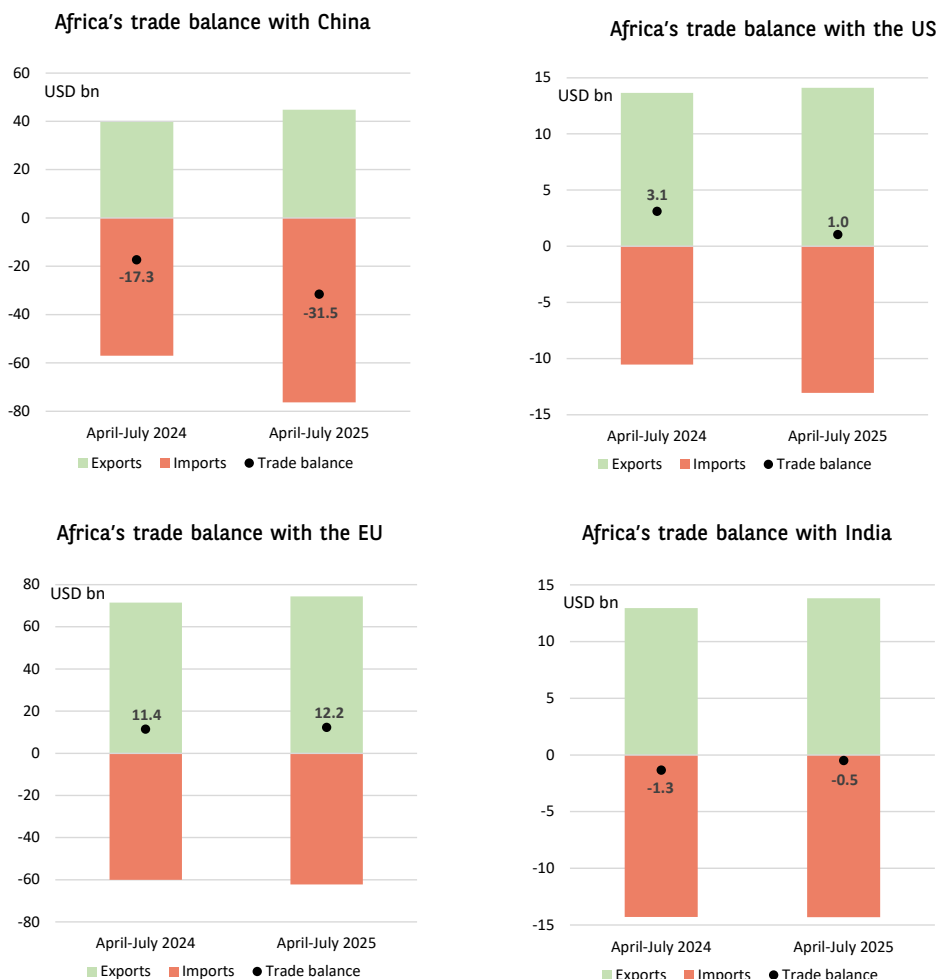


IN AFRICA TOO, THE RECONFIGURATION OF GLOBAL TRADE IS BENEFITING CHINA

Lucas Plé



SOURCE: NATIONAL CUSTOMS, EUROSTAT, BNP PARIBAS

Africa's trade deficit with China widens

Since the beginning of the year, the resumption of the trade war between the United States and China has led the latter to redirect its exports in record time. On average over April to July, while Chinese exports to the US contracted by 23% year-on-year (yoy) in value terms, those to Africa increased by 34%, far more than those to ASEAN countries (17%) and Europe (7%).

For Africa, such an acceleration in imports from China is not unprecedented and should not lead to protectionist measures in the short term. In the absence of a developed local industry, increased imports from China can accompany economic development. In Tanzania and Côte d'Ivoire, which are among the largest contributors to the increase in imports of Chinese goods since March 2025, GDP growth is expected to exceed 6% in 2025, driven by investment. Furthermore, the rise in imports of low-cost Chinese consumer goods is contributing to the anticipated decline in inflation in sub-Saharan Africa (13% in 2025 compared to 18% last year). These disinflationary effects are already visible in Nigeria, the continent's leading importer of Chinese goods. The decline in inflation in Nigeria, from 24.2% yoy in March 2025 to 20.1% in August, coincides with a sharp increase in imports of consumer goods from China¹.

¹ Over April-July 2025, imports of electronic devices, vehicles, and clothing rose by 42%, 99%, and 118% yoy, respectively. These three categories accounted for 32% of imports from China during this period.

As a result, Africa's trade deficit with China has widened rapidly (*see chart*). This trend is likely to continue in the coming months. On the one hand, imports are expected to keep rising, driven by the still strong price competitiveness of Chinese goods. On the other hand, some African countries, including South Africa, may be compelled to redirect some of their commodity exports from China to the US in order to secure trade agreements with the Trump administration.

Africa's trade surplus with the United States is rapidly eroding

From 2016 to 2024, Africa posted a yearly trade surplus with the United States. However, the reciprocal tariffs introduced on April 9 are expected to put an end to this imbalance. For the period from April to July, Africa's trade surplus with the United States fell to USD 1 billion in 2025, its lowest level since 2020.

Two new shocks since July suggest that the trade balance is likely to turn negative in the coming months. On the one hand, since August 7, 20 African countries have seen their trade tariffs increase. Among them is South Africa (38% of the continent's exports to the United States in 2024), whose reciprocal trade tariffs have increased from 10% to 30%. On the other hand, since the AGOA law expired on September 30, 32 African countries have lost their preferential access to the US market. Instead, these countries now have access to the US market at the most-favored-nation rate, which comes atop the reciprocal trade tariff.

The future evolution of trade flows between Africa and the United States remains dependent on the negotiation of bilateral trade agreements. For the time being, no African country has signed an agreement, but South Africa, Kenya, and Lesotho hope to do so by the end of the year. Furthermore, a renewal of AGOA, even if delayed, is still possible.

A deterioration in external accounts to monitor

Africa's trade flows with the European Union and India have not undergone any major reconfiguration in recent months. The modest improvement in the trade balance with the EU and India (*see chart*) is far from sufficient to offset the rise in imports from China. Between April and July, Africa's trade deficit with its four main trading partners² reached USD 18.8 billion in 2025, compared with USD 4.1 billion in 2024. This growing trade imbalance is a risk to monitor for the continent, given the fragility of its external accounts.

Lucas Plé

lucas.ple@bnpparibas.com

² The EU, China, India, and the United States account for 61% of Africa's extra-regional trade.



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