Regionalism, "Continentalism," and Multilateralism: Building or Stumbling Blocks for Africa?

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1. Introduction

Following World War II, a multilateral framework was established to structure global trade based on shared principles, including nondiscrimination through Most Favored Nation (MFN) treatment, consolidation of customs duties, the ability to implement trade remedies in cases of unfair competition, and the creation of transparent trade policies and a binding dispute settlement mechanism. This framework was established in the General Agreement on Tariffs and Trade (GATT)[1] and later by the World Trade Organization (WTO). It facilitated the rapid expansion of international trade for several decades: according to the WTO, world trade volume today is 45 times the level recorded in 1950.[2]

Nevertheless, since 2001, this multilateral system has become increasingly fragile. Its credibility and functionality have suffered from repeated failures in multilateral trade negotiations (nonconclusion of Doha Development Round; see Bouët and Laborde 2010); major trading powers' increasing noncompliance with WTO rules (lack of transparency by China; MFN, National Treatment and Schedule of Concessions by the United States[3]; see Bouët, Sall, and Métivier 2024); and paralysis of the WTO's Appellate Body (Starshinova 2021). The advent of a new US administration in 2025, which declared its intention to prioritize strategic bilateralism and protective trade policies, has the potential to further weaken, or even bring to an end, the existing multilateral trade system (Bouët et al. 2025). This raises the question of the need for a novel regulatory and institutional framework for international trade. This is particularly important for African countries, which have long sought inclusive development through multilateral trade: 45 African countries are WTO members and 6 are negotiating their accession.

While multilateralism is a key channel for African countries' participation in international trade, another important strategy is regional integration by way of regional trade agreements (RTAs), allowed under the multilateral framework for global trade. While the nondiscrimination principle requires uniform treatment of all WTO members, exceptions are permitted through the negotiation of these agreements, which have proliferated on a global scale, particularly in Africa. Notably, regional blocs such as ECOWAS (Economic Community of West African States), CEMAC (Communauté Économique et Monétaire de l'Afrique Centrale/Economic and Monetary Community of Central Africa), COMESA (Common Market for Eastern and Southern Africa), EAC (East African Community), and SADC (Southern African Development Community) have evolved at varying levels of integration, as concluded in previous AATM reports. For example, EAC, IGAD (Intergovernmental Authority on Development), and WAEMU (West African Economic and Monetary Union) show high trade introversion. As of May 2025, the World Bank reported 381 RTAs in force worldwide, including 48 in Africa (World Bank 2025), demonstrating that regionalism has expanded even within the multilateral system (Winters 2000; Glania and Matthes 2005). However, their emergence may have resulted in declining multilateralism: that is, RTAs may hinder rather than promote the advantages of multilateralism. It is important to note that an RTA confers privileged access for one country to one or more other countries. The coexistence of multilateral and regional agreements may undermine the latter's benefits by providing identical access to all countries worldwide, a phenomenon known as the erosion of preferences (Bouët et al. 2006; Francois et al. 2006; Hoekman et al. 2008).

Recently, African countries have chosen a third trade strategy: continental integration through the African Continental Free Trade Area (AfCFTA), which entered into force in 2019 and became operational on January 1, 2021. It represents a major milestone toward creating a

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1 See Bagwell and Staiger (1999) for an economic theory, and Wolff (2023) for an institutional description.
2 See https://www.wto.org/english/res_e/statis_e/trade_evolution_e/evolution_trade_wto_e.htm, accessed September 17, 2025.
3 The US Inflation Reduction Act did not respect the National Treatment rule; the reciprocal tariffs announced by President Trump on April 2, 2025, did not respect the MFN and Schedule of Concessions rules.

single continental market among the 55 African Union member states, the largest of its kind. Can this free trade area be the driving force for the dynamic and harmonious development of international trade among African countries, contributing to inclusive development? For the AfCFTA to be an effective catalyst for African trade, its implementation must accommodate not only the provisions of existing RTAs, but also African countries' membership in the WTO.

This leads to the key questions explored in this chapter: Are existing RTAs building blocks or stumbling blocks for African trade? Will AfCFTA implementation lead to a significant and harmonious expansion of African trade? Does WTO membership reinforce trade between African countries?

To answer these questions, we must understand the mechanisms through which the AfCFTA affects trade between members of the same REC and between members of different RECs. It is anticipated that the AfCFTA Agreement—which entails reducing tariff and nontariff barriers to trade between African countries as well as cooperation on trade facilitation, investment, competition policy, intellectual property rights, e-commerce, and inclusion (women and youth)— will enhance trade among African countries that do not belong to the same REC. However, its impact on intra-REC trade is not as clear. Article 19 of the Agreement stipulates that the AfCFTA shall prevail in case of conflict with existing regional agreements, but also allows REC members to maintain higher levels of integration where these already exist. On one hand, it may address existing barriers to trade, presumably increasing intra-REC trade. On the other hand, lower trade barriers with non-REC countries could divert trade away from member countries through shifts in relative trade costs across multiple partners (multilateral resistance) effects (Anderson and van Wincoop 2003; Anderson and Yotov 2012).

This chapter considers whether the AfCFTA will (1) reduce trade within African RECs and shift it toward other African partners, or instead increase both intra-REC and extra-REC trade, and (2) whether WTO membership plays a positive or negative role. The analysis relies on a structural gravity equation applied to a global database of annual trade data for 233 countries (including 54 African economies) over the period 1988–2022. Thus, this year's AATM extends the scope of previous editions by taking a broader perspective, examining the interplay among regionalism, continentalism, and multilateralism[4] in Africa's trade architecture, and how these different levels of commitment reinforce or undermine each other in practice. We show that to date, intra-African trade has developed mainly thanks to RECs, and that WTO membership has amplified this effect for some countries. This effect is significant overall for all goods combined, but the impact has been less for agricultural products. The AfCFTA has had little effect so far. However, if comprehensively implemented, with commitments fully in place and legally enforceable, the AfCFTA's effect on intra-African trade would increase substantially, with positive effects on both intra- and inter-REC trade. This effect would be significant in countries' agriculture sectors, with an overall increase in within-REC exports, but negative effects on intra-REC trade in some communities (COMESA, EAC, UEMOA, and others).

The chapter unfolds as follows. The next section defines the African RECs and reviews the literature on RTAs' effects, followed by a description of African RECs' trade and tariff patterns. We then present the methodology, data, and empirical results before offering conclusions.

2. Literature Review

This section provides an overview of the existing literature on RTAs and RECs in Africa. It outlines the historical development of RTAs on the continent, reviews theoretical debates around the

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4 "Regionalism" refers to integration within African RECs; "continentalism" refers to Africa-wide integration initiatives, most notably the AfCFTA; and "multilateralism" refers to integration at the global level, particularly through the WTO framework.
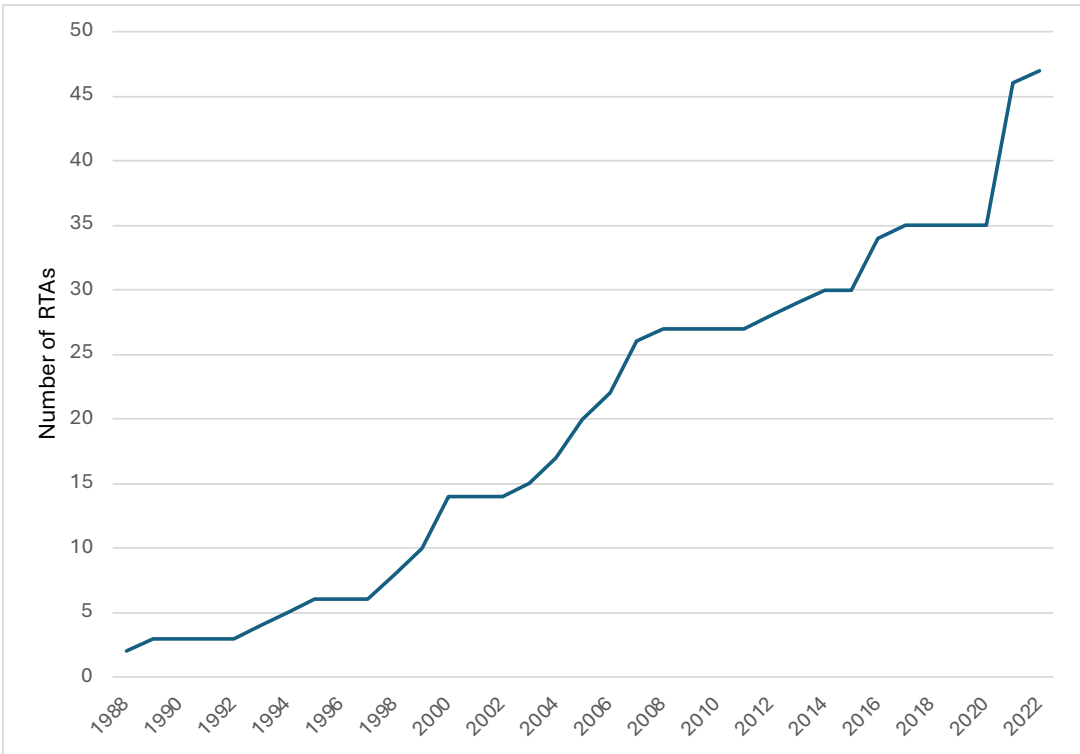
benefits and limitations of regionalism, and discusses the evolving role of RECs in the broader African trade architecture. Additionally, it touches on the overlap between regionalism and multilateralism and introduces the AfCFTA.

Evolution of RTAs and RECs in Africa

The evolution of RTAs, including in Africa, has fluctuated, with periods of both rapid growth and slowdowns. From the 1970s to the mid-1990s, the number of RTAs remained limited. Trade integration gained momentum in the late 1990s, with a gradual increase to two agreements achieved per year in 1998 and 1999. More recent agreements have expanded beyond the continent. Indeed, a turning point occurred in 2021, driven by Brexit, which led to 11 trade agreements between the United Kingdom and various African countries and regions, including Cameroon, Côte d'Ivoire, East and Southern Africa states, Egypt, Ghana, Kenya, Morocco, Mozambique, SACU, and Tunisia. In addition, Mozambique signed an RTA with Indonesia in 2022, and Kenya entered an agreement with the European Union in 2024. As of 2022, 47 RTAs involving African countries were in force (Figure 5.1).

Despite this growth, active intra-African trade agreements remain limited. Only eight RTAs are operational on the continent, namely CEMAC, COMESA, EAC, ECOWAS, the Namibia-Zimbabwe Agreement, SACU, SADC, and WAEMU. CEMAC and WAEMU regional groupings go beyond trade agreements and encompass monetary policy coordination. This trend highlights Africa's evolving trade landscape, which is shaped by external partnerships and regional consolidation.

Figure 5.1 Number of regional trade agreements in force involving African countries, 1988–2022

Source: WTO Regional Trade Agreements database, accessed January 2025. https://rtais.wto.org/UI/PublicMaintainRTAHome.aspx
Note: All RTAs, including accessions, are included. Only one additional agreement (EU-Kenya, 2024) entered into force after 2022.

The African Union officially recognizes eight RECs in Africa as building blocks for continental integration (AfCFTA): COMESA, EAC, ECCAS, ECOWAS, SADC, AMU, CEN–SAD, and IGAD (Table 5.1). They differ in their date of establishment, membership composition, and coverage and depth of integration, with some having achieved customs union status while others remain at the free trade stage or earlier. Some are shallow (covering only tariffs and other border measures), while others are deep (encompassing a broader set of policies; see Matthews 2007). Subsequent sections of this chapter use the term "REC" for all groups described above, whether officially recognized by the African Union or not.[5]

Table 5.1 Description of African RECs

Acronym	Full Name	Year Created	Members (as of 2025)	Stage
COMESA	Common Market for Eastern and Southern Africa	1994	21 (Burundi, Comoros, Democratic Republic of the Congo (DRC), Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, Zimbabwe)	Free trade area +Customs union (launched in 2009 but not fully implemented)
EAC	East African Community	2000	7 (Kenya, Uganda, Tanzania, Rwanda, Burundi, South Sudan, DRC)	Customs union
ECCAS	Economic Community of Central African States	1983	11 (Angola, Burundi, Cameroon, Central African Republic, Chad, DRC, Equatorial Guinea, Gabon, Republic of Congo, Rwanda,* São Tomé and Príncipe≠≠) *= withdrew in June 2025	Economic cooperation (overlaps with CEMAC)
ECOWAS	Economic Community of West African States	1975	15 (Benin, Cabo Verde, Côte d'Ivoire, Ghana, Guinea, Guinea-Bissau, Liberia, Nigeria, Senegal, Sierra Leone, Gambia, Togo, Burkina Faso,* Mali,* Niger* *=withdrew in 2023–24	Customs union (since 2015)
WAEMU	West African Economic and Monetary Union	1994	8 (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo)	Customs union + Monetary union
SADC	Southern African Development Community	1992	16 (Angola, Botswana, Comoros, DRC, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, Zimbabwe)	Free trade area (since 2008; Angola and DRC have not yet implemented)
SACU	Southern African Customs Union	1910	5 (Botswana, Eswatini, Lesotho, Namibia, South Africa)	Customs union (fully harmonized tariffs)
AMU	Arab Maghreb Union	1989	5 (Algeria, Libya, Mauritania, Morocco, Tunisia)	Inactive

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5 The appetite for regional cooperation in Africa goes beyond the RECs to include five energy-based organizations (such as West Africa Power Pool-ECOWAP), 15 river and lake organizations (such as the Senegal River Basin Development Organization-OMVS), three peace and security organizations (for example, G5-Sahel), and one environmental organization (Central African Forests Commission-COMIFAC) (Interactive map: Mapping regional organizations in Africa - ECDPM, accessed August 1, 2025).

Table 5.1 Description of African RECs (cont'd)

CEN-SAD	Community of Sahel-Saharan States	1998	25 (Benin, Burkina Faso, Central African Republic, Chad, Côte d'Ivoire, Co-moros, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea, Guinea-Bissau, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra-Leone, Sudan, Somalia, Togo, Tunisia)	Economic, cultural, political, and social integration (overlaps with ECOWAS, ECCAS, COMESA)
IGAD	Intergovernmental Authority on Development	1996	8 (Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Uganda)	Cooperation (not a trade bloc)
TFTA	Tripartite Free Trade Area	2015	3 blocs (COMESA, EAC, SADC)	Pending implementation Entered into force in July 2024

Source: Authors' compilation.

Theoretical and empirical perspectives on regional integration

After reviewing the historical evolution and institutional landscape of Africa's RTAs, this section examines the theoretical debates and empirical evidence on regional integration and its economic effects. Creating a free trade area or a customs union (a free trade area with a common external tariff) has both positive and negative effects. A key advantage is trade creation, whereby the removal of tariffs and nontariff barriers between member countries leads to increased trade flows, greater consumer access to lower-cost imports, and improved resource allocation through specialization and economies of scale. Conversely, trade diversion may occur when cheaper goods from more efficient nonmember countries are replaced by costlier imports from less efficient member countries due to preferential treatment, potentially reducing overall welfare. In sum, the creation of a free trade area or a customs union can either increase or decrease trade flows and the well-being of member countries (Viner 1950). Scholars such as Rodrik (2000a) have argued that a major limitation of Viner's insights is that they offer a purely static view of the benefits of regional integration.

A related theoretical literature on free trade agreements (FTAs) examines the distributional consequences of trade liberalization and identifies who is more likely to gain or lose from regional integration. This line of research explores the link between changes in output prices and changes in returns to factors of production, such as real wages and returns to capital. According to the Stolper–Samuelson theorem (Stolper and Samuelson 1941), trade liberalization affects relative factor prices: owners of a relatively abundant factor in a country may benefit from trade opening, while owners of a relatively scarce factor may see their real returns decline. This implies that within an RTA, the benefits and costs are not equally shared across sectors or groups, raising important policy questions about how to design mechanisms that ensure the net welfare effect remains positive for all member countries. It has also been demonstrated that trade agreements are not gender neutral, underscoring the need for targeted measures to ensure that trade agreements do not exacerbate gender inequalities. The question of how to ensure gains outweigh losses (whether the country engaging in an FTA is better or worse off) has drawn some research interest. For instance, it has been shown that governments could use lump-sum transfers to achieve Pareto gains from trade (that is, gains for everybody or at least no loss for anybody) to the extent that they are nondistorting, on one hand, and provided that people do not react strategically as a result of such redistribution, on the other hand

(Kemp and Wan Jr. 1976; Grinols 1981; Grinols and Wong 1991; Ju and Krishna 2000; Dixit and Norman 1980; Panagariya and Krishna 2002).[6] In practice, this has provided a rationale for compensation mechanisms that serve as an important tool to help FTA members weather short-run adjustments. For example, the AfCFTA Adjustment Fund is an operational instrument designed to "support African countries and the private sector to effectively participate in the new trading environment established under the AfCFTA."[7]

Another key concept shaping the evaluation of RTAs is the "natural trading partner" hypothesis (Lipsey 1960), which suggests that welfare gains from preferential trade agreements (PTAs) are more likely to materialize when member countries already trade heavily with each other. This assumption is based on the idea that such patterns reduce the likelihood of trade diversion. However, critics such as Bhagwati and Panagariya (1996) argue that high pre-PTA trade volumes may amplify welfare losses as a result of increased trade diversion and forgone tariff revenues, particularly for smaller economies that remain open to global trade. Schiff (2001) challenges the traditional volume-based view by introducing the notion of trade complementarity—the extent to which one country imports what another country exports. From this perspective, it is not the intensity of prior trade that determines the success of an RTA, but whether the trade relationship is complementary or substitutable. Agreements between countries with complementary trade structures are more likely to yield welfare gains, while those between substitutable economies risk inefficiencies and limited benefits.

In Africa, overlapping membership in multiple RECs adds another layer of complexity, referred to as the "spaghetti bowl" effect (Bhagwati 1996). This fragmentation can result in legal, institutional, and policy inefficiencies. While many studies point to the negative implications of such overlaps, several authors argue that this issue is less relevant when overlapping trade agreements remain shallow. Baldwin (2006), for instance, emphasizes that when regional agreements focus mainly on tariff preferences and lack deep regulatory commitments, the risk of legal or institutional conflict is limited. Similarly, Estevadeordal et al. (2008) and the World Bank (2005) show that shallow integration is less likely to result in inefficiencies, particularly in Africa, where most RECs do not yet involve complex regulatory harmonization or binding institutional provisions.

This debate is also connected to the distinction between shallow and deep trade agreements. While shallow RTAs mainly address tariffs and quantitative restrictions, deep trade agreements extend commitments to a broader set of policy areas, including investment, competition policy, intellectual property rights, services trade, public procurement, and the reduction of nontariff measures. Theoretically, deep RTAs can generate higher welfare gains by reducing behind-the-border barriers, fostering regulatory convergence, and enhancing investor and trader predictability. Baldwin (2011) and Rocha et al. (2020) highlight that such deeper commitments can create "supply chain disciplines" that integrate markets more effectively than tariff cuts alone, especially in sectors with high value added and complex cross-border production. However, deep integration can also raise adjustment costs, constrain domestic policy autonomy, and exacerbate asymmetries between members if institutional capacities are uneven (World Bank 2020).

Debate also arises over whether RTAs act as building blocks or stumbling blocks for multilateralism. RTAs and multilateral trade agreements both aim to reduce trade barriers, but through different frameworks. While multilateralism is based on nondiscrimination and global openness, RTAs operate on a preferential basis, which can generate both trade creation and trade diversion.

6 Additional instruments to guarantee that an FTA will lead to Pareto gains include a system of commodity taxes and subsidies (Dixit and Norman 1980; Dixit 1986).
7 See https://au-afcfta.org/operational-instruments/the-afcfta-adjustment-fund/, accessed on August 1, 2025.

Empirical studies of African RTAs have evolved. Findings from early ex post studies based on a meta-analysis and gravity model of the success of RTAs in promoting intra-African trade were mixed, partly due to methodological shortcomings, such as the omission of multilateral resistance terms and the inadequate treatment of zero trade flows (Afesorgbor 2017). However, recent studies provide more robust and coherent results, showing that several RECs—including ECOWAS, COMESA, SADC, and, to a lesser extent, EAC—have had a positive, significant effect on bilateral trade among their members (Fofack et al. 2021).

Even if other critical factors may impede the gains from RTAs, one important challenge to realizing their benefits lies in their rules of origin (RoO). The complexity arising from RoO heterogeneity is widely documented, particularly through estimates of associated compliance costs. Anson et al. (2005), Carrère and de Melo (2004), and Estevadeordal et al. (2007) highlight that these costs can significantly erode, or even outweigh, the benefits of preferential market access under FTAs. For instance, Anson et al. (2005) estimate RoO compliance costs at around 6 percent of the export value, surpassing the average preferential margin of 4 percent. Cadot et al. (2006) show that selected SADC RoO in agriculture and manufacturing may hinder the efficiency gains expected from the free trade area, as they tend to preserve pre-trade protocol protectionist structures and existing trade patterns. Signé and Madden (2020) highlight that negotiations on RoO under the AfCFTA are complicated by the existing diversity of RoO regimes across Africa's RECs. Their analysis considers preference margins, the availability of intermediate inputs, trade volumes, and certification costs and finds that while preference margins are relatively high for many products, the limited availability of intermediate inputs and low trade volumes pose constraints. Furthermore, they point out that certification requirements could be burdensome for the large number of small and medium-sized enterprises (SMEs) operating in Africa, potentially limiting the use of preferential trade benefits.

On overlapping memberships, Afesorgbor and van Bergeijk (2011) use a gravity model for 35 countries over the 1995–2006 period and within ECOWAS, and find that such overlaps can even enhance trade, suggesting that the spaghetti bowl effect is not universally negative when agreements are shallow. Simulation evidence further informs the building-versus-stumbling-block debate. For example, FAO (2022)—using the multicountry computable general equilibrium model MIRAGRODEP calibrated with GTAP 11—shows that while agreements like the AfCFTA may significantly increase intra-African trade, they may also reduce trade with more competitive non-African partners, thereby limiting global efficiency gains. These findings underline the importance of aligning regional trade integration with broader multilateral objectives.

The AfCFTA represents a critical step toward greater African integration, aiming to consolidate existing regional frameworks and overcome fragmentation. Its success will depend on addressing the continent's high protectionism, the diversity of its 55 member states, the complex nature of trade negotiations, and the extent to which member countries perceive it as complementing rather than substituting for their existing RECs. Therefore, understanding the current structure of intra- and extraregional trade flows, tariff regimes, and the composition of trade is essential to assess where the AfCFTA can reinforce existing integration dynamics and where it may face challenges.

3. Regional Integration in Africa: Trade Structure and Policies

The theoretical and empirical perspectives outlined above provide a framework for understanding the possible effects of regional integration in Africa. To empirically assess the dynamics, this section examines the current structure of trade flows and tariff regimes across Africa's RECs. First, it examines the dynamics of trade flows and measures trade introversion across RECs. Next, it focuses on trade policy instruments, including the tariff structure across different stages of processing. Finally, it assesses the depth of RTAs. The aim is to shed light on the heterogeneity of Africa's regional integration efforts and identify gaps that the AfCFTA should address.
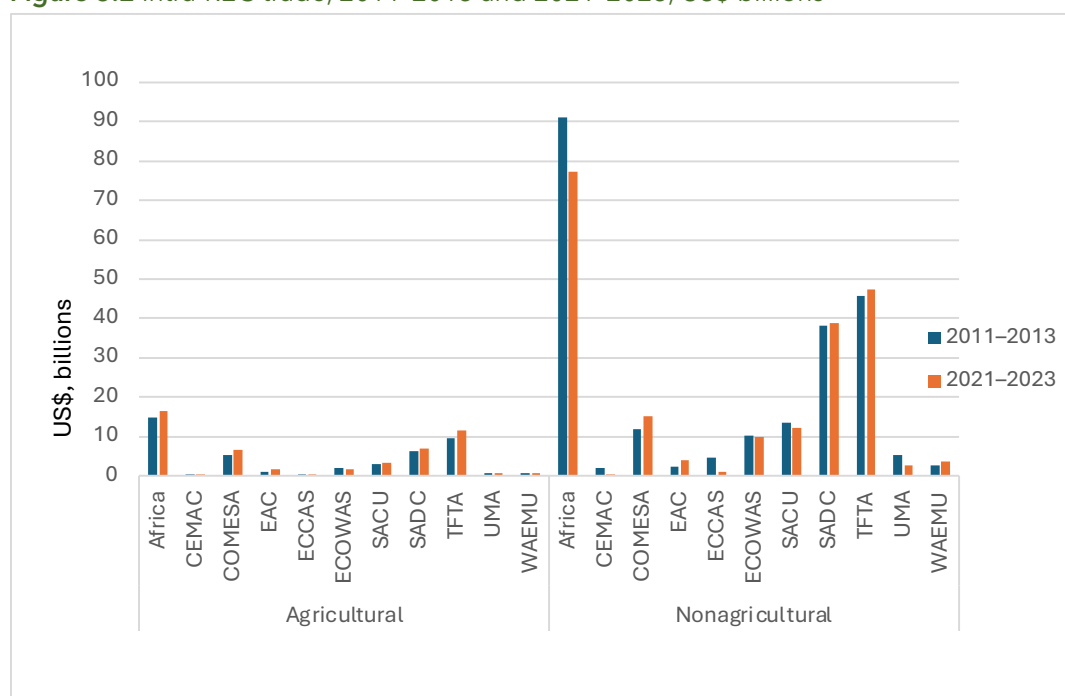
Trade flows

This subsection examines the evolution and structure of trade flows within and across African RECs, focusing on the intensity of intraregional trade and the degree of trade introversion as indicators of regional integration.

Intraregional trade values for agricultural and nonagricultural products[8] across African RECs between 2011–2013 and 2021–2023 highlight the trends in regional trade integration (Figure 5.2). Intra-African agricultural trade increased from US$14.8 billion to $16.6 billion, reflecting a moderate growth of 12 percent, though this expansion was uneven across regions. Significant growth occurred in the Tripartite Free Trade Area (TFTA)[9] (+22.2 percent), COMESA (+20.9 percent), and SADC (+9.2 percent), while CEMAC (−38.7 percent) and ECOWAS (−19.3 percent) recorded declines, indicating persistent disparities in agricultural trade integration. However, these figures likely underestimate intra-African trade, as informal cross-border trade (ICBT) is widespread, largely concentrated in agricultural products, and not captured in official statistics (Bouët et al. 2020). Bouët, Sy, et al. (2025) show that, in 2018, the COMTRADE database missed 84 percent of the total value of trade flows for the 33 products investigated by the ECO-ICBT database.

While intra-African agricultural trade increased, nonagricultural trade declined from US$91.1 billion to $77.2 billion, a 15 percent contraction, likely amplified by supply chain disruptions caused by the COVID-19 pandemic and the Russia-Ukraine crisis, which affected African economies both directly and indirectly. In particular, the war triggered global price spikes and shortages of key inputs, such as fertilizers, cereals, and energy, thereby raising production costs. It also disrupted maritime and logistics routes, leading to higher transport costs and delays (Laborde Debucquet et al. 2023). While nonagricultural trade grew in COMESA (+26.9 percent), EAC (+67.4 percent), and WAEMU (+43.7 percent), it declined substantially in CEMAC (−78.6 percent), ECCAS (−74.9 percent), ECOWAS (−4.9 percent), and AMU (−51.1 percent), suggesting weaker industrial integration. These patterns suggest that, beyond global shocks, structural factors such as diversification, competitiveness, and infrastructure development may also play a role in shaping RECs' trade performance.

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8 "Agricultural products" defined here goes beyond HS Chapters 01–24 (excludes fish and fisheries HS 03). In addition to food and beverages (live animals, meat, dairy, cereals, oilseeds, fruits, vegetables, beverages, and tobacco), it covers selected agriculture-based raw materials and inputs, natural textile fibers, raw hides and skins, and certain plant-based chemicals.
9 TFTA is a free trade area that includes COMESA, EAC, and SADC RECs, with 29 participating countries.

Figure 5.2 Intra-REC trade, 2011–2013 and 2021–2023, US$ billions

Source: 2025 AATM database and authors' calculations.

Regional trade introversion, a measure of the extent to which trade is conducted within a regional bloc rather than with external partners, varies significantly across African RECs. Based on the regional introversion index, the data for the periods 2003–2005, 2011–2013, and 2021–2023 reveal both persistent disparities and sector-specific dynamics in Africa's regional integration trajectory (Table 5.2).

For nonagricultural products, the average introversion index for Africa declined from 0.52 in both 2003–2005 and 2011–2013 to 0.44 in 2021–2023, indicating a growing orientation toward extra-Africa trade in industrial goods. Most RECs followed this downward trend. For example, COMESA dropped from 0.59 to 0.51, and ECCAS from 0.75 to 0.38. AMU experienced the largest decline: its index fell from 0.42 to 0.18 between 2011–2013 and 2021–2023. In contrast, by 2021–2023, blocs including EAC (0.91), WAEMU (0.94), and IGAD (0.90) were maintaining relatively high levels of intraregional trade in nonagriculture sectors. Despite slight decreases, SADC (0.82), SACU (0.76), and TFTA (0.68) also retained robust intra-bloc industrial trade in the same period. The only major exception was AMU, which saw a significant drop in its index from 0.90 to 0.62, indicating that trade in this Maghreb region has become more extraverted than introverted.[10]

For agricultural products overall, the trend in regional trade integration weakened slightly at the continental level. Africa's average introversion index declined from 0.56 to 0.46 between 2003–2005 and 2011–2013 and remained stable at 0.46 in 2021–2023.[11] However, distinguishing processing stages offers a different perspective and a more granular understanding of regional trade integration.

For unprocessed agricultural products, the trend is similarly downward at the continental level: Africa's average introversion index fell from 0.40 to 0.27 over the two decades. However, some

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10 See previous releases of the AATM report to get more details of African RECs' level of trade integration.
11 These values are not presented in Table 5.2.

RECs stand out for their resilience and strong internal agricultural markets. SACU (0.93)[12], SADC (0.90), and EAC (0.92) consistently led in regional trade of primary agricultural goods. IGAD (0.81) and CEMAC (0.77) also maintained relatively high levels. Conversely, CEN-SAD's integration collapsed from 0.26 to 0.02, while AMU's decreased marginally from a weak baseline (from 0.22 to 0.18). These figures underscore the uneven integration of agricultural value chains, with Southern and East Africa performing significantly better than Central and North Africa.

By contrast, the processed agricultural products sector is where African RECs are most integrated. The continentwide average introversion index rose from 0.82 in 2011–2013 to 0.87 in 2021–2023, surpassing even the 2003–2005 level of 0.86. Processed agricultural products consistently exhibit higher introversion levels than unprocessed ones in several RECs: WAEMU, SACU, EAC, and SADC all recorded values between 0.97 and 0.98 in 2021–2023, reflecting strong intraregional trade in value-added agricultural goods. COMESA (0.86), ECOWAS (0.94), IGAD (0.95), and TFTA (0.94) also remained well-integrated.

In summary, the regional introversion indices paint a nuanced picture of Africa's regional trade integration. While some RECs–particularly EAC, SADC, SACU, and WAEMU–have established strong and growing intraregional ties, especially in processed agriculture sectors, others remain externally oriented and show little or no progress. The persistent weaknesses observed in regions like AMU, ECCAS, and CEN-SAD suggest that integration is not only incomplete but also uneven across the continent and sectors.

Table 5.2 Regional trade introversion indicators, 2003–2005 to 2021–2023

	2003-2005	2011-2013	2021-2023
Nonagricultural products			
Africa	0.52	0.52	0.44
CEMAC	0.76	0.91	0.77
CEN-SAD	0.49	0.34	0.34
COMESA	0.59	0.58	0.51
EAC	0.98	0.94	0.91
ECCAS	0.43	0.75	0.38
ECOWAS	0.87	0.73	0.73
IGAD	0.90	0.86	0.90
SACU	0.86	0.80	0.76
SADC	0.88	0.84	0.82
TFTA	0.75	0.70	0.68
WAEMU	0.98	0.97	0.94
AMU	0.27	0.42	0.18
Nonprocessed agricultural products			
Africa	0.40	0.29	0.27
CEMAC	0.89	0.77	0.77
CEN-SAD	0.26	0.05	0.02
COMESA	0.58	0.60	0.54
EAC	0.89	0.92	0.92
ECCAS	0.70	0.58	0.76
ECOWAS	0.66	0.39	0.38

12 Figures are for the 2021–2023 period.

IGAD	0.82	0.85	0.81
SACU	0.95	0.94	0.93
SADC	0.93	0.92	0.90
TFTA	0.77	0.68	0.66
WAEMU	0.78	0.66	0.57
AMU	0.22	0.33	0.18
Processed agricultural products			
Africa	0.86	0.82	0.87
CEMAC	0.99	0.96	0.88
CEN-SAD	0.85	0.81	0.79
COMESA	0.84	0.85	0.86
EAC	0.97	0.98	0.98
ECCAS	0.92	0.81	0.85
ECOWAS	0.96	0.94	0.94
IGAD	0.97	0.97	0.95
SACU	0.95	0.96	0.98
SADC	0.95	0.94	0.97
TFTA	0.91	0.89	0.94
WAEMU	0.99	0.97	0.98
AMU	0.90	0.76	0.62

Source: 2025 AATM database and authors' calculations.

Note: This indicator measures the intensity of regional trade introversion. It is symmetric, independent of region size, and increases only if intraregional trade grows more quickly than extraregional trade. With this indicator, and contrary to the regional trade share, cross-region comparisons are possible. A positive (negative) sign means that a region is more (less) introverted than extraverted. A higher introversion index indicates stronger intraregional integration, suggesting that REC members are more dependent on each other for trade. A lower index indicates greater openness to extraregional partners. More details are available in Bouët, Cosnard, and Laborde (2017).

Intra- and extra-REC tariffs

The higher regional introversion observed for processed agricultural goods potentially reflects tariff escalation patterns that make extraregional sourcing costlier for value-added products. Table 5.3 presents average tariffs applied on all goods between African RECs and trading partners, offering insights into the continent's trade policy. In addition, we distinguish between tariffs for processed and unprocessed products to test whether tariff escalation—that is, a tariff structure with increasing customs duties along the value chain from raw commodities to final consumption goods—holds for African economies where industrialization and agro-processing are of interest.

Intra-African tariffs remain relatively high, with Africa's average tariff on African imports at 7.5 percent, twice the world average. This reflects ongoing, though incomplete, trade liberalization under various regional integration schemes. Intra-REC tariffs are generally low or zero, especially within customs unions such as CEMAC, SACU, and WAEMU, which apply zero tariffs among their members. ECOWAS and EAC also maintain very low internal tariffs (0.2 percent and 2.8 percent, respectively), in line with their customs union status. COMESA (5.5 percent),

SADC (2.2 percent), and TFTA (6.2 percent) apply low-to-moderate internal tariffs, though not all have achieved full harmonization. In contrast, inter-REC tariffs remain relatively high. For example, CEMAC applies some of the highest tariffs (up to 14.6 percent on ECOWAS), while COMESA, ECCAS, and ECOWAS often maintain tariffs above 10 percent on goods from other African RECs. Only SADC stands out for applying comparatively lower tariffs on other RECs (for example, 5.2 percent on COMESA and 3.5 percent on TFTA).

Compared to the average African tariff applied to the rest of the world (ROW), the average African tariff on imports from the ROW is 10.0 percent, and in several cases, African countries apply equal or higher tariffs on other RECs than on non-African partners. For example, EAC applies a 3.7 percent rate to the ROW but 15.5 percent to ECOWAS, while IGAD applies a 5.9 percent rate to the ROW but 14.3 percent to CEN-SAD. This structure suggests that, in practice, trade within Africa may face barriers not present in external trade relations. Overall, while intra-REC liberalization is progressing, especially within customs unions, high inter-REC tariffs reveal persistent fragmentation. Achieving greater harmonization across RECs is essential to move from a regional framework toward a more efficient, single continental market.

Table 5.3 Average applied tariffs imposed by African RECs (as importers) on their partners for all goods (%), 2022

		Exporting partner												
		Africa	CEMAC	CEN-SAD	COMESA	EAC	ECCAS	ECOWAS	IGAD	ROW	SACU	SADC	TFTA	WAEMU	AMU
Importing partner (Reporter)	Africa	7.5	3.9	7.1	7.8	8.4	4.1	6.4	11.4	10.0	8.8	7.7	8.0	7.4	6.5
	CEMAC	13.2	0.0	14.1	14.2	15.6	7.1	14.6	17.3	14.0	13.2	13.0	13.4	14.4	11.3
	CEN-SAD	7.7	3.6	5.6	8.7	9.4	3.6	3.9	12.7	10.8	10.8	9.2	9.3	4.3	5.5
	COMESA	8.7	3.6	9.9	5.5	6.1	3.2	12.4	8.0	12.0	11.2	8.6	8.1	14.0	5.5
	EAC	9.0	5.2	12.9	4.8	2.8	6.0	15.5	5.3	13.4	8.2	6.8	6.7	16.1	10.7
	ECCAS	10.8	2.7	11.7	10.8	11.2	5.4	12.4	13.3	10.7	10.8	10.5	10.8	12.9	8.5
	ECOWAS	7.6	5.0	4.2	11.7	12.1	6.1	0.2	14.3	10.0	9.4	9.5	10.2	0.3	8.3
	IGAD	12.3	10.7	14.3	8.2	9.4	9.5	16.2	10.8	14.8	13.1	11.3	11.0	15.8	11.9
	ROW	2.5	1.2	2.5	3.1	3.7	0.9	1.7	5.9	3.1	3.4	2.8	2.9	2.0	2.3
	SACU	2.4	0.4	4.0	4.6	1.6	0.2	0.4	8.1	6.3	0.0	0.2	2.4	0.8	8.4
	SADC	5.2	3.8	8.6	5.2	3.8	2.8	8.9	7.6	7.7	2.3	2.2	3.5	11.0	9.1
	TFTA	7.2	3.6	9.3	5.3	4.9	3.1	10.6	7.8	10.0	7.8	6.0	6.2	12.5	6.7
	WAEMU	6.6	4.1	3.4	11.0	11.8	4.8	0.0	13.9	9.5	8.9	8.9	9.5	0.0	7.5
	AMU	5.3	4.0	3.3	3.6	6.0	4.3	5.1	9.0	8.5	9.4	6.9	6.0	8.8	0.9

Source: MacMap-HS6, CEPII database.

The tariff structure across African RECs reveals generally higher protection levels for agricultural products than for all goods, highlighting agriculture's sensitive and strategic nature in trade policy. In RECs with common external tariffs, many agricultural products are designated as sensitive or excluded, subjecting them to higher tariffs. While intra-REC tariffs on all goods are often zero or low within customs unions such as CEMAC, SACU, and WAEMU, the same does not apply consistently to agriculture, where even some intra-REC tariffs remain nonnegligible. For instance, the COMESA-to-COMESA tariff is 8.2 percent for agricultural products compared with 5.5 percent for all goods, and TFTA-to-TFTA trade faces 13.2 percent tariffs on agricultural products versus 6.2 percent on all goods. Even within SADC, where all goods face a low intra-REC tariff of 2.2 percent, agricultural goods are subject to a higher 3.5 percent protection rate.

Inter-REC agricultural tariffs, often well above 10 percent, are notably higher than inter-REC tariffs on all goods. For example, COMESA applies a 17.5 percent tariff on agricultural products from Africa (versus 8.7 percent on all goods), and CEN-SAD applies a 15.0 percent tariff (compared with 7.7 percent). Some RECs even apply agricultural tariffs above 20 percent on other African RECs, as seen with COMESA's tariff on SACU agricultural products (33.6 percent) and IGAD on SADC products (28.3 percent), suggesting strong protectionist tendencies in agrifood markets.

In summary, agricultural trade remains more heavily protected than nonagricultural trade across the continent, with both intra-REC and inter-REC agricultural tariffs generally higher than their counterparts for all goods. This suggests slower liberalization progress in the agriculture sector, which is critical for food security and rural development. These findings reinforce the need for targeted harmonization of agricultural trade policies under the AfCFTA to ensure that the benefits of regional integration extend fully to agriculture.

Table 5.4 Average applied agricultural tariffs imposed by African RECs on partners (%), 2022

		Exporting partner											
		Africa	CEMAC	CEN-SAD	COMESA	ECCAS	ECOWAS	IGAD	ROW	SACU	SADC	TFTA	WAEMU	AMU
Importing partner (Reporter)	**Africa**	13.8	9.7	12.2	12.1	13.3	10.2	13.1	23.7	20.5	15.8	14.8	10.2	18.3
	CEMAC	19.6	0.0	20.2	19.5	16.1	19.9	20.3	18.6	19.6	18.8	19.3	18.9	22.3
	CEN-SAD	15.0	11.9	9.5	13.3	15.0	5.8	13.9	27.9	28.6	21.0	18.2	5.8	15.9
	COMESA	17.5	11.5	15.1	8.2	14.4	18.9	8.8	34.7	33.6	22.3	17.1	19.0	16.0
	ECCAS	16.5	6.1	17.2	15.4	13.1	17.7	14.8	16.9	17.9	16.4	16.0	17.2	18.8
	ECOWAS	12.2	16.0	7.4	15.8	14.7	0.0	16.0	15.0	17.5	15.8	16.0	0.0	19.2
	IGAD	19.0	24.3	21.0	10.8	19.5	24.5	11.0	25.1	28.3	19.9	16.6	24.3	27.8
	ROW	9.1	2.9	7.3	10.1	4.7	4.2	9.5	11.6	15.7	13.3	11.9	3.7	9.4
	SACU	7.4	1.5	11.3	10.2	1.6	2.1	10.0	17.0	0.0	1.2	7.6	2.4	26.3
	SADC	9.8	6.0	15.1	9.1	8.5	15.4	10.1	17.1	3.6	3.5	7.2	16.3	23.0
	TFTA	14.6	7.6	15.7	8.7	12.1	17.6	9.4	29.0	22.2	14.8	13.2	18.3	19.5
	WAEMU	11.3	12.5	6.5	15.3	13.7	0.0	15.5	14.9	17.2	15.6	15.6	0.0	18.9
	AMU	11.3	7.9	6.5	6.6	9.1	8.7	11.2	18.6	24.8	19.9	13.9	8.5	4.7

Source: MacMap-HS6, CEPII database.

While the regional introversion index shows that processed agricultural products are the most integrated segment of Africa's intraregional trade, tariff data confirm the role of tariff escalation in shaping this pattern (Appendix 5.5). Africa's average tariff on intra-African processed agricultural imports is 16.1 percent versus 9.7 percent on unprocessed agricultural imports. Within several RECs, intra-REC tariffs on processed goods exceed those on unprocessed goods, such as in COMESA (8.8 percent versus 7.2 percent), IGAD (12.9 percent versus 8.3 percent), SADC (7.6 percent versus 6.9 percent), and TFTA (16.2 percent versus 8.4 percent). Customs unions show the expected internal liberalization (near-zero within CEMAC, WAEMU, and SACU), but outside those unions, intra-REC escalation persists. The higher inter-REC and agricultural tariffs overall explain why processed products display higher regional introversion than unprocessed ones. External and inter-REC tariff escalation—where tariffs rise with the level of processing and are higher for products imported from outside a REC—increases the relative cost of extra-bloc sourcing for processed goods. This encourages firms to trade more within their own regional markets, strengthening regional value chains.

An implication for the AfCFTA could be to prioritize tariff abatement on processed agricultural products across non-customs-union RECs and to streamline RoOs that permit full cumulation to achieve the agreement's industrialization and regional value chain development goals.

Depth of intra-African agreements

The depth of trade agreements in Africa is critically important, directly influencing the extent to which they can drive economic growth, trade integration, and structural transformation on the continent. Depth here refers to the range of policy areas covered beyond traditional tariff reductions. We distinguish two types of provisions: (1) "WTO-plus" provisions (falling under the current mandate of the WTO and already subject to some form of commitment in WTO agreements); and (2) "WTO-X" provisions (obligations outside of the current WTO mandate). To measure the depth of preferential trade agreements, we construct two types of indicators for each main area following the classification of Aboushady et al. (2023). Horizontal depth indicators count the total number of provisions, while vertical depth indicators measure enforceable provisions.

The WTO-plus provisions are grouped into three categories: (1) tariffs; (2) nontariff measures (NTMs); and (3) services (see Appendix 5.1). In tariffs, WTO-plus commitments involve greater liberalization, such as the full elimination of duties in agriculture and industry. NTMs cover stricter disciplines on customs procedures, export taxes, technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures, and trade remedies like antidumping and countervailing duties. In the services sector, WTO-plus commitments extend beyond the General Agreement on Trade in Services (GATS), including rules on state aid, public procurement, investment under the Agreement on Trade-Related Investment Measures (TRIMs), intellectual property under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and deeper liberalization of service sectors.
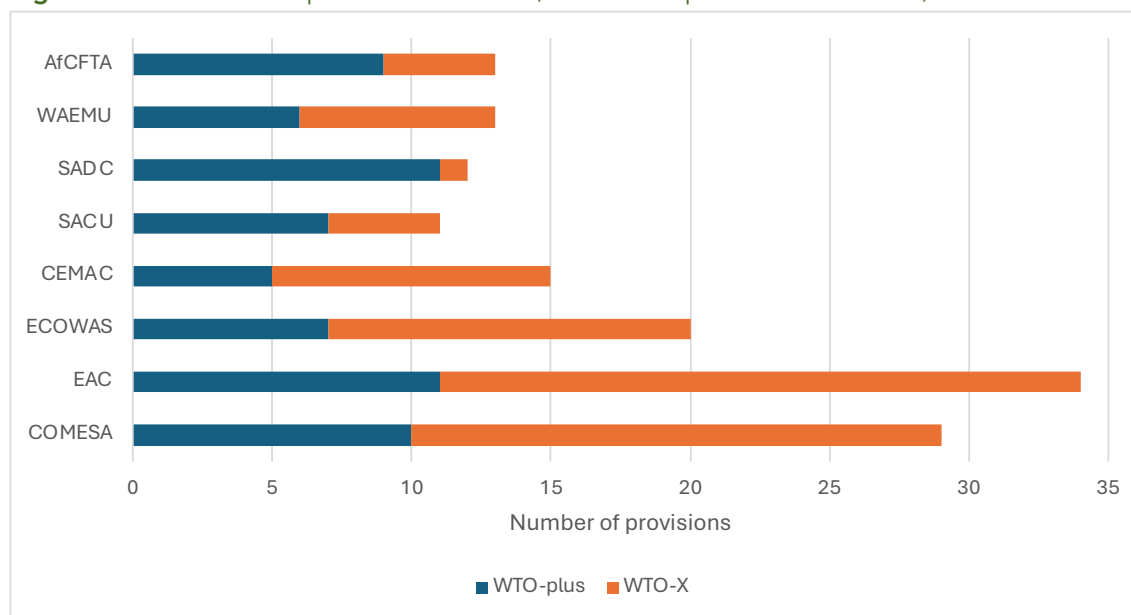
Unlike WTO-plus provisions, which focus on existing WTO commitments, WTO-X provisions introduce new disciplines that go beyond the WTO's scope, reflecting modern economic, social, and regulatory challenges (Appendix 5.1). The WTO-X provisions are grouped into five broad categories: (1) agriculture and health (for example, provisions related to food security, sustainable agriculture, and public health issues); (2) institutional and regulatory frameworks (for example, governance and legal provisions aimed at enhancing transparency, market competition, and consumer rights); (3) production processes and economic policies affecting investment, labor, education, innovation, and energy markets; (4) cooperation and institutional support (for example, provisions related to economic dialogue, financial assistance,

taxation, governance, and regional cooperation); and (5) a broad range of other political, security, and social policies beyond economic issues covered in FTAs. WTO-X commitments promote regulatory alignment, economic cooperation, and social governance, reflecting the growing intersection of trade and nontrade issues in modern agreements. These provisions are increasingly important in regional integration efforts, fostering deeper economic and institutional ties beyond market access.

A comparison of WTO-plus (trade-related) and WTO-X (nontrade) provisions across African RTAs shows that the AfCFTA has a balanced but moderate focus, emphasizing trade liberalization while incorporating some nontrade commitments (Figure 5.3). The AfCFTA Agreement incorporates nine WTO-plus provisions, covering tariffs (industrial and agricultural), customs procedures, SPS, TBT, state trading enterprises (STEs), countervailing measures (CVM), state aid, and GATS. While it is closely aligned with COMESA, EAC, and SADC, which have the most WTO-plus provisions, the AfCFTA remains less extensive than these agreements, lacking public procurement, TRIMs, and TRIPs. EAC and SADC have the most comprehensive WTO-plus provisions (11 each), followed by COMESA (10), while WAEMU, CEMAC, and SACU include fewer trade-related commitments (5–7 provisions). Compared to COMESA and EAC, which have the highest WTO-X provisions covering investment, labor, financial policies, and governance, the AfCFTA remains more trade-centered. ECOWAS, WAEMU, and CEMAC also include significant WTO-X commitments, reflecting deeper regional economic cooperation, while SADC has the least WTO-X coverage, focusing more on trade-related rules.

Overall, the AfCFTA stands between the trade-driven approach of SACU and the broader scope of COMESA and the EAC. It thus provides a strong regional trade framework for trade facilitation and regulatory harmonization, but still has room to expand into investment, intellectual property, and public procurement disciplines, which are more commonly included in advanced FTAs.

Figure 5.3 Horizontal depth of African RTAs, number of provisions included, 2024

Source: Authors' calculations using the World Bank's 2025 Deep Trade Agreement database, https://datatopics.worldbank.org/dta/table.html
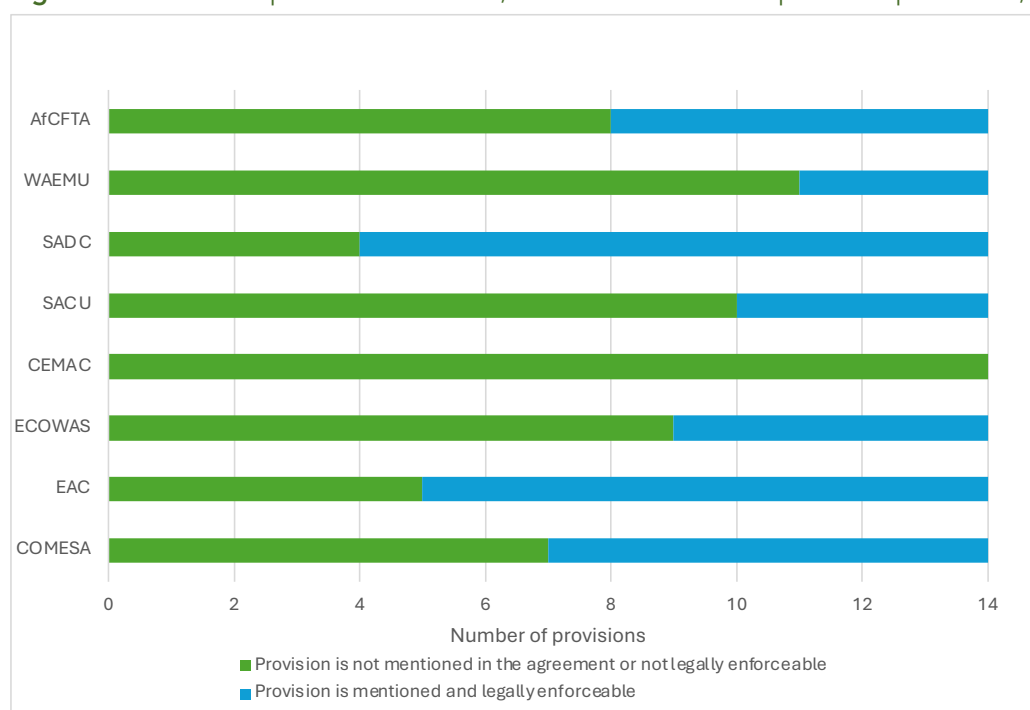
We now compare the vertical depth of African PTAs across WTO-plus and WTO-X provisions, considering whether they are: (1) not mentioned in the agreement or not legally enforceable; (2) legally enforceable but explicitly excluded by the dispute settlement provision; or (3) mentioned and legally enforceable.

Figure 5.4 highlights the legal enforceability of WTO-plus provisions across African RTAs, revealing significant disparities. SADC and EAC emerge as the strongest in terms of enforceability, with 10 and 9 fully legally binding provisions, respectively, ensuring a robust framework for trade governance. The AfCFTA, with only six enforceable provisions and eight non-legally binding ones, falls behind leading RTAs, suggesting room for improvement in strengthening commitments and dispute-resolution mechanisms.

COMESA and SACU display a moderate balance, with seven and four enforceable provisions, respectively, while WAEMU, ECOWAS, and CEMAC rank lower: the first two feature a significant number of unenforceable provisions, while CEMAC has no legally binding provisions. Positioned between weakly enforceable agreements like ECOWAS and strong ones like SADC, the AfCFTA needs to enhance its legal framework by ensuring more provisions are binding and subject to dispute settlement to foster deeper trade integration across Africa.

Figure 5.4 Vertical depth of African RTAs, enforcement of WTO-plus area provisions, 2024

Source: Authors' calculations using the World Bank's (2025) Deep Trade Agreement database, https://datatopics.worldbank.org/dta/table.html.

Figure 5.5 shows how selected African RECs and the AfCFTA include enforceable provisions in WTO-X areas. The data reveal that enforceable commitments remain limited across RECs. No REC includes legally enforceable provisions in agriculture, while only the AfCFTA mentions enforceable provisions related to cooperation. Institutional provisions show slightly more engagement. COMESA (2), EAC (1), and WAEMU (1) include enforceable commitments in this category, though the majority of RECs, including the AfCFTA, lack such legal provisions. This suggests that the institutional architecture within African RTAs is either underdeveloped or not legally binding.

The "other" category of WTO-X provisions also shows limited enforceability. EAC and ECOWAS each have only one legally binding provision, while the rest, including the AfCFTA, lack enforceable commitments.

The production category exhibits the highest incidence of enforceability, with seven enforceable provisions across five RECs. COMESA and ECOWAS lead with two enforceable production-related commitments each, followed by the AfCFTA, EAC, and CEMAC, with one each. This indicates a relatively higher willingness among some RECs to legislate binding commitments on production processes and regulations.

Overall, Figure 5.5 shows that while some RECs, including the AfCFTA, have started incorporating enforceable WTO-X provisions, particularly related to production, legal enforceability remains shallow across most regulatory areas. This suggests that regulatory integration and institutional commitment are still evolving in Africa's trade agreements. It is worth noting that in many cases, the effectiveness of enforcement depends not only on the formal inclusion of legal provisions but also on the quality and strength of domestic institutions responsible for implementing and upholding these commitments (Levchenko 2007).

Figure 5.5 Vertical depth of African RTAs, enforcement of WTO-X area provisions, 2024

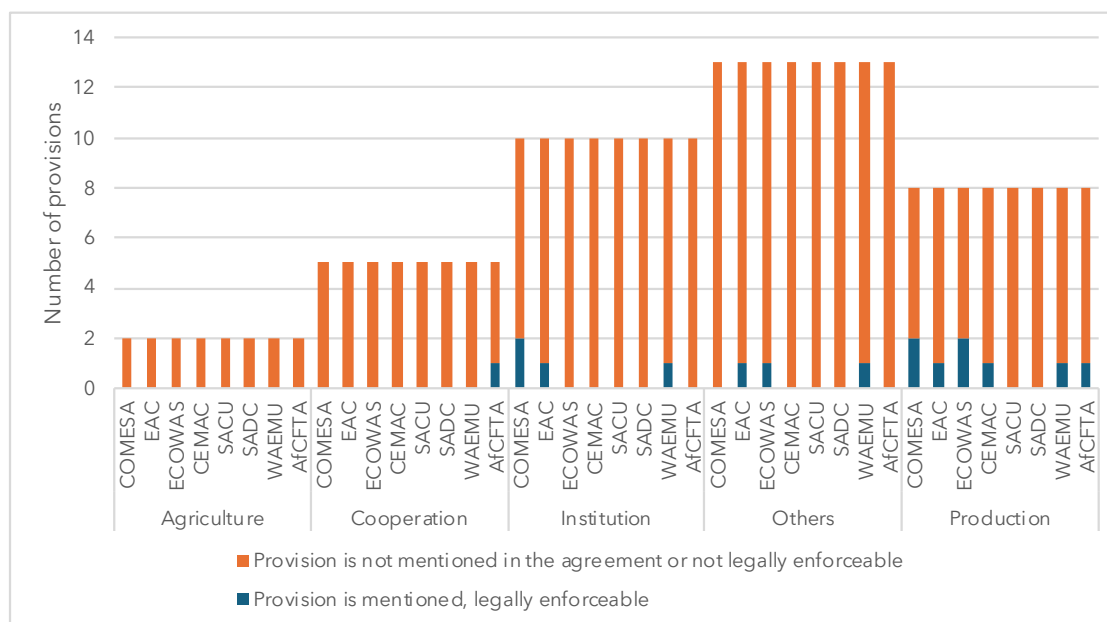**Source:** Authors' calculations using the World Bank's (2025) Deep Trade Agreement database.

Impact of Intra-African RTAs on African Trade

RTAs have long been at the center of Africa's integration agenda, fostering economic cooperation and development continentwide. Despite widespread adoption, their effectiveness varies significantly, influenced not only by their membership but also by the depth and enforceability of the provisions they encompass. This section seeks to estimate the contribution of operational African RTAs under RECs by accounting for these factors. Beyond a binary analysis of membership, we incorporate the qualitative and legal dimensions of these agreements to better understand their role in driving intra-African trade and integration. Specifically, we address the following questions:

(1) Does the AfCFTA reinforce or weaken existing REC-level integration by affecting intra- and extra-REC trade flows?

(2) How do the depth and legal enforceability of African RTAs shape their effectiveness in driving trade integration across the continent?

Methodology

To answer these questions, this section first conducts an ex post analysis of the trade effects of African RECs and the AfCFTA, with particular attention to their interaction with WTO membership. The analysis is conducted both for all products and for agricultural products only, covering AMU, CEMAC, CEN-SAD, COMESA, EAC, ECCAS, ECOWAS, IGAD, SACU, SADC, TFTA, and WAEMU. It is based on: BACI trade data (from 1988 to 2022)[13] constructed from UN COMTRADE, which covers 233 countries; the CEPII Gravity database (2025); the WTO RTA database (2025); and the World Bank's Deep Trade Agreement database (2025). Full methodological details are provided in Appendix 5.3.

The empirical assessment uses a partial equilibrium structural gravity model, estimated via Poisson pseudo-maximum likelihood (PPML), which allows identification of average trade effects while controlling for multilateral resistance terms through exporter-time, importer-time, and bilateral fixed effects. Accounting for these interactions allows a better understanding of whether WTO membership enhances or substitutes for the effectiveness of regional integration schemes, and whether the AfCFTA adds value beyond existing multilateral arrangements (see Appendix 5.2 for the full specification).

Given the limited timeframe and impact observed so far in the post-AfCFTA period, we next provide an ex ante analysis of the trade impacts of the AfCFTA using a conditional general equilibrium framework with a scenario where all provisions are legally enforceable (Appendix 5.1). The methodology relies on a structural gravity model estimated via PPML to capture conditional general equilibrium effects that incorporate both direct and indirect changes in trade costs, while holding gross domestic products constant. This enables a simulation of changes in total and intra-African trade at the country level when WTO-type provisions in the AfCFTA are legally enforceable. The procedure follows three main steps: (1) estimation of trade flows using a panel gravity model with exporter-time, importer-time, and bilateral fixed effects to identify the role of RTAs, deep trade agreements (DTAs), and WTO membership; (2) derivation of bilateral trade costs from fixed effects and regression on standard trade cost determinants (for example, distance, language, colonial history); and (3) simulation of a counterfactual AfCFTA scenario by modifying trade costs and recalculating trade flows.

The trade effect of RTAs is computed by exponentiating the estimated coefficient on the RTA dummy and adjusting for Jensen's inequality, following standard practice in the structural gravity literature.[14] Tariff-equivalent effects are derived as the ad valorem tariff whose removal would have generated the same impact as the trade policy[15] (Baier and Bergstrand 2007; Yotov et al. 2016). We use a constant elasticity of substitution[16] $\sigma = 5$ as in Fontagné et al. (2023) and Fofack et al. (2021).

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13 We thank Pierre Cotterlaz from CEPII for access to early years of the BACI dataset from 1988.

14 The semi-elasticity is converted into a percentage change using the formula $\frac{\partial \ln(X_{ijt})}{\partial RTA_{ijt}} = (e^{\beta_{RTA} - \frac{\sigma_{RTA}^2}{2}} - 1) * 100$.

15 Tariff-equivalent effects are calculated using $(e^{(\beta_{RTA} - \frac{\sigma_{RTA}^2}{2})/\sigma} - 1) * 100$, where $\sigma = 5$ is the trade elasticity of substitution.

16 σ measures how easily consumers substitute between goods from different origins in response to relative price changes. A higher σ implies stronger substitution and greater trade responsiveness to tariff changes.

Key findings

Ex post assessment of the impact of African RTAs and the AfCFTA

Table 5.5 presents the results from a structural gravity model estimating the effects of RTAs, WTO membership, and AfCFTA-related interactions on trade flows and tariff-equivalent reductions for all products and for agricultural products in Africa over the 1988–2022 period.

The findings suggest that RTAs are associated with an average 11.70 percent increase in trade flows for all products, with a tariff-equivalent reduction of 2.24 percent, indicating a significant liberalization effect. However, the impact on agricultural trade is not statistically significant. One potential explanation may be that agricultural products are frequently placed on sensitive or exclusion lists within RECs; in addition, as shown by Bouët et al. (2020), a large share of agricultural trade in Africa takes place through ICBT, which is not captured in official statistics. Both factors contribute to underestimating the true effects of RTAs on agricultural trade. Moreover, the coefficient for WTO membership alone is positive and significant for all products (12.17 percent), with a comparable tariff-equivalent reduction effect (2.32 percent). Yet the effect is not significant for agriculture, and the interaction term between RTA and WTO (RTA x WTO) is not significant in either product category. This implies that, on average, multilateral commitments under the WTO do not systematically enhance trade gains, consistent with findings in the broader literature. While Rose (2004), using a standard gravity model, concludes that WTO membership has not systematically increased members' trade flows, Subramanian and Wei (2007) show that the WTO has had a strong positive, but uneven, impact on trade, with industrial countries witnessing a larger increase in trade than developing countries. These results suggest that while African RTAs demonstrate measurable effects on trade, the additional contribution of multilateral commitments may appear limited on average.

These effects vary significantly across regions. SACU shows the strongest trade gains across both product categories, with a 111.66 percent increase in trade for all products and an even higher 186.05 percent for agriculture, both highly significant. TFTA also shows trade growth, particularly in agriculture (+134.82 percent). In contrast, ECCAS shows large and statistically significant negative effects both for all products (−54.56 percent) and for agriculture (−79.95 percent), indicating persistent structural weaknesses in regional trade.

Regional interactions with the WTO are mixed. For ECCAS, WTO interaction significantly reverses the negative direct effect, generating substantial estimated trade gains (222.17 percent for all products and 548.09 percent for agriculture). Similarly, COMESA and SADC show positive and statistically significant interaction effects with WTO membership, suggesting that multilateral commitments may help mitigate institutional or coordination failures within regional blocs.

In contrast, IGAD exhibits statistically significant negative effects overall, possibly reflecting friction between overlapping memberships or ineffective implementation of trade policies. These findings suggest that WTO rules and commitments may help offset regional weaknesses, particularly in poorly performing RECs, and multilateralism can play a complementary role when regional integration is incomplete. Overall, these patterns highlight that the effectiveness of RECs depends not only on their design and enforcement but also on how they interact with broader multilateral frameworks.

At the continental level, the AfCFTA variable is not statistically significant in either product category, suggesting that measurable trade gains have not yet been realized, at least within the timeframe and implementation stage captured by the data. This is not surprising, as the official

launch in January 2021 was delayed by the COVID-19 pandemic, and actual trade under the AfCFTA only began in late 2022 through a pilot known as the Guided Trade Initiative (GTI), which covered a limited set of countries and products. This outcome thus likely reflects the recency of the agreement, delays in operationalization, and challenges in translating commitments into real trade flows.

Moreover, AfCFTA interaction terms with RECs fail to show statistically significant results, including for key groupings such as COMESA and ECOWAS. The only marginally significant effect is observed for SACU's interaction with the AfCFTA on agricultural trade (+33.13 percent), hinting at some emerging synergies in more institutionalized regions.

In summary, the results underscore the dominant role of RTAs in shaping African trade patterns. Multilateralism (WTO) can play a complementary role, particularly where regional institutions are weak. However, the AfCFTA's impact remains unobservable at this early stage, indicating a need for greater implementation, enforcement, and alignment with existing regional frameworks to realize its transformative potential.

Table 5.5 Ex post analysis of the trade impact of African RTAs, 1988–2022

	All products				Agricultural products			
	Coefficient	p	Trade effects (%)	Tariff effects (%)	Coefficient	p	Trade effects (%)	Tariff effects (%)
ECCAS	**−0.71**	*	**−54.56**	**−14.59**	**−1.54**	****	**−79.95**	
IGAD	**0.98**	**	**139.17**	**19.05**	**1.27**	**	**206.99**	**25.15**
CEN-SAD	0.08				0.44	*	51.75	8.70
AfCFTA	−0.13				−0.04			
SACU	0.76	****	111.66	16.18	1.06	****	186.05	23.39
RTA	**0.11**	***	**11.70**	**2.24**	0.06			
WTO	**0.12**	*	**12.17**	**2.32**	−0.02			
RTA x WTO	−0.06				0.01			
numRTA	0.00				−0.01			
ECOWAS x WTO	**0.71**	***	**98.11**	**14.65**	**1.18**	****	**212.85**	**25.62**
COMESA x WTO	**0.53**	***	**67.93**	**10.92**	**0.43**	**	**50.84**	**8.57**
SADC x WTO	**0.39**	**	**45.38**	**7.77**	0.26			
ECCAS x WTO	**1.28**	***	**222.17**	**26.36**	**1.96**	****	**548.09**	**45.32**
IGAD x WTO	**−1.14**	**	**−71.94**	**−22.44**	−0.92			
SACU x AfCFTA	0.04				0.30	*	33.13	5.89

Source: Authors' estimations.

Note: p stands for p-value; * p<0.10 **p<.05 *** p<.01 ****p<0.001. Only coefficients of significant interactions and region variables are presented. The full result is in Appendix 5.4. The **sign** of the coefficient indicates the **direction** of the trade effect: a positive value suggests that the provision is associated with increased trade, while a negative value implies a reduction. **Bolded values** indicate statistically significant results at the 10% level (p < 0.10). The **trade effects (%)** represent the estimated percentage change in trade flows linked to the presence or depth of a specific provision, holding other factors constant. **Tariff effects** reflect the associated tariff removal that would have generated the same impact as the trade policy, where positive values imply a liberalization impact. For example, the average tariff-equivalent fall of the introduction of an RTA would amount to 2.24 %.

What would happen if all AfCFTA provisions were legally enforceable? Are RECs building blocks or stumbling blocks for Africa?

At this early stage of AfCFTA implementation, many provisions are not legally enforceable, which is likely to constrain their full trade-enhancing potential. Legal enforceability speaks directly to the institutional quality of trade agreements, which is essential for reducing uncertainty and transaction costs in cross-border trade (North 1990; Rodrik 2000b). The ex ante analysis of the AfCFTA simulates a scenario in which all its provisions are legally enforceable. In this scenario, only the most significant provisions in the baseline are included, namely those related to NTMs, services (WTO-plus provisions), and agriculture, production, and cooperation (WTO-X provisions). Provisions classified under "others" covering political, security, and social policies beyond core economic issues are unchanged, as we focus mainly on the trade of goods.

Results from the partial equilibrium model suggest that greater legal enforceability, particularly in production-related areas, would generate stronger trade outcomes, especially in agriculture. In addition, RTAs covering WTO-plus areas such as services show modest positive effects on trade and are associated with a 7.37 percent increase in trade for all products, while NTMs contribute smaller gains for all products (3.65 percent).

Indeed, provisions related to services can impact trade in goods by affecting trade costs, supply chains, and overall economic competitiveness. Regulations on services like transportation, logistics, and communication can directly influence the efficiency and cost of moving goods across borders. Furthermore, the availability and quality of services can affect the productivity of industries involved in manufacturing and exporting goods (Deardorff 2001; Baier and Bergstrand 2007). This aligns with Mattoo et al. (2001) and Borchert et al. (2014), who found that binding commitments on services—especially in transport, finance, and telecommunications—amplify the effects of goods trade liberalization by lowering behind-the-border costs. For example, in East Africa, Kenya and Uganda's bilateral trade surged after the harmonization of product standards and customs protocols under the EAC, which included the establishment of the One Stop Border Post (OSBP) at Busia. This reform facilitated faster border clearance, reducing delays by up to 70 percent (World Bank 2020).[17]

In WTO-X areas, horizontal provisions on cooperation have the highest trade benefits (3.77 percent for all products), whereas areas like institutions and cooperation have more limited or mixed impacts. For agricultural products, the most significant provision is in WTO-X areas, especially on agriculture and cooperation, with positive trade effect gains of 18.86 percent and 6.17 percent, respectively.

On the vertical dimension, the most significant gains are observed for WTO-X commitments on production, with trade effects of 30.13 percent for all products. For agriculture, enforceability of production processes enhances trade by 75.04 percent. Overall, the results suggest that greater legal depth in specific policy areas, especially those related to production, is linked to stronger trade outcomes, particularly in the agriculture sector.

17 Similar Joint Border Post (JBP) initiatives have been developed in ECOWAS to streamline the cross-border movement of people and goods by consolidating customs, immigration, and quarantine services into a single coordinated facility. Examples include Sèmè-Kraké (Nigeria/Benin), Noépé-Akanu (Ghana/Togo), and Ekok-Mfum (Nigeria/Cameroon).

Table 5.6 Partial effects based on trade agreement depth

			All products			Agricultural products		
			Coefficient	Standard deviation	Trade effects (%)	Coefficient	Standard deviation	Trade effects (%)
		RTA	0.21	0.37		−0.01	0.19	
		numRTA	−0.01	0.03		−0.06	0.03	
		RTA_WTO	**−0.08****	**0.04**	**−7.46**	0.02	0.05	
Horizontal depth	WTO-plus areas	Tariff	-0.10	0.22		0.03	0.21	
		NTMs	**0.04***	**0.02**	**3.65**	0.02	0.03	
		Services	**0.07****	**0.03**	**7.37**	0.06	0.05	
	WTO-X areas	Agriculture	0.05	0.04		**0.17*****	**0.05**	**18.86**
		Institution	−0.02	0.01		−0.01	0.01	
		Production	−0.02	0.02		**−0.04***	**0.02**	**−3.83**
		Cooperation	**0.04***	**0.02**	**3.77**	**0.06****	**0.03**	**6.17**
		Other	**−0.02****	**0.01**	**−2.24**	**−.05*****	**0.02**	**−4.9**
Vertical depth	WTO-plus areas	Tariff	−0.08	0.27		−0.20	0.37	
		NTMs	−0.10	0.12		−0.06	0.15	
		Services	−0.24	0.15		−0.25	0.21	
	WTO-X areas	Agriculture	−0.12	0.10		−0.17	0.17	
		Institution	0.05	0.15		0.09	0.21	
		Production	**0.28***	**0.16**	**30.13**	**0.58*****	**0.22**	**75.04**
		Cooperation	−0.01	0.15		−0.31	0.22	
		Other	0.00	0.27		**0.85****	**0.41**	**115.07**

Source: Authors' estimations.

Note: * p<0.10   **p<.05   *** p<.01 ****p<0.001. The **sign** of the coefficient indicates the **direction** of the trade effect: a positive value suggests that the provision is associated with increased trade, while a negative value implies a reduction. Stars denote the conventional levels of statistical significance. The **trade effects (%)** represent the estimated percentage change in trade flows linked to the presence or depth of a specific provision, holding other factors constant. **Bolded values** indicate statistically significant results at the 10% level (p < 0.10).

Using the conditional general equilibrium framework, we define a counterfactual scenario, namely "AfCFTA," in which a trade agreement among all African countries is fully implemented and all AfCFTA provisions are assumed to be legally enforceable, including tariff reductions, trade facilitation measures, and regulatory harmonization (Appendix 5.3 contains full details).

Based on this simulation, the AfCFTA is projected to significantly boost intra-African trade, with intraregional trade increasing by 27.0 percent in agriculture and 17.3 percent across all goods. The model also allows for a disaggregated analysis by REC, revealing significant heterogeneity in trade effects across regions. The results indicate that almost all RECs would act as "building blocks," contributing positively to trade expansion under a fully implemented and legally enforceable AfCFTA. Only IGAD appears to function as a "stumbling block," showing limited or no contribution to intra-African trade growth (Table 5.7).

AMU is projected to experience the largest intraregional agricultural trade increase (38.6 percent), while its total agricultural exports to the rest of Africa rise by 57.5 percent.[18] These gains are largely driven by a 74.1 percent increase in inter-REC agricultural exports. These results may suggest considerable regional complementarities and trade potential within and beyond the bloc. Export gains suggest that under a fully implemented AfCFTA, AMU could play a pivotal role in cross-regional value chains and act as a key supplier to the continental market, especially in AMU's competitive sectors. Similarly, CEN-SAD emerges as a strong performer, with intraregional agricultural trade growing by 28.6 percent and exports to the rest of Africa increasing by 42.0 percent, for a total rise of 31.6 percent. Other notable RECs include SADC (up 22.7 percent), ECOWAS (20.3 percent), and TFTA (17.1 percent), which are projected to benefit from intra-bloc agricultural trade growth above 17 percent, along with significant interregional export gains. ECCAS (13.8 percent) and SACU (8.1 percent) show moderate increases, supported by customs union frameworks and existing trade facilitation mechanisms. In terms of agricultural exports to Africa outside each REC, ECOWAS (83.3 percent), CEMAC (81.4 percent), and COMESA (54.9 percent) expand inter-REC trade, highlighting the importance of cross-bloc integration for realizing the AfCFTA's full potential in agriculture.

For all goods, AMU registers an increase of 30.4 percent in intraregional trade and a total trade gain of 34.4 percent, reflecting high inter-REC export growth (38.4 percent). Other RECs with moderate intra-bloc trade growth include CEN-SAD (7.0 percent), ECCAS (13.7 percent), SADC (8.3 percent), SACU (7.6 percent), and TFTA (7.3 percent), ranging from 7 percent to 14 percent, and even higher inter-REC export growth, especially for TFTA (43.9 percent) and SADC (40.1 percent). For these blocs, total trade with African partner outside their own regions confirms their integration potential: CEMAC (+37.6 percent), TFTA (+21.4 percent), and ECCAS (+18.9 percent) show strong cumulative effects. These RECs appear to align well with AfCFTA objectives, likely due to more harmonized trade frameworks, better infrastructure connectivity, or diversified production bases.

Conversely, some RECs show limited or even negative trade effects following full AfCFTA implementation. COMESA (+7.9 percent) and EAC (+5.4 percent) see the lowest growth in intraregional agricultural trade, while COMESA (−7.8 percent), EAC (−5.8 percent), WAEMU (−2.9 percent), and ECOWAS (−1.0 percent) experience negative changes in intraregional trade. These outcomes suggest that trade within these RECs is constrained by preexisting trade agreements, regulatory misalignment, nontariff barriers, or external trade dependencies that prevent the full realization of AfCFTA benefits. IGAD (+2.5 percent) and EAC (+8.8 percent) also show minimal gains in exports to Africa outside their region, highlighting weaker trade complementarities.

18 This result does not take into account the current state of diplomatic and political relations among AMU countries.

Table 5.7 Trade effects by region in the AfCFTA scenario, change compared to the baseline where provisions are not fully enforceable (%)

Regions	Agriculture			All goods		
	Change in intra-regional trade	Change in exports to Africa outside the region	Change in exports to Africa	Change in intra-regional trade	Change in exports to Africa outside the region	Change in exports to Africa
Africa	29.3		29.3	17.3		17.3
CEMAC	22.1	85.6	43.6	3.3	56.2	37.6
CEN-SAD	33.2	48.2	36.5	7.0	42.3	20.6
COMESA	7.9	53.9	23.3	-7.8	22.4	5.9
EAC	5.4	27.4	13.5	-5.8	8.8	0.9
ECCAS	16.4	31.0	22.7	13.7	20.7	18.9
ECOWAS	20.6	91.3	34.8	-1.0	56.2	22.7
IGAD	7.8	22.0	14.1	-5.5	2.5	-1.6
SACU	11.4	39.9	24.1	7.6	22.1	15.7
SADC	21.0	50.2	25.5	8.3	40.1	13.3
TFTA	18.9	59.8	23.7	7.3	43.9	11.8
WAEMU	18.3	46.6	32.9	-2.9	27.1	14.3
AMU	44.8	74.9	60.9	30.4	38.4	34.4

Source: Authors' estimations.

Note: Changes are in percentage terms compared to the baseline scenario where AfCFTA provisions are not fully enforceable. Blue bars represent changes in **agriculture** (agricultural products only), while yellow bars represent changes in **all goods** (agricultural and nonagricultural products). Red bars indicate **negative changes**. "Intraregional trade" refers to trade within each region. "Exports to Africa outside the region" refers to trade with African countries not in the same region. "Exports to Africa" refers to total African exports (both intra- and extraregional). "Agriculture" covers agricultural products only; "All goods" covers both agricultural and nonagricultural goods.

Implications for AfCFTA implementation

Knowing which RECs act as building blocks identifies strategic entry points for advancing the AfCFTA. Specifically, AMU, CEN-SAD, SADC, ECOWAS, TFTA, ECCAS, and SACU demonstrate relatively strong intra- and interregional trade gains and could serve as regional points to consolidate the continental market. Policymakers should prioritize investment in trade infrastructure, policy coordination, and implementation support in these regions to leverage their integration capacity. At the same time, the relatively weaker or negative trade responses in COMESA, EAC, WAEMU, and IGAD indicate the need for targeted policy interventions. Due to weak integration or limited trade complementarities, these blocs may require greater harmonization of trade policies, reduced regulatory fragmentation, and investment in trade facilitation infrastructure to fully capitalize on the AfCFTA's potential. WAEMU's trade policy is handled by ECOWAS, so improving performance requires coordination not only within WAEMU but across the broader ECOWAS framework. Addressing regulatory misalignment, reducing nontariff barriers, and improving transport and logistics will be essential. A harmonized and inclusive approach to AfCFTA implementation will be critical to ensure that all RECs can participate meaningfully in the continentwide trade agenda.

4. Conclusions and Policy Recommendations

This chapter assesses the performance and trade effects of African regional trade agreements, with a particular focus on the AfCFTA. After providing an ex post analysis of the trade impact of different African RTAs, it examines the differentiated impacts of the AfCFTA across RECs, focusing on how existing regional frameworks act as either conduits or constraints to deeper trade integration.

Using trade introversion indicators, tariff structures, agreement depth metrics, and a conditional general equilibrium simulation, the chapter highlights both the progress made and the persistent challenges that shape Africa's regional trade landscape. The analysis of regional trade introversion reveals a fragmented picture. While regions like SADC, TFTA, and WAEMU exhibit relatively high and stable intraregional trade levels, particularly in processed agricultural products, CEMAC, ECCAS, and AMU remain weakly integrated. The strongest progress is observed in SADC and EAC in trade in agro-processed products, where intra-REC shares have increased notably, pointing to enhanced agro-industrial linkages. These findings indicate that integration remains uneven and differs by sector across regions.

Tariff data further underscore the continent's trade environment. Intra-REC tariffs are generally low or nonexistent, especially within established customs unions such as CEMAC, SACU, and WAEMU. However, inter-REC tariffs remain elevated, often exceeding the average duties applied to extra-African partners. This intracontinental asymmetry is most evident in CEMAC and ECOWAS, which impose tariffs as high as 14–15 percent on imports from other African RECs. Tariff structures help explain why processed agricultural goods in particular exhibit stronger intra-REC trade orientation.

The analysis of RTAs' depth reveals important differences in legal commitments and scope. While many agreements include provisions in WTO-plus and WTO-X areas such as services, technical standards, and institutional cooperation, their enforceability varies widely. Vertical commitments in WTO-X provisions, such as for agriculture and product standards, have the most substantial effects on trade flows, yet their application remains inconsistent across regions.

The ex post analysis reveals that the AfCFTA has not yet delivered significant trade gains, suggesting that its current implementation remains too limited to generate measurable outcomes. In contrast, traditional RTAs such as SACU and TFTA appear to be the most effective drivers of trade integration, particularly in agriculture. Moreover, WTO membership plays a complementary role by amplifying trade effects in low-performing RECs such as ECCAS, COMESA, and SADC, underscoring the importance of multilateral commitments when regional mechanisms are weak. IGAD's negative interaction with WTO membership may reflect institutional misalignment between IGAD's objectives and WTO disciplines.

The ex ante simulation based on a conditional general equilibrium framework projects substantial trade gains when AfCFTA commitments are fully implemented and legally enforceable. The results indicate that most African RECs could act as building blocks, supporting the development of continental trade, especially in agriculture, with a projected 27.0 percent increase in intra-African agricultural trade and a 17.3 percent rise in trade across all goods. However, these gains are unequally distributed. AMU is expected to experience the highest increase in intra-REC agricultural trade (38.6 percent) and an even greater rise in exports to the rest of Africa (57.5 percent). CEN-SAD, TFTA, ECOWAS, ECCAS, and SADC also demonstrate strong responsiveness, benefiting from overlapping memberships, diversified production systems, and improving trade facilitation frameworks. Conversely, COMESA, EAC, IGAD, and WAEMU exhibit limited or negative trade gains regionally under the AfCFTA, reflecting ongoing structural constraints, or limited complementarities, and regulatory fragmentation.

Overall, the findings suggest that the AfCFTA's full potential will only be realized if regional disparities are addressed and Africa's trade landscape becomes less fragmented. While several RECs serve as effective platforms for integration, others face reduced intraregional trade. Policy efforts should thus focus on deepening legal commitments, reducing inter-REC barriers, investing in infrastructure, and supporting regulatory convergence to ensure that the AfCFTA becomes a truly inclusive mechanism for continentwide trade development. Ultimately, continental integration should be seen as a complement to multilateral engagement. In a global context marked by rising tariffs and protectionist pressures, Africa's efforts to consolidate its internal market should be even more strategic. Strengthening regional value chains and policy coordination can help Africa reduce its vulnerability to external shocks and reinforce its influence in international trade negotiations.

Appendix 5.1 Descriptions of WTO-plus and WTO-X areas

Table A5.1a Description of WTO-plus areas

Category	Description	Provisions
Tariffs	Goes beyond WTO tariff bindings by accelerating or expanding liberalization	Complete elimination of tariffs in certain sectors under FTAs (FTA Industry and FTA Agriculture)*
Nontariff measures	Expands or deepens rules on trade barriers other than tariffs	· Customs procedures (deeper trade facilitation rules)* · Export taxes (restrictions on export duties) · TBT* · SPS (harmonization or mutual recognition of standards)* · Trade remedies (stricter rules on antidumping and countervailing duties)*
Services	Extends GATS commitments in trade in services	· State aid (competition rules on subsidies)* · Public procurement (more open government procurement markets) · TRIMs (additional investment rules) · TRIPS (stronger IPR protection) · GATS (greater market access in specific service sectors)*

Source: Authors' compilation.

Note: * Provision is mentioned in the AfCFTA.

Table A5.1b Description of WTO-X areas

Category	Description	Provisions
Agriculture and Health	Provisions related to agriculture, food security, and public health	Agriculture, Health
Institutions and Regulatory Frameworks	Governance and legal provisions enhancing transparency, market competition, and consumer rights	Anticorruption, Competition, IPR, Environmental Laws, Consumer Protection, Data Protection, Human Rights, Information Society, Social Matters, Statistics
Production Process and Economic Policies	Policies affecting investment, labor, education, innovation, and energy markets	Investment, Labor Market Regulation, Movement of Capital, Innovation Policies, Education & Training, Energy, Research and Technology, SMEs*
Cooperation and Institutional Support	Provisions related to economic dialogue, financial assistance, taxation, governance, and regional integration	Economic Policy Dialogue, Financial Assistance, Taxation, Public Administration, Regional Cooperation
Other Policy Areas	Covers political, security, and social policies beyond economic issues	Approximation of Legislation, Audio-Visual, Civil Protection, Cultural Cooperation, Illegal Immigration, Illicit Drugs, Industrial Cooperation, Mining, Money Laundering, Nuclear Safety, Political Dialogue, Terrorism, Visa and Asylum

Source: Authors' compilation.

Note: Only Regional Cooperation, SME, Human Rights, and Movement of Capitals are WTO-X provisions included in the AfCFTA Agreement.

5 - Regionalism, "Continentalism," and Multilateralism: Building or Stumbling Blocks for Africa?

Appendix 5.2 Ex post analysis of the AfCFTA's impact on trade

The ex post analysis estimates the impact of the AfCFTA and other regional and multilateral trade agreements on bilateral trade flows using the following specification, which allows for interaction effects between RECs and WTO membership, as well as between RECs and AfCFTA membership:

$$X_{ij,t} = \exp\left[\pi_{i,t} + \chi_{j,t} + \mu_{ij} + \beta_1 RTA_{ij,t} + \beta_2 WTO_{ij,t} + \beta_3 RTA_{ij,t} * WTO_{ij,t} \right.$$
$$\left. + \sum_k (\gamma_k REC_{kij,t} + \delta_k REC_{kij,t} * WTO_{ij,t} + \theta_k REC_{kij,t} * AfCFTA_{ij,t})\right]$$
$$* \epsilon_{ij,t} \tag{1}$$

where:

- $\pi_{i,t}$: Exports from country to country at time .
- $\pi_{i,t}$ and $\chi_{j,t}$: Exporter-time and importer-time fixed effects.
- Country-pair fixed effects.
- $RTA_{ij,t}$: Representative of bilateral trade, which indicates the presence of an between countries i and *j* at time *t*.
- $WTO_{ij,t}$: Dummy variables equal to 1 if both countries i and j are WTO members at time t.
- $AfCFTA_{ij,t}$: Dummy variables equal to 1 if both countries i and j are AfCFTA members at time t.
- $REC_{ij,t}$: Dummy variables for membership in specific RECs/regions.

Interaction terms between RECs and the WTO or the AfCFTA capture whether RECs' trade effects are conditional on countries' participation in multilateral or continental trade frameworks. Overlapping REC memberships are accounted for by allowing multiple REC dummies to equal 1 for a given bilateral pair in a given year. Thus, a country pair can simultaneously belong to more than one REC. Interaction terms are included separately for each REC to isolate their individual trade effects and to assess whether these effects are moderated by joint WTO or AfCFTA membership. Multicollinearity concerns are mitigated by including fixed effects at the country-pair level and by controlling for all major overlapping blocs.

Appendix 5.3 Ex ante analysis of the AfCFTA's impact based on legal enforcement of provisions

The ex ante analysis estimates the potential trade impact of making AfCFTA provisions legally enforceable by simulating changes in trade flows and trade costs under a counterfactual scenario. The methodology follows three key steps.

Step 1: Estimating the gravity equation

We estimate a **partial equilibrium gravity model** in which bilateral exports are a function of country-specific factors, trade agreements (RTAs and DTAs), and trade cost variables. The depth and enforceability of trade agreements are captured through dedicated indicators.

The baseline gravity equation estimated for all goods and agricultural goods is:

$$X_{ij,t} = \exp[\pi_{i,t} + \chi_{j,t} + \mu_{ij} + \beta_{RTA} RTA_{ij,t} + \beta_{wto} WTO_{ij,t} + \beta_{rta\,X\,wto} RTA_{ij,t} * WTO_{ij,t} + \beta_{DTA} DTA_{ij,t}] * \epsilon_{ij,t}$$

$$(2)$$

or

$$X_{ij,t} = \exp[\pi_{i,t} + \chi_{j,t} + \mu_{ij} + T_{ij,t}\beta] * \epsilon_{ij,t} \quad (3)$$

with:

$$T_{ij,t} = \beta_{RTA} RTA_{ij,t} + \beta_{wto} WTO_{ij,t} + \beta_{rta\,X\,wto} RTA_{ij,t} * WTO_{ij,t} + \beta_{DTA} DTA_{ij,t}$$

$$(4)$$

where:

- $X_{ij,t}$: Exports from country to country at time .
- $\pi_{i,t}$ and $\chi_{j,t}$: Exporter-time and importer-time fixed effects (controlling for multilateral resistance).
- Country-pair fixed effects.
- $RTA_{ij,t}$: Represents bilateral trade, which indicates the presence of an between countries i and j at time t.
- $DTA_{ij,t}$: Vector of variables capturing the vertical and horizontal depth of trade agreements for different types of provisions.
- $WTO_{ij,t}$: Dummy variables equal to 1 if both countries i and j are WTO members at time t.
- $\epsilon_{ij,t}$: Stochastic error.

Bilateral fixed effects control for time-invariant unobserved characteristics of the country pairs and capture the endogeneity due to Free Trade Agreement (FTA) composition (Baier and Bergstrand 2007). The main advantage of using a panel specification with pair fixed effects to identify the effects of trade policies is that the pair fixed effects effectively absorb all bilateral trade frictions in the cross-section.

Step 2: Estimating bilateral trade costs

Bilateral trade costs are recovered using the estimated pair fixed effects from the gravity model. These fixed effects are then regressed on standard trade cost determinants such as distance, common language, colonial ties, and contiguity. Missing trade cost values are filled using predicted values from this regression.

$$[\hat{t}_{ij,t}^{1-\sigma}]^{BLN} = \exp[\,\hat{\mu}_{ij} + \, T_{ij,t}\hat{\beta}]\quad\textbf{(5)}$$

with:

$$\hat{\mu}_{ij} = \exp[\pi_i + \chi_j + \beta_1 \, LnDIST_{ij} + \beta_2 \, CONTIG_{ij} + \beta_3 \, Comlang_{ij} + \beta_4 \, Colon_{ij}] * \epsilon_{ij,t}$$

(6)

where:

- $DIST_{ij}$: Bilateral distance.
- $CONTIG_{ij}$: Contiguity dummy.
- $Comlang_{ij}$: Common official language.
- $Colon_{ij}$: Colonial history dummy.

Step 3: Simulating the AfCFTA counterfactual

A counterfactual scenario simulates how trade flows would change if all relevant AfCFTA provisions were included and legally enforceable. This step involves solving for new trade costs and recalculating exports under the counterfactual (AfCFTA) scenario.

Counterfactual trade costs:

$$[\hat{t}_{ij,t}^{1-\sigma}]^{CFL} = exp[\,\hat{\mu}_{ij} + \, T_{ij,t}^{CFL}\hat{\beta}]\quad(7)$$

Counterfactual trade flows:

$$X_{ij,t}]^{CFL} = \exp[\pi_{i,t}^{CFL} + \chi_{j,t}^{CFL} + \, \bar{\mu}_{ij} + \, T_{ij,t}^{CFL}\bar{\beta}] * \epsilon_{ij,t}^{CFL}\quad [\textbf{(8)}$$

The methodology provides a structured approach to quantify the impact of trade agreements on trade costs and flows. The impact of RTAs on African trade focuses on WAEMU, ECOWAS, COMESA, EAC, CEMAC, SADC, SACU, TFTA, AMU, ECCAS, IGAD, and CEN-SAD.

Appendix 5.4 Estimation results

Table A5.4 Ex post analysis of African RTAs, 1988–2022

	Products								
	All goods	**Agriculture**		**All goods**	**Agriculture**		**All goods**	**Agriculture**
UEMOA	-0.213	-0.445	UEMOA x WTO	-	-	UEMOA x AfCFTA	0.0664	0.243
	(0.234)	(0.285)		-	-		(0.231)	(0.198)
ECOWAS	-	-	ECOWAS x WTO	0.715***	1.179****	ECOWAS x AfCFTA	-0.338	-0.216
	-	-		(0.250)	(0.279)		(0.229)	(0.200)
COMESA	-0.194	0.0697	COMESA x WTO	0.535***	0.430**	COMESA x AfCFTA	-0.165	-0.0612
	(0.192)	(0.223)		(0.181)	(0.197)		(0.186)	(0.145)
EAC	0.0684	0.771	EAC x WTO	0.188	-0.228	EAC x AfCFTA	0.153	-0.0903
	(0.590)	(0.550)		(0.614)	(0.590)		(0.235)	(0.195)
CEMAC	0.0571	0.491	CEMAC x WTO	0.693	-0.711	CEMAC x AfCFTA	0.322	-0.199
	(0.886)	(0.434)		(1.042)	(0.541)		(0.352)	(0.385)
SADC	0.0547	-0.00934	SADC x WTO	0.392**	0.260	SADC x AfCFTA	-0.0645	-0.0816
	(0.185)	(0.201)		(0.190)	(0.198)		(0.182)	(0.196)
TFTA	0.176	-0.203	TFTA x WTO	-0.283	0.236	TFTA x AfCFTA	0.0732	0.0637
	(0.181)	(0.163)		(0.191)	(0.181)		(0.207)	(0.171)
AMU	-	-	AMU x WTO	-0.128	0.455	AMU x AfCFTA	0.164	0.101
	-	-		(0.304)	(0.281)		(0.241)	(0.171)
ECCAS	-0.712*	-1.541****	ECCAS x WTO	1.279***	1.957****	ECCAS x AfCFTA	-0.0499	0.0828
	(0.393)	(0.362)		(0.466)	(0.421)		(0.310)	(0.209)
IGAD	0.978**	1.267**	IGAD x WTO	-1.138**	-0.919	IGAD x AfCFTA	-0.141	-0.164
	(0.460)	(0.539)		(0.516)	(0.728)		(0.215)	(0.183)
CEN-SAD	0.0821	0.444*	CEN-SAD x WTO	-0.198	-0.258	CEN_SAD x AfCFTA	0.104	-0.0531
	(0.242)	(0.232)		(0.255)	(0.251)		(0.141)	(0.107)

	Products							
	All goods	**Agriculture**		**All goods**	**Agriculture**		**All goods**	**Agriculture**
AfCFTA	-0.131	-0.0411		-	-		-	-
	(0.159)	(0.100)		-	-		-	-
SACU	0.758****	1.060****	SACU x WTO	-	-	SACU x AfCFTA	0.0413	0.302*
	(0.127)	(0.137)		-	-		-0.163	-0.18
RTA	0.112***	0.065	cons	23.11****	20.60****			
	-0.042	-0.058		-0.06	-0.091			
WTO	0.117*	-0.0218	N	1454688	1277107			
	-0.069	-0.102						
RTA_WTO	-0.0554	0.00689						
	-0.039	-0.057						
numRTA	0.00183	-0.00529						
	-0.02	-0.022						

Source: Authors' estimations.

Note: p stands for p-value; * p<0.10   **p<.05   *** p<.01   ****p<0.001. The **sign** of the coefficient indicates the **direction** of the trade effect: a positive value suggests that the provision is associated with increased trade, while a negative value implies a reduction. The **trade effects (%)** represent the estimated percentage change in trade flows linked to the presence or depth of a specific provision, holding other factors constant.

Appendix 5.5 Average applied tariffs imposed by African RECs

Table A5.5 Average applied tariff imposed by African RECs (as importers) on their partners by processing stage (%), 2022

Importing partner (Reporter)			Africa	CEMAC	CEN-SAD	COMESA	EAC	ECCAS	ECOWAS	IGAD	ROW	SACU	SADC	TFTA	WAEMU	AMU
														Exporting partner		
	Africa	Agricultural processed	16.07	21.59	14.04	12.99	12.41	15.93	12.46	13.43	34.70	23.96	18.74	16.98	12.37	19.78
		Agricultural unprocessed	9.71	3.96	7.22	10.75	8.18	6.95	6.48	12.99	9.94	13.42	10.30	11.18	6.69	12.83
		All products	7.47	3.91	7.12	7.85	8.43	4.12	6.40	11.42	9.99	8.83	7.74	8.01	7.39	6.50
		Non- Agricultural	6.02	3.73	5.74	5.94	7.27	3.77	5.46	9.47	7.78	7.15	6.35	6.38	6.31	4.91
	CEMAC	Agricultural processed	19.56	0.00	19.88	19.85	20.18	17.41	18.49	20.45	21.22	19.79	19.51	19.83	17.80	22.09
		Agricultural unprocessed	19.64	0.00	20.63	18.98	15.99	12.20	21.26	20.49	13.74	19.67	17.61	18.78	19.83	22.70
		All products	13.25	0.00	14.08	14.22	15.63	7.08	14.64	17.35	14.00	13.17	12.97	13.45	14.44	11.29
		Non- Agricultural	11.77	0.00	12.40	11.77	13.99	6.69	13.28	14.17	13.23	12.31	11.94	12.00	12.42	9.85
	CEN-SAD	Agricultural processed	17.78	23.23	11.14	14.37	13.68	17.55	7.24	14.69	44.45	33.68	25.11	21.14	7.12	17.19
		Agricultural unprocessed	9.85	5.33	4.93	11.39	9.38	8.18	3.56	13.10	9.78	17.23	12.79	12.79	3.74	11.78
		All products	7.68	3.63	5.59	8.65	9.43	3.62	3.93	12.66	10.76	10.79	9.16	9.26	4.34	5.49
		Non- Agricultural	6.08	3.42	4.55	6.63	8.16	3.24	3.45	11.22	7.92	8.37	7.22	7.23	3.76	4.18
	COMESA	Agricultural processed	21.39	23.37	17.23	8.82	9.03	16.82	23.30	9.25	57.99	41.11	27.86	20.90	23.47	18.00
		Agricultural unprocessed	10.46	5.24	10.34	7.17	5.45	7.81	11.27	8.30	10.10	16.99	11.73	10.15	11.47	13.00
		All products	8.73	3.60	9.88	5.47	6.10	3.19	12.39	8.05	11.95	11.22	8.60	8.14	14.00	5.46
		Non- Agricultural	6.87	3.39	8.48	4.33	5.38	2.85	10.73	7.17	8.22	8.11	6.40	6.17	12.07	4.12
	EAC	Agricultural processed	17.26	27.66	22.12	7.74	3.23	19.17	27.53	4.49	31.22	21.40	14.99	12.63	27.51	37.24
		Agricultural unprocessed	13.81	11.54	22.21	7.77	1.67	9.55	25.53	9.57	29.62	18.74	11.50	10.50	24.75	23.93
		All products	8.96	5.18	12.90	4.79	2.81	6.05	15.52	5.35	13.37	8.16	6.77	6.66	16.09	10.69
		Non- Agricultural	6.95	4.30	10.11	3.15	2.83	4.59	12.27	3.40	10.09	6.27	5.32	5.17	12.47	7.22
	ECCAS	Agricultural processed	17.34	10.57	17.38	16.24	15.38	14.83	17.65	15.76	19.45	18.77	17.91	17.08	17.34	20.46
		Agricultural unprocessed	15.21	2.20	17.61	13.76	10.40	7.56	17.84	13.78	13.52	16.40	13.45	14.02	16.91	23.23
		All products	10.77	2.69	11.65	10.84	11.21	5.38	12.39	13.33	10.73	10.80	10.49	10.78	12.90	8.45
		Non- Agricultural	9.40	2.61	10.11	8.76	9.95	4.97	10.99	11.75	9.69	9.81	9.39	9.46	11.21	7.09
	ECOWAS	Agricultural processed	13.31	22.81	8.56	16.69	15.41	15.97	0.00	16.56	17.90	18.72	17.58	17.28	0.00	19.96
		Agricultural unprocessed	9.57	6.51	2.69	13.65	10.60	9.68	0.01	15.51	8.41	14.65	11.62	13.29	0.01	15.78
		All products	7.57	4.96	4.21	11.73	12.08	6.14	0.22	14.26	9.96	9.41	9.49	10.16	0.32	8.34
		Non- Agricultural	6.33	4.59	3.27	9.52	11.05	5.40	0.28	12.36	9.04	8.23	8.21	8.51	0.44	6.61
	IGAD	Agricultural processed	20.77	27.64	21.72	11.74	12.68	20.28	26.90	12.94	27.00	29.81	21.79	18.11	26.84	30.30
		Agricultural unprocessed	14.79	15.94	17.55	8.24	7.61	15.19	18.26	8.33	21.57	25.70	16.48	13.42	17.91	23.03
		All products	12.28	10.71	14.25	8.24	9.35	9.53	16.22	10.81	14.78	13.06	11.30	10.96	15.83	11.88
		Non- Agricultural	10.46	10.16	12.24	6.85	8.43	8.46	13.92	10.56	12.78	10.74	9.49	9.38	12.82	9.09

Importing partner (Reporter)			Africa	CEMAC	CEN-SAD	COMESA	EAC	ECCAS	ECOWAS	IGAD	ROW	SACU	SADC	TFTA	UEMOA	AMU
			Exporting partner													
	ROW	Agricultural processed	15.56	4.47	12.34	17.51	20.57	9.85	5.68	20.05	13.37	21.69	19.23	18.06	5.07	21.15
		Agricultural unprocessed	6.61	2.51	5.74	7.00	5.36	2.96	3.74	4.52	12.18	11.52	9.67	8.60	3.30	9.54
		All products	2.53	1.25	2.53	3.15	3.68	0.91	1.69	5.87	3.11	3.43	2.78	2.90	1.98	2.31
		Non- Agricultural	1.59	1.17	1.62	1.63	1.42	0.83	1.24	2.27	2.07	2.20	1.69	1.68	1.24	1.53
	SACU	Agricultural processed	11.69	2.42	19.12	14.58	12.20	3.80	5.25	20.59	22.04	0.00	2.55	11.53	6.48	37.28
		Agricultural unprocessed	3.16	1.44	4.25	5.41	6.69	1.36	0.97	4.79	3.74	0.00	0.03	4.31	1.16	6.69
		All products	2.37	0.38	3.96	4.62	1.61	0.19	0.42	8.14	6.32	0.00	0.23	2.44	0.80	8.42
		Non- Agricultural	1.24	0.25	2.22	2.36	0.24	0.14	0.15	3.03	4.96	0.00	0.04	1.07	0.28	5.76
	SADC	Agricultural processed	11.10	17.79	17.96	9.29	6.80	11.00	19.68	8.65	20.70	4.20	4.33	7.60	20.27	26.79
		Agricultural unprocessed	7.03	1.94	7.49	9.16	3.93	3.56	7.16	12.04	9.14	2.57	2.16	6.92	8.56	12.98
		All products	5.21	3.82	8.61	5.24	3.82	2.79	8.88	7.62	7.69	2.29	2.20	3.49	11.04	9.10
		Non- Agricultural	4.01	3.66	6.76	3.27	2.87	2.38	7.31	4.64	6.26	2.08	1.93	2.44	9.28	6.82
	TFTA	Agricultural processed	17.93	21.47	18.54	9.17	8.04	15.54	22.41	9.20	45.19	27.87	19.04	16.17	22.88	22.27
		Agricultural unprocessed	8.65	2.38	8.95	7.98	4.17	5.09	9.42	9.83	9.44	10.99	7.45	8.38	10.24	12.64
		All products	7.22	3.60	9.26	5.27	4.87	3.12	10.57	7.79	10.05	7.75	6.03	6.22	12.50	6.75
		Non- Agricultural	5.53	3.44	7.51	3.74	4.08	2.76	8.84	5.83	7.10	5.55	4.49	4.52	10.42	4.95
	WAEMU	Agricultural processed	12.99	22.26	8.45	16.25	14.80	15.54	0.00	15.84	17.46	18.66	17.30	16.87	0.00	19.85
		Agricultural unprocessed	8.15	5.86	2.07	13.20	11.31	8.43	0.00	15.13	9.06	14.16	12.08	13.14	0.00	15.02
		All products	6.60	4.11	3.40	11.03	11.81	4.80	0.00	13.85	9.51	8.95	8.93	9.48	0.00	7.55
		Non- Agricultural	5.47	3.89	2.58	8.84	10.71	4.28	0.00	12.12	8.61	7.85	7.69	7.91	0.00	6.00
	AMU	Agricultural processed	14.63	21.40	6.06	7.79	11.65	15.28	11.19	12.38	25.52	31.17	24.33	16.97	10.47	2.07
		Agricultural unprocessed	9.00	6.33	6.95	6.02	9.83	6.57	8.00	10.25	10.34	16.72	14.08	10.87	8.09	0.96
		All products	5.28	4.00	3.27	3.62	5.97	4.27	5.13	8.96	8.53	9.35	6.93	6.00	8.83	0.92
		Non- Agricultural	4.70	3.93	2.67	3.18	5.43	4.23	4.47	6.24	7.06	8.09	6.18	5.34	9.08	0.62

Source: MacMap-HS6, CEPII database.

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