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AFRICA SUPPLY CHAIN INSIGHTS

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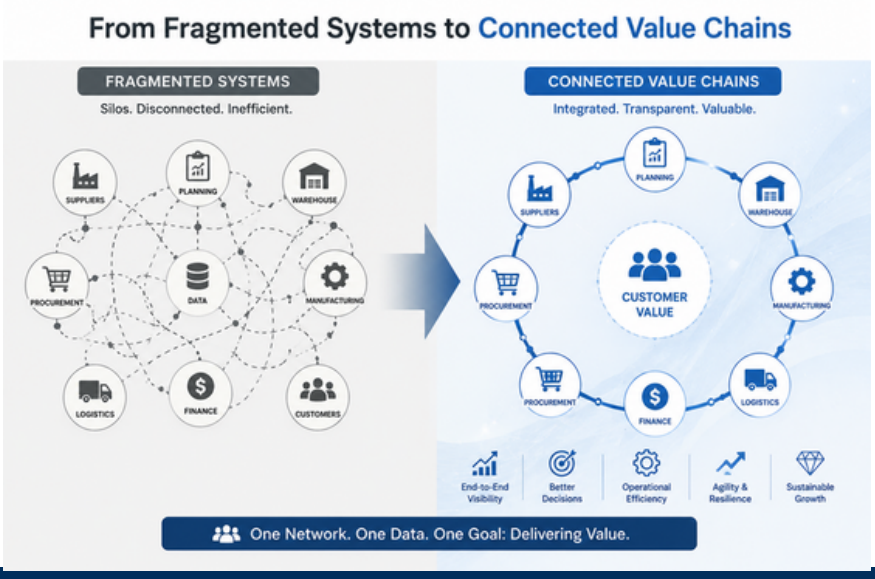
From Fragmented Systems to Connected Value Chains

Transforming Procurement, Supply Chains, and Trade Networks for Sustainable Growth and Competitive Advantage.

Africa's trade challenge is no longer just about tariffs, but about connecting production, logistics, regulation, and data into one working system.When value chains are fragmented, costs rise, delays increase, and competitiveness falls across borders and sectors. The future lies in building integrated, interoperable networks that turn policy ambition into real economic value



IN FOCUS

Africa may head into a fertiliser crisis

Global fertiliser supplies are tightening, threatening Africa's access to vital inputs. Import dependence leaves farmers vulnerable to exclusion, not just higher costs. Local solutions such as compost, biochar, and bio-stimulants offer a pathway to resilience.

Africa Supply Chain & Energy Bulletin: Joint Publication by Desiderio Consultants & AISCR Edition 3 – June 2026

From Fragmented Systems to Connected Value Chains

Across Africa's evolving trade and industrial landscape, a clear pattern is emerging: integration is no longer constrained primarily by tariffs or the absence of formal agreements, but by the quality of the value chains that connect production, logistics, and regulation in practice.

Recent evidence from AfCFTA implementation studies, corridor-level logistics analyses in the Horn of Africa, and assessments of Special Economic Zones all converge on a single structural insight: Africa's trade challenge is fundamentally one of system integration. Whether looking at goods moving across regional value chains, containers circulating through major ports, or inputs flowing in and out of industrial zones, the same frictions repeatedly appear: non-tariff barriers, fragmented standards, weak data interoperability, and uneven institutional coordination. These are not isolated problems, but expressions of a deeper discontinuity between policy design and operational reality.

On one side, regional economic communities are already demonstrating what functional integration can look like in practice. Coordinated customs systems, mutual recognition of standards, and emerging digital trade platforms are reducing costs and enabling more predictable flows within certain corridors. On the other side, these gains are continually undermined by fragmented implementation environments, where inconsistent application of rules, domestic charges, and institutional silos disrupt the continuity of value chains beyond border points.

At the same time, logistics evidence from the Horn of Africa highlights that infrastructure investment alone is no longer sufficient. Even where ports and corridors are modernized, the absence of harmonized data systems and real-time coordination produces systemic inefficiencies: misaligned cargo flows, empty return trips, and persistent volatility in transport costs. Digital solutions are emerging to fill these gaps, but they largely compensate for structural imbalances rather than resolve them.

The industrial dimension of this fragmentation becomes even more visible in the case of Special Economic Zones (SEZs). While SEZs continue to attract investment and drive export activity, their limited integration into domestic and regional supply networks reveals a persistent "enclave effect", where production systems remain weakly connected to local suppliers and surrounding economies. This reinforces the fragmentation of intermediate goods trade and limits the emergence of dense, regionally embedded value chains.

All together, these findings point to a single conclusion: Africa's integration trajectory will depend on the capacity to connect systems—regulatory, logistical, digital, and industrial—into coherent value chain architectures. The central challenge is no longer whether Africa is integrating, but how effectively its fragmented production and trade systems can be transformed into interoperable networks capable of sustaining competitiveness at continental scale.

Prof Marcus Ambe,President & CEO AISCR

AfCFTA Implementation: Key Lessons from Value Chains and Regional Blocs (2026):

A joint World Economic Forum-Global Alliance for Trade Facilitation study explores how the African Continental Free Trade Area (AfCFTA) is being implemented in practice by tracking real value chains and comparing regional trade experiences. Using case evidence such as mango purée trade across Africa, the report shows that AfCFTA's success depends less on formal agreements and more on how trade actually functions at borders, along corridors, and within domestic regulatory systems.

The findings highlight that African regional economic communities (RECs) are already driving much of Africa's integration through practical tools such as coordinated customs systems, mutual recognition of standards, and digital trade platforms. These regional mechanisms are reducing costs and delays and providing workable models that can be scaled at the continental level. However, italso underscores persistent constraints, including non-tariff barriers, inconsistent application of domestic charges, infrastructure gaps, and regulatory fragmentation. These factors continue to limit the predictability and competitiveness of intra-African trade.

Overall, the report concludes that AfCFTA implementation should build on existing regional successes while prioritizing deeper regulatory coordination, improved logistics systems, and stronger mechanisms to address operational bottlenecks affecting value chains across the continent.

A mango purée value chain analysis reveals how free trade is working in practice: where regional systems are aligned (such as common standards and coordinated customs procedures) trade is faster, more predictable, and more viable, especially for perishable goods. For example, within parts of the East African Community, mutual recognition of standards and coordinated customs processes reduce duplication and enable smoother cross-border movement.

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However, the case study also reveals persistent constraints. Non-tariff barriers remain a major obstacle, particularly repeated certification requirements and inconsistent application of standards across borders. These create delays and increase costs, especially for time-sensitive agricultural products like mango purée.
In addition, border inefficiencies and fragmented procedures continue to slow down shipments, with multiple inspections and documentation requirements still common in several corridors.
The analysis also highlights that domestic charges and fees (even when tariffs are reduced or eliminated) can significantly affect competitiveness, reducing the expected benefits of preferential trade arrangements.

Key Takeaways:

The central lesson is that trade integration in Africa is determined less by formal agreements and more by how efficiently rules are applied in practice across borders and corridors.

- Even when tariffs are reduced under frameworks like the AfCFTA, non-tariff barriers, inconsistent standards, border procedures, and logistics constraints continue to shape real trade outcomes. In other words, integration “on paper” does not automatically translate into integration “on the ground

Horn of Africa Trade Hampered by Data Fragmentation and Structural Imbalances:

While the Horn of Africa and broader East African Community (EAC) have successfully attracted world-class logistical investments and modern port concessions, regional trade corridors remain severely hobbled. The primary obstacles are no longer just physical infrastructure deficits, but rather acute failures in data harmonization, operational synchronization, and deep structural economic imbalances.
Major multinational port operators have brought advanced cargo traceability and data aggregation systems to key gateways like Berbera and Dar es Salaam. However, this progress remains highly isolated. Neighboring transport networks and competing ports across the region fail to follow these unified digital examples. In many instances, basic operational data (such as reliable traffic statistics or cargo volumes) remains completely unavailable. Public institutional solutions, such as the African Development Bank’s
$2 million Africa Port Connectivity Portal planned in 2024 but not yet operationalized, are expected to bridge these gaps on a continental scale. But currently, data fragmentation remains largely unaddressed.
The absence of unified digital coordination frameworks limits real-time visibility across supply chains, triggering costly operational mismatches between manufacturing and transport sectors.
Transport assets are routinely mobilized in anticipation of cargo flows that end up delayed or un-consolidated due to unexpected production bottlenecks or administrative friction. Conversely, manufactured goods frequently sit ready at the plant with no available vessels or containers, completely out of sync with international shipping schedules.
One of the problems that mainly contributes to the high cost of road transport in Africa are the empty trips that are charged by logistics operators to their customers. This is a consequence of the imbalanced nature of trade flows in Africa, as the continent imports much more of what exports. As a result, inbound cargo systematically piles up at inland industrial hubs forcing transport operators to run empty trips back to maritime gateways, which dramatically inflates the total cost of road logistics. In response to these public coordination failures, a robust ecosystem of private e-logistics platforms and mobile applications has rapidly emerged. These applications operate as localized "loop systems", using real-time tracking to instantly identify ready cargo and match it with the nearest available road freight providers. By optimizing asset deployment and eliminating empty miles, these platforms provide a vital bottom-up remedy to corridor friction.

Key Takeaways:

Ultimately, digital portals and private freight apps only treat the symptoms of a broader systemic issue. Until the region (and the continent in general) drives aggressive industrialization and shifts away from its heavy dependence on low-volume raw materials and primary commodity exports, structural trade imbalances and empty-leg vulnerabilities will continue to limit Africa's free trade potential.

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The Enclave Problem: Why Africa's SEZs are Failing Regional Supply Chains, and How They Must Change:

For decades, Special Economic Zones (SEZs) and industrial parks have been central to Africa's industrialization strategies. They have succeeded in attracting foreign direct investment and supporting export growth, particularly in labor-intensive manufacturing and resource processing. However, beneath these aggregate gains lies a structural limitation that increasingly shapes the debate on industrial transformation: the weak integration of many SEZs into domestic and regional supply chains.

The Africa Industrialization Index (AII) 2025 highlights persistent challenges in this regard, particularly the limited development of backward linkages between SEZ-based firms and local suppliers. In many cases, industrial zones remain highly effective as export-processing platforms, yet less effective as anchors for broader production ecosystems. This creates a structural disconnect between enclave-based production and the surrounding economy.

This "enclave tendency" is reflected in the relatively shallow integration of SEZs into domestic and regional value chains. Inputs are often imported, while outputs are exported with limited transformation of local supplier networks. As a result, opportunities for building intermediate goods trade within Africa remain constrained, reinforcing the fragmentation of production systems across the continent. While SEZ design is not the sole driver of low intra-African trade, weak production linkages are one of several structural factors contributing to this outcome.

These dynamics suggest that Africa's industrial strategy is increasingly confronted with the need to move from export enclaves toward more embedded production systems. This does not imply that SEZs have failed, but rather that their developmental impact depends on how effectively they are connected to broader regional and domestic economies.

Three strategic shifts appear particularly important:

- From isolated production sites to regional value chains: moving beyond national or enclave-based production models toward cross-border value chains that reflect regional comparative advantages and allow for the circulation of intermediate goods.
- Reducing behind-the-border constraints: addressing regulatory fragmentation, non-aligned technical standards, and inconsistent certification systems that limit interoperability between production systems and markets.
- Strengthening SME integration into industrial ecosystems: developing structured mechanisms that enable small and medium-sized enterprises to participate in SEZ-linked supply chains, including supplier development programs, procurement linkages, and targeted industrial upgrading support.

Key Takeaways:

Taken together, these shifts point to the need for a broader reorientation of industrial policies in Africa: from viewing SEZs primarily as export platforms to understanding them as potential nodes within wider regional production systems.

From this perspective, the next phase of African industrialization will be defined not by the performance of isolated SEZs, but by the density and quality of the linkages connecting firms, suppliers, and regional markets to thes zones. In other words, competitiveness will increasingly depend on the ability to transform fragmented production spaces into interconnected regional value chains capable of sustaining both export growth and domestic industrial deepening.

Africa may head into a fertiliser crisis that is no longer about price spikes or shipping delays, it is about disappearance:

Africa may be heading into a fertiliser crisis that is no longer about price spikes or shipping delays, but about scarcity and exclusion.

Global urea supply is tightening sharply just as Africa (highly dependent on imports for fertiliser) faces the risk of being effectively priced out of the market. With production capacity falling and no spare global supply, smallholder farmers risk not just paying more, but being excluded entirely from access during the 2026–2027 planting seasons.

A recent article published on **African Business** argues that this is not a short-term shock, but a structural break in global fertiliser markets.

In this context, Africa's dependence on imported synthetic fertiliser becomes a strategic vulnerability: even expanding local production would not fully resolve access constraints, as global buyers continue to dominate limited supply.

The real shift, the authors suggest, lies elsewhere. Rather than relying exclusively on global commodity fertilisers, Africa's most reliable supply chain may be the one it can build from within its own ecosystems: transforming agricultural waste and degraded soils into inputs such as compost, biochar, and bio-stimulants. These inputs are not traded on global markets, cannot be priced out by external demand, and can be scaled locally with immediate impact.

Key Takeaways:

Africa's fertiliser challenge is shifting from price volatility to structural scarcity, with tightening global supply risking outright exclusion from key inputs.

Conventional solutions, including expanding fertiliser imports or production, are increasingly insufficient in constrained global markets where access is dominated by stronger buyers.

The most immediate pathway to resilience lies in scaling locally anchored soil-based inputs: transforming agricultural waste into compost, biochar, and bio-stimulants that strengthen productivity and reduce external dependency.

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