

Africa in Global Trade: Higher for Longer

Africa's trade with the rest of the world is growing faster than the world economy, and the trend has held through a difficult year: real GDP growth rose from 3.4 per cent in 2024 to 4.5 per cent in 2025, merchandise trade grew 6.1 per cent to US\$1.5 trillion and intra-African trade 5.5 per cent to US\$213 billion, while global growth slowed to 3.4 per cent and is set to ease to 3.1 per cent in 2026. Trade partners are shifting, with India and the US gaining as buyers and China and Asia dominant as suppliers. Sustaining the trend now means absorbing higher global interest rates and geopolitical tension and, above all, the cost of disrupted shipping.

1. Macro snapshot

Growth continues amid tight global conditions, financing costs may rise.

Global monetary conditions remain tight and impact trade in two stages: financing costs rise within a quarter or two, and trade volumes follow with a lag. The near-term pressure is inflation. Oil peaked at US\$120 a barrel before easing and urea is up 50 per cent since the conflict began; in the past year Kenya and Tanzania sourced 26 and 31 per cent of their fertiliser imports through the Strait of Hormuz. Kenya's current account deficit widened by over 70 per cent between Q1 2025 and Q1 2026. Commodity exporters are faring better: Ghana's first-half 2026 trade surplus reached US\$8.8 billion against US\$5.76 billion a year earlier, and DR Congo's cobalt price more than doubled to above US\$56,000 a tonne.

Business implication: fuel, fertiliser and freight costs are feeding into inflation and policy rates in the importing economies, while exporters in surplus are the beneficiaries.

Country	GDP (USD bn)	GDP growth	Inflation	Trade balance (% of GDP)	Key trade fact
Nigeria	290	4.0%	23.0%	+5.0%	Oil and gas about 80% of exports; China supplies half of non-oil imports
Ghana	114	6.0%	14.2%	+8.2%	Gold about 67% of exports; crude exports down 32% as fields decline
Kenya	136	4.9%	4.1%	-2.4%*	Goods deficit widening as imports outpace exports
Tanzania	87	5.9%	4.2%	-2.4%	Gold exports up 30%; oil about 17% of imports
DR Congo	93	5.7%	7.5-8.0%	-4.5%*	Copper and cobalt 98% of exports; trade equal to 92% of GDP
Côte d'Ivoire	99	6.5%	0.2%	-1.7%	44% of WAEMU exports; China now the largest import source
Cameroon	59	3.1%	2.5%	-3.9%	Exports flat, imports up 4%; trade deficit widening
Uganda	66	6.7%	3.4%	-8.0%*	Gold 45% of exports (largely re-exports); goods deficit down 16%

Sources: central bank data.

2. FX and rates – Stable currencies, interest rates steady to lower

The Fed raised its policy rate by 25 bps to 3.75-4.00% on 16 September, its first increase since 2023; the ECB took its deposit rate to 2.50% on 10 September; the BoE held at 3.75% but warned rates may rise if the Iran war drags on. The Dollar Index is at 101.10, the US 10-year yield at 5.20% and Brent above USD 105. Africa is moving the other way. Nigeria is the clearest easing story, with naira funding costs and sovereign yields heading lower and rising reserves strengthening dollar liquidity for trade settlement, while Ghana, Kenya, Tanzania, Zambia and Uganda have kept stable currency regimes for three years with moderate hedging costs. The Zambian kwacha's 30% rise since end 2024 rests on record copper prices, a dollar demand squeeze, debt resolution and a good harvest.

Currency pair	Spot	Move 1M / 3M	1Y fwd %	Central Bank Reference rate	Rates outlook (6M)	Outlook 3M
USDNGN	1,327 (par. 1,390)	-1.8% / -2.2%	11.05%	23 %	lower by 50 bps	1250-1350
USDGHS	11.64	+4.3% / +2.5%	4.88%	14 %	Lower by 50 bps	11.00-11.50
USDKES	129.73	+0.8% / +0.8%	3.31%	8.75 %	Lower by 25-50 bps	127.50-129.50
USDZS	2,635	Flat/flat	2.58%	6.25 %	Flat	2600-2655
USDCDF (DRC)	2,311	+0.8% / +0.6%	0	12.5 %	Lower by 50-100 bps	2225-2285
USDZAR	16.40	+0.15% / -0.73%	2.35%	7.25%	25-50 bps higher	16.28-16.40
USDUGX	3,630	+6.96% / -7.6%	3.48%	9.75 %	Flat	3650-4015
USD/XOF (CFA)	577.13	Dollar firmer	-4.07%	M.L.R.5%	Flat	Moves with the EURO
USDZMW	19.48	Kwacha stronger	4.5%	13.25 %	Flat to lower	18.25-21.25

Plus sign = stronger dollar against the local currency. 1Y forward % is approximate, from policy rate differentials.

Business implication: roughly half of African bank lending and deposits are in dollars or euros, and in the CFA franc markets even local currency borrowing is euro-linked through the peg, so the Fed and ECB hikes raise borrowing costs for many clients even where their own central bank is cutting or on hold.

3. Trade and flows dashboard

The recent winners are the gold, oil and copper exporters that have dealt with their debt problems; the oil and fertiliser importers of West, East and Central Africa have catching up to do. Shipping routes are changing too. Since July 2026, Houthi attacks on shipping, including at Perim Island at the mouth of Bab el-Mandeb, and the strike on Saudi Arabia's East-West pipeline have tilted trade relationships: East Africa's trade route with Europe is now changed and routes round the Cape with 10-15 days added. Their Asian trade across the Indian Ocean is untouched, favouring Asian suppliers and buyers over European ones. West Africa's Atlantic trade is unaffected, and its Cape-routed trade with India and Asia gains relatively.

With Hormuz closed, African importers that relied on Gulf and Indian refiners turned to Lagos instead. The Dangote refinery has turned Nigeria from being West Africa's largest importer of refined products into a regional supplier: product exports rose nearly tenfold between 2023 and 2026, imports fell 67 per cent. Nigeria became a net petrol exporter in March 2026, supplying to Ghana, Côte d'Ivoire, Togo and Cameroon. Business implication: regional fuel is increasingly sourced within the Gulf of Guinea rather than the Gulf, shortening supply chains, though reliance on a single refinery is a concentration risk to plan around.

Country (period)	Exports	Imports	Current account	Reserves	Main exports and key partners	Main constraint
Nigeria (2025)	\$57.5bn, +8.5%	\$43.0bn, +8%	+\$14.0bn (4.8% GDP)	\$45.8bn, 8.8 mths	Crude 55%, gas 18%; China 44% of non-oil imports	Hydrocarbons 84% of exports
Kenya (FY24/25)	\$12.8bn, +8%	\$23.1bn, +10%	-\$2.1bn (1.6% GDP)	\$11.1bn, 4.9 mths	Tea, horticulture, coffee; Uganda 37% of exports	Narrow export base, oil bill
Ghana (2025)	\$31.2bn, +63%	\$17.5bn, +13%	+\$9.4bn (8.2% GDP)	\$13.8bn, 5.7 mths	Gold 67%, cocoa 13%, oil 8%	Gold dependence, cedi swings
Tanzania (FY24/25)	\$9.9bn, +27%	\$14.5bn, +5%	-\$2.1bn (2.4% GDP)	\$6.0bn, 4.8 mths	Gold 41%, cashew, tourism; China 33% of imports	Gold and tourism reliance
DR Congo (2024)	\$34.9bn, +18%	\$31.0bn, +11%	-\$2.7bn (3.8% GDP)	\$6.1bn, 3.3 mths	Copper 79%, cobalt 11%; China 62% of exports	One metal, one buyer
WAEMU bloc (2025)	About \$57bn, +39%	About \$46bn, +11%	First goods surplus since 2011	Foreign assets up	Gold, cocoa, oil 71%; Europe 44% of exports	Raw commodities, freight

4. Markets highlights: past 30 days – divergent policies on rates

- **Nigeria eases.** The CBN cut the MPR by 350bp to 23% on 22 September, its largest cut ever
- **South Africa tightens.** The SARB raised the repo rate by 25bp to 7.25% on 23 September
- **Ghana and WAEMU hold.** The Bank of Ghana kept its rate at 14% on 24 September and the BCEAO held at 3.00% on 9 September, with WAEMU inflation at just 0.4%.
- **Senegal's debt shock.** S&P cut Senegal to CC on 4 September. The Govt signalled a restructuring of its foreign currency debt, while talks on a new IMF programme are on.

Client implication: Clients active in more than one market should review funding and hedging positions this quarter rather than assume a single regional direction.

5. What this means for clients

- Sustaining higher-for-longer trade depends on diversifying beyond a handful of commodities, closing the trade finance gap and keeping payment and logistics channels open.
- Longer routes mean higher freight and insurance costs and longer working capital cycles and weakening correspondent banking links add to both; trade facilities and pricing need to allow for this.
- WAEMU/BCEAO: hedge dollar exposure through euro-dollar, given the peg.
- Ghana: hedging is essential given cedi swings; the gold price is the key risk.
- Kenya, Tanzania, Zambia, Uganda: hedge FX on a net basis while hedging costs are low.
- DR Congo: effectively a dollar economy with China and copper linkages. So, copper price and dollar funding risks need monitoring with hedges built in as feasible.

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