Latin-America – Africa Trading Relationship

This Trade Brief documents the trading relationship between Latin America & the Caribbean and the African continent from 2006 to 2015. The analysis uses UNCOMTRADE data sourced from the International Trade Centre (ITC) Trade Map\(^1\), and is expressed in United States Dollars.

This synopsis should be read in conjunction with the spreadsheet on tralac’s website ([https://www.tralac.org/resources/our-resources/10493-latin-america-africa-trading-relationship.html](https://www.tralac.org/resources/our-resources/10493-latin-america-africa-trading-relationship.html)), and contains the following data:

- Latin America’s trade balance with African countries, by country;
- Total Latin American imports from and exports to all African countries, by country;
- Latin America’s imports and exports products to all African countries at the HS4 level;
- The trade record for COMESA\(^2\), EAC\(^3\), SACU\(^4\), SADC\(^5\), ECOWAS\(^6\), and Maghreb\(^7\);
- The top 20 African exports to Latin America and top 20 African imports from Latin America at the HS4 level, by country for all African countries; and
- Graphical illustrations of Latin America’s trading relationship with African Regional Economic Communities.

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\(^1\) [http://www.intracen.org/](http://www.intracen.org/)

\(^2\) The Common Market for Eastern and Southern Africa consists of 19 member states, namely Burundi, Comoros, D.R. Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

\(^3\) The East African Community consists of 5 member states, namely Burundi, Kenya, Rwanda, Tanzania and Uganda.

\(^4\) The Southern African Customs Union consists of 5 member states, namely Botswana, Lesotho, Namibia, South Africa and Swaziland.

\(^5\) The Southern African Development Community consists of 15 member states, namely Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

\(^6\) The Economic Community of West African States consists of 15 member states. The founding members of ECOWAS were: Benin, Cote d’Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania (left 2002), Niger, Nigeria, Senegal, Sierra Leone, Togo, and Burkina Faso (which joined as Upper Volta).

\(^7\) The Maghreb consists of 5 member states, namely Algeria, Libya, Mauritania, Morocco, and Tunisia.
Between 2014 and 2015, Latin American imports from Africa fell 42% from approximately $19,917m to $11,578m, driven primarily by the large decreases in fuels product prices (fuels products constitute 76% of Latin America’s imports from Africa). Imports of fuels products fell from approximately $15,866m to approximately $8,800m.

Major African exporters to Latin America and the Caribbean are Nigeria at $6.1b, Algeria at $1.8b and South Africa at $1.0b. These are primarily fuels products – petroleum oils from crude as well as minerals sources, as well as petroleum gas products.

Major African destinations for Latin American exports are Egypt (22%), South Africa (17%), Algeria (16%) and Morocco (9%). These are mainly sugar (17%), maize (12%), oilcake (10%) and bovine meat (5%).

Exports to African RECs peaked in 2011, at the height of the commodity cycle, and have been falling since then – most sharply for ECOWAS.

Imports by the RECs from Latin America have also been falling since 2011, again most markedly in the case of ECOWAS, which undertakes more trade with this region than the other RECs.

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**Figure 1: African REC’s Exports to Latin America and the Caribbean**

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Looking Ahead

The countries of Latin America, being commodity exporters themselves, have also been negatively impacted by the downturn in the commodity cycle. Trade flows with Africa, in both directions, have suffered since 2011 and this reflects the weak economic conditions in both regions. Latin America has experienced capital outflows as a result of the commodity downturn and the slowing of economic activity. In Q1 of 2016, Latin America’s GDP contracted 1.1% on an annualised basis, which is the steepest fall since 2009, in the wake of the global financial crisis.

The outlook for trade between Latin America and Africa is therefore not positive in the immediate future, but it appears as if the worst of the economic contraction is now over. Therefore, from 2017 demand can be expected to gradually improve as commodity markets slowly recover and global liquidity risks dissipate.