



AFRICA'S FAST-GROWING ECONOMIES IMPLICATIONS FOR GAUTENG

RESEARCH NOTE

MACRO BUSINESS INTELLIGENCE

EXECUTIVE SUMMARY

Africa's growth trajectory in 2025 marks a pivotal transition from short-term recovery to **structural transformation**. Nine of the world's twenty fastest-growing economies are African, led by **Niger**, **Senegal**, **Ethiopia**, **Rwanda**, and **Côte d'Ivoire** (This new growth geography reveals a continental shift—from **resource dependence toward diversified, infrastructure-, energy-, and service-driven expansion**.

Structural and Economic Context: Africa's sustained growth over the past decade stems from rising public investment in **infrastructure, energy, and connectivity**, coupled with fiscal and governance reforms. However, structural fragility persists: most high-growth economies remain small (under USD 50 billion GDP) and heavily reliant on external financing. The challenge is converting cyclical momentum into **broad-based industrialisation and value-chain integration**. The **African Continental Free Trade Area (AfCFTA)** remains the most critical lever for unlocking this transformation. Its effective implementation could harmonise regulatory frameworks, lower trade barriers, and enable continent-wide production networks.

Implications for Gauteng: Gauteng—**Africa's most industrialised region**—is uniquely positioned to lead this next wave of continental integration. With 40% of South Africa's manufacturing GDP, Gauteng already serves as the hub for **automotive, machinery, energy, and financial services exports**, accounting for nearly **R1.4 trillion in African exports (2020–2024)**. Yet, over 70% of its Africa-bound exports are concentrated in just a few markets (DRC, Kenya, Tanzania, Senegal), signalling **geographic and product concentration risks**. The province's **industrial and logistics ecosystem**, anchored in OR Tambo International Airport, City Deep Inland Port, and multiple regional corridors, gives it unparalleled leverage to become Africa's "**industrial integrator**"—linking continental supply, production, and distribution networks.

Growth Tiers and Sectoral Opportunities: The report classifies Africa's top-performing economies into three tiers:

- **Tier 1 – Scale Anchors:** DRC, Kenya, Tanzania, Senegal, Côte d'Ivoire – large, diversified markets offering scale in infrastructure, energy, and manufacturing.
- **Tier 2 – Reform Accelerators:** Rwanda, Ghana, Uganda, Ethiopia – stable, reform-oriented markets suited for services and technology partnerships.
- **Tier 3 – Frontier Expanders:** Niger, Benin – early-stage markets with high volatility but first-mover advantages in energy, logistics, and agriculture.

Across these economies, four **sectoral megatrends** define Africa's structural transformation:

1. **Infrastructure & Construction** – USD 100 billion annual investment gap, massive demand for EPC services and materials.
2. **Energy & Resources Transition** – growing LNG, hydropower, and renewables projects.
3. **Manufacturing & Industrialisation** – SEZ-led value addition, import substitution, and co-manufacturing initiatives.
4. **Digital & Service Economy** – fintech, logistics, and e-commerce expanding at 20–30% annually.

These align directly with Gauteng's core strengths, positioning it as a **continental hub for exporting industrial capability**—not just products.

Structural Challenges: Despite opportunities, major impediments persist:

- **Logistics and infrastructure inefficiencies** (high transport costs, port congestion).
- **Regulatory fragmentation** (customs, taxation, and standards).
- **Limited trade finance and currency volatility**.
- **Shallow intra-African trade integration**, where only 15% of Gauteng exporters reach more than three African markets.

Without targeted reforms, Gauteng risks losing market share to more coordinated global competitors like **China, India, and Turkey**. Africa's fastest-growing economies are diversifying and reforming at pace. For Gauteng, this is not merely a trade opportunity—it is a **structural imperative**. By embedding its manufacturing, finance, and logistics ecosystems within Africa's growth corridors, Gauteng can redefine its role from South Africa's economic engine to **Africa's industrial heartland**.

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AFRICA'S GROWTH CONTEXT: FROM MOMENTUM TO STRUCTURAL TRANSFORMATION

Africa's growth trajectory in 2025 reflects both extraordinary dynamism and persistent fragility. According to the **IMF World Economic Outlook (October 2025)**, nine of the world's twenty fastest-growing economies are African—led by **Niger (11.2 %)**, **Senegal (8.5 %)**, **Ethiopia (7.2 %)**, **Rwanda (7.1 %)**, and **Côte d'Ivoire (6.4 %)**. This performance, occurring amid subdued global trade and tight financial conditions, signals a shift in the continent's economic geography: **growth is no longer confined to resource giants like Nigeria or South Africa**, but increasingly driven by **mid-sized reforming economies** that are leveraging infrastructure investment, energy expansion, and service-sector diversification.

Structural Momentum

The continent's sustained performance over the past decade demonstrates more than cyclical recovery—it represents a deeper structural transition. Public investment in roads, ports, and power systems has underpinned regional connectivity, while macroeconomic reforms have stabilised inflation and improved fiscal governance. The emergence of new growth hubs in **West, East, and Central Africa** underscores a continental pivot toward production-driven growth rather than consumption-led cycles. These economies, together accounting for just **16 % of Africa's total GDP**, now contribute **nearly 30 % of the continent's incremental expansion**, illustrating how diversification and reform can offset scale limitations.

Yet, Africa's growth remains uneven. While GDP expansion is robust, the **structural base remains shallow**. Most of the top performers have economies smaller than USD 50 billion, limiting industrial capacity, export complexity, and domestic capital mobilisation. Moreover, high logistics costs, regulatory fragmentation, and weak intra-African trade networks continue to constrain value-chain integration. Without coordinated policy harmonisation under frameworks like the **African Continental Free Trade Area (AfCFTA)**, much of this momentum risks dissipating into enclave sectors rather than economy-wide transformation.

Strategic Implications for Gauteng

For **Gauteng**, Africa's growth resurgence presents both a commercial and strategic opportunity. The province—already Africa's most industrialised region—sits at the intersection of **finance, manufacturing, and logistics**, offering precisely the capabilities that high-growth African economies require. As countries like **Senegal, Rwanda, and Ethiopia** invest heavily in energy, infrastructure, and digital transformation, Gauteng's firms can position themselves as **technology partners, suppliers of industrial inputs, and financiers of new projects**.

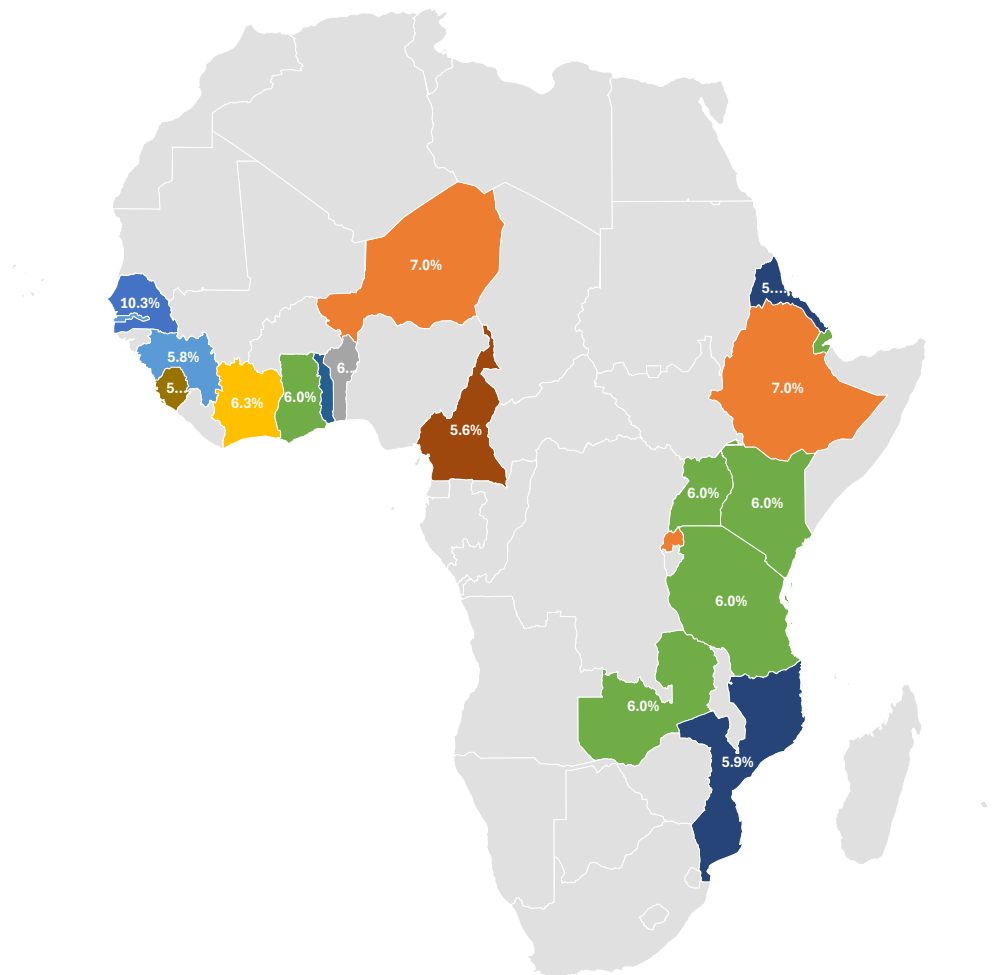
Early alignment with this high-growth cluster would allow Gauteng to anchor itself in the next wave of continental value-chain formation, exporting not only products but **institutional expertise, financial services, and industrial ecosystems**. The continent's new growth frontier is not simply about GDP expansion—it is about the **convergence of production and consumption**. This research paper examines how Gauteng can strategically leverage, Africa's growth story could become Gauteng's opportunity to redefine its continental leadership, transforming from a provincial powerhouse into **Africa's principal integrator of industrial capacity and trade infrastructure**.

A CLOSER LOOK AT AFRICA'S FAST-GROWING ECONOMIES AND SECTORS

DRIVING THE STRONG GROWTH

The Top 20 Fastest Growing Economies in Africa

Africa's growth landscape in 2025 is being reshaped by a convergence of **energy discoveries, infrastructure investments, and economic diversification**. According to projections, the continent's fastest-expanding economies are concentrated in West and East Africa, reflecting a structural shift from dependence on commodities toward more diversified and service-oriented growth models. The figure illustrates growth for the top 20 fastest-growing economies on the continent.



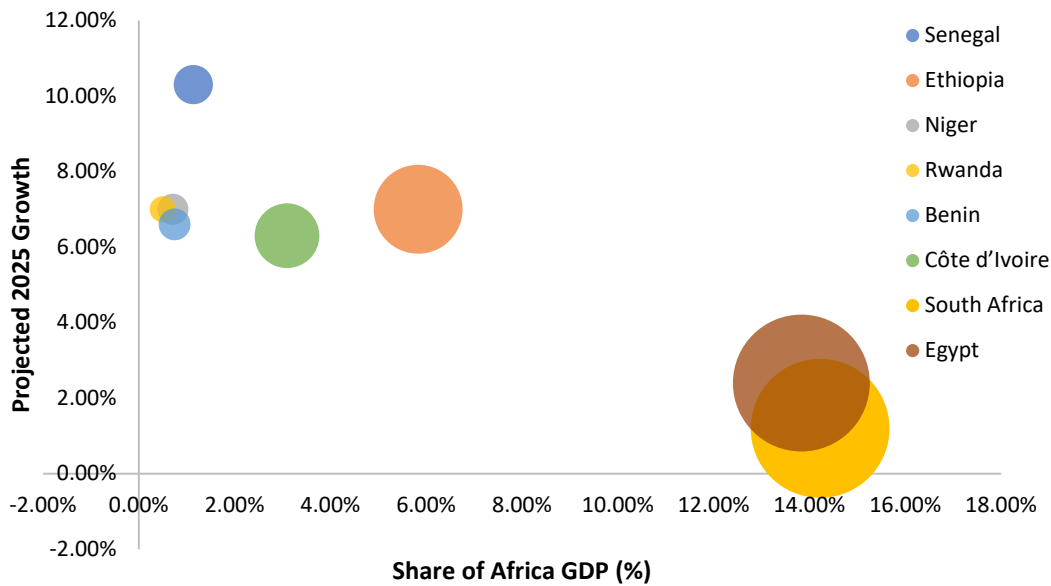
Senegal leads the continent with an estimated **10.3% GDP growth**, propelled by the commencement of oil and gas exports from the *Greater Tortue Ahmeyim LNG project*, alongside infrastructure and service-sector expansion. **Ethiopia**, historically one of Africa's most consistent performers, maintains momentum above **7%**, underpinned by industrial park development, transport infrastructure, and public-sector reforms. Similarly, **Niger** and **Uganda** are entering new energy cycles driven by oil production ramp-ups and energy corridor projects, signalling the continued importance of hydrocarbons in Africa's medium-term growth. **Rwanda, Benin, Côte d'Ivoire, and Kenya** illustrate the success of economies leveraging **infrastructure, technology, and agribusiness value chains** to sustain 6–7% growth. These nations exemplify policy stability and institutional reforms that encourage private investment. Meanwhile, **Tanzania, Djibouti, and Ghana** are consolidating gains from logistics, trade integration, and energy reforms, highlighting the rising role of regional connectivity and digitalization. In Southern and island economies, **Zambia, Mozambique, Mauritius, and Guinea** are benefitting from mining rebounds, gas developments, and post-pandemic recovery in tourism and financial services.

Overall, Africa's 2025 growth narrative underscores a dual transition — **industrial and energy-driven expansion** alongside **digital and services-led modernization**. Countries successfully blending both paths are emerging as continental leaders, positioning Africa as one of the world's most dynamic growth frontiers in the decade ahead. However, sustaining high growth will depend on **macroeconomic discipline, political stability, and diversification beyond resource exports**.

Beyond the Growth Headline: Understanding Africa's Fastest-Growing Economies

Africa's fastest-growing economies often generate excitement for investors and policymakers, but headline GDP growth can obscure deeper realities. While countries like **Rwanda (USD 14.8 billion)** and **Senegal (USD 34.7 billion)** post double-digit growth, each contributes less than **2 percent** to the continent's total GDP. In contrast, **South Africa** and **Egypt**, both exceeding **USD 390 billion**, remain the economic anchors of the continent. The figure below illustrates the top 5 fastest-growing economies against the two largest economies on the continent.

Figure 1: Velocity vs Size (Africa's GDP)



Thus, **growth velocity does not equate to economic weight**—for Gauteng and South African businesses, engagement decisions must consider **market size, purchasing power, industrial base, and institutional capacity** rather than growth rates alone.

Relying on single-year data poses another risk. Post-pandemic rebounds or large natural-resource projects—such as Senegal’s *Sangomar and Tortue LNG* developments—can temporarily inflate GDP growth without corresponding productivity or diversification gains. A **multi-year moving-average analysis (2013–2025)** provides a clearer lens, highlighting more **structurally resilient performers** like **Ethiopia, Côte d’Ivoire, and Rwanda**, where sustained reform and sectoral diversification underpin growth trajectories. The table below summarizes

Table 1: Multi-year assessment of Growth in Africa's Top 20 Fastest Growing Economies

Rank	Country	Projected Growth	2025	Approx. (2013-2025) Avg Growth ¹	Key Growth Drivers (2025 outlook)
1	Senegal	~ 10.3 %		~ 5.45 %	Start of oil & gas exports (Greater Tortue LNG), infrastructure, services & diversification
2	Ethiopia	~ 7 %+		~ 8.16 %	Public investment in energy, transport, agriculture; industrial parks; reforms
3	Niger	~ 7.0 %		~ 5.87 %	Oil production ramp-up, infrastructure, agriculture recovery
4	Rwanda	~ 7 %		~ 6.73 %	Infrastructure, services expansion, pro-business reforms
5	Benin	~ 6.6 %		—	Domestic demand, infrastructure, agricultural value-addition
6	Côte d'Ivoire	~ 6.3 %		—	Manufacturing, agribusiness, infrastructure
7	The Gambia	~ 5.8 %		~ 4.12 %	Investment + domestic demand, tourism recovery, export diversification
8	Uganda	~ 6 %		—	Oil sector development, energy & transport infrastructure
9	Tanzania	~ 6 %		~ 5.98 %	Energy, logistics, agriculture modernization, tourism
10	Djibouti	~ 6.0 %		—	Port & logistics corridor expansion, industrial zones

¹ https://en.wikipedia.org/wiki/List_of_countries_by_real_GDP_growth_rate

Rank	Country	Projected Growth	2025	Approx. (2013-2025) Avg Growth ¹	Key Growth Drivers (2025 outlook)
11	Ghana	~ 6 %		~ 4.51 %	Energy recovery, digital economy, reform, investment confidence
12	Kenya	~ 6 %		~ 4.59 %	Agriculture, ICT/finance, infrastructure, regional trade
13	Zambia	~ 6 %		—	Mining revival (copper), reforms, investment
14	Mozambique	~ 5.9 %		—	Gas sector (FLNG), infrastructure, agriculture
15	Guinea	~ 5.8 %		~ 6.02 %	Mining (bauxite, gold), hydropower, infrastructure
16	Cameroon	~ 5.6 %		~ 3.81 %	Agriculture, services, construction, infrastructure upgrades
17	Mauritius	~ 5.5 %		—	Tourism & financial services rebound, green energy, digital shifts
18	Sierra Leone	~ 5.4 %		~ 3.64 %	Mining (iron, rutile), agriculture, donor-funded infrastructure
19	Eritrea	~ 5.9 %		~ 2.01 %	Extractives, agriculture recovery
20	Togo	~ 5.3 %		~ 5.10 %	Agriculture, trade, regional integration

Our Analytical Framework

From a policy and investment perspective, **trend durability and governance quality** are better indicators of opportunity than isolated spikes. For Gauteng, which positions itself as Africa’s industrial and financial hub, strategic entry into these markets should balance enthusiasm for growth with realism about **market absorption capacity, trade infrastructure, and institutional maturity**. In essence, small economies with high growth offer **export expansion potential**—especially in sectors such as **infrastructure, ICT, and financial services**—but they cannot yet replace the scale advantages of Africa’s larger markets. A calibrated engagement strategy should thus blend **growth markets** (like Rwanda and Senegal) for long-term partnerships with **large markets** (like Egypt and Nigeria) for volume and depth.

Understanding Africa’s growth landscape requires moving beyond headline GDP figures toward a multidimensional lens that integrates **scale, reform depth, and frontier momentum**. For purposes of this analysis we have focused on the top 10 fastest growing economies. This tiered analytical approach—segmenting economies into:

- **Tier 1 Scale Anchor Markets,**
- **Tier 2 Reform Accelerator Markets, and**
- **Tier 2 Frontier Expander Markets**

This enables policymakers and investors to discern not just where growth is occurring, but **why it is sustainable and how it aligns with structural transformation pathways**. Notwithstanding, Africa’s ten fastest-growing economies present differentiated but complementary opportunities for Gauteng. Each combines rapid GDP growth with expanding consumer demand, infrastructure investment, and industrial policy reforms that align with Gauteng’s manufacturing and services base. By assessing the interplay between governance quality, reform traction, and market maturity, decision-makers can identify durable opportunities rather than transient booms. For Gauteng—positioning itself as Africa’s **industrial, financial, and innovation hub**—such classification supports evidence-based engagement and risk-balanced investment strategies. It clarifies where to pursue **volume and scale**, where to cultivate **strategic partnerships for long-term reform dividends**, and where to **leverage frontier expansion** for first-mover advantage across infrastructure, ICT, and financial services value chains.

The combined performance of the **Tier 1, 2, and 3 markets** reveals a powerful alignment with Gauteng’s industrial and export capabilities.

- **Infrastructure Demand Alignment:** Eight of the ten profiled economies are investing **over 5% of GDP annually in infrastructure**, presenting sustained demand for **machinery, engineering, and EPC services**—key Gauteng strengths.
- **Regional Value-Chain Potential:** Emerging **Special Economic Zones (SEZs)** across West and East Africa—such as **Abidjan, Kigali, and Tema**—offer natural gateways for **joint manufacturing, assembly, and distribution** partnerships.
- **Competitor Landscape:** Global players like **China, India, and Turkey** continue to consolidate influence through **concessional finance and turnkey projects**. Gauteng must compete by offering a **comprehensive value proposition**—integrating **finance, skills development, and technology transfer**.
- **AfCFTA Leverage:** With advancing **rules of origin harmonisation and tariff liberalisation**, Gauteng producers could see **export cost reductions of 10–15%**, contingent on effective **customs digitalisation and trade facilitation reforms**.
- **Risk Diversification:** A **portfolio strategy** is essential—anchoring in **Tier 1 markets for scale**, investing selectively in **Tier 2 for resilience**, and piloting in **Tier 3 for early-mover advantage**, ensuring balanced exposure across Africa’s diverse growth frontiers.

The table below summarizes the analytical framework used in the next section of this document.

Table 2: Tier-Based Analytic Framework for Country Assessment

Tier	Countries	Strategic Focus
Tier 1 – Scale Anchors	DRC, Kenya, Tanzania, Senegal, Côte d'Ivoire	Large, diversified markets for energy, construction, and manufacturing.
Tier 2 – Reform Accelerators	Rwanda, Ghana, Uganda, Ethiopia	Stable, reform-driven economies ideal for services and digital trade.
Tier 3 – Frontier Expanders	Niger, Benin	Early-stage, high-growth markets with energy and agriculture demand.

Tire 1: Scale Anchors

Democratic Republic of the Congo (DRC), Kenya, Tanzania, Senegal, and Côte d'Ivoire—represent Africa’s **scale anchors**, combining rapid growth with structural diversification. Across Tier 1 economies, the post-2020 period shows **industrial deceleration but emerging diversification**—a shift from extractive to processing and service-led growth. Gauteng can leverage this transition by positioning as **Africa’s supplier of industrial capability**, offering **machinery, technology, finance, and skills** to accelerate each country’s next-stage industrialisation. In portfolio terms, **Côte d'Ivoire and Senegal** offer the most diversified, reform-anchored markets; **Tanzania and Kenya** provide corridor connectivity and services synergy; and the **DRC** delivers resource-scale leverage. Together, they form the core architecture for Gauteng’s continental industrial and trade expansion.

Table 3: Large, diversified economies offering immediate scale in infrastructure, energy, and manufacturing.

Country	Core Drivers	Gauteng Entry Points	Risks & Mitigation
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Ethiopia	Public infrastructure build-out, agro-industrialisation, industrial parks (8 % avg growth).	Supply of electrical equipment, machinery, and logistics tech; collaborate with <i>Hawassa Industrial Park</i> suppliers.	Currency controls, customs delays → Use Afreximbank trade-credit lines.
Kenya	Digital economy, logistics corridors, fintech (6 % growth).	Partner in <i>digital-payment, logistics-tech, and renewable-infrastructure</i> projects.	Regulatory fragmentation → Bilateral innovation bridge (Gauteng–Nairobi).
Tanzania	Port, rail, energy, and tourism investment.	Export construction materials, vehicles, and renewable-energy systems.	Import licensing & localisation → SEZ-to-SEZ cooperation (West Rand ↔ Bagamoyo).
Senegal	Oil & gas, logistics, construction (10 % projected 2025).	Export energy-equipment, cold-chain logistics; PPPs in Dakar Corridor.	FX exposure, narrow industrial base → Tripartite EPC finance (Gauteng–Afreximbank–Senegal).
Côte d'Ivoire	Agro-processing & manufacturing (6 % growth).	Joint ventures in cocoa, packaging, and logistics services.	Port congestion → Regional logistics-hub initiative.
DR Congo	Mining-led industrialisation.	Supply heavy machinery, transport equipment, EPC services.	Corridor reliability (Durban–Kasumbalesa) → EPC alliances for after-sales presence.

Democratic Republic of the Congo (DRC)-Mining to Infrastructure Industrialisation

The DRC's economy is being propelled by **industrial mining, power generation, and urban construction**, with GDP projected to grow by **5.6% in 2025**. The DRC's **industrial sector** surged from **8.1% (2010–2019)** to a remarkable **12.6% (2020–2024)**, reflecting the impact of **mining expansion and power-generation projects**. However, **agriculture (2.3%)** and **manufacturing (2.9%)** underperformed, showing that the growth remains **resource-driven** rather than broad-based. Services also slowed from **5.1%** to **2.6%**, underscoring limited diversification. Opportunities lie in **copper-cobalt beneficiation, logistics infrastructure, and power-grid expansion**. Gauteng's exporters of **machinery, steel, and transport equipment** can embed themselves in this infrastructure boom by establishing **logistics and maintenance bases** in **Lubumbashi** and **Kolwezi**. The key risks include **logistics corridor reliability**—particularly along the **Durban–Kasumbalesa route**—and **foreign exchange volatility**. To mitigate these, Gauteng firms should **develop EPC and after-sales alliances with Congolese partners** to ensure service continuity and market presence.

Kenya-Services Resilience and Gradual Industrial Recovery

Kenya continues to be driven by its **digital economy, expanding services sector, and corridor infrastructure projects** such as the **Northern Corridor** and **LAPSSET**, supporting GDP growth of around **6%**. Kenya's economy remains **services-driven**, with sectoral growth improving from **5.1%** to **6.9%**, reflecting strength in **ICT, finance, and logistics**. However, **industry and manufacturing** show only modest recovery—**industry from 4.4% to 3.2%**, **manufacturing from 2.9% to 3.8%**—as supply-chain pressures and regional competition persist. Agriculture slowed slightly from **2.6%** to **2.4%** due to climate volatility. Gauteng can capitalise on opportunities in **ICT infrastructure, construction inputs, and automotive components**. Kenya's vibrant private sector provides an ideal entry point for **fintech and logistics platforms** originating from Johannesburg. This positions Gauteng as a **technology integrator** for **digital-payment and trade-facilitation solutions**. The main challenges are **competition from Asian exporters** and **regulatory fragmentation within the EAC**. A practical step forward would be to **establish a Gauteng–Nairobi innovation bridge** linking start-ups and venture capital funds to foster co-development.

Tanzania-Balanced Industrialisation with Moderate Slowdown

Tanzania's growth, projected at **6%**, is underpinned by investment in **infrastructure (rail, ports, power), agriculture, and tourism**. Tanzania shows relative balance: **industry moderated from 9.1% to 4.6%** and while **manufacturing slowed down to 7.2% from 5.0%** both eased after a decade of rapid expansion, while **services stabilised at 5.8%**, and **agriculture at 3.6%**. The moderation reflects fiscal tightening and delayed investment cycles, yet industrial depth remains above regional peers. The country presents strong demand for **construction machinery, steel products, vehicles, and renewable-energy solutions**. With an industrial policy focused on **local value addition**, Gauteng's manufacturers can become strategic partners by supplying **modular industrial plants and equipment** to Tanzania's new **industrial parks near Dar es Salaam and Dodoma**. Risks include **import-licensing delays** and **strict local-content enforcement**, which may be mitigated through **bilateral SEZ-to-SEZ cooperation**—for example, between the **West Rand SEZ** and **Bagamoyo SEZ**.

Senegal-Energy-Led Expansion with Modest Manufacturing Gains

Senegal is experiencing **double-digit growth (10.3%)**, largely driven by **offshore oil and gas developments** such as **Sangomar** and **Tortue LNG**, alongside robust activity in **construction and logistics**. Senegal's **industrial growth** strengthened from **5.1% to 7.6%**, largely powered by **oil & gas developments (Sangomar, Tortue LNG)**, while **manufacturing** edged up slightly (**3.8% → 3.9%**). Services grew from **5.1% to 4.9%**, reflecting resilience in logistics and finance, though **agriculture (1.8%)** lagged under climate and import-cost pressures. This creates opportunities for Gauteng firms in **energy equipment, construction materials, packaged foods, and cold-chain logistics**. Senegal's industrial expansion requires **mechanical, safety, and logistics systems**, areas where Gauteng companies possess deep expertise. Risks include **exchange-rate exposure** due to the **CFA franc** and a **limited domestic manufacturing base**. To address these, Gauteng could facilitate **tripartite cooperation with Senegal and Afreximbank** to finance **EPC and export-driven projects**.

Côte d'Ivoire-Diversified Growth Momentum Sustained

Côte d'Ivoire's economy, growing at **6.3%**, is diversified across **agro-processing, construction, and financial services**. Côte d'Ivoire remains West Africa's **most structurally balanced economy**. **Industrial growth** accelerated sharply (**8.4% → 10.6%**) and **manufacturing** rose (**9.1% → 9.8%**), signalling a maturing agro-industrial and construction sector. Though **agriculture** slowed (**5.9% → 3.3%**) due to weather variability, **services** recovered from **3.4% to 5.1%**, highlighting growing demand in logistics, finance, and trade facilitation. Opportunities exist in **machinery, packaging, plastics, and transport logistics**. Abidjan's industrial diversification closely mirrors Gauteng's economic model, offering scope for **joint ventures in cocoa and cashew processing**, as well as **packaging for FMCG industries**. However, **port congestion** and **energy reliability** remain key operational challenges. A solution would be to **establish an industrial-services hub** that connects **Gauteng suppliers** with **Abidjan-based logistics and manufacturing investors**, strengthening value-chain integration between the two economic centres.

Tier 2 Markets – Reform Accelerators

Tier 2 markets show **institutional stability and reform depth**, ideal for **technology transfer and manufacturing partnerships**. Rwanda and Ethiopia lead in innovation; Ghana and Uganda anchor industrial and financial corridors.

Table 4: Stable, reform-driven economies pursuing governance and industrial diversification.

Country	Growth Narrative	Gauteng Alignment
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Rwanda	7 % growth via ICT, construction, and professional services.	Collaboration on <i>smart-city design</i> and <i>digital-public services</i> (Kigali Innovation City ↔ Innovation Hub Tshwane).
Ghana	Expanding services, automotive, and energy sectors.	<i>Tshwane Automotive SEZ–Tema Industrial Park</i> linkages for component supply.
Uganda	Oil & gas (Tilenga, EACOP) and power-grid expansion.	Export transformers, switchgear, and maintenance services; equipment-leasing models.
Ethiopia (Reform Tier cross-over)	Governance transition enabling private participation.	Tech-transfer partnerships with the Investment Commission.

Rwanda– *Services-Led Expansion and Manufacturing Upscaling*

Rwanda’s economy continues to expand rapidly, with GDP growth projected at **7%**, driven by **ICT, construction, tourism, and professional services**. Over the past decade Rwanda’s structural profile shows a **pivot from agriculture to high-value services and manufacturing**. While **agricultural growth** softened from **4.8% to 3.3%**, both **industry (7.1% to 9.2%)** and **manufacturing (4.8% to 10.0%)** accelerated sharply, reflecting Kigali’s successful industrial-policy execution and private-sector incentives. **Services** also surged (**7.3% to 11.4%**), confirming the rise of Rwanda as a **regional services and innovation hub**. The country’s **pro-business reforms**, combined with the rise of **Kigali Innovation City**, position it as a continental hub for technology and design-led industries. This environment creates strong opportunities for Gauteng’s **digital-solution providers, modular housing developers, and healthcare logistics innovators**. With both economies emphasising **digital transformation and service efficiency**, Gauteng can collaborate with Rwandan partners on **smart-city and digital public-service delivery solutions**, building scalable, cross-sector pipelines across Africa. To solidify these synergies, the **Africa Digital Partnership**—linking **Kigali Innovation City** and **Gauteng’s Innovation Hub**—should be piloted as a flagship initiative for shared technology acceleration and market co-development.

Ghana– *Structural Adjustment and Energy-Driven Diversification*

Ghana, with GDP growth around **6%**, is diversifying through **services, energy, and light manufacturing**. Ghana’s **agriculture sector** improved (**3.7% to 5.2%**), while **industry** collapsed (**7.4% to 0.9%**) due to pandemic-era supply shocks and currency pressure. **Manufacturing** also weakened (**4.2% to 1.9%**), though **services** rebounded (**5.8% to 6.6%**) on the back of fintech, retail, and logistics recovery. The uneven growth pattern highlights a transition economy still balancing energy-sector investment with consumer-demand resilience. Key opportunity areas include **fast-moving consumer goods (FMCG), industrial chemicals, automotive manufacturing, and ICT systems**. Gauteng stands to benefit from Ghana’s **automotive policy reforms** and **logistics infrastructure**, which align with Gauteng’s established automotive value chain. This creates potential for **joint vehicle assembly and component supply** through Ghana’s **Tema Port**, serving both domestic and regional markets. The key challenges are **currency depreciation** and **power instability**, which can affect project viability and cost predictability. A targeted response would be to **strengthen institutional linkages between the Tshwane Automotive SEZ and Tema Industrial Park**, creating a continental automotive corridor underpinned by shared standards, investment frameworks, and supply-chain resilience.

Uganda– *Infrastructure and Energy Anchors with Steady Agriculture*

Uganda’s economy, growing at approximately **6%**, is underpinned by the **Tilenga and East African Crude Oil Pipeline (EACOP) projects**, along with expansion in **infrastructure and agriculture**. In the past decade Uganda recorded **agriculture gains (2.8% to 4.6%)** and resilient **industry (5.7% to 4.4%)**, supported by **Tilenga** and **EACOP** investments. **Manufacturing (3.8% to 3.5%)** and **services (5.1% to 4.9%)** remain stable but modest, showing limited productivity spillovers so far. There are emerging opportunities in **electrical equipment, power-**

grid expansion, and agro-processing machinery. Gauteng’s **transformer, switchgear, and heavy-electrical manufacturers** are well-positioned to supply Uganda’s energy infrastructure drive. Furthermore, establishing **regional maintenance centres in Kampala** could ensure continuity of service and technology transfer. Financing, however, remains a constraint for Ugandan utilities and industrial operators. To overcome this, Gauteng firms could **structure equipment-leasing and performance-based financing partnerships**, enabling market access while mitigating upfront capital barriers.

Ethiopia– Industrial Deepening and Service Momentum

Ethiopia, maintaining strong **7% GDP growth**, continues to prioritise **industrial parks, construction, transport, and agriculture** as key economic drivers. Over the past decade Ethiopia maintained broad-based expansion, with **agriculture improving (5.5% to 6.2%), industry rising (18.5% to 6.8%), and manufacturing stabilising (15.6% to 6.2%)** after policy adjustments. **Services** strengthened (**10.1% to 7.5%**), underpinned by liberalisation and infrastructure-led consumption. These reforms create significant opportunities for **power-distribution solutions, manufacturing inputs, and packaging materials.** With its industrial base and engineering expertise, Gauteng can integrate into Ethiopia’s production networks by supplying **machinery and logistics systems** to hubs such as **Hawassa Industrial Park**, supported by regional connectivity through the **Djibouti Port corridor.** While **currency controls and customs delays** pose practical hurdles, Ethiopia’s ongoing economic liberalisation presents an attractive long-term opportunity for South African exporters. Gauteng should **partner with the Ethiopian Investment Commission** to implement **technology-transfer and supplier-development initiatives,** reinforcing mutual growth and industrial upgrading across both regions.

Tier 3 Markets – Frontier Expanders

Tier 3 markets provide **early-mover, high-risk-high-return opportunities.** Benin and Niger are emerging industrial hotspots. Other notable tier 3 markets outside the top 10 including Guinea, Cabo Verde, Zimbabwe, and Zambia are pivoting toward service economies; Siera Leone and Liberia offer infrastructure-driven entry points. These markets show **high volatility but strong frontier potential.**

Table 5: Smaller, high-growth markets with first-mover advantages in energy, logistics, and agriculture.

Country	Opportunity Focus	Entry Strategy
Niger	Oil, hydropower, mechanised agriculture (7 % growth).	Export off-grid solar systems and irrigation tech via G2G accords.
Benin	Port logistics, agro-processing (6 %+ growth).	Create re-export platforms in <i>Cotonou</i> serving the Sahel; manage bonded warehouses with local PPPs.

Niger– High Agricultural and Industrial Volatility

Niger’s economy, projected to grow by **7%**, is fuelled by **oil production, hydropower development, and agricultural expansion.** These sectors are catalysing a major **infrastructure boom**, providing **early-mover opportunities** for foreign exporters. Over that pase decade Niger’s **agriculture growth** accelerated (**6.7% to 9.6%**) driven by irrigation expansion, while **industry** softened (**5.2% to 4.1%**) and **manufacturing** plummeted (**7.2% to 0.4%**). **Services** slowed (**5.6% to 3.2%**), revealing a narrow, commodity-driven base. For Gauteng, the strategic focus should be on supplying **power systems, irrigation technology, and construction equipment,** particularly in **off-grid solar and mechanised farming solutions.** Such initiatives can be structured through **government-to-government agreements** to ensure policy stability and access to national projects. However, Niger’s **political uncertainty and security challenges within the Sahel region** present notable risks. To mitigate

these, Gauteng exporters should **leverage export-insurance facilities and joint Afreximbank risk-guarantee mechanisms**, enabling participation while safeguarding exposure in a volatile frontier market.

Benin– Rapid Industrial Take-off via Port and SEZ Growth

Benin’s economy, expanding at roughly **6%**, is driven by **port modernisation, agricultural transformation, and logistics-sector growth**. Its **Cotonou Port** is emerging as a pivotal **logistics gateway to the Sahel**, connecting markets in **Niger, Burkina Faso, and northern Nigeria**. Benin shows one of the region’s strongest industrial accelerations: **industry up 5.3% to 8.3%, manufacturing 4.7% to 6.9%, and services 4.6% → 6.6%**. Agriculture moderated slightly (**5.7% to 5.2%**) as resources shifted to trade and logistics. This creates strong potential for Gauteng’s **logistics, agro-processing, and FMCG-distribution firms** to establish **re-export and value-add platforms** in Benin. Through these hubs, Gauteng can extend its reach into inland West Africa while benefiting from Benin’s pro-reform investment climate. To capitalise effectively, Gauteng stakeholders should **form public-private partnerships** to develop and manage **bonded warehouses, regional logistics parks, and distribution corridors**, ensuring efficient trade flow and regional supply-chain integration.

Sectoral Growth Drivers & Opportunity Hotspots

From the previous section, it is clear Africa’s fastest-growing economies are no longer driven solely by commodity exports; growth is now more complex, showing a diversification into:

- **Infrastructure Development,**
- **Energy Transformation,**
- **Manufacturing Capacity, And**
- **Digital Services.**

Together, these four sectors are expected to contribute more than **65% of Africa’s incremental GDP growth between 2025 and 2030**. Each aligns closely with Gauteng’s existing industrial base, making the province a natural partner and supply source for the continent’s next phase of economic expansion.

Table 6: Africa's Sector Wide Mega Trends

Growth Engine	Africa-wide Trends	Gauteng Competitive Edge	Strategic Levers
Infrastructure & Construction	The infrastructure gap across sub-Saharan Africa is estimated at USD 100 billion per year , representing both a challenge and a trillion-rand opportunity. Rapid urbanisation — Africa’s cities are growing by 3.5% annually — is driving massive demand for affordable housing, transport networks, water systems, and digital infrastructure . Investment in transport, utilities, and housing exceeds 6% of GDP in top-10 economies. Major corridor projects: Abidjan–Lagos, LAPSSET (Kenya), and Tanzania’s SGR.	Gauteng’s engineering, EPC, and construction-materials industries supply over 40% of South Africa’s regional exports.	Export of construction materials, EPC services, prefabricated structures, and smart-urban infrastructure solutions.
Energy & Resources Transition	Energy is Africa’s fastest-growing investment sector. Over 600 million Africans lack access to reliable electricity, and the International Energy Agency projects that Africa will account for nearly 10% of global power infrastructure investment by 2030 . New LNG and renewable energy projects — such as Senegal’s Sangomar field, Niger’s Kandadji hydropower plant, and Kenya’s geothermal expansion — are reshaping the continent’s energy mix. These developments are driving demand for electrical	Gauteng’s OEM base in power and energy equipment, headquartered largely in Gauteng.	Export transformers, cabling, control systems; structure joint ventures for grid maintenance and off-grid solutions.

Growth Engine	Africa-wide Trends	Gauteng Competitive Edge	Strategic Levers
	transformers, cables, turbines, grid components, and industrial lubricants — all of which are core export products for Gauteng-based manufacturers.		
Manufacturing & Industrialisation	Governments targeting import substitution and light manufacturing, supported by SEZ frameworks. Côte d'Ivoire, Ghana, and Ethiopia growing manufacturing by 8–10%. Manufacturing remains Africa's most strategic growth pillar. Countries like Côte d'Ivoire, Ethiopia, and Ghana are actively implementing industrialisation policies to shift from raw-material dependency to value-added production . Between 2015 and 2024, manufacturing's share of GDP in these economies increased from 12% to nearly 20%.	Gauteng produces over 40% of SA's manufactured exports; strong in machinery, chemicals, and automotive.	Establish regional re-export and co-manufacturing nodes; leverage Gauteng SEZs for regional supply chains.
Services & Digital Economy	The service economy — particularly digital finance, logistics, and telecommunications — is the new frontier for African integration. The fintech sector alone attracted over USD 4 billion in investment in 2024 , led by Nigeria, Kenya, and South Africa. Digital adoption (mobile, fintech, logistics) expanding rapidly; e-commerce growing 20–30% annually in East and West Africa.	Gauteng's global-standard ICT and fintech ecosystem; strong regulatory and professional capacity. Gauteng's ecosystem, anchored in Sandton's financial district and Tshwane's technology corridor, provides the continent's most mature platform for exporting digital capabilities	Export digital platforms and services; create cross-border fintech and digital-logistics partnerships.

Africa's growth drivers are accelerating along the same vectors that define Gauteng's competitive advantage. The province's future prosperity will depend on how quickly it moves from exporting goods to exporting capability. By aligning Gauteng's industrial ecosystem with the continent's infrastructure, energy, manufacturing, and digital revolutions, Gauteng can consolidate its status as Africa's preeminent industrial and innovation hub—a province not merely participating in Africa's growth story, but actively shaping it.

Complication

Despite these opportunities, structural bottlenecks persist:

- **Export complexity:** Only **15%** of Gauteng exporters serve more than three African markets, reflecting limited scale.
- **Skills gap:** Technical skills in energy, industrial automation, and logistics technology are in short supply across the continent.
- **Regulatory divergence:** Fragmented licensing and taxation regimes slow cross-border service delivery.

Without targeted intervention, Gauteng risks losing market share in emerging digital and industrial value chains to external competitors, notably China, Turkey, and India, whose firms benefit from coordinated export-finance and government-backed integration strategies.

Implication

Gauteng's next growth path lies in **sectoral deepening and horizontal integration**. Rather than broad trade promotion, the province must focus on **sector-specific playbooks** that synchronise industrial strengths with African demand. For example:

- **Energy** : Position Gauteng as Africa’s service hub for grid modernisation, renewable integration, and oilfield services.
- **Infrastructure** : Use EPC and materials exports as a lever for regional industrial contracts.
- **Manufacturing** : Foster SEZ-to-SEZ partnerships to anchor Gauteng’s firms in value chains.
- **Digital Economy** : Export fintech, logistics, and e-commerce solutions regionally.

Each playbook should be underpinned by data intelligence, coordinated financing mechanisms, and targeted government facilitation.

Snapshot: Gauteng’s Trade with Top 10 Fastest-Growing Economies in Africa

Situational Analysis

Gauteng’s trade performance with Africa represents one of the continent’s most advanced examples of sub-national integration into regional value chains. Between **2020 and 2024**, the province exported **R1.395 trillion** worth of goods to African partners—accounting for nearly **70% of South Africa’s total intra-African exports**. During this period, trade with African markets grew at a **compound annual rate of 12.3%**, significantly outperforming export growth to non-African markets, which averaged **7.8%**.

This pattern confirms Gauteng’s role as **Africa’s industrial and logistics heartland**—the province houses South Africa’s largest cluster of manufacturing, finance, and professional services, while being directly linked to the continent through key infrastructure nodes such as **OR Tambo International Airport**, the **City Deep Inland Port**, and multiple **Trans-African road and rail corridors**. Gauteng’s export structure mirrors its industrial depth. The province’s leading exports to Africa include:

- **Machinery and mechanical appliances (R207 billion, 14.8%)**
- **Mineral fuels and oils (R203 billion, 14.6%)**
- **Motor vehicles and parts (R94 billion, 6.8%)**
- **Electrical equipment (R82 billion, 5.9%)**
- **Iron, steel, ores, and slag (R78 billion, 5.6%)**

These categories account for more than **47% of total Africa-bound exports**, underscoring Gauteng’s specialization in capital and intermediate goods required for industrialisation, infrastructure development, and energy generation across the continent.

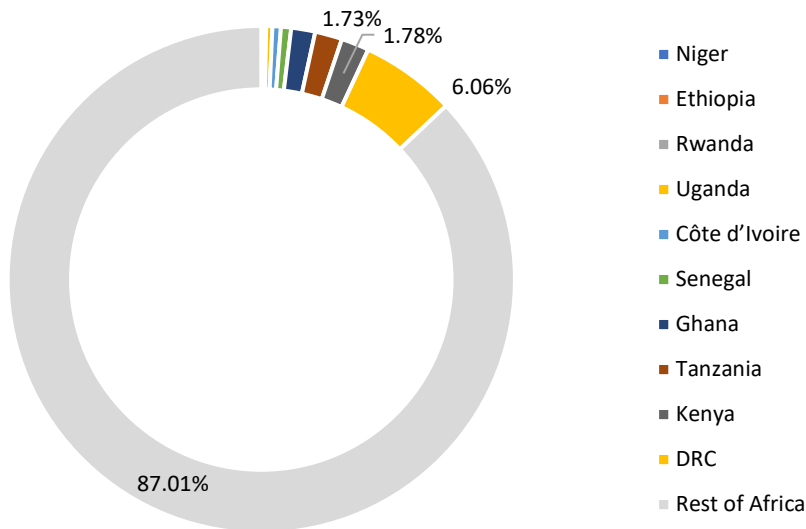
Conversely, imports from Africa into Gauteng are heavily skewed toward primary and resource-based products—**mineral fuels (R274 billion)**, **precious metals and stones (R61 billion)**, **essential oils and cosmetics (R25 billion)**, **copper products (R20 billion)**, and **sugar (R15 billion)**. This composition reveals a structural trade asymmetry: Gauteng exports manufactured and processed goods while importing raw materials that feed its refineries, fabrication plants, and manufacturing systems.

Viewed through a **value-chain lens**, this asymmetry positions Gauteng as both a **market maker and a processor**—the industrial bridge converting Africa’s raw inputs into higher-value outputs. It also highlights an underexplored opportunity: to expand **co-manufacturing and regional processing partnerships** that reduce Africa’s reliance on extra-continental value chains.

Complication

Despite this strong performance, Gauteng's trade remains **narrowly concentrated**—both by geography and by product category. Four of the countries—the **Democratic Republic of the Congo (DRC), Kenya, Tanzania, and Senegal**—account for over **70%** of the province's exports to the top ten fastest-growing African economies, and less than **12% of total GP exports to the continent**. This geographic concentration exposes the province to cyclical, political, and logistical volatility in a small number of markets.

Figure 2: GP Share of Exports of Top 10 Fastest Growing Economies



The data reveal a striking asymmetry in Gauteng's trade geography within Africa. The **DRC**, for instance, absorbs more than **6% of Gauteng's Africa-bound exports**, primarily in machinery and construction materials linked to its mining and energy sectors. However, logistical costs and cross-border payment delays remain significant challenges. Kenya, Tanzania, and Ghana form a **secondary tier of connectivity** — economies with diversified demand for manufactured goods, financial services, and technology inputs. **Senegal**, the fastest-growing among Gauteng's partners, has shown explosive growth (CAGR 28.6%) driven by LNG and construction, but remains a relatively small base market (0.65% of Africa-bound exports). Yet, even combined, their trade share remains modest, revealing **the shallow depth of African intra-regional trade** compared to Asia's or Europe's integrated production systems. At the lower end of the spectrum, trade with smaller, reform-oriented economies such as Niger, Ethiopia, and Rwanda barely register — together less than **0.3%** of Gauteng's exports. This underlines not neglect, but the **structural limitations** of these economies: landlocked markets, weak logistics corridors, and low absorptive capacity for industrial imports.

This indicates that **the continent's most pro-business environments are not yet major Gauteng destinations**—a missed opportunity given their reform momentum, ease of doing business, and growing consumer markets.

At the structural level, **non-tariff barriers** continue to constrain scalability.

- Customs delays and differing certification standards increase average delivery lead times by up to **15 days** compared to extra-African trade routes.

- Limited **intra-African logistics interoperability** (e.g., gauge differences on regional rail) raise inland transport costs by 35–40%.
- **Currency convertibility issues**—particularly in West Africa—expose exporters to exchange volatility and working-capital risk.
- **Payment systems remain fragmented**, with limited integration between South Africa's banking system and those of African peers outside SADC.

These challenges collectively create a **high-friction environment** that disincentivizes SME exporters and constrains Gauteng's ability to achieve economies of scale.

Export Composition of Gauteng's Top 10 Export Products in the Fastest Growing Countries

Gauteng's export profile to Africa's fastest-growing economies underscores a highly **industrial and infrastructure-driven composition**, reflecting the province's role as the continent's manufacturing and logistics nucleus. Across Kenya, Uganda, Senegal, Côte d'Ivoire, and others, exports are dominated by **machinery, vehicles, metals, and energy inputs**—the backbone of Africa's ongoing urbanisation, energy transition, and transport build-out.

Machinery and mechanical appliances (HS84) stand out as the anchor of Gauteng's export mix, accounting for up to **33% of exports to the DRC** and substantial shares to **Ghana (21.2%), Senegal (18%), and Ethiopia (19%)**. These products—ranging from turbines and pumps to industrial park equipment—reflect the province's technological depth and integration with Africa's infrastructure renaissance. Similarly, **iron and steel** exports remain a core industrial input, especially to **Kenya (15.9%), Tanzania (15%), and Uganda (13%)**, highlighting Gauteng's contribution to construction, pipelines, and energy grid projects. The **automotive sector** further illustrates Gauteng's regional leverage. Vehicles and parts comprise a large share of exports to **Côte d'Ivoire (26%), Senegal (14%), and Uganda (12%)**, signalling the province's positioning in Africa's fast-evolving mobility and logistics supply chains. In parallel, **mineral fuels**—notably refined petroleum—represent a high-value export, with **Senegal (33%) and Kenya (14.9%)** as key destinations, consolidating Gauteng's role as a regional energy supply hub.

Secondary but fast-growing sectors—such as **plastics, electrical machinery, pharmaceuticals, and chemicals**—point to expanding value-chain diversification. For instance, **Rwanda's 41% import share in chemicals** and **Ethiopia's 14% in electrical machinery** suggest deepening integration into industrial and consumer markets.

Table 7: Gauteng's Top 10 Export Product Categories to Fast-Growing African Economies (2020-24)

Product Category	Share of GP Exports in Destination Country	Typical Exported Products	Key Insights / Strategic Significance
Machinery & Mechanical Appliances	Democratic Republic of the Congo (33%), Senegal (18%), Tanzania (20%), Ghana (21.2%), Ethiopia (19%)	Pumps, turbines, boilers, industrial park equipment, cables, construction machinery	Core export strength; aligns with infrastructure build-out, energy projects, and industrial park development
Iron & Steel	Kenya (15.9%), Tanzania (15%), Uganda (13%)	Rebar, pipes, prefabricated structures, construction steel	Supports transport and energy infrastructure; demand closely linked to mega-project cycles
Vehicles (Excl. Railway)	Côte d'Ivoire (26%), Senegal (14%), Uganda (12%), Kenya (9.5%)	Commercial vehicles, parts, fleet components	Reflects rising logistics and urban mobility demand; linked to infrastructure expansion

Mineral Fuels & Petroleum Products	Senegal (33%), Kenya (14.9%), DRC (6%), Ethiopia (14%)	Refined fuels, lubricants, energy inputs	High-value and concentrated; positions Gauteng as a regional energy supply hub
Electrical Machinery	Ethiopia (14%), Uganda (10%), DRC (10%), Kenya (4.5%)	Transformers, switchgear, cabling, power distribution components	Aligned with grid modernization, electrification, and renewable energy programs
Plastics, Chemicals & Processed Inputs	Côte d'Ivoire (10%), Ghana (5.6%), DRC (5%), Rwanda (41% chemicals), Ethiopia (8%)	Packaging materials, industrial chemicals, fertilizers	Fast-growing secondary segment; linked to agro-processing, FMCG, and manufacturing diversification

Yet, the aggregate export value of R41.7 billion to these ten fast-growing African markets remains modest relative to Gauteng's R1.25 trillion global exports, underscoring significant untapped potential. The persistent trade surplus indicates a supply-driven relationship—Gauteng meeting Africa's infrastructure and manufacturing needs—without a reciprocal expansion of imports or deeper value-chain integration. To unlock the continent's growth frontier, Gauteng must pivot from transactional trade to developmental partnerships that embed South African manufacturing, logistics, and industrial capabilities within Africa's own production ecosystems, transforming its current dominance into a catalyst for continental reindustrialisation under the AfCFTA framework.

Implication

If these structural issues remain unaddressed, Gauteng's current growth trajectory could plateau by **2027–2028**, as core markets reach capacity and logistics inefficiencies begin to erode competitiveness. However, the outlook remains exceptionally promising: Africa's combined import demand is projected to exceed **USD 600 billion by 2030**, with manufactured goods representing nearly **60%** of this value.

For Gauteng, the implication is twofold:

- **Scale and diversification** must proceed in parallel—expanding trade volume with anchor markets while developing new trade corridors into West and Central Africa.
- **Institutional integration** is essential. Provincial, national, and continental trade strategies must align to harmonise infrastructure investments (rail, logistics, digital systems) with trade facilitation reforms (customs, financing, and standards).

The Gauteng Provincial Government through agencies such as **GGDA, AIDC, and GIDZ** have a catalytic role to play by transforming Gauteng's SEZs into **regional production and logistics nodes**—supporting joint ventures, warehousing, and re-export activities to high-growth economies.

Moreover, the intersection between **trade and industrial policy** is becoming increasingly strategic: Gauteng's future export competitiveness will depend not just on what it produces, but **where and how it integrates regionally**. Partnerships with industrial zones in Côte d'Ivoire, Kenya, and Rwanda could enable **co-location of production capacity**, reducing logistics costs and building resilience against global supply shocks. Gauteng's trade architecture is robust yet incomplete. The province is Africa's most sophisticated exporter of manufactured goods, but its **trade ecosystem still operates in a fragmented continental landscape**. The next phase of success will require Gauteng to act not only as a supplier but as a **system integrator**—connecting African production, logistics, and financing networks through its own infrastructure, talent, and industrial base. In summary:

Gauteng's competitive advantage lies not just in what it exports, but in the systems it enables. By converting its logistical and industrial strengths into continental trade platforms, the province can unlock a new phase of inclusive, resilient growth—anchoring South Africa's economic leadership across the African continent.

Ranking Opportunity By Country

This section further highlights South Africa's trade opportunities with Africa's fast-growing economies, focusing on market share, growth potential, and sector-specific prospects. South Africa and Gauteng have a clear trade and investment entry points across Africa's fast-growing economies, each with distinct demand profiles. In Senegal, opportunities are centered around oil and gas infrastructure, grid expansion, construction inputs, packaged food, and cold-chain logistics, as the country prepares for large-scale LNG exports. Ethiopia offers a scale market with strong demand for industrial inputs, construction materials, power transmission and distribution equipment, and agro-processing technologies driven by sustained infrastructure investment and reforms. Niger presents new entry points in energy infrastructure, oilfield services, mechanization, irrigation, and corridor logistics as its oil sector ramps up.

Reform-oriented Rwanda provides openings in ICT, fintech, modular construction, building inputs, and professional services, while Benin shows strong potential in agro-processing, FMCG, packaging, and construction materials linked to growing domestic demand. Côte d'Ivoire remains a key manufacturing and agro-industry hub, with opportunities in processing technologies, chemicals, logistics, and energy solutions. In smaller but dynamic The Gambia, tourism infrastructure, hospitality supplies, fish and food processing, and consumer goods stand out.

Energy and logistics dominate in Uganda and Tanzania, where oil projects, power generation, port and rail upgrades, agricultural modernization, and tourism recovery are driving demand. Djibouti offers a strategic logistics and manufacturing gateway via port expansion, warehousing, and free zones. In larger markets like Ghana and Kenya, opportunities are concentrated in energy equipment, ICT and fintech, agribusiness, processed foods, construction inputs, and solar or off-grid power solutions.

Taken together, these opportunity areas align closely with Gauteng's competitive strengths in manufacturing, engineering, logistics, agro-processing, energy solutions, and digital services, positioning the province as a regional export and investment hub under the African Continental Free Trade Area. Strategic partnerships, targeted sector missions, and bundled trade packages can help expand South Africa's market share in these high-growth economies.

Figure 9: Export Growth Potential for Gauteng: Fast-Growing African Economies

Country	Gauteng Current Market Share*	Growth Potential (3-yr)	Priority Sectors (Demand Hotspots)	Quick Entry Plays for Gauteng Firms
Senegal	Low-Moderate (0.15% of Gauteng global exports; 0.65% of Africa exports)	Very High (hydrocarbon upcycle, LNG build-out, infrastructure push)	Energy & grid, construction materials, logistics, packaged foods, cold-chain	EPC & O&M for power projects; MV/LV equipment; port/rail materials; FMCG & beverages; agro-processing kits
Ethiopia	Low (0.03% of global exports; 0.13% of Africa exports)	High (large-scale market + gradual reforms)	Machinery & industrial inputs, construction materials, power T&D, ICT enablement, agro-processing	Industrial park supply (pumps, valves, cables); prefab housing systems; solar mini-grids; packaging & plastics
Niger	Very Low (0.01% of global exports; 0.03% of Africa exports)	High (oil ramp-up, energy transition)	Oilfield services, power, water infrastructure, agri-mechanization, road/rail	Pipes, fittings, pumps; EPC for mini-grids; irrigation kits; road-building supplies
Rwanda	Moderate (0.03% of global exports; 0.15% of Africa exports)	High (policy quality, ICT & services growth)	ICT/fintech, business services, building materials, medical supplies, tourism	SaaS/fintech partnerships; modular builds; medical devices; hospitality fit-outs
Côte d'Ivoire	Moderate (0.13% of global exports; 0.54% of Africa exports)	High (industrial diversification push)	Agro-industry (cocoa, cashew), chemicals, plastics, machinery, logistics	Cocoa/cashew processing tech; compounding chemicals; forklifts & spares; 3PL & warehousing
Uganda	Low-Moderate (0.09% of global exports; 0.39% of Africa exports)	High (oil sector development + infrastructure investment)	Oil & gas services, grid & substations, agro-processing, packaging, transport	Pipeline/terminal supplies; transformers & switchgear; milling & packing lines; fleet management solutions
Tanzania	Moderate-High (0.41% of global exports; 1.73% of Africa exports)	High (logistics + infrastructure build-out)	Industrial machinery, construction inputs, vehicles, energy tech, essential oils	EPC & O&M; machinery & spare parts; fuel/energy equipment; agri-processing kits
Kenya	Moderate-High (0.42% of global exports; 1.78% of Africa exports)	High (transport corridor expansion, consumer base)	Steel, vehicles, machinery, agro-processing, energy	Steel & vehicles distribution; machinery & power equipment; FMCG packaging; logistics hubs

STRATEGIC RECOMMENDATIONS FOR GAUTENG

Impediments In Increasing Trade

Despite South Africa's (including the GP) potential for trade with African countries, there are several impediments that need to be addressed. The biggest barriers are **logistics, finance, regulations, information gaps, and market risks** but these can be addressed through better trade facilitation, logistics improvements, financing tools, and targeted export support from Gauteng.

- **Trade barriers:** Persistent tariffs, non-tariff barriers, and differing product standards raise costs and delays. Limited trade finance, slow payments, and currency volatility (e.g., Ethiopia, Ghana, Zambia) make transactions riskier.
- **Trade imbalance:** South Africa exports high-value goods but imports low-value raw materials, creating uneven flows. Small consumer markets and low purchasing power in partner countries limit demand for capital-intensive exports.
- **Infrastructure:** High logistics costs, port congestion (e.g., Durban), poor road/rail links, and unreliable power supply raise trade costs. Limited cold-chain and warehousing reduce market reach.
- **Regulatory issues & ease of doing business:** Complex customs, fragmented tax rules, local content requirements, and weak procurement transparency discourage exporters. Language and legal differences add compliance costs.
- **Geopolitical risks:** Political instability, coups, and security threats (e.g., Niger, Burkina Faso, Democratic Republic of the Congo) disrupt trade and increase investment uncertainty.

Strategic Recommendations for Gauteng

Gauteng's competitive edge in Africa's next growth decade will not be defined by the *volume* of its exports but by the *architecture* of its trade system.

- The data shows that Africa's fast-growing economies; while still account for a modest share of Gauteng's exports, **they are becoming increasingly significant drivers of export growth**. With strategic, targeted interventions, Gauteng could substantially expand its market share in these economies, positioning itself as a continental export and investment hub.
- **Market deepening vs. market diversification:** Gauteng could achieve rapid trade gains by increasing exports to large, fast-growing markets like DRC, Kenya, Tanzania, and Senegal but should simultaneously develop niche strategies for smaller, high-potential economies like Niger and Rwanda.
- **Sectoral alignment:** Given these countries' growth trajectories, infrastructure inputs, machinery, automotive, agro-processing, and energy equipment are likely to remain the strongest export channels.
- **Value chain integration:** Strong trade surpluses provide room for structured investment partnerships, e.g., establishing joint manufacturing or distribution platforms to build more balanced and sustainable trade relations.

The province already commands the continent's most sophisticated industrial ecosystem, yet its potential remains under-realised due to fragmented execution, disconnected data, and limited trade-finance depth. To move from **industrial capability** to **continental influence**, Gauteng must operationalise six mutually reinforcing levers—each designed to institutionalise speed, scale, and integration across Africa's new growth corridors.

Table 8: Strategic Recommendations for the Gauteng Provincial Government

Strategic Lever	Purpose / Rationale	Core Actions / Key Features	Benchmark / Reference Model	Expected Outcome / Impact
Develop Sector-Specific Export Playbooks	Translate Gauteng's industrial strengths into targeted African market strategies; ensure	• Develop 4 living playbooks — <i>Energy, Infrastructure,</i>	India's EXIM & FIEO Sector Playbooks –	• Converts policy into action. • Shrinks time-to-market for

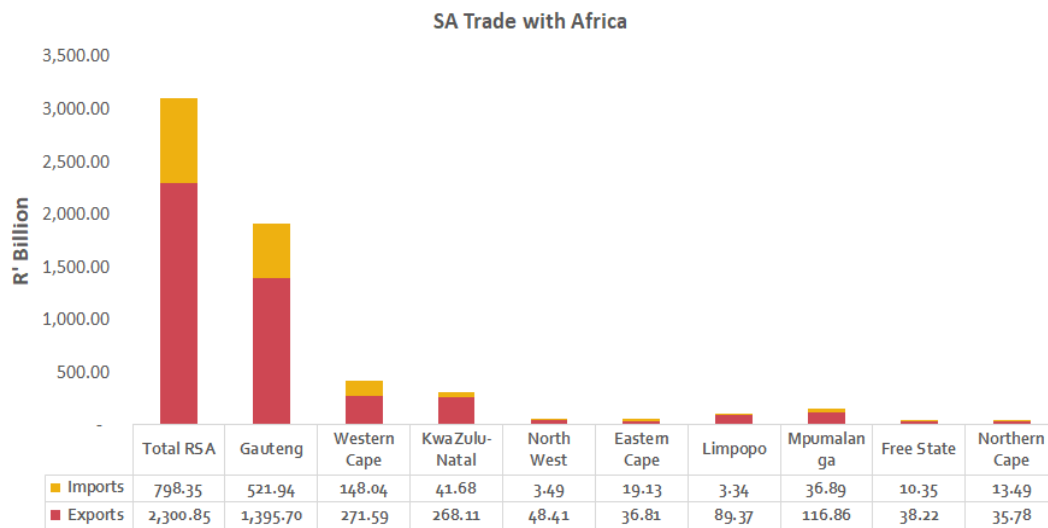
Strategic Lever	Purpose / Rationale	Core Actions / Key Features	Benchmark / Reference Model	Expected Outcome / Impact
	alignment between supply capacity and demand clusters.	<i>Manufacturing, Digital Economy.</i> • Co-own with industry councils; update quarterly using data insights. • Embed Afreximbank and DBSA as finance partners for project pipelines.	agile, sector-based export frameworks updated quarterly.	exporters. • Enables specialisation and competitiveness.
Build Value-Chain Integration Hubs	Transform Gauteng from exporter to continental coordinator by embedding within regional production systems.	• Convert SEZs into <i>Africa Integration Zones (AIZs)</i> with bonded logistics, trade-finance desks, and customs pre-clearance. • Establish industrial platforms with Kigali, Tema, and Abidjan zones. • Deploy shared-infrastructure finance models with host countries.	Singapore's Jurong Island & Malaysia's Iskandar Region – cross-border industrial cooperation zones.	• Reduced logistics costs and improved customs interoperability. • Growth in high-skilled service exports (engineering, legal, insurance).
Establish a Provincial Trade Facilitation Platform	Remove fragmentation in export processes and digitise trade flows end-to-end.	• Create <i>Single Digital Window</i> for export documentation. • Integrate City Deep, OR Tambo, and Durban ports for real-time tracking. • Embed PAPSS for cross-border payments. • Add AI-based trade intelligence engine for predictive analysis.	Rwanda's Irembu & Singapore's TradeNet – unified customs/trade systems.	• 30% reduction in transaction times. • +25% SME exporter participation. • Continental model for trade digitalisation.
Expand Export Finance & Risk-Mitigation Instruments	Address working-capital and risk constraints facing exporters, especially SMEs.	• Establish <i>Gauteng Trade Finance Facility</i> (GGDA + IDC + Banks). • Blend DFI concessional capital with private liquidity. • Expand invoice factoring and credit insurance for African	China's Sinosure & Turkey's Turk Eximbank Models – state-backed credit and insurance ecosystems.	• Unlock R50–70 billion in new annual exports. • De-risk SME exporters. • Align Gauteng's financial ecosystem with global export norms.

Strategic Lever	Purpose / Rationale	Core Actions / Key Features	Benchmark / Reference Model	Expected Outcome / Impact
		receivables. • Leverage PAPSS + SARB regulatory sandbox for FX settlements.		
Align Gauteng's Strategy with AfCFTA Implementation	Operationalise South Africa's AfCFTA obligations at provincial level for measurable trade outcomes.	<ul style="list-style-type: none"> Establish <i>Provincial AfCFTA Coordination Unit</i>. Embed SEZs/export councils into AfCFTA value chains. Push ARSO standards harmonisation. Pilot cross-border e-commerce with Kenya, Ghana, Côte d'Ivoire. 	Morocco's Agadir Agreement Model – sub-national harmonisation of trade and investment standards.	<ul style="list-style-type: none"> Direct alignment with continental frameworks. Reduction of tariff & non-tariff frictions. Expanded market access for Gauteng exporters.
Institutionalise Public-Private Collaboration (ATIC)	Ensure execution continuity and policy-industry coordination beyond political cycles.	<ul style="list-style-type: none"> Establish <i>Africa Trade & Investment Council (ATIC)</i> chaired by GGDA. Membership: Treasury, DTIC, ECIC, Banks, Industry Associations. Quarterly review scorecards and barrier-resolution mechanisms. Secretariat: Technical analytics team in GGDA's Economic Intelligence Unit. 	Korea's Trade Promotion Coordinating Committee (TPCC) – whole-of-government export governance.	<ul style="list-style-type: none"> Institutional feedback loops. Alignment of funding, infrastructure, and diplomacy. Continuity and accountability across trade programmes.

ANNEXURES

South Africa's Intra-Africa Trade Relationship 2020-2024

Between 2020 and 2024, **South Africa engaged in over R2.3 trillion in exports and R798 billion in imports** with African countries. This intra-African trade performance underscores South Africa's strategic role as a continental economic anchor. However, trade activity is highly concentrated in a few economically advanced provinces, revealing both strengths and gaps in the geographic distribution of Africa-facing trade.



Trade Leaders: Gauteng, Western Cape, KwaZulu-Natal

- **Gauteng** dominates both imports (**R521.9 billion**) and exports (**R1.396 trillion**), accounting for **65% of imports** and **over 60% of exports**. As the country's financial and industrial hub, Gauteng serves as the command centre for logistics, head offices, manufacturing, and African market penetration.
- **Western Cape** ranks second in trade volume, exporting **R271.6 billion** and importing **R148 billion**. Its strength lies in port access (Cape Town), agro-processing, and global-facing businesses with established African ties.
- **KwaZulu-Natal** closely follows, with **R268.1 billion in exports** and **R41.7 billion in imports**, leveraging the Port of Durban and its diversified manufacturing and logistics base.

Emerging and Underperforming Regions

- **Mpumalanga** and **Limpopo** show **notable export activity** (R116.9 billion and R89.4 billion respectively), primarily driven by mining, agriculture, and energy-related goods, with **modest imports** (R36.9 billion and R3.3 billion).
- **Northern Cape, Free State, North West, and Eastern Cape** demonstrate **limited trade volumes**—each recording under R50 billion in both exports and imports. Their contributions remain marginal, reflecting their inland locations, weaker trade infrastructure, and limited industrial diversification.

Gautengs Trade Relationship With The Continent 2020-2024

Between 2020 and 2024, Gauteng recorded a total of **R1.395 trillion in exports** and **R521.94 billion in imports** from Africa, confirming its role as South Africa's principal gateway for intra-African trade. The province's trade profile reveals a robust **export-led dynamic**, anchored in advanced manufacturing, industrial equipment, and energy-related products, while its imports are dominated by primary and intermediate goods, reflecting the continent's resource endowments.

On the **export side**, Gauteng's leading products include **machinery and mechanical appliances (R207.06 billion, 14.8%)**,

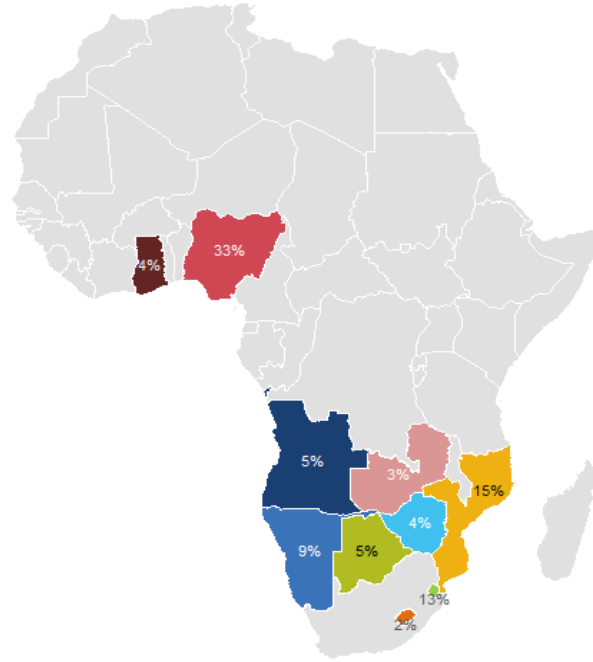
mineral fuels and oils (R203.15 billion, 14.6%), **motor vehicles and parts (R94.29 billion, 6.8%)**, **electrical equipment (R81.86 billion, 5.9%)**, and **ores and slag (R77.57 billion, 5.6%)**. These goods serve Africa's growing demand for infrastructure, industrialisation, and mobility, positioning Gauteng as a key supplier of capital goods and technology-intensive products across the continent. The large "Other" category—amounting to **R731.78 billion, 52.4%**—highlights the diversity of Gauteng's manufactured exports and its capacity to serve varied market needs.

Conversely, **imports into Gauteng from Africa** are largely concentrated in **mineral fuels (R273.85 billion, 52.5%)**, which make up more than half of the province's total import value. Other top imports include **precious metals and stones (R61.28 billion, 11.7%)**, **essential oils and cosmetics (R24.98 billion, 4.8%)**, **copper and copper products (R20.11 billion, 3.9%)**, and **sugar and confectionery (R14.57 billion, 2.8%)**. These inputs fuel Gauteng's energy and industrial systems and support downstream value addition in manufacturing and retail sectors. The "Other" imports, totaling **R127.14 billion, 24.4%**, further reflect the breadth of Africa-sourced raw materials and intermediate goods feeding into Gauteng's economy. Overall, this trade composition underscores Gauteng's dual role as both a **continental manufacturing hub and a processing centre** for Africa's primary exports. The strong export performance reveals high industrial competitiveness, while the nature of imports presents strategic opportunities for **regional value chain development, import substitution, and industrial collaboration**. Aligning this trade dynamic with AfCFTA goals and leveraging regional partnerships can enhance Gauteng's position as a **curator of Africa's economic integration and industrial transformation**.



Gauteng's Top Continental Source Markets

The analysis highlights the geographical distribution of Gauteng's top source markets for imports across the African continent, providing insight into the province's trade dependency and supply chain relationships.



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Key Source Markets:

- **Nigeria (33%)** dominates Gauteng's African import profile, reflecting the province's heavy reliance on **Nigerian oil and petroleum products**, which account for over half of Gauteng's total imports from Africa.
- **Tanzania (15%)** and **Mozambique (13%)** follow as key suppliers, likely providing **natural gas, mineral products, and agricultural commodities**, reinforcing regional energy and resource trade linkages within SADC and East Africa.
- **Zambia (9%)**, **Zimbabwe (5%)**, and **Democratic Republic of Congo (5%)** supply base metals such as **copper, ores, and minerals**, supporting Gauteng's industrial and processing activities.
- **Ghana (4%)**, **Botswana (5%)**, **Angola (5%)**, and **Kenya (4%)** contribute modestly but strategically, offering a mix of **precious stones, food products, and intermediate goods**.
- **Eswatini (2%)** and **Malawi (3%)** represent smaller trading partners, primarily linked to the **agro-processing and food value chains**.

Strategic Implications: This distribution reveals that **Gauteng's African import portfolio is highly concentrated**, with just three countries—**Nigeria, Tanzania, and Mozambique**—accounting for over **60% of total African imports** into the province. Overall, this analysis confirms Gauteng's deep trade entrenchment within the SADC and West African energy corridors, while pointing to the strategic imperative of building a more balanced, diversified, and industrially-integrated African supply network. This signals a **resource-centric trade model**, with limited diversification across regions or product categories. To strengthen trade resilience and unlock new growth corridors

under the AfCFTA, Gauteng must:

- **Expand sourcing relationships** with West, East, and North African markets.
- **Broaden the import mix** to include value-added and intermediate goods beyond raw materials.
- **Use trade diplomacy** to forge deeper institutional partnerships with underrepresented but high-potential economies like **Egypt, Morocco, and Ethiopia**.

Gautengs Top Continental Export Markets

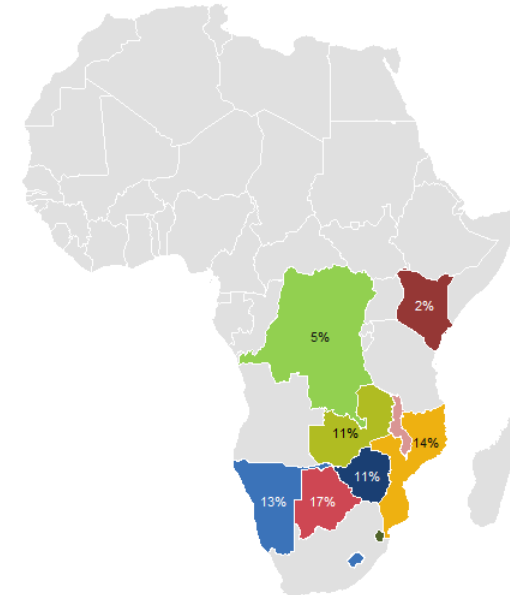
This analysis illustrates **Gauteng's primary African export destinations**, revealing a strong **Southern African concentration**, underpinned by geographic proximity, overland trade infrastructure, and established economic ties. **Key Export Destinations:**

- **Botswana (17%)** is Gauteng's largest African export market, driven by demand for consumer goods, processed foods, industrial equipment, and automotive parts.
- **Mozambique (14%), Namibia (13%), Zambia (11%), and Zimbabwe (11%)** follow as significant trading partners. These countries form a **regional trade corridor** through which Gauteng's exports—ranging from machinery and pharmaceuticals to construction materials and electronics—flow into the broader SADC market.
- **Democratic Republic of Congo (5%)** and **Kenya (2%)** represent lower-volume but strategic export destinations. Kenya, in particular, is a gateway to the East African Community and a potential growth market for Gauteng's higher-value manufactured goods.

This composition underscores Gauteng's role as a supplier of **value-added goods that enable industrial development and consumption growth** across Southern Africa.

Strategic Implications: The province's export performance remains anchored in regional markets, with emerging opportunities to expand eastward. Gauteng's export footprint is **heavily regionalised**, with just five neighbouring countries accounting for over **65%** of total exports to Africa. While this demonstrates strong regional integration, it also presents a **strategic vulnerability** and a **missed opportunity** in high-growth regions like **West, North, and parts of East Africa**. To strengthen and diversify its African trade position, Gauteng should:

- **Expand engagement with underpenetrated markets** such as Nigeria, Egypt, Ghana, and Morocco.
- **Deepen trade diplomacy and logistics collaboration** with East African ports to access the EAC bloc more efficiently.
- **Align its industrial export strategy** with AfCFTA's value chain priorities—especially in agro-processing, pharmaceuticals, automotive, and digital trade.



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