



**Center for Global & Strategic Studies**

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**Reinvigorating Pakistan and Africa Relations through  
Enhancing Cross-Continental Trade**

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Africa is a continent that is known for its ever-fast increasing economy. It has secured the title of "the continent of future." In this aspect, a well-established cross-continental trade with African countries can enable prosperous economic ventures in the future. The trade ratio recorded in post-2011 highlights the potential grounds that can pivot the geo-economic growth and establish the improved idea of trade structures between Pakistan and African countries. This paper explores the existing opportunities for improving the fulcrum to regulate the trade between Pakistan and Africa. This study also highlights the prospects for cooperation that can enhance regional collaboration and people-to-people connectivity.

## Introduction

In 2020, Pakistan- Africa Trade Development Conference was held in Kenyan Capital, Nairobi. The conference's aim was to appoint commercial envoys in the potential countries to deepen economic ties with the African countries. In efforts of



grounding this approach, six new trade wings were opened in the African countries, ensuring broader cooperation and enhanced engagement.<sup>1</sup> The 21<sup>st</sup> century is bringing a new spin for global systems, formatting all functions as per the post-pandemic

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<sup>1</sup> "Pakistan Aims to Double Trade with Africa in Five Years." THE NEWS INTERNATIONAL. January 31, 2020.



parameters. In this aspect, certain factors have opened new ways to increase trade activities beyond the border and provided effective options to Pakistan, especially towards the African countries. Therefore, methodological accumulation of the trade opportunities, assimilation of the trading African grounds and engagement with Pakistan's economic zones would pave the broader collaboration between Pakistan and Africa in relevance to development and connectivity. In order to avail these opportunities, the functional capacity of the trade potential must be evaluated.

The trade between Pakistan and Africa remained still at \$3billion a year since 2012. However, after 2019, there was a sudden increase of \$1.6 billion. Afterward, a \$4.6 billion share was sustained of about 0.4% of the African countries' trade.<sup>2</sup> These figures lead to the essential evaluation of two queries as mentioned below:

- How can Pakistan put efforts to become an essential part for Africa's \$1.075 annual global trade capacity observed in 2018?<sup>3</sup>
- What areas should be explored to increase the trade potential of a \$1.6billion increase in recent times between Pakistan and Africa?

In this context, it would be a productive option and from the potentially available choices, Pakistan can increase its trade with Africa that would result in a win-win situation. This can be done via driving the available opportunities. This leads to the pre-

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<sup>2</sup> "Pakistan Looks to Africa to Boost Trade beyond Traditional Markets." THE NEWS INTERNATIONAL. January 25, 2020.

<sup>3</sup> "Africa-Pakistan trade remained stagnant at \$3b for many years". THE EXPRESS TRIBUNE, January 21, 2020.

requisites that can formulate adjacent platforms to channelize conducive trade policies and plans. According to the official government sources of Pakistan, the country recorded 7% of the growth in trade with Africa despite the social and economic strains caused by the Covid-19 pandemic.<sup>4</sup> This highlights the positive indicator of the reduced tendency of the tariff barriers. Moreover, it will pave the way for cultural coherence, academic collaborations and institutional cooperation.

### The Trading Zones in Africa

Africa is categorized into three primary trading zones i.e., the South African Customs Union (SACU), the East African Community (EAC), and the Economic Community of the West African States (ECOWAS). Pakistan



must collaborate with these relevant trading blocks and formulate a mechanism to implement such projects for inclusive economic development.

### Agricultural Specifications in Africa

Agriculture can be a very crucial sector in bringing lucrative profit for Pakistan and African nations. The exchange of advanced agricultural techniques and methods would prove to be beneficial. In this aspect, East Africa holds a very prominent position for its

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<sup>4</sup> <http://mofa.gov.pk/foreign-ministers-virtual-meeting-on-economic-diplomacy-with-pakistani-envoys-in-african-countries/>



access to the Red Sea in the South West, the source of the Nile, and the Gulf of Aden. The countries like Eretria, Ethiopia, Somalia, Djibouti, Sudan, South Sudan, Kenya and Uganda have the benefit of being the gateway to major trade sea lanes and land routes.<sup>5</sup> Another factor is the agricultural exchange benefited-trading ties. It can be witnessed that Sudan and Kenya are part of the East Africa Community (EAC), whereas Egypt, Eretria, Ethiopia and Djibouti are members of the EAC-SADC-COMESA African free trade zone.

### Expanding Economic and Diplomatic Footprints in Africa

In 2018, Pakistan granted Somalia \$10.5 million to develop a National identification System. Furthermore, the exports from Pakistan to Somalia are estimated to be \$ 57 million. There are also substantial investment opportunities



between the two in many fields such as wild stock, fisheries and energy. Kenya has already signed various agreements with Pakistan to enhance trade, cooperation and in information technology (IT) advancement. Pakistan and Sudan are increasing economic ties as the former exports estimates about \$67 million and imports about \$2.20 million from the latter. Nigeria shares the tendency for long-term progressive

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<sup>5</sup> Areeba Arif Khan. “Expanding Diplomatic Footprint: Pakistan and East Africa.” December 23, 2020.



collaboration with Pakistan in multiple sectors i.e., telecommunication, technology, banking, energy, medicine, oil and gas sectors.<sup>6</sup>

### **Role of Pakistan as a Major Regional Player**

Pakistan can become the pivot for transferring research and progressive modules on Asia's 85% inter-regional trade capacity to Africa countries and bridging Africa and gateway to Europe. In this aspect, Pakistan needs to ensure its efficient and effective participation in Preferential Trade Agreement (PTA). Furthermore, ensuring conducive trade balancing policies for both can be expanded. Moreover, both should focus on exploring the gaps of communications, construct bridges and linkages. Enhancing academic and intellectual collaboration would result in a boon for each country involved.

### **New Roadmaps for Pakistan-Africa Cooperation: Gauging Potential**

Africa, due to its rapidly developing tendencies, has undertaken the tag of the continent of the future. Therefore, Pakistan, in its sincerest efforts, needs to set the collaborative or joint platforms that could deepen the geo-strategic and



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<sup>6</sup> Ibid



the geo-economic structure of the states involved. The areas to be focused on are as follows:

- System to connect African students to Pakistani professors vis-à-vis creating conducive travel opportunities would play vital role.
- Curtailing the language barrier and providing opportunities for the young generation via facilitating research projects would be an excellent initiative for increasing people-to-people connectivity.
- Enabling the joint ventures to have robust setups of enhancing the cooperation in various sectors such as IT, banking, trade, and commerce is a dire need of time.
- Establishing academic and intellectual ties via leading educational institutions and think tanks from Pakistan to Africa and vice versa would promote an in-depth analysis and understanding of the national interests of both countries. Moreover, it will help in eradicating the surface barriers for long-term benefits.

## Conclusion

Structural and cumulative policies are the essentials to modernize the connections and increase collaborations across the continents. The bilateral approaches focused towards the pragmatic foreign policies of Pakistan and Africa in formative continental coherence would endure the existing issues. In a nutshell, the prospects of cooperation are bright between Pakistan and Africa on the explorative grounds channelized by regular communication schemes at a wider level.