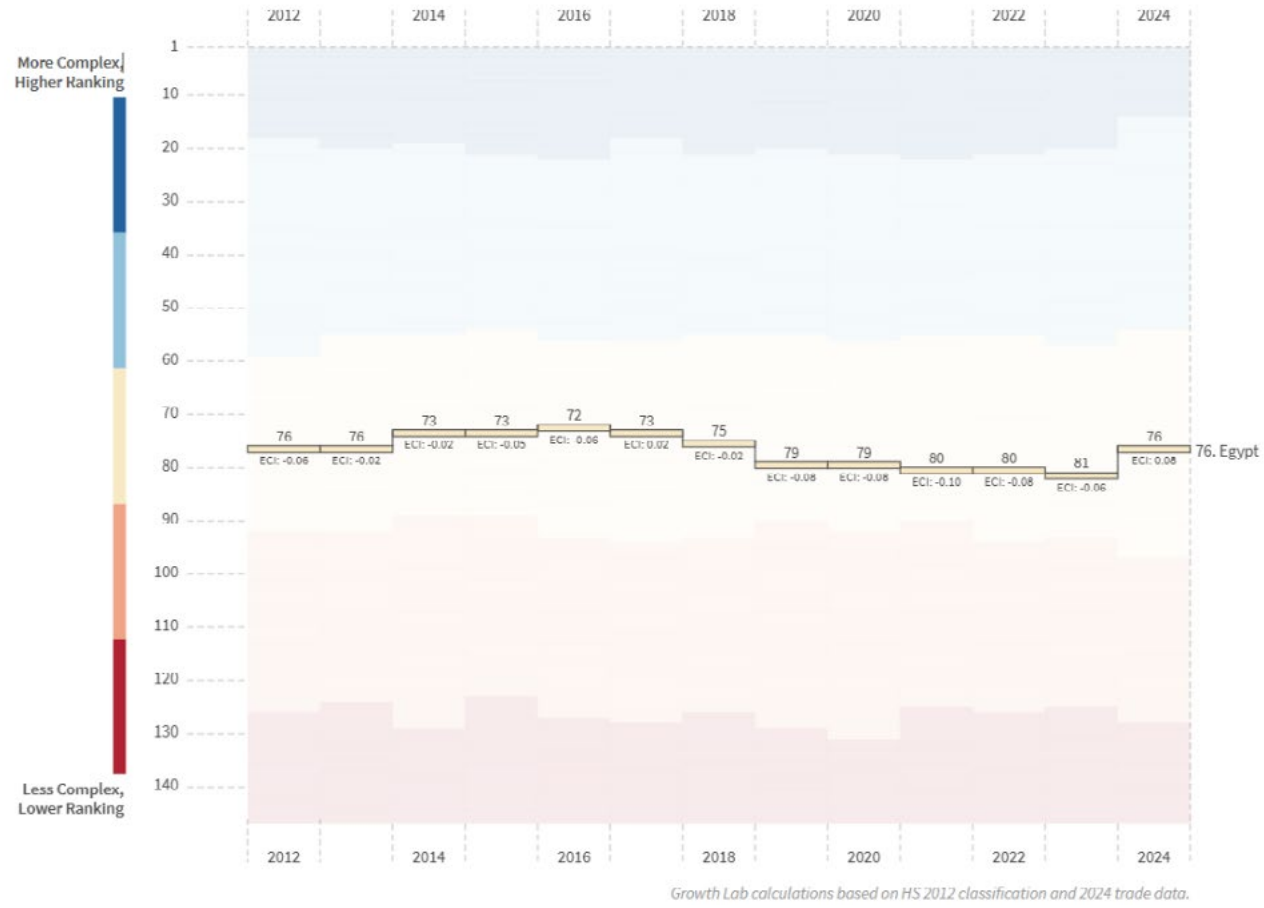
Egypt's performance on the Economic Complexity Index (ECI) has exhibited signs of weakness and increased volatility. In 2012, Egypt was ranked 76th with an ECI score of -0.06. The country's position improved modestly mid-decade, reaching 72nd place in 2016, but then declined to 81st in 2023. The most recent data indicate a notable recovery in 2024, when Egypt regained the 76th position and its ECI turned positive at 0.08. This development suggests greater sophistication and diversity in Egypt's export capabilities; however, the recent nature of the recovery warrants cautious interpretation, and it should not yet be regarded as evidence of sustained structural transformation in exports. The more pertinent policy question is Egypt's capacity to leverage its existing manufacturing base to move into more complex, higher-value products. This remains the most critical consideration.

The Harvard Growth Lab notes Egypt is “as complex as expected” for its income level, meaning its economy isn't underperforming yet isn't moving into higher-value sectors. However, Egypt is well placed to diversify into “nearby” industries. The 2024 Growth Projections predict 4.0% annual growth, placing Egypt in the top global quartile. Its export performance indicates limited diversification and a relatively sluggish pace of structural transformation. Recent export growth has been driven primarily by low- and medium-complexity products, notably iron and steel, as well as foods and nuts. This trend suggests that the nation has not yet made a decisive transition towards higher-productivity, more technology-intensive sectors. Egypt's global market share has stagnated, and electronics and machinery exports lack momentum. Recent export declines in minerals have hampered economic growth.

Diversifying exports by focusing on higher potential sectors such as electronics and industrial machinery can reduce dependence on tradable exports and boost long-term competitiveness.

FIGURE 12: EGYPT RANKING OVER THE YEARS AND COMPARISON WITH TOP EXPORT PERFORMERS

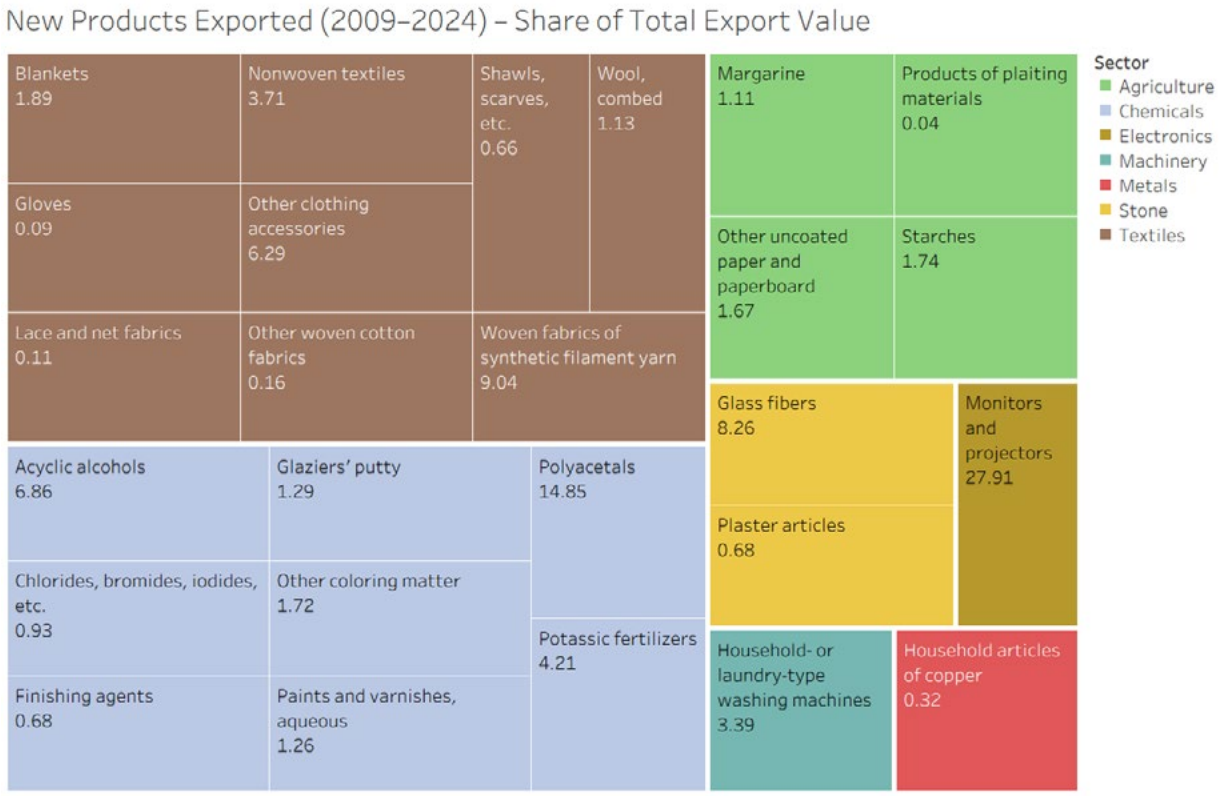
Source: Growth Lab at Harvard University, The Atlas of Economic Complexity



Egypt expanded its export portfolio by adding 26 new products during the same period, contributing around USD 27.27 to its per capita income in 2024. The addition of new products to the export basket shows a stronger orientation toward chemicals, electronics, and textiles, which collectively accounted for over 82% of the new products added to export value. Monitors and projectors account for 27.91%, followed by polyacetals, woven synthetic filament fabrics, and glass fibres. Chemicals collectively account for 31.8% of the new export value, with electronics at 27.9% and textiles at 23.1%. This composition is notable, as several products undergo advanced processing beyond primary commodities, indicating a shift towards more sophisticated production.

FIGURE 13: NEW PRODUCTS EXPORTED (2009-2024)

Source: Diversification into New Products, The Atlas of Economic Complexity



2025 AFRICA EXPORT COMPETITIVENESS REPORT



06 CASE STUDY: MAURITIUS

Mauritius's performance on the AEC Index

CASE STUDY
MAURITIUS

The Republic of Mauritius is an island in the Indian Ocean located about 2,000km off the south-east coast of mainland Africa. The capital and largest city is Port Louis. The country has an area size of roughly 2,040 square kilometres, making it the 52nd largest country on the continent. While no official language is recognised in the constitution, English and French are generally considered to be the de facto national and common languages of Mauritius. Mauritian Creole is also widely spoken (Afreximbank, 2020).

As a small island developing state, Mauritius relies heavily on international trade to sustain its economic growth and development. Situated strategically in the Indian Ocean and a member of regional economic communities such as COMESA and SADC, the island nation has built its trade strategy around deep regional integration and open market access. This overview draws on live tariff databases, official customs reports, and recent government trade data to examine how Mauritius manages its applied tariffs, trade flows, and evolving network of international agreements.

The country's economy has evolved from a sugar-based economy into a diversified, service-oriented economy, with tourism, financial services, ICT and trade playing an increasingly important role. Mauritius recorded GDP growth of 3.2% in 2025, following 4.9% growth in 2024, while GDP per capita reached approximately USD 12,991.3 in 2025, reflecting its relatively high-income level within Africa (Statistics Mauritius, 2026; World Bank, 2025).

Tourism is a particularly important source of external earnings and remains central to Mauritius's international economic linkages. Tourist arrivals increased from 1.38 million in 2024 to 1.44 million in 2025, while gross tourism earnings rose from USD 2.01 billion to USD 2.23 billion over the same period (Statistics Mauritius, 2026; Ministry of Finance, Economic Planning and Development, 2026). Alongside tourism, financial and insurance activities remain important drivers of growth; financial services were the largest contributor to gross value added (GVA) growth in 2025. This combination of tourism, financial services and internationally traded goods and services gives Mauritius an unusually outward-oriented economic structure for a small island economy.

International trade serves as a vital catalyst for economic development in Mauritius. The country follows a liberal economic and trade policy, evidenced by a trade-to-GDP ratio of around 95%. In this regard, Mauritius has prioritised the reduction of trade barriers at the global, regional, and bilateral levels to enhance export competitiveness and broaden market access and sourcing opportunities. Consequently, Mauritius has established an extensive network of trade agreements with India, China, Indonesia, and the European Union, while also engaging in regional collaborations through SADC, COMESA, and the African Continental Free Trade Area (Ministry of Foreign Affairs, Regional Integration and International Trade, n.d.). These arrangements expand market access and sourcing opportunities but also expose Mauritian exporters to greater international competition.

This makes the evolution of Mauritius's export competitiveness particularly important. The country's traditional export-oriented manufacturing base, especially textiles, now operates alongside expanding services exports and financial activities. Recent government policy has therefore placed greater emphasis on diversification, innovation and a manufacturing renaissance, while tourism policy is also shifting towards higher-value, more diversified experiences and emerging markets. In 2026, the government highlighted geopolitical uncertainty and disruptions in major markets as growth risks, while continuing to position Mauritius as a more diversified, export-driven economy (Prime Minister's Office, 2025).

Mauritius thus provides an important case of how a small, high-income African economy is seeking to maintain export competitiveness by leveraging its openness, services capabilities and strategic market access while adapting its traditional export base.

MAURITIUS OVERALL TRADE POLICY OVERVIEW

Mauritius's trade policy centres on the Economic Development Board (EDB), established by the 2017 Act and operational since 2018. It merged three bodies—Board of Investment, Enterprise Mauritius, and Financial Services Promotion Agency—into one authority responsible for investment, export, and economic planning. The EDB promotes Mauritius as a competitive export platform and financial centre, managing tariff-setting, export promotion, and investment facilitation uniformly. For 2026/2027, targets include Rs 38–40 billion in foreign investment and Rs 495 billion in exports, indicating active trade policy management aimed at growth. A National Export Strategy, supported by the International Trade Centre, emphasises diversification and resilience, recognising the need to renew the traditional growth model based on sugar and textiles.

In contrast to other African economies that employ tariff barriers to safeguard their domestic industrial sectors, Mauritius has systematically decreased border tariffs over a period of three decades. This initiative aims to reduce the cost of intermediate inputs for sectors such as tourism, manufacturing, and financial services. The primary administrative principle is trade facilitation, which is evidenced by the integrated institutional framework and the consistently low average applied tariff rates.

Tariff Structure and Import Protection

In 2025, the simple average applied, the Most Favoured Nation (MFN) tariff was 0.8%, comprising 1.6% for agricultural products and 0.7% for non-agricultural goods, with 95.8% of tariff lines entering duty-free. The trade-weighted MFN average was 1.3% in 2024. Where duties apply, ad valorem rates are distributed across six statutory bands: 0%, 5%, 10%, 15%, 30%, and 100%, with the maximum rate reserved for specific exceptions. Excise duties are levied separately on vehicles, alcohol, tobacco, petroleum products, electrical appliances, and sugar-sweetened items, including specific sugar content levies phased in through mid-2026. This structure reflects the extent of tariff liberalisation.

Under World Trade Organization (WTO) commitments, 20.4% of tariff lines are bound. For bound lines, the average bound ceiling rate is 86.6% overall, with agricultural lines at 119.4% and non-agricultural lines at 17.0%. The gap between applied and bound rates provides administrative flexibility to the government, while applied rates remain low through unilateral measures and preferential trade agreements, including recent tariff reductions under the United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) and existing arrangements with the European Union, China, India, COMESA, SADC, and the African Continental Free Trade Area (AfCFTA).

For export competitiveness, this tariff acts more as an input subsidy than a constraint. Manufacturers and re-exporters pay little at the border, keeping input costs low for key sectors such as textiles, seafood, and light manufacturing, which form Mauritius's export base. The lack of tariff protection means domestic industry faces open competition abroad, a choice that trades short-term shelter for long-term competitiveness.

Non-Tariff Measures and Border Administration

Mauritius's non-tariff regime is similar to its tariffs: light and targeted at genuine health, safety, security, and morality issues, rather than industrial protection. Import permits are required for sensitive goods such as medicines, arms, petroleum, rice, and flour, along with sanitary and technical standards under various regulations. A shorter list of goods is banned outright, including ivory, endangered species, blue asbestos, certain second-hand vehicles, CFC appliances, and items likely to offend religion or morality, enforced by the Mauritius Revenue Authority under the 2017 Consumer Protection Regulations and justified under GATT Article XX(a).

The Mauritius Standards Bureau oversees standards development, testing, certification, and metrology, aligning policies with international norms to ease exporters'

compliance in multiple markets. Customs relies on digital tools: an Advance Ruling System for tariff, origin, and valuation decisions before shipment; the Mauritius Trade Easy portal for duty, tax, and documentation information, plus a landed cost calculator; and a Trade Obstacles Alert Mechanism for traders to report issues. Mauritius has notified 98.7% of its WTO Trade Facilitation Agreement commitments, reflecting high adherence, though this measures notified commitments rather than actual clearance times.

Trade remedies have modernised alongside the broader system. An Authorized Economic Operator (AEO) programme has only certified a limited number of operators since 2008. This isn't a failure but shows many benefits—like electronic declarations and deferred duties are available to all traders regardless of AEO status. Anti-dumping, countervailing, and safeguard measures are now unified in the Dumping, Countervailing and Safeguard Measures Act 2022. The customs appeals process moved to the Revenue Tribunal in August 2025, replacing the previous committee. For exporters, the framework offers minimal friction and high predictability: specific, justified restrictions, pre-arrival certainty tools, and a border agency focused on facilitating trade. These measures lower transaction costs and reduce uncertainty, helping to maintain the competitiveness of a small economy.

Mauritius's Engagement in Trade Agreements

Mauritius's export competitiveness is strongly influenced by the network of trade agreements it has entered, arguably more than by its size, precisely because a market of 1.27 million people cannot generate meaningful economies of scale on its own. The network draws upon the WTO review alongside newer, operational agreements.

TABLE 13: MAURITIUS'S ENGAGEMENT IN TRADE AGREEMENTS

Agreement	Partners	Status	Importance
Common Market for Eastern and Southern Africa (COMESA)	21 COMESA member states	Entered into force 8 December 1994; notified to the WTO in 1995 under the Enabling Clause	100% duty-free treatment for Group I FTA members since 2000; 90% MFN tariff reduction for Group II members; covers competition, investment, SPS harmonisation, and IP rights.
Southern African Development Community (SADC)	14 SADC member states	Entered into force 1 September 2000; notified in 2004 under GATT Article XXIV	Mauritius has liberalised all tariff lines regarding SADC members; covers cross-border investment, competition policy, and trade facilitation.
Mauritius-Pakistan Trade Agreement	Mauritius, Pakistan	Entered into force 30 November 2007; notified in 2015 under the Enabling Clause	Full or partial liberalisation of 102 tariff lines at the HS 6-digit level.
EU-Eastern and Southern Africa Interim EPA	EU member states, Madagascar, Mauritius, Seychelles, Zimbabwe	Entered into force 14 May 2012; notified in 2012 under GATT Article XXIV	97% of tariff lines duty free by 2022; covers fisheries, economic development cooperation, and private sector development. Superseded by an enhanced EU-ESA4 EPA concluded 10 June 2026.
Mauritius-Türkiye Free Trade Agreement	Mauritius, Türkiye	Entered into force 1 June 2013; notified in 2013 under GATT Article XXIV	Duty-free trade in goods; only around 117 lines remained dutiable by 2022.
African Continental Free Trade Area (AfCFTA)	55 AU states; Mauritius one of 8 Guided Trade Initiative pilot countries since October 2022	Entered into force 30 September 2019	90% of tariff lines liberalised over 10 years from 1 July 2020; a further 7% of sensitive lines phased in over 10 to 13 years. Mauritius trades preferentially with a specific list of ratifying states under the GTI.
China-Mauritius Free Trade Agreement	Mauritius, China	Signed 17 October 2019; entered into force 1 January 2021	Duty-free access on 96% of the Chinese tariff schedule; covers services, IP, e-commerce, and investment.

Agreement	Partners	Status	Importance
Eastern and Southern Africa-United Kingdom EPA	United Kingdom, Mauritius, Seychelles, Zimbabwe	Entered into force 1 January 2021	Duty- and quota-free access for ESA exports, barring some UK-sensitive products.
India-Mauritius CECPA	Mauritius, India	Signed 22 February 2021; notified in April 2021	Duty-free trade in specified goods and services, with rules of origin and dispute settlement provisions.
Mauritius-UAE Comprehensive Economic Partnership Agreement (CEPA)	Mauritius, United Arab Emirates	Signed 22 July 2024; entered into force 1 April 2025	The UAE's first CEPA with an African country. Eliminates or reduces tariffs on up to 99% of goods; targets financial services, renewable energy, tourism, and healthcare.
EU-ESA4 Enhanced Economic Partnership Agreement	European Union, Comoros, Madagascar, Mauritius, Seychelles	Negotiations concluded 10 June 2026, upgrading the 2012 interim EPA	The EU's first modern, comprehensive FTA with a sub-Saharan African partner group. 2024 EU-ESA4 trade in goods and services ran to EUR9.7 billion.
Mauritius-Indonesia Preferential Trade Agreement	Mauritius, Indonesia	Under negotiation since at least 2021; fourth round held in Bali, December 2023	Talks cover goods trade and rules of origin, alongside separate discussions on easing visa requirements between the two countries.

Several key operational dynamics characterise this trade network in relation to export competitiveness. Mauritius strategically utilises overlapping regional and bilateral frameworks–including COMESA, SADC, the AfCFTA Guided Trade Initiative, and bilateral agreements with China, India, the UAE, and the European Union; to mitigate market size constraints and position the nation as an international trade hub connecting Africa, Asia, the Gulf, and Europe. This network expands cumulatively without rescinding earlier preferential arrangements; new measures such as the UAE CEPA and the enhanced EU-ESA4 EPA operate alongside existing COMESA, SADC, and Chinese frameworks. Meanwhile, the Mauritius-Indonesia Preferential Trade Agreement remains under active negotiation, serving as a notable exception within the broader portfolio of finalised agreements.

Mauritius's trade framework, combining near-zero tariffs, targeted regulations, efficient customs, and a wide web of preferential trade deals, works as a connected, deliberate strategy. Each element tackles a specific cost factor for exporters: low tariffs reduce input expenses, streamlined rules lower compliance hurdles, modern customs save time, and trade deals open access to vast international markets. For a small island economy, this joined-up strategy forms the cornerstone of its economic success.

Mauritius and the AfCFTA

Mauritius's relationship with the AfCFTA warrants its own focused overview. Having actively traded under the agreement since January 2021, its specific tariff commitments, partner arrangements, and pilot programme participation involve key details that go beyond a general trade overview.

TABLE 14: MAURITIUS AND THE AFCFTA

Aspect	Status Update
Commencement of Preferential Trade	Mauritius began preferential trade under the AfCFTA on 1 January 2021, the date the AfCFTA Council of Ministers' framework took effect, later given formal legal backing through the Ministerial Directive on the Application of Provisional Schedules of Tariff Concessions, adopted in October 2021.
Trade Partners under AfCFTA	Mauritius trades preferentially with AfCFTA state parties that have ratified the agreement and submitted tariff offers, including Cabo Verde, Cameroon, Chad, Egypt, Equatorial Guinea, Eswatini, Gabon, The Gambia, Ghana, Côte d'Ivoire, Kenya, Mali, Mauritania, Namibia, Niger, Nigeria, the Republic of the Congo, Rwanda, São Tomé and Principe, Sierra Leone, South Africa, Togo, and Uganda.
COMESA and SADC Carve-Out	For COMESA and SADC member states, Mauritius continues to trade under its existing COMESA and SADC preferences rather than under the AfCFTA, since those regional agreements offer deeper access; AfCFTA terms apply only to non-COMESA, non-SADC state parties.

Aspect	Status Update
Guided Trade Initiative	Mauritius was one of the original eight countries (alongside Cameroon, Egypt, Ghana, Kenya, Rwanda, Tanzania and, from later in 2022, Tunisia) in the AfCFTA Guided Trade Initiative, launched in Accra on 7 October 2022, piloting real trade in 96 identified commodities including tea, coffee, and processed meat products. The GTI's objectives were formally confirmed as met at the AfCFTA Council of Ministers' 16th meeting in April 2025, by which point 39 state parties were participating, and trade transitioned to standard AfCFTA rules.
Tariff Liberalisation	In Mauritius's own tariff book, AfCFTA preferential rates mirror its already low MFN rates: 94% of tariff lines are duty-free for AfCFTA state parties, with the remaining tariffs concentrated on sugar, flour, black tea, ground spices, bottled water, alcoholic beverages, linens, and galvanised steel.
Rules of Origin and Certification	Preferential access requires an AfCFTA Certificate of Origin confirming the goods meet the agreement's product-specific rules of origin; the certificate is both issued and approved by the Customs Department of the Mauritius Revenue Authority.
Gazetting Status	As of October 2024, Mauritius was among just 19 AfCFTA state parties, including the whole of the SACU, that had formally gazetted their tariff schedules, the step that makes preferential trade legally operative rather than provisional.

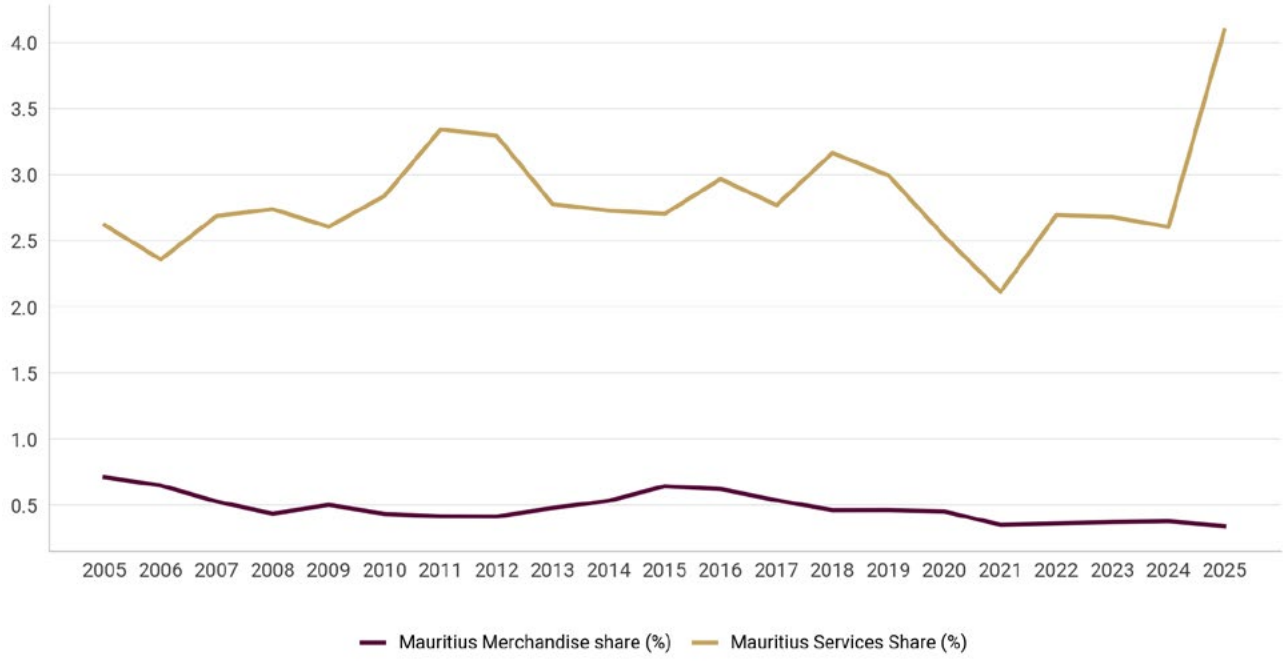
MAURITIUS'S PERFORMANCE ON KEY INDICATORS

Mauritius has a considerably stronger position in African services exports than in merchandise exports. Its share of Africa's services exports remained above 2% throughout 2005–2024, reaching around 3.3% in 2011 before declining to about 2.11% in 2021. It subsequently recovered sharply to 4.09% in 2025, the highest level in the period shown. In contrast, its share of Africa's merchandise exports remained below 1% throughout and declined to around 0.34% by 2025.

The divergence highlights Mauritius's relative strength in services within the African market, compared with its much smaller merchandise presence.

FIGURE 14: TRENDS IN MAURITIUS' SERVICE AND MERCHANDISE EXPORT SHARE IN AFRICA

Source: UNCTAD



EXPORT COMPOSITION AND DESTINATIONS

Mauritius's export structure has shifted substantially towards services since the mid-1990s. Services accounted for 33.08% of exports in 1995, rising to 70.71% by 2025. At the same time, textiles with 36.57% in 1995, representing a larger share of exports until 2003, declined steadily reaching 7.56% in 2025. Other merchandise categories including vehicles, agriculture, electronics, machinery, chemicals and metals also experienced declines and remain relatively small shares of the overall export basket.

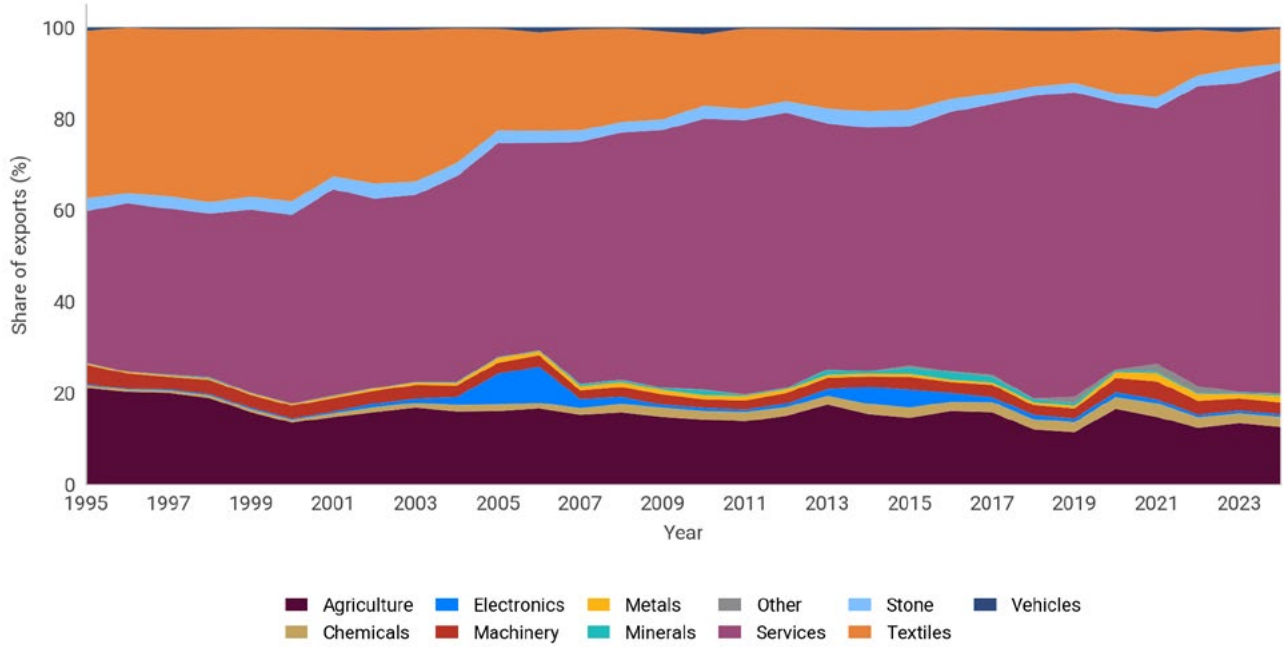
70.71%

SERVICES SHARE OF MAURITIUS'S EXPORTS IN 2025, UP FROM 33.08% IN 1995

The trend therefore indicates a clear transition from a merchandise- and textile-led export structure towards a predominantly services-led model.

FIGURE 15: MAURITIUS EXPORTS BETWEEN 1995 AND 2024

Source Data: The Atlas of Economic Complexity



Mauritius's total exports increased from USD 2.35 billion in 1995 to USD 5.93 billion in 2025, reaching 2.5 times their 1995 level over three decades, indicating relatively moderate growth in export value over that period. At the same time, the composition of exports changed substantially, with services becoming increasingly dominant while textiles lost share.

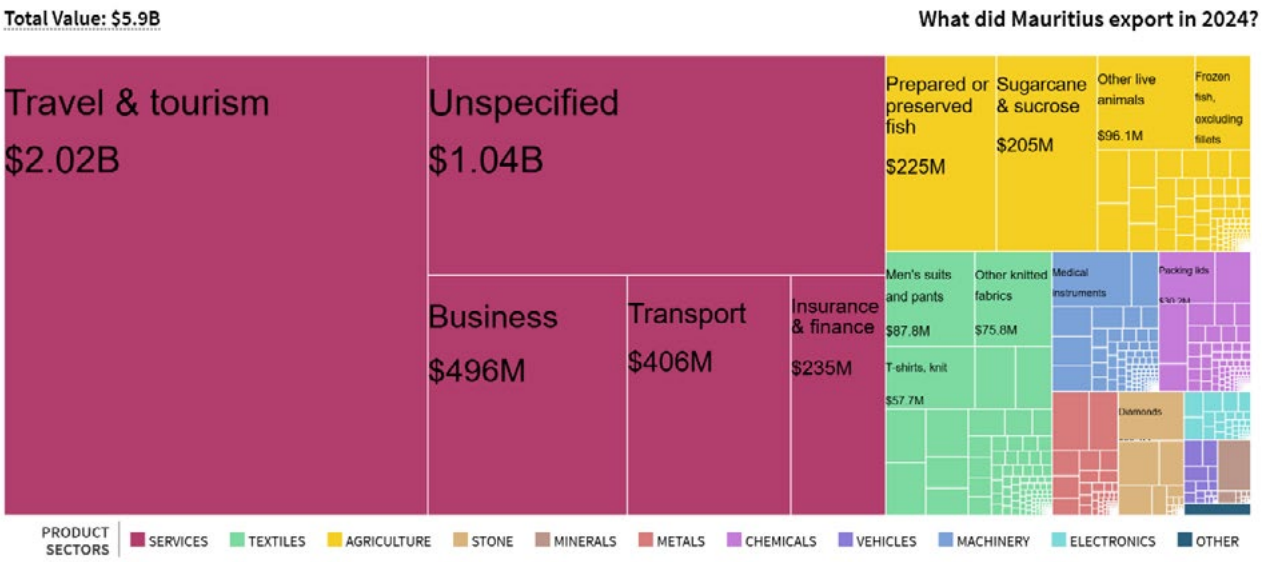
Mauritius's Export Composition in 2024

Mauritius's 2024 export basket was strongly dominated by services, with total exports shown at approximately USD 5.93 billion. Travel and tourism alone accounted for 34.03% (USD 2.02 billion), while business services contributed USD 496 million and 8.37% of total exports, transport 6.86% and USD 460 million, and insurance and finance USD 235 million. Together with the USD 1.04 billion classified as unspecified, these categories account for the majority of the export basket. Merchandise exports were more dispersed across products including prepared and preserved fish (3.08%), sugar and sucrose (3.48%), and textiles and other manufactured goods.

The composition reinforces the shift identified in Figure 15: Mauritius's export competitiveness is increasingly services-led, with tourism forming the single largest export category.

FIGURE 16: MAURITIUS EXPORT COMPOSITION 2024

Source: The Atlas of Economic Complexity



1994 vs 2024

EXPORT CONCENTRATED PRIMARILY IN EUROPEAN MARKETS

EXPORT FOOTPRINT HAD BECOME MORE GEOGRAPHICALLY DIVERSIFIED





Mauritius Export Destinations 1995 Vs. 2024

The 1995 map shows Mauritius's exports concentrated primarily in European markets, with the United Kingdom standing out as a major destination, alongside a broader set of markets in Europe, Africa and other regions. The geographical footprint was therefore already international, but with a strong European orientation.

By 2024, Mauritius's export footprint had become more geographically diversified, with strong markets across Africa, Europe and North America. The most common destinations of Mauritius's exports are France (USD 250 million) accounting for 12.59%, United States (USD 235 million) 11.5%, South Africa (USD 212 million) 11.56%, Zimbabwe (USD 204M), and Madagascar (USD 185 million) accounting for 10.3% of total exports (OEC, n.d.). The comparison with 1995 therefore points to a gradual broadening of Mauritius's export markets, particularly through stronger African and North American links, while Europe remains an important destination.

FIGURE 17: MAURITIUS'S EXPORTS TO THE WORLD – 1995 VS 2024

Source: The Atlas of Economic Complexity



Mauritius's Trade Balance with Other Countries

FIGURE 18: MAURITIUS'S TRADE BALANCE WITH OTHER COUNTRIES

Source: The Observatory of Economic Complexity (OEC)

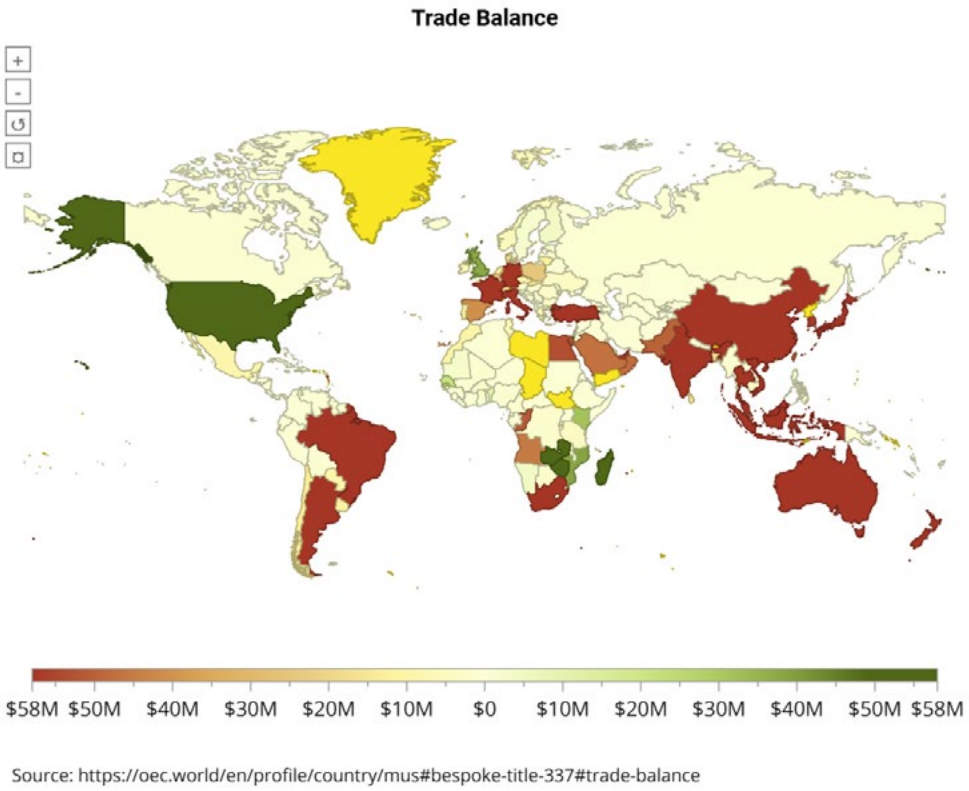


TABLE 15: MAURITIUS'S TRADE BALANCE WITH OTHER COUNTRIES

Source: OEC

Trade Surplus (2024)			Trade Deficit (2024)		
Rank	Country	Trade Balance USD	Rank	Country	Trade Balance USD
1	Zimbabwe	197 M	1	China	-1.25 B
2	Madagascar	150 M	2	United Arab Emirates	-758 M
3	United States	145 M	3	India	-720 M
4	Zambia	135 M	4	South Africa	-393M
5	Israel	68 M	5	Japan	-204 M

Mauritius's trade balance remains structurally deficit-oriented, with the map showing sizeable deficits with several major import markets, particularly across Asia, while surpluses are more visible with selected markets such as the United States.

MAURITIUS'S PERFORMANCE ON AEC INDEX

ENABLING ENVIRONMENT

Export Policy

Mauritius scores 90.96 in the Export Policy ranking, placing 3rd out of 44 African economies. The score reflects the presence of all three underlying policy mechanisms: an export-promotion mechanism, 9 regional trade agreements, and a duty drawback mechanism. Mauritius has maintained a long-standing outward-oriented trade strategy. Its approach has focused on reducing barriers to trade and expanding market access through bilateral, regional and multilateral agreements. Mauritius has broadened its trade partnerships through the Strategic Trade Partnership with the United Kingdom in 2023, the entry into force of the COMESA–EAC–SADC Tripartite Free Trade Area in 2024, and the Comprehensive Economic Partnership Agreement with the United Arab Emirates in 2024. Alongside its existing agreements with India, China and the European Union, these arrangements provide Mauritian exporters with wider preferential access to international and regional markets and support the country's efforts to diversify its export base (Ministry of Foreign Affairs, Regional Integration and International Trade, n.d.)

This policy is crucial for Mauritius, a small, open economy reliant on external markets for export growth. It employs export-led policies to diversify beyond sugar and textiles, with services rising in importance. Trade facilitation is key to accessing inputs for sectors such as tourism, manufacturing, transport, and services. The WTO states Mauritius is moving towards a duty-free, open trade regime, with regional agreements expanding market access. Export promotion, market access, and duty drawback support and strengthen Mauritius's ability to compete regionally and globally.

Basic Infrastructure

Mauritius scored 53.25 on Basic Infrastructure, ranking 2nd, reflecting relatively broad access to the physical, digital and financial infrastructure required to support economic activity. Electricity access stands at 100%, providing a strong foundation for businesses and households and mitigating one of the most basic constraints on productive activity. This is complemented by 27.97 fixed broadband subscriptions per 100 people, indicating relatively well-developed digital connectivity, which is increasingly important as Mauritius expands into ICT, financial and other digitally enabled services. The country's infrastructure also supports its external orientation: air freight stands at 170.21 million, while its Liner Shipping Connectivity Index of 80.68 provides important maritime links for an island economy that depends heavily on international trade and imported inputs. Together, these physical and digital connections help offset some of the geographic disadvantages associated with Mauritius's small and remote domestic market.

Financial infrastructure further strengthens this base.

Mauritius's banking and financial services industry is among the most developed in Africa. Mauritius has 14.17 commercial bank branches per million population, alongside a developed banking and financial services system that supports domestic investment and the country's role as an international financial centre.

As the economy has gradually shifted away from the dominance of banks and insurance companies, non-bank financial institutions have helped mobilise savings, stimulate investment, and provide financial support to other productive economic sectors (Afreximbank, 2020). Mauritius's open capital regime and growing importance as an international investment hub, supported by double tax avoidance treaties, have contributed to the development of its financial services, which accounted for about 13% of GDP in 2020. Its international financial centre rose from 81st globally in 2023 to 50th in 2026 (IMF, 2026).

Overall, Mauritius benefits from a relatively comprehensive infrastructure base, in which reliable electricity, digital connectivity, international transport links and financial intermediation reinforce one another. This combination is particularly important for an economy whose competitiveness increasingly rests not only on physical exports but also on tourism, financial services and other internationally traded activities. At the same time, continued investment in infrastructure remains necessary to address energy and logistics constraints and to support the productivity improvements required to sustain Mauritius' external competitiveness.

Administration

Mauritius ranks 1st on the Administration pillar, with a score of 92.19, making institutional quality a major strength in its overall competitiveness. Its Rule of Law score of 67.96 and Regulatory Quality score of 69.69 indicate a relatively predictable institutional environment, with stronger enforcement of rules and greater capacity to formulate and implement regulations that support economic activity. The World Bank has historically identified Mauritius' stable political system, respected judiciary and professional civil service as important institutional strengths (World Bank, 2018).

These institutional strengths extend to the functioning of the state itself. Government Effectiveness stands at 66.22, reflecting the capacity of public institutions to deliver services and to formulate and implement policies effectively. This matters because strong regulations are of limited value if they cannot be implemented consistently. Mauritius' relatively strong administrative capacity has historically been associated with a professional civil service and effective public institutions, including customs and port administration, which are particularly important for a small economy dependent on international trade. At the same time, Control of Corruption stands at 67.95, indicating comparatively strong safeguards against the misuse of public authority for private gain.

Mauritius' strength therefore appears to stem from the continuity and depth of its institutions rather than from a single governance reform. Mauritius has also consistently performed well against African peers on governance indicators; earlier World Bank assessments found it substantially ahead of the sub-Saharan African average across all major dimensions of governance. However, the 2026 IMF Article IV highlights the need to further strengthen institutional independence, governance, and the rules-based policy framework, suggesting that institutional quality remains a key area to preserve as Mauritius addresses productivity and investment challenges (IMF, 2026).

Knowledge Workforce and Output

Mauritius scored 68.13 in Knowledge Workforce and Output, and 4th out of 44 countries, making human capital another strong component of its AEC performance. The country combines relatively high labour force participation with broad access to higher education and a high level of human development, providing a stronger foundation for moving towards more skill- and knowledge-intensive activities.

The labour force participation rate stands at 68.78%, indicating a relatively high utilisation of the working-age population and providing a broad base of economically active workers. This is complemented by a tertiary enrolment rate of 45.78%, suggesting substantial investment in higher education and a growing pool of skilled workers. However, Mauritius still faces a skills-matching challenge: the World Bank has noted shortages of appropriately skilled workers as the economy has shifted from traditional sectors towards professional, financial and other services (World Bank, 2018).

The country's HDI of 0.81 further reflects relatively strong outcomes in education, health and living standards. Yet the challenge is increasingly to translate these educational gains into the specialised skills demanded by higher-productivity sectors. The World Bank highlights the need to better align tertiary education, TVET and on-the-job training with the requirements of knowledge-intensive and innovative firms (World Bank, 2018). Overall, Mauritius has a relatively strong human capital base, but its next competitiveness challenge is to convert high participation and educational attainment into specialised skills, productivity and innovation.

DEMAND SOPHISTICATION (INCOME DISTRIBUTION)

Mauritius ranks 29th out of 44 African countries on Income Distribution, with a score of 21.82. While this relatively low score points to considerable concentration of income and wealth, the distribution of purchasing power also shapes the sophistication of domestic demand. The top 10% hold 61.05% of net personal wealth and receive 48.2% of pre-tax national income, indicating that purchasing power is concentrated among higher-income households. The World Bank has linked Mauritius' progressive shift from traditional and low-skill sectors to services, notably professional, real estate, and financial services with increasing earning inequality. This transformation has generated a considerable rise in the demand for skilled workers that has not been matched by an equally rapid increase in the supply of skilled workers.

As a consequence, high-skilled workers benefited from a considerably larger increase in wages than low-skilled workers (World Bank, 2019). The structure of the population and the spatial distribution of economic activity further influence this demand. Mauritius' urban population stood at 485,519 in 2025, declining marginally by 0.11% from 2024. Mauritius does not exhibit the rapid urbanisation seen in many African economies. Instead, growth has increasingly extended into rural settlements. At the same time, employment remains concentrated around urban centres, driving substantial commuting and making connectivity a key part of the country's urban structure. Urban development has increasingly spread along existing transport corridors and around established settlements rather than through rapid expansion of large cities.

The decline of the sugar sector has also reshaped land use: sugar estates have diversified into residential, commercial and business developments, while housing for lower-income households has expanded around rural settlements. Government planning has sought to direct this growth to locations that can be efficiently serviced, while protecting high-value agricultural land and environmentally sensitive areas from development. This has produced a more dispersed and polycentric settlement pattern, with services and shopping facilities developing along major transport corridors and higher-income housing increasingly moving towards coastal areas and tourism centres (UN-Habitat, 2012; ISS, n.d.).

The resulting demand structure is therefore distinctive: Mauritius does not rely on rapid urbanisation to generate sophisticated demand, but on a relatively connected, services-oriented economy with concentrated purchasing power and multiple urban and semi-urban centres. This supports demand for higher-value financial, professional, tourism and consumer services, while the concentration of income and wealth limits how widely such demand is distributed. Broadening access to economic opportunities and purchasing power would therefore strengthen both the inclusiveness and the depth of domestic demand, supporting Mauritius' longer-term diversification and competitiveness.

BUSINESS DYNAMISM

Mauritius ranks 31st scoring 46.03 on Business Environment, making this a more mixed pillar despite the country's strong reputation for ease of doing business. In the World Bank's Doing Business 2019 assessment, Mauritius ranked 20th globally and 1st in sub-Saharan Africa, with a score of 79.58. Starting a business required only four procedures, five days and 0.9% of income per capita, with no minimum capital requirement, pointing to a highly accessible formal business-entry environment. The ease of entry is supported by a developed financial system, with domestic credit to the private sector at 72.03% of GDP, giving businesses better access to formal financing than in Egypt. However, challenges shift from entry to sustained investment and expansion. AEC indicators show a 3.08% decline in gross fixed capital formation and a 10.34% fall in FDI, with manufacturing value added growing only 1.36%. The IMF notes weak productivity growth and increasing regional competition for export-oriented firms, especially in manufacturing and textiles.

72.03%

DOMESTIC CREDIT TO THE PRIVATE SECTOR IN MAURITIUS, SHARE OF GDP

At the same time, Mauritius continues to attract substantial international investment through its financial centre: the IMF estimates that the Mauritius International Financial Centre contributes around 8% of GDP, while inward FDI positions remain high relative to comparator African financial centres (IMF, 2026). Mauritius combines a business-friendly environment with weak recent momentum in investment, manufacturing, and capital formation. The next challenge is shifting from ease of starting a business to creating conditions for firms to invest, scale, and innovate. The government's reform agenda on digitalisation, permitting, entrepreneurship, financing, and high-value sectors, along with port and energy improvements, aims to strengthen this second stage of business growth.

EXPORT PERFORMANCE

Mauritius is among the few African leaders in Export Performance, achieving a score of 34.10 (ranked 6th), substantially exceeding the African average of 26.58. Nevertheless, the disparity relative to South Africa, the top performer, is at least 41.50 points. Between 2000 and 2025, Mauritius' compound annual growth rate (CAGR) for its export share was –1.01%. The export share stood at 1.89% in 2000 and declined to 1.48% by 2025.

In this current edition of the Africa Export Competitiveness (AEC) 2025 Index, Mauritius ranks 32nd among African countries in terms of high-tech exports as a share of total manufactured exports, indicating the lowest capacity to export technologically advanced goods. However, broader indicators within the **Export Performance pillar** underscore structural limitations in the country's global trade footprint.

Mauritius **merchandise exports account for only 0.009% of total global exports**, a modest figure given the country's relative industrial development, while its services export share is 0.077%, reflecting its limited economic scale. This limited services export footprint suggests untapped potential in tradable services and declining competitiveness in tourism, business outsourcing, and digital services. Moreover, in 2024, biotrade accounted for 72.97% of total merchandise exports, highlighting the importance of nature-based agriculture and related production exports. At the same time, high-tech exports accounted for only 1.22% of total exports, indicating the need to diversify further into higher-value, technology- and knowledge-intensive exports.

These figures indicate that although Mauritius holds a comparatively strong position within Africa, its overall export performance continues to be limited by a narrow global export share, underutilised services and biotrade sectors, and an imperative to progress further along the value chain. Enhancing high-technology export capabilities, expanding green and nature-based exports, and revitalising services trade are essential for improving its standing within the Export Performance pillar of the AEC Index and for attaining more resilient, inclusive, and sustainable export growth.

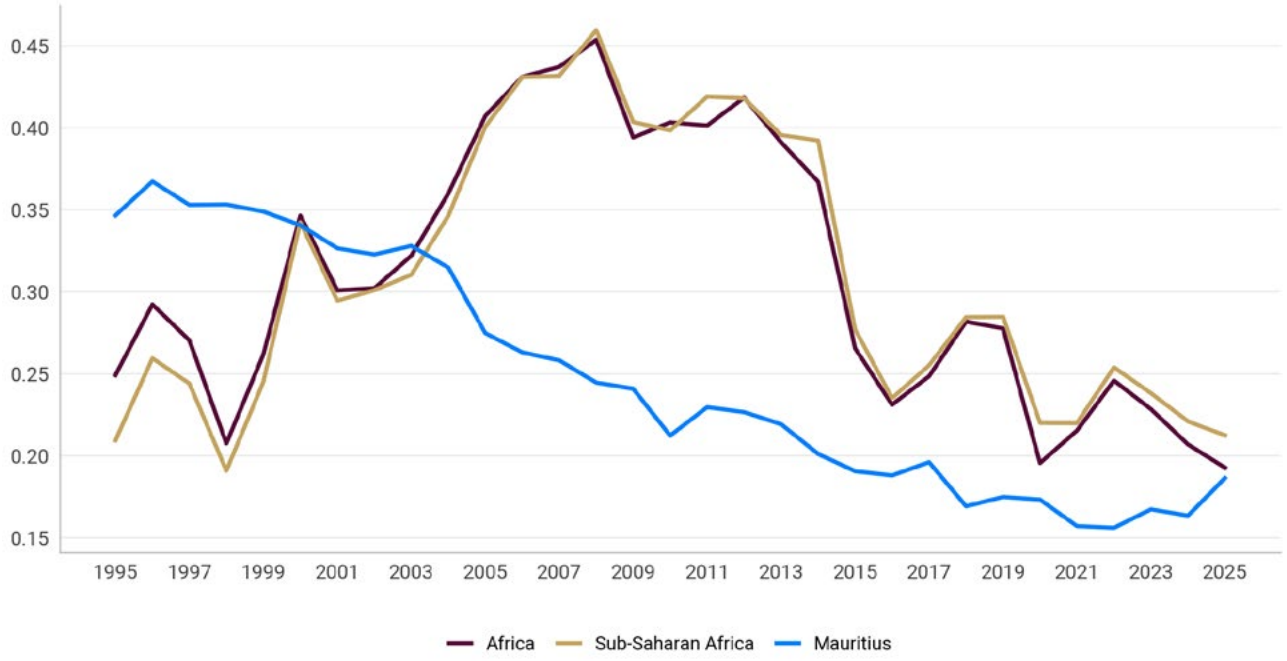
Understanding Export Diversification

The Export Product Concentration Index assesses how much a country's merchandise exports rely on a small selection of products. It shows whether a limited number of key commodities drive a country's exports or whether exports are broadly distributed across multiple products[4]. A higher index value signals increased concentration, meaning that a large share of export revenue relies on a few goods. In contrast, a lower index value indicates greater diversification, reflecting a more balanced and robust export profile. This indicator is particularly useful in assessing a country's export diversification and economic vulnerability. Economies with a high product concentration are typically more exposed to external shocks such as commodity price fluctuations or demand shifts in specific sectors.

[4] INDICATORS EXPLAINED #3 EXPORT PRODUCT CONCENTRATION INDEX

FIGURE 19: PRODUCT CONCENTRATION IN MERCHANDISE EXPORTS (1995-2025)

Source: UNCTAD



Mauritius has shown a notable decline in its Product Concentration within Merchandise Exports since 2004. The concentration index fell from approximately 0.34 to 0.32 in 2003, and by 2025 had reached around 0.186, with most improvements occurring after 2004. Mauritius's concentration consistently remained lower than the rest of Africa, indicating a more diversified export base. This suggests the economy is gradually diversifying beyond its historically dominant traditional sectors, expanding into a broader array of manufactured, agricultural, and processed products. Nevertheless, the diversification and complexity of the produced goods remain relatively limited.

Market Penetration

Market penetration calculations show that Mauritius's top 10 export product categories reflect a complex interplay of strengths and evolving vulnerabilities across sectors. These insights highlight the breadth of Mauritius' trade reach and the structural challenges that constrain export diversification and long-term competitiveness.

TABLE 16: MAURITIUS: TOP 10 PRODUCTS MARKET PENETRATION

Source: Author compiled data from ITC trade map

Product by Rank	HS Code	Product Label	Number of Countries to which it Exports	Number of Countries that Import the Product	Market Penetration
1	160414	Prepared or preserved tuna, skipjack and Atlantic bonito, whole or in pieces (excluding minced)	26	215	0.12
2	10611	Live primates	7	60	0.12
3	170199	Cane or beet sugar and chemically pure sucrose in solid form (excluding flavoured, coloured and raw sugar)	38	221	0.17

Product by Rank	HS Code	Product Label	Number of Countries to which it Exports	Number of Countries that Import the Product	Market Penetration
4	620342	Men's or boys' cotton trousers, bib and brace overalls, breeches and shorts (excluding knitted or crocheted, underpants and swimwear)	55	221	0.25
5	170114	Raw cane sugar in solid form, not containing added flavouring or colouring matter (excluding subheading 170113)	54	209	0.26
6	600622	Dyed cotton fabrics, knitted or crocheted, of a width exceeding 30cm (excluding specified knitted fabrics)	11	224	0.05
7	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	61	224	0.27
8	30389	Frozen fish, n.e.s.	24	212	0.11
9	901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	54	227	0.24
10	392330	Plastic carboys, bottles, flasks and similar articles for the conveyance or packaging of goods	46	220	0.21

Complexity Ranking: Performance of Mauritius

The Economic Complexity Index (ECI), developed by the Harvard Growth Lab, measures the sophistication of a country's productive capabilities based on the diversity and complexity of its export basket. It indicates the extent of know-how embedded in a country's exported products and evaluates the rarity or commonality of these products globally. A higher ECI score signifies that a nation exports a broad spectrum of diverse, high-value, and technologically advanced goods produced by few other countries. Countries can enhance their ECI by augmenting the quantity and complexity of the products they successfully export.

As of 2024, Mauritius ranks 64th globally in the ECI. Its ECI trajectory has generally improved but remains uneven. In 2012, it ranked 69th with an ECI of 0.13; by 2024, the ECI rose to 0.29, and the ranking improved to 64. For an economy that has historically relied on sectors such as textiles, sugar, and tourism, it is now increasingly seeking to diversify into high-value activities. The IMF 2024 Country Report also identifies diversification as a key structural priority and highlights ICT and digital activities, pharmaceuticals, and renewable energy as areas targeted for further development (IMF,2024).

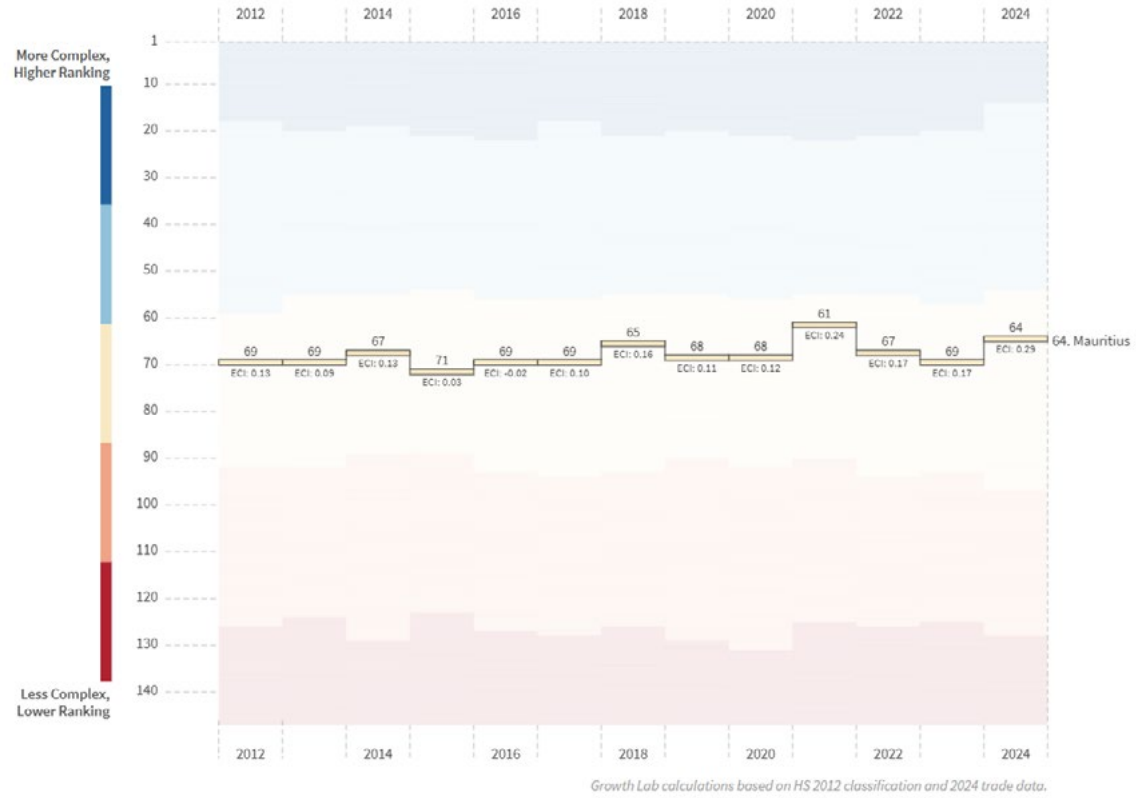
Although Mauritius' ECI improvement is encouraging, maintaining its trajectory will require translating its relatively open trade regime, skills base, and business environment into a broader range of sophisticated export activities.

The Harvard Growth Lab also notes that Mauritius is "as complex as expected" given its income level, suggesting the economy is not underperforming relative to its current capabilities. Still, it also isn't progressing toward higher-value sectors. Nonetheless, the country is well positioned to diversify, particularly into "nearby" products in industries adjacent to current capabilities.

The Growth Lab's 2034 Growth Projections forecast 3.0% annual growth in Mauritius over the coming decade, placing it in the top half of countries globally. These include **electrical machinery and equipment and industrial machinery. The challenge is unlocking industrial potential by investing in innovation, skills, and exports, while resolving barriers such as energy insecurity, policy inconsistency, and logistics issues.**

FIGURE 20: MAURITIUS' RANKING OVER THE YEARS AND COMPARISON WITH TOP EXPORT PERFORMERS

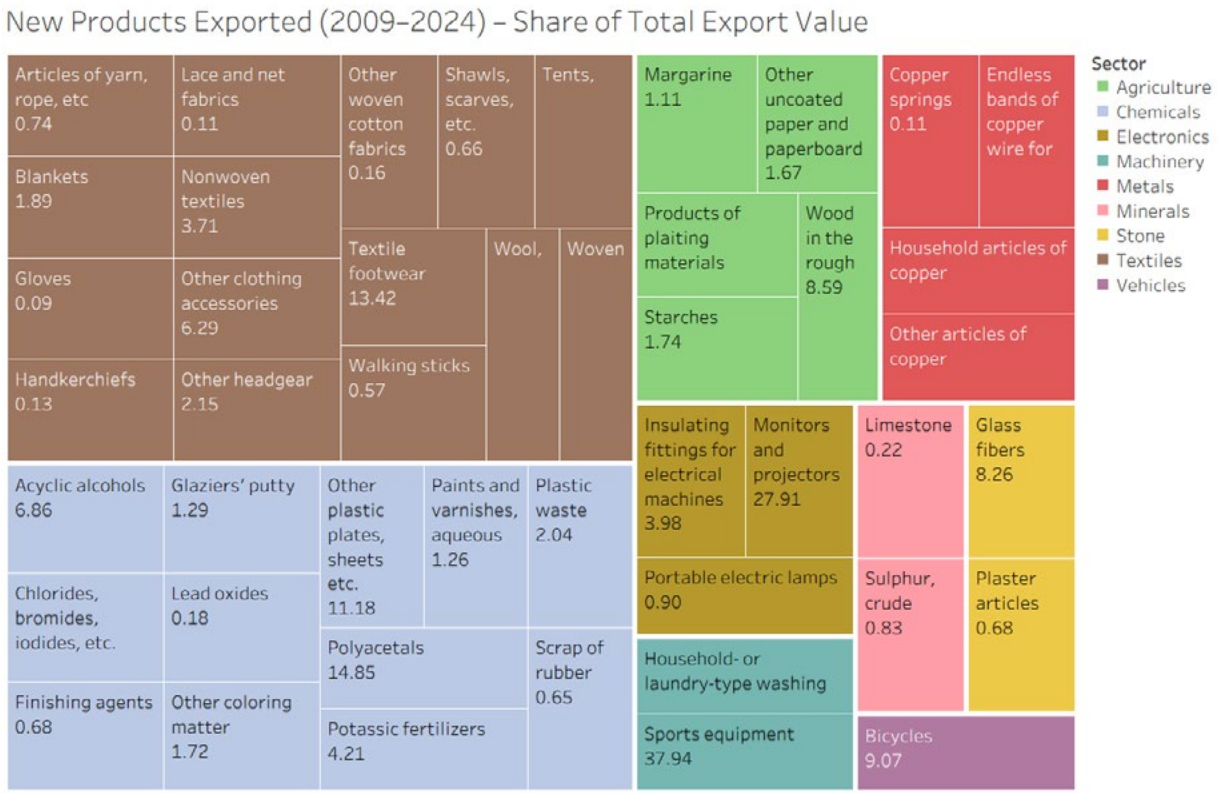
Source: Growth Lab at Harvard University, The Atlas of Economic Complexity



Mauritius added 21 new products between 2009 and 2024, contributing around USD 33 to per capita income in 2024. Its diversification has been broad, spanning machinery, textiles, chemicals, vehicles, electronics, agriculture, metals, and minerals. However, the new export basket is relatively concentrated. Sports equipment alone accounted for 37.94% of the value of new exports, followed by textiles, footwear and other plastic plates and sheets. Together, these three products accounted for about 62.5% of the value of Mauritius' new exports.

FIGURE 21: NEW PRODUCTS EXPORTED (2009-2024)

Source: Diversification into New Products, The Atlas of Economic Complexity



At the sector level, machinery accounted for nearly 38%, textiles about 22.4%, and chemicals about 14.1%. This indicates that Mauritius is diversifying beyond its traditional export base into manufactured products, but the economic impact still depends on a relatively small number of successful products. Although Mauritius has diversified into more products, their volumes remain too small to contribute substantially to income growth.

Overall, Mauritius' export performance shows greater specialisation and adaptability than scale. It is beginning to move beyond traditional exports to building capabilities in other products. However, its small production base, limited market reach, and continued reliance on nature-based exports are slowing expansion. Its export competitiveness will depend on niche specialisation, production quality, innovation, and strong ties to high-value markets. Deep diversification remains a major challenge.

2025 AFRICA EXPORT
COMPETITIVENESS REPORT



07 LEARNING AND RECOMMENDATIONS

When export policy doesn't translate into export performance

LEARNING AND RECOMMENDATIONS

DECODING THE IMPLEMENTATION GAP

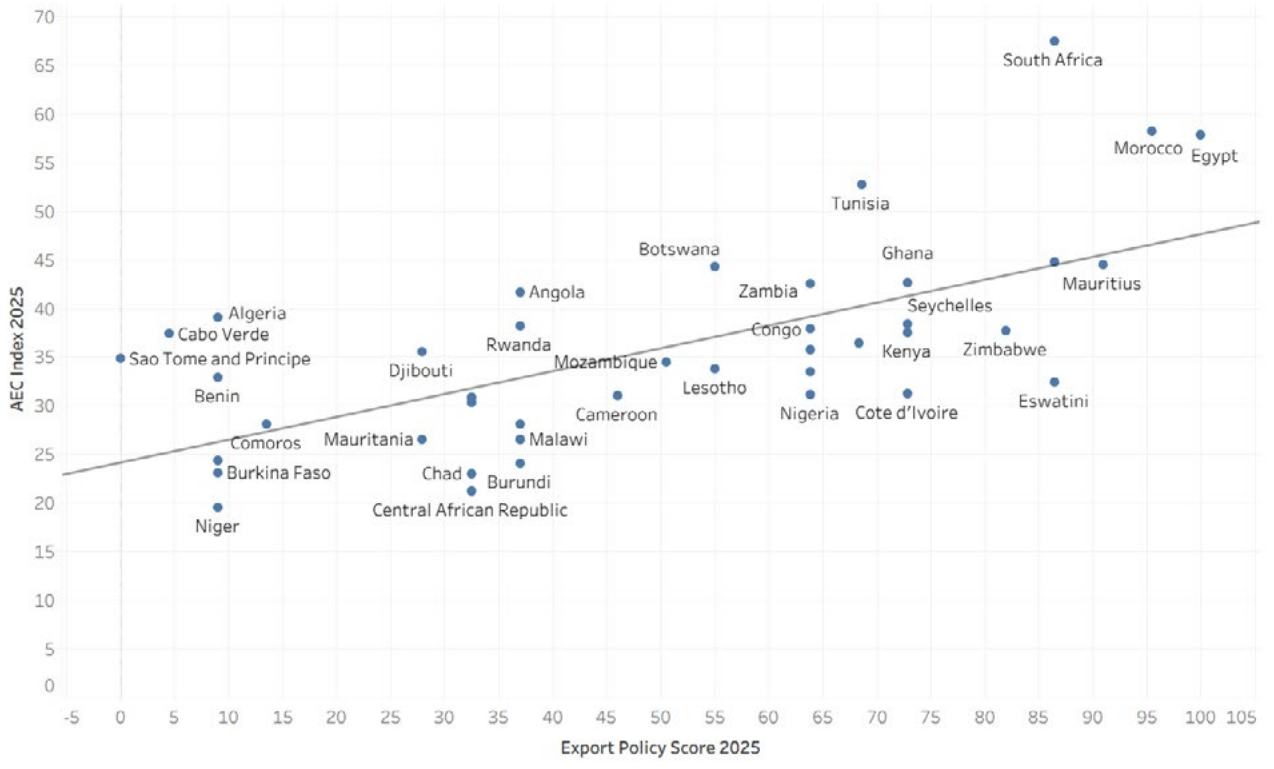
When Export Policy Doesn't Translate into Export Performance

Taken together, the AEC 2025 findings point to an important distinction between designing and implementing an export policy and translating that policy framework, at the ecosystem level, into stronger export growth or product diversification at the national and sub-national levels. The export policy demonstrates a positive correlation with overall export competitiveness, suggesting that nations with robust policy frameworks generally perform better within the broader AEC Index. Nevertheless, this relationship diminishes considerably when directly comparing export policy against export performance in the AEC Index. This indicates that while export policy serves as a vital enabling foundation, it is not sufficient on its own to generate competitive, diversified, and increasingly sophisticated exports.

The gap between policy and performance highlights the need to focus on capabilities such as production capacity, export infrastructure, logistics skills, investment, and firms' ability to scale in new markets. While some countries like South Africa, Morocco, and Egypt succeed by combining good policy with strong exports, others like Mauritius, despite good policies, do not see corresponding export growth. This contrast emphasises that policy alone isn't enough to drive export success.

FIGURE 22: EXPORT POLICY AND OVERALL EXPORT COMPETITIVENESS (AEC 2025)

Source: AEC Analysis



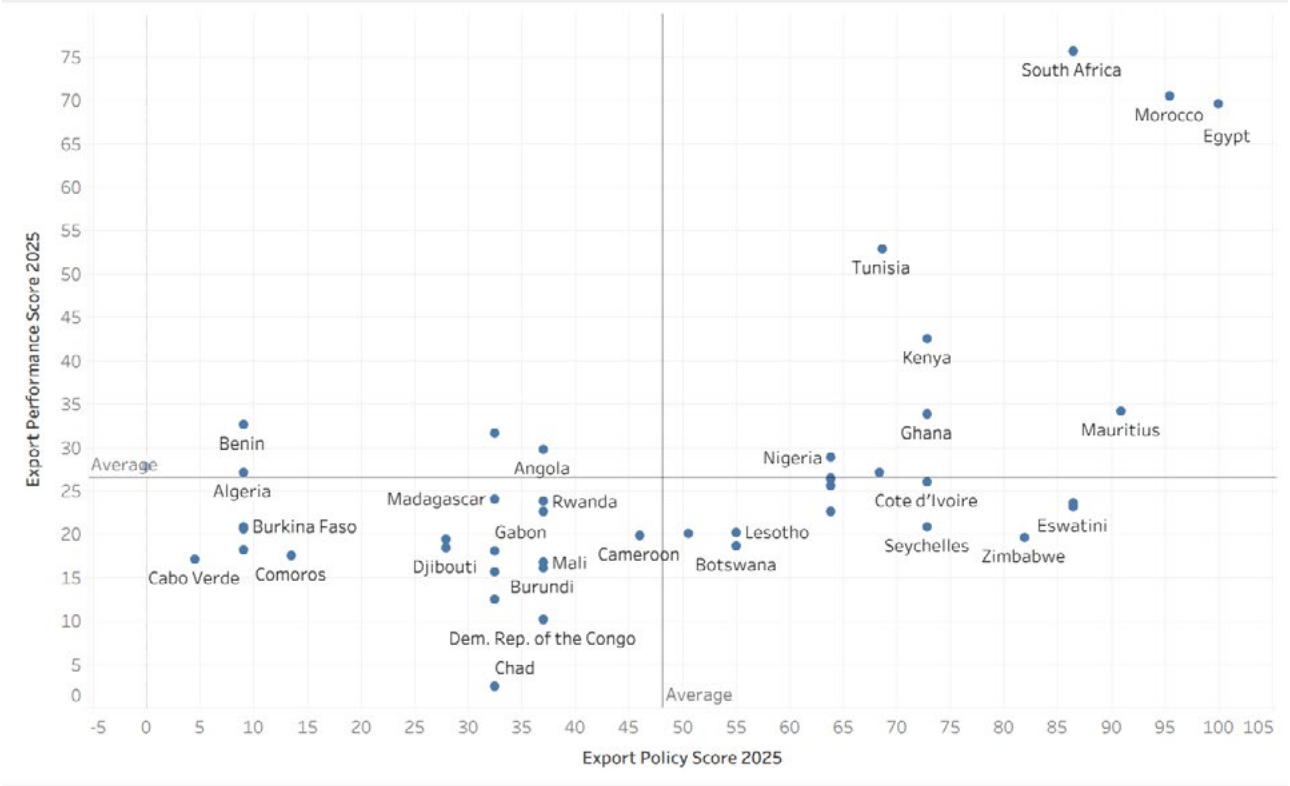
Export Policy is positively and significantly associated with overall export competitiveness. The trend line indicates that countries with stronger export policy frameworks tend to record higher AEC Index scores. An R-squared value of 0.442 explains 44.2% of the variation in overall AEC scores across the 44 countries. The relationship being positive varies considerably across countries. Egypt combines the highest Export Policy score (100) with a high overall AEC score (57.8), while South Africa achieves a higher overall AEC score despite a lower Export Policy score (86.45). Mauritius provides a further contrast, recording a high Export Policy score (90.96) but a considerably lower overall AEC score (44.52). These differences suggest that translating export policy into overall competitiveness also depends on countries' performance across other dimensions of the AEC Index. Hence, the relationship between Export Policy and overall Export Competitiveness is not one-to-one, indicating that export policy is an important enabling factor but that other dimensions also contribute substantially to differences in overall AEC performance.

Export Policy to Performance Gap

While the relationship with overall competitiveness is evident, examining Export Policy against the Export Performance pillar provides a more direct assessment of whether stronger policy frameworks are sufficient to translate into stronger export outcomes.

FIGURE 23: EXPORT POLICY AND EXPORT PERFORMANCE AEC SCORES 2025

Source: AEC analysis



The more important finding is the relationship with actual Export Performance. Here, Export Performance covers the composition, sophistication and reach of exports including high-tech exports, services, merchandise exports, complexity, market penetration and biotrade.

The second graph shows a positive and statistically significant relationship between Export Policy and Export Performance. The model has an R^2 of 0.297 and a p-value of 0.00013, meaning that countries with stronger Export Policy scores tend to have better Export Performance scores, although policy explains only around 30% of the variation in Export Performance. The estimated coefficient of 0.293 implies that a 10-point increase in the Export Policy score is associated with roughly a 2.9-point increase in the Export Performance score, on average. The remaining variation points towards the importance of factors beyond formal trade policy such as productive capacity, infrastructure, skills, investment, institutions and firms' ability to move into more sophisticated products. For example, Mauritius has one of the strongest policy frameworks in the index, yet its Export Performance is much lower.

The countries in the top-right quadrant in Figure 23 – South Africa, Morocco and Egypt – stand out because they perform relatively strongly across most pillars of the AEC Index. View stronger export growth and related outcomes alongside the broader enabling conditions that support export capacity. Their performance illustrates that export policy is most effective when paired with a wider export ecosystem capable of bridging the gap between policy support and export growth.

Thus, Export Policy provides guidance on the path to follow, but productive and export capabilities determine how much of the enabling environment translates into export performance. Africa's bigger challenge is not only gaining access to newer markets; it must also increase the sophistication and global scale of what it exports. This comes through very strongly in the Export Performance analysis. Across the 44 countries, combined merchandise and services exports account for only 2.4% and 1.81% of global exports, respectively. Only five countries have a positive complexity score, while most countries remain at relatively low levels of export sophistication.

This implementation deficit is particularly significant within the broader context of Africa's export structure. The challenge extends beyond improving the policy environment or expanding market access through new products; it also requires fostering market diversification and comprehensive product diversification. In addition, it entails strengthening countries' capacity to diversify exports, increase the sophistication and added value of these exports, and expand their presence in global markets. Export forms and outcomes therefore address whether countries have appropriate export policies and the productive and institutional capabilities to translate these policies into sustained export capacity, which can raise export competitiveness.

The Egypt and Mauritius case studies also show that export transformation can take very different forms across African economies.

Egypt's experience exemplifies a gradual expansion of its export base, transitioning from a predominantly service-oriented structure towards a more diversified mix of merchandise and services. The proportion of services in total trade declined from being over 64.7% to 45.9% in 2024 while sectors such as agriculture, chemicals, machinery, electronics, metals, and minerals have gained significance. However, despite its larger industrial base, strategic geographic position, and diversified export portfolio, Egypt has yet to fully leverage these advantages to achieve higher-value, technologically advanced exports. This is evidenced by its relatively low economic complexity index and the limited share of high-technology exports.

Mauritius presents a different case. It moved from a traditional sugar- and textile-based export structure towards a predominantly services-led model, with

services rising from 33.08% of exports in 1995 to 63.9% in 2024. Tourism, financial services, transport, and business services now form a major part of its export base. Yet the successful shift towards services has not fully translated into greater technological intensity or higher-value exports. Moreover, high-tech exports account for only 1.21% of merchandise exports. To date, both markets have introduced new products, but together these two cases show that no single path to export transformation exists, especially for African economies, based on the Africa Export Competitiveness Index.

These case studies confirm that Egypt has diversified through a broader industrial and merchandise base, while Mauritius has developed export strengths across tourism, financial services, ICT and other digitally enabled services. In both cases, however, the next stage of export competitiveness depends not only on further diversification, but also on converting existing capabilities, adding new market value, and tapping not just new product spaces in the market, but also adding value to the export value chain: higher productivity, greater value addition, stronger innovation, and more sophisticated exports.



APPENDIX

APPENDIX 1: RATIONALE FOR INDICATORS

Dimension/ Pillar	Indicator	Rationale
Export Policy	Existence of an Export Promotion Plan	The existence of an export promotion plan reflects a nation's commitment to developing a strategic approach to enhancing its exports, which has far-reaching implications for its economic stability and global standing. By formulating a well-defined strategy, governments can identify target markets, products, and industries with export potential. This not only facilitates the allocation of resources but also encourages the private sector to align its activities with national export goals. An export promotion plan is essential for improving the overall competitiveness of a nation's products and services.
	Trade Agreements	The number of trade agreements reflects the extent to which a nation is integrated into the global economy and its commitment to fostering international trade relationships. A higher number of trade agreements typically signifies a country's proactive approach to expanding its export markets. it also serves as a clear measure of a country's commitment to free trade and economic openness. Nations that actively engage in negotiating and signing trade agreements demonstrate their willingness to reduce trade barriers, such as tariffs and quotas, thereby creating a more conducive environment for their domestic industries to access foreign markets.
	Claiming a Duty Drawback on Import Duties Paid on Intermediate Goods	Claiming a Duty Drawback on Import Duties Paid on Intermediate Goods embodies the principle of reducing production costs, which is vital for enhancing a country's export competitiveness. When a country allows exporters to claim a refund on import duties paid for intermediate goods used in the production process, it effectively lowers the cost of production. This reduction in costs can make the country's products more competitive in international markets by offering competitive pricing, thus increasing demand for its exports.

Dimension/ Pillar	Indicator	Rationale
Basic Infrastructure	Access to Electricity	Export-oriented industries require dependable and extensive access to electricity. It ensures that businesses are able to function effectively and maintain production schedules. Reliable access to electricity indicates a reduced risk of production disruptions and can attract investment in the region, which relies on a stable power supply.
	Fixed Broadband Subscriptions (per 100 people)	Access to high-speed internet is essential for a conducive business environment. It allows exporters to communicate with customers and partners worldwide, access global markets, and gather market intelligence. A higher number of fixed broadband subscriptions per 100 people indicates better connectivity, which is advantageous for export competitiveness.
	Air transport, Freight (million ton-km)	Efficient air freight transport infrastructure is essential for exporting goods quickly and reliably, especially for perishable or time-sensitive products. The volume of air cargo transported is an indicator of the capacity and efficacy of the air transport system, which is significant for export-dependent industries that rely on air cargo.
	Liner Shipping Index	The LSI is a robust indicator of a country's export competitiveness because it directly reflects the costs associated with shipping goods to international markets. Lower LSI values indicate cost-efficient shipping, which can significantly enhance a country's competitiveness in global trade. When a country can transport its products at a lower cost, it is better positioned to offer competitive prices to international buyers, thus increasing its market share and export volumes.
	Commercial Bank Branches (per million population)	Access to banking services is essential to a thriving business ecosystem in order to assist exporters in procuring financing, managing international transactions, and mitigating financial risks.
Knowledge Workforce and Creation	Scientific and Technical Articles (per million population)	It capture the research and knowledge-generation capacity of an economy. The indicator provides a proxy for the extent to which a country produces scientific and technological knowledge to support innovation and upgrading. Using publications relative to population allows comparisons across different-sized economies.
	Tertiary School Enrolment (%)	Tertiary School Enrolment (%): For export competitiveness, the percentage of the population enrolled in tertiary education institutions (universities, colleges, etc.) is crucial. Tertiary education typically imparts sophisticated knowledge and abilities, which are frequently required in export-oriented industries. A higher enrolment rate in tertiary education indicates that the labour force is more likely to possess the specialised knowledge and qualifications required for success in industries with high export potential.
	Human Development Index	The HDI provides a holistic view of a country's development status by considering key dimensions of human well-being such as life expectancy, education, and per capita income. These factors are not only indicative of a nation's overall quality of life but also influence its economic capabilities. A country with a higher HDI is more likely to have a skilled and healthy workforce, which is crucial for enhancing export competitiveness.

Dimension/ Pillar	Indicator	Rationale
Administration	Rule of Law	Rule of Law encompasses a set of principles and institutions that ensure that all individuals and entities, including businesses, are subject to and accountable under the law. In countries where the rule of law is strong, businesses can operate with confidence that their contractual agreements will be upheld, property rights will be protected, and disputes will be resolved fairly through a transparent legal system. This predictability reduces the transaction costs and risks associated with exports and increases competitiveness.
	Control of Corruption	A low level of corruption is essential for fostering a fair and transparent business environment. When corruption is pervasive, businesses are often forced to engage in corrupt practices to navigate bureaucratic hurdles, obtain permits, or secure contracts. Countries with strong control over corruption ensure a level playing field for all businesses, promoting healthy competition and encouraging investment in innovative industries. A high level of corruption can lead to inefficiencies, red tape, and unpredictable costs, which can significantly hinder a nation's export competitiveness. Inefficient customs processes, for instance, can delay shipments and increase trade costs, making products less competitive on the global market.
	Government Effectiveness	Government Effectiveness evaluates the efficiency, transparency, and capability of a government to provide essential services, maintain law and order, and execute policies that foster a conducive environment for businesses to thrive. A government that functions efficiently, with minimal bureaucracy and corruption, simplifies regulatory processes, reduces red tape, and facilitates smoother business operations. This, in turn, reduces the cost of exporting goods, making a country more competitive in the global market.
	Regulatory Quality	Regulatory Quality measures evaluate the effectiveness and consistency of a nation's regulatory framework, encompassing a wide range of factors such as the transparency of regulations, the ease of doing business, and the strength of institutions responsible for enforcing these rules. It also directly impacts the predictability of business operations. When regulations are clear, stable, and consistently enforced, businesses can plan their operations with confidence, leading to increased investment in export-oriented ventures. Investors and entrepreneurs are more likely to commit resources to long-term export strategies in countries with high regulatory quality, as they can better anticipate the rules governing their operations.

Dimension/ Pillar	Indicator	Rationale
Income Distribution	Urban Population	A high urban population indicates a market with greater income levels and access to diverse goods and services. This dynamic contributes to more demand for sophisticated products, including luxury items and advanced technology. For exporters, targeting urban areas can be crucial because they offer customers who are willing and able to purchase sophisticated goods.
	Top 10% Share of Wealth-Net Personal Wealth	This indicator assesses the concentration of wealth among the top 10% of the population. A higher share of wealth held by the wealthiest individuals may indicate income inequality. In the context of export competitiveness, extreme income inequality can lead to social and political tensions, potentially affecting economic stability and the investment climate, which can indirectly impact a country's export competitiveness.
	Top 10% Share of Pre-Tax National Income Share	Similar to the previous indicator, this measures the share of pre-tax national income held by the top 10% of the population. A higher concentration of income among the wealthiest individuals can result in disparities in access to education, healthcare, and other resources that are crucial for a competitive and skilled workforce.
Business Environment	Manufacturing Value Added (annual growth rate)	Manufacturing value added assesses the contribution of the manufacturing sector to a country's GDP. A robust and competitive manufacturing sector is able to produce goods for export markets, substantially enhancing export competitiveness. In this context, the expansion and vitality of the manufacturing sector are crucial.
	FDI inflows Increase %	An increase in FDI inflows can have a profound impact on a country's export competitiveness by contributing to economic growth, technology transfer, diversification of export products, and access to international markets. Therefore, studying FDI inflow is essential for comprehensively assessing a country's export competitiveness and formulating effective export promotion strategies.
	Gross Fixed Capital Formation Growth	This indicator measures the growth in investments made by businesses in physical assets such as machinery and buildings. A positive growth rate in this indicator can be the sign of a dynamic business environment in which firms are investing for expansion. It is suitable for assessing business dynamism, as increased investment often reflects confidence in the business environment.
	Domestic Credit to Private Sector (% of GDP)	Access to credit is essential for businesses to finance their operations, invest in technology, and increase production. The ratio of domestic credit to the private sector to GDP indicates the availability of capital for businesses. A greater proportion indicates that businesses have improved access to credit, which can support their growth and competitiveness in export-oriented industries.

Dimension/ Pillar	Indicator	Rationale
Growth and Orientation of Exports	Complexity Score	This indicator captures a country's capacity to produce and export complex, high-value goods, which is strongly linked to economic growth, competitiveness, and resilience. It is a forward-looking measure that reveals not just what a country does today, but what it is capable of doing tomorrow. A higher ECI value indicates a country exports diverse, complex products and has strong capabilities for growth and innovation. A lower ECI reflects reliance on simple or raw exports, signalling limited industrial diversity and economic vulnerability.
	Market Penetration	Market penetration measures a country's ability to expand its exports into new markets. It evaluates the competitiveness of a country's exports by examining the extent to which it has entered and succeeded in different global markets. A high market penetration indicates a strong presence in a variety of markets, which can enhance export competitiveness.
	Service Exports %	Service exports play a vital role in enhancing a country's export competitiveness. They contribute to economic diversification, job creation, innovation, and overall economic resilience. A strong service export sector complements goods exports and can be a significant driver of economic growth and prosperity.
	Merchandise Exports %	This indicator measures a nation's standing in global merchandise trade. It measures the proportion of a nation's exports in the global trade of goods. A higher merchandise share indicates that the country is a significant player in international trade, possibly indicating a competitive export sector.
	High-Tech Exports % (total exports)	This indicator assesses the proportion of high-tech exports within a nation's overall exports. High-tech exports typically consist of technologically advanced electronics, machinery, aerospace products, pharmaceuticals, and other products. A greater proportion of high-tech exports indicates that a nation is producing and exporting technologically advanced, high-value goods, which can contribute to increased export competitiveness and export revenues.
	Information and Communication Technology (ICT) as a Percentage of Total Exports	Information and Communication Technology (ICT) service exports include information technology, telecommunications, software development, and other ICT-related activities. This indicator gauges the value of a country's exported ICT services. A strong presence in ICT service exports indicates a competitive ICT sector and a skilled labour force, thereby contributing to overall export competitiveness, particularly in the swiftly expanding digital economy. Exports of ICT services demonstrate the competitiveness of a nation's technology and services sector. It can attract foreign investment, create employment, and generate export revenue.

APPENDIX 2: INDICATOR, YEAR, SOURCE, DEFINITION

Indicator	Year	Source	Definition
Export Policy			
Existence of an Export Promotion Plan	2026	Trade Policy Review, WTO	The Export Promotion Policy is a public policy measure aimed at enhancing export activity at the national level. It is a metric used to assess whether a country has implemented a structured and documented strategy or plan specifically aimed at promoting its exports. This indicator draws its information from each country's Trade Policy Review conducted by the World Trade Organization (WTO), which is a comprehensive evaluation of a nation's trade policies and practices.
Number of Regional Trade Agreements	2026	WTO Regional Trade database	The "Number of Regional Trade Agreements" is an indicator that quantifies the extent to which countries engage in formal, mutually agreed upon arrangements to facilitate trade and economic cooperation within a specific geographical region. This indicator is a count of the distinct RTAs that a particular country or group of countries is party to, each representing a legally binding agreement designed to reduce trade barriers, enhance market access, and promote economic integration among the participating nations within the defined geographic scope.
Claiming a Duty Drawback on Import Duties Paid on Intermediate Goods	2026	Trade Policy Review, WTO	The "Claiming a Duty Drawback on Import Duties Paid on Intermediate Goods" indicator refers to a measure that assesses the extent to which a country's customs and trade policies allow for the reimbursement or refund of import duties previously paid on intermediate goods used in the production process. Intermediate goods are raw materials, components, or other inputs that are not meant for final consumption but are incorporated into the production of finished products.
Basic Infrastructure			
Access to Electricity	2024	World Bank	Access to electricity is the percentage of the population with access to electricity. Electrification data are collected from industry, national surveys and international sources.
Fixed Broadband Subscriptions (per 100 people)	2024	World Bank	Fixed broadband subscriptions refer to fixed subscriptions to high-speed access to the public Internet (a TCP/IP connection), at downstream speeds equal to, or greater than, 256 kbit/s. This includes cable modem, DSL, fibre-to-the-home/building, other fixed (wired) broadband subscriptions, satellite broadband and terrestrial fixed wireless broadband. This total is measured irrespective of the method of payment. It excludes subscriptions that have access to data communications (including the Internet) via mobile-cellular networks. It should include fixed WiMAX and any other fixed wireless technologies. It includes both residential subscriptions and subscriptions for organisations.

Indicator	Year	Source	Definition
Air transport, freight (million ton-km)	2023	World Bank	Air freight is the volume of freight, express, and diplomatic bags carried on each flight stage (operation of an aircraft from take-off to its next landing), measured in metric tons times kilometres travelled.
Liner Shipping Index	2024	UNCTAD	The Liner Shipping Connectivity Index captures how well countries are connected to global shipping networks. It is computed by the United Nations Conference on Trade and Development (UNCTAD) based on five components of the maritime transport sector: number of ships, their container-carrying capacity, maximum vessel size, number of services, and number of companies that deploy container ships in a country's ports. For each component, a country's value is divided by the maximum value of each component. In 2024, the five components are averaged for each country, and the average is divided by the maximum average for 2004 and multiplied by 100. The index generates a value of 100 for the country with the highest average index in 2024.
Commercial Bank Branches (per million population)	2024	World Bank	Commercial bank branches are retail locations of resident commercial banks and other resident banks that function as commercial banks that provide financial services to customers and are physically separated from the main office but not organised as legally separated subsidiaries.
Knowledge Workforce and Creation			
Scientific and Technical Articles (per million population)	2024	World Bank	Scientific and technical journal articles: the number of publications from selected peer reviewed journals and conference proceedings in science and engineering fields, including areas such as engineering, computer and information sciences, health sciences, mathematics, physics, chemistry and biological sciences.
Tertiary Institution Enrolment (%)	2024	World Bank	Gross enrolment ratio is the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Tertiary education, whether or not to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Indicator	Year	Source	Definition
Human Development Index	2023	United Nations Development Indicators	The Human Development Index (HDI) is a summary measure of average achievements in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalised indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth. The education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita. The HDI uses the logarithm of income to reflect the diminishing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using a geometric mean.
Administration			
Rule of law	2024	Worldwide Governance Indicators (WGI)	Rule of Law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank.
Control of Corruption	2024	Worldwide Governance Indicators (WGI)	Control of Corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests. Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank.
Government Effectiveness	2024	Worldwide Governance Indicators (WGI)	Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies. Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank.
Regulatory Quality	2024	Worldwide Governance Indicators (WGI)	Regulatory Quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. Percentile rank indicates the country’s rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank.
Income Distribution			
Urban Population	2024	World Bank	Urban population refers to people living in urban areas as defined by national statistical offices. The data are collected and smoothed by the United Nations Population Division.

Indicator	Year	Source	Definition
Top 10% Share of Wealth – Net Personal Wealth	2024	World Inequality Database	Net personal wealth share held by the p90p100 group. Net personal wealth is the total value of non-financial and financial assets (housing, land, deposits, bonds, equities, etc.) held by households, minus their debt. The personal or household sector–in the national accounts sense–includes all households and private individuals (including those living in institutions), as well as unincorporated enterprises whose accounts are not separated from those of the households who own them. The population is comprised of individuals over age 20. The base unit is the individual (rather than the household) but resources are split equally within couples. [Net personal wealth]=[Personal non-financial assets]+[Personal financial assets]-[Personal debt]
Top 10% Share of Pre-Tax National Income	2024	World Inequality Database	Pre-tax national income share held by the p90p100 group. Pre-tax national income is the sum of all pre-tax personal income flows accruing to the owners of the production factors, labour and capital, before taking into account the operation of the tax/transfer system, but after taking into account the operation of the pension system. The central difference between personal factor income and pre-tax income is the treatment of pensions, which are counted on a contribution basis by factor income and on a distribution basis by pre-tax income. The population is comprised of individuals over age 20. The base unit is the individual (rather than the household) but resources are split equally within couples. Pre-tax national income =Pre-tax labour income [total pre-tax income ranking]+Pre-tax capital income [total pre-tax income ranking]
Manufacturing Value Added (annual growth rate)	2023, 2024	World Bank	Annual growth rate for manufacturing value added based on constant local currency. Aggregates are based on constant 2015 prices, expressed in U.S. dollars. Manufacturing refers to industries belonging to ISIC divisions 10-33. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 4.
FDI Inflows Increase %	2024	World Bank	Foreign direct investment refers to direct investment equity flows in the reporting economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Ownership of 10% or more of the ordinary shares of voting stock is the criterion for determining the existence of a direct investment relationship. Data are in current U.S. dollars.

Indicator	Year	Source	Definition
Gross Fixed Capital Formation Growth	2024, 2023	World Bank	Average annual growth of gross fixed capital formation based on constant local currency. Aggregates are based on constant 2015 prices, expressed in U.S. dollars. Gross fixed capital formation (formerly gross domestic fixed investment) includes land improvements (fences, ditches, drains, and so on); plant, machinery, and equipment purchases; and the construction of roads, railways, and the like, including schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings. According to the 2008 SNA, net acquisitions of valuables are also considered capital formation.
Domestic Credit to Private Sector (% of GDP)	2024	World Bank	Domestic credit to private sector refers to financial resources provided to the private sector by financial corporations, such as through loans, purchases of nonequity securities, and trade credits and other accounts receivable that establish a claim for repayment. For some countries, these claims include credit to public enterprises. The financial corporations include monetary authorities and deposit money banks, as well as other financial corporations where data are available (including corporations that do not accept transferable deposits but do incur such liabilities as time and savings deposits). Examples of other financial corporations are finance and leasing companies, money lenders, insurance corporations, pension funds, and foreign exchange companies.
Growth and Orientation of Exports			
Complexity Score	2024	The Atlas of Economic Complexity, Harvard's Growth Lab	The Economic Complexity Index is a ranking of countries based on the diversity and complexity of their export basket. High complexity countries are home to a range of sophisticated, specialised capabilities and are therefore able to produce a highly diversified set of complex products. Determining the economic complexity of a country depends not only on its productive knowledge. Information about how many capabilities the country has is contained not only in the absolute number of products that it makes, but also in the ubiquity of those products (the number of countries that export the product) and in the sophistication and diversity of products those other countries make. Economic complexity expresses the diversity and sophistication of the productive capabilities embedded in the exports of each country. The Economic Complexity Index (ECI) has been shown to explain income differences across countries and predict future growth better than any other single measure.
Market Penetration	2025	International Trade Centre (ITC)	Market Penetration Index measures the extent to which exports from a country reach already proven markets. It is calculated as the number of countries to which an exporter country in question exports a particular product divided by the number of total countries that import that product in a year.
Service Exports %	2025	UNCTAD	Value of total service exports as a percentage of total service exports of the world.

Indicator	Year	Source	Definition
Merchandise Exports %	2025	UNCTAD	Value of total merchandise exports as a percentage of total merchandise exports of the world.
High-Technology Exports % (total exports)	2024	World Bank	High-technology exports are products with high R&D intensity, such as in aerospace, computers, pharmaceuticals, scientific instruments, and electrical machinery.
Biotrade as Percentage of Total Exports	2024	UNCTAD	Biotrade as a Share of Total Trade refers to the proportion of international trade of a country that involves the exchange of biological resources and related products in a manner that promotes sustainability, conservation, and equitable benefit-sharing among the stakeholders involved.

APPENDIX 3: OVERALL AFRICA EXPORT COMPETITIVENESS (AEC) INDEX SCORES AND RANKING OF 44 AFRICAN COUNTRIES, 2025

Rank	Country	AEC Index Score
1	South Africa	67.41
2	Morocco	58.26
3	**Egypt**	**57.80**
4	Tunisia	52.72
5	Namibia	44.75
6	**Mauritius**	**44.52**
7	Botswana	44.23
8	Ghana	42.60
9	Zambia	42.55
10	Angola	41.67
11	Algeria	39.09
12	Seychelles	38.38
13	Rwanda	38.19
14	Congo	37.85
15	Zimbabwe	37.66
16	Kenya	37.54
17	Cabo Verde	37.36
18	Tanzania	36.41
19	Uganda	35.70
20	Djibouti	35.56
21	São Tomé and Principe	34.84
22	Mozambique	34.48

Rank	Country	AEC Index Score
23	Lesotho	33.73
24	Senegal	33.44
25	Benin	32.89
26	Eswatini	32.42
27	Côte d'Ivoire	31.26
28	Nigeria	31.14
29	Cameroon	31.04
30	The Gambia	30.86
31	Gabon	30.78
32	Ethiopia	30.32
33	Madagascar	30.30
34	Comoros	28.08
35	Dem. Rep. of the Congo	28.05
36	Mauritania	26.52
37	Malawi	26.52
38	Mali	26.51
39	Togo	24.32
40	Burundi	24.03
41	Burkina Faso	23.10
42	Chad	22.98
43	Central African Republic	21.24
44	Niger	19.53

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ENDNOTES

1. This includes 36 countries due to data limitations across other countries.
2. Refer to Appendix 3 for ranking of 44 countries list
3. This 2019 data is the latest Egypt has provided to the WTO; no more recent figures are available, so it should be considered the latest official WTO rate.
5. INDICATORS EXPLAINED #3 EXPORT PRODUCT CONCENTRATION INDEX

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