Gender and Value Chain-Driven Industrialisation Under the AfCFTA: Synthesis Report

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ABSTRACT

This synthesis report draws together themes that have been covered in prior tralac research within the gendered value chains project and attempts to create an overall synthesis of the various data-driven themes of this research.

Firstly, an overview of the gendered insights in industrial data produced by the United Nations Industrial Development Organisation is provided. This is followed by a review of the more microeconomic enterprise data contained in the World Bank Enterprise Surveys database. This is followed by the presentation of the most important findings of the tralac gendered value chains database, which provides an interesting counterpoint to the related enterprise surveys data. Finally, armed with insights as to which sectors are better represented by female entrepreneurs, we interrogate directed intra-African value chain data to understand the nature and the potential of these sector value chains under the AfCFTA.

Keywords: Women in trade, Female-owned enterprises, Value chains, AfCFTA, Clothing, leather & textiles

About the Author

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Executive summary

This report draws together themes that have been covered in prior tralac research within the gendered value chains project and attempts to create an overall synthesis of the various data-driven themes of this research.

Firstly, an overview of the gendered insights in industrial data produced by the United Nations Industrial Development Organisation (UNIDO) is provided. This is followed by a review of the more microeconomic enterprise data contained in the World Bank Enterprise Surveys database. This is followed by the presentation of the most important findings of the tralac gendered value chains database, which provides an interesting counterpoint to the related enterprise surveys data. Finally, armed with insights as to which sectors are better represented by female entrepreneurs, we interrogate directed intra-African value chain data to understand the nature and the potential of these sector value chains under the AfCFTA.

Summary insights from the UNIDO data

The analysis of UNIDO (2024) data reveals certain important insights into female participation in various industrial sectors as employees (rather than as business owners). Overall, for Africa, female employment is above average in the clothing, textiles and leather (CTL) sectors as well as the sector for the manufacture of certain electronic equipment ('radio, television and communication equipment').

When considering export specialisation groups, the export specialists with higher female employment are those of agri-foods and the diversified group, whereas countries specialising in fuels and mining generally have lower female employment rates. When slicing the data by LDC category, it is apparent that LDCs have higher female employment in certain sectors like clothing and textiles, while non-LDCs have higher female employment in the furniture manufacturing sector. Overall, the data suggests that more labour-intensive and less capital-intensive industries tend to have higher female participation, and LDCs are able to utilise female labour more extensively in certain sectors compared with non-LDCs.

Summary insights from the World Bank Enterprise Surveys data

The World Bank Enterprise Surveys (2022) data reveals patterns in enterprise characteristics, female ownership, and employment across different sectors and regions in Africa. It highlights the importance of ownership data as an indicator of female empowerment in the industrial sector.

The distribution of enterprises across countries and sectors shows a diverse economic landscape in Africa, with Nigeria, Zambia, and South Africa having the highest number of surveyed enterprises. The service industry, particularly retail and other services, is prominent across the continent, while manufacturing also has strong representation.

A heatmap of female full-time employment relative to the average reveals that sectors such as food, hospitality & tourism, services, retail, and textiles & garments have above-average female employment participation. These sectors also show above-average female ownership, indicating a correlation between ownership and employment participation in certain sectors. In addition, smaller enterprises

tend to have higher average percentages of female ownership, indicating that barriers to entry for female entrepreneurs may decrease as the scale of business operations diminishes.

When considering the most important obstacles to business faced by African Micro, Small, and Medium Enterprises (MSMEs), fully female-owned businesses report the highest levels of difficulty in accessing finance (28.52%) and electricity supply (18.19%). Practices of competitors in the informal sector also pose challenges for fully female-owned businesses (9.79%). Political instability, tax rates, corruption, access to land, and regulatory challenges are other prominent obstacles faced by enterprises, with fully female-owned businesses experiencing these challenges more intensely.

Sectorally-focused data on the main business obstacles faced by fully and majority-owned female enterprises reveals that access to finance is the dominant obstacle in female-represented sectors, except in the sectors of 'other manufacturing' and 'food', where electricity supply is also significant. The obstacle of practices of competitors in the informal sector is more important for female-owned retail and services businesses.

Summary insights from the tralac gendered enterprise value chains surveys

The tralac gendered enterprise value chains surveys is a comprehensive study of female-owned MSMEs across 21 African countries, with a focus on trade, business challenges, and value chain participation. The survey, conducted in two phases and available in both English and French, collected responses from 559 enterprises to explore demographic data, obstacles in business, preferential trade area (PTA) utilisation, and aspirations within value chains.

The majority of responses came from Kenya and Ghana initially, with a significant extension to other regions in the second phase. The survey revealed that 80% of the enterprises engaged in cross-border trade, predominantly imports over exports. There was an observable correlation between enterprise size and female ownership; smaller enterprises tend to have higher female ownership.

The data highlighted major business environment challenges such as bribery, corruption, access to finance, and high costs related to electricity and transport, with smaller enterprises facing these more acutely. Cross-border trading difficulties were also prominent, especially customs procedures and sanitary and phyto-sanitary (SPS) requirements, which are typically most challenging for businesses involved in agricultural/perishable goods trade.

A significant portion of the enterprises were not aware of preferential trade areas (PTAs) or found the information on specific benefits limited, particularly those owned by women. This was most acute in 'majority-owned' female businesses. Customs and implementation issues, as well as stringent rules of origin and unattractive tariff benefits, were other notable barriers preventing effective utilisation of PTAs.

When cross-referencing the categories of business environment challenges with the expressed desire to upgrade it was found that, while many businesses expressed a desire to upgrade within their value chains, they faced greater challenges in areas such as transport, government regulations, and bribery.

The report also discusses the role of gender in the context of value chain positioning, showing that female-owned businesses often face specific challenges that may require targeted support.

Thanks to the industry sector dimension present in the data, it was also possible to draw some conclusions for the most important sectors covered. Agriculture/agri-business, textiles, apparel and leather, and the food sector are predominantly occupied by micro and small enterprises, indicating a skew towards smaller business participation in these industries. On the other hand, the pharmaceuticals and transport equipment sectors are characterised by a prevalence of medium-sized enterprises, reflecting the greater barriers to entry experienced and highlighting the need for investment in technology and plant/equipment.

Finally, trade relationships can be analysed within the data, thanks to several response categories relating to ranking of African trade partner and value chain position. The survey indicates that MSMEs, particularly those owned by women, are more involved in intra-African trade compared with larger businesses. Policy strategies and trade facilitation efforts are suggested to prioritise MSMEs and female-owned enterprises to strengthen African value-chain development, especially in sectors such as 'cosmetics and personal care products', where there is greater female entrepreneur involvement and MSMEs are more integrated into African markets.

Summary insights from directional value chain data: agriculture and CTL

The final section deals with directional value chain flows for the clothing, textiles and leather (CTL) and agriculture and agro-processing (AAP) sectors, two sectors with among the highest rates of female entrepreneur participation as represented in the tralac gendered value chains survey. This section provides an analysis of the trade flows within the AAP and CTL sectors in Africa, emphasising their significance in the continental trade landscape and highlighting the role of female enterprise ownership. AAP and CTL together account for 53% of the total responses in the dataset. These sectors are heavily dominated by female ownership, with AAP showing 75% and CTL about 90% of enterprises having more than 50% female ownership.

The report compares intra-African and global trade flows for both sectors using 2017 directional value chain data (UNCTAD 2022). AAP shows nearly four times the number of value flows above USD100k compared to CTL, with a significantly higher proportion of these flows remaining within Africa (9.8% for AAP vs. 6.6% for CTL). Developed countries heavily dominate the re-export of intermediate products originating from Africa in both sectors, suggesting a significant loss of potential value that could be retained within the continent. This indicates a substantial opportunity for African countries to move up the value chain by increasing their own processing and finishing of these goods.

European countries are primary buyers of African CTL, with significant value flows originating from North African countries such as Egypt to Europe. Contrastingly, intra-African CTL trade is dominated by South Africa, with most other African nations less involved. In the AAP sector, European countries also dominate extra-African trade. However, intra-African trade shows a diverse pattern with significant roles for South Africa, Nigeria, and Egypt, both as originators and recipients of trade flows.

By adding preferential trade area (PTA) membership to the dimensions of data in the directional value chain data, insights as to the importance (or otherwise) of PTA membership between intra-African trading countries can be gained. The analysis reveals a complex network of trade relationships within Africa, often transcending traditional PTA alignments. In other words, mutual PTA membership is often not as important as a foundation for bilateral trade between two countries as one may suppose. This highlights the potential for more inclusive regional trade policies that could harness these existing dynamics for broader economic integration.

Conclusions

The analysis suggests that there are numerous opportunities to support female entrepreneurship through targeted policy initiatives, particularly in enhancing their participation in higher-value segments of supply chains. Additionally, the diverse and often transcending PTA alignments in trade relationships highlight the potential for more inclusive regional trade policies to promote broader economic integration. Of course, the AfCFTA itself, once fully implemented, will assist in this, though there is some risk that one of the most important sectors in this study – the CTL sector – will be designated as 'sensitive' or even possibly excluded from liberalisation from some countries.

The findings of this research suggest that support for CTL and AAP MSMEs in general, and female-owned MSMEs in particular, is pro African integration and African value-chain development. Supporting these sectors would involve prioritising MSMEs in industrial policy strategy and also addressing the requirements of female-owned businesses, which tend to be found on the smaller end of the scale. Trade facilitation efforts, which are already a part of the action plans of many African trade promotion agencies, should also prioritise the MSME and female-owned MSME sectors.

Empowering Women through AfCFTA: Opportunities in Africa's Service Sector

By John Stuart[1]

Introduction

The AfCFTA Secretariat (2021) has designated potential value chains for development to promote intra-African trade and industrialisation under the AfCFTA. The broad sectors included in their list were agricultural/agro-processing, textiles and leather, automotive, pharmaceuticals, mobile financial services and cultural industries. Within the broader clothing, textiles and leather (CT&L) sector, the sub-categories of textiles, cotton, leather and footwear have been designated. The AfCFTA has also indicated which region and/or country would be best suited to develop the particular value chain, although this does not preclude other countries progressing in value chain development in future.

This approach presents a valuable opportunity for analysis. While African countries faces challenges relating to industrialisation and the reduction of reliance on the production of primary products, gender imbalances in enterprise ownership and economic empowerment in general, are stark. Female-owned businesses tend to be at the smaller end of the scale and face a variety of challenges such as lack of access to finance, problems accessing electricity and pressure from competitors in the unregulated informal sector.

To enable data-driven analysis of potential intra-African value chain development, tralac has developed a series of databases that integrate directed value chain data, revealed comparative advantage data, gender data, enterprises data and a set of dimensions such as African sub-region, REC membership, LDC

[1] I am grateful to Trudi Hartzenberg for valuable feedback on an earlier draft. I would like to thank the Enterprise Analysis Unit of the Development Economics Global Indicators Department of the World Bank Group for making their data available.

category and main export specialisation. These databases (in their beneficiated forms) are unique to tralac and earlier evolutions have enabled analysis of value chain development in the CT&L, agri-foods and other sectors.

To this set of databases has been added a comprehensive primary database ('the tralac gendered value chains database'), drawn from an in-person survey instrument developed specifically for the purpose. The survey, which was carried out over a period of several months, covers 21 Sub-Saharan African (SSA) countries in West, East and Southern Africa, and 559 unique enterprises.

The end result is a rich array of data upon which to base a thorough investigation into the potential for value-chain driven industrialisation under the AfCFTA, with an important underlying theme of gender empowerment. This synthesis report draws together themes that have been covered in prior tralac research within this project and attempts to create an overall synthesis of the various data-driven themes of this research. Firstly, an overview of the gendered insights in industrial data produced by the United Nations Industrial Development Organisation (UNIDO 2024) is provided. This is followed by a review of the more microeconomic enterprise data contained in the World Bank Enterprise Surveys database (World Bank Enterprise Surveys 2022). This is followed by the presentation of the most important findings of the tralac gendered value chains database, which provides an interesting counterpoint to the related enterprise surveys data. Finally, armed with insights as to which sectors are better represented by female entrepreneurs, we interrogate directed intra-African value chain data to understand the nature and the potential of these sector value chains under the AfCFTA.

Basic gendered industrial employment data for African countries: UNIDO

For some time now, the United Nations Industrial Development Organisation (UNIDO) has collected data on female employee numbers for its sectoral industrial data. While coverage for Africa is not complete either across time or countries (the subset consists of 18 countries in all of the African sub-regions), the data does provide interesting insights and a valuable background to the female ownership data available in the microeconomic datasets such as the World Bank enterprise surveys data and the tralac gendered value chains dataset.

Analysis by African sub-region

Table 1 presents summarised data for the proportion of female employees across various industrial sectors in different African sub-regions. The sectors are identified by their ISIC (International Standard

Industrial Classification) 2-digit codes, and the regions covered include Southern Africa, East Africa, West Africa, North Africa, Central Africa, along with an aggregate for All Africa.

A few key observations can be made from this data:

- High proportion of female employment in apparel: The sector for 'wearing apparel, fur' shows a notably high proportion of female employment across most regions, with particularly high values in West Africa (92%) and Southern Africa (77%). This suggests that the apparel sector is a significant employer of women, likely due to the labour-intensive nature of the industry which traditionally employs a large number of female workers.

- Regional variability: There is significant regional variability in female employment across sectors. For instance, in the 'textiles' sector, Southern Africa and East Africa show a relatively higher female participation (55% and 57% respectively), while it drastically lowers in Central Africa (18%). This may reflect regional differences in industrial focus, labour market dynamics, and socio-economic factors influencing female workforce participation.

- Low female participation in certain sectors: Sectors like 'printing and publishing' and 'leather, leather products and footwear' show generally lower female participation across the regions, with particularly low percentages in North Africa (14% and 27% respectively). This could point to cultural, educational, or economic barriers that limit female employment in these industries.

- Overall trends: The column 'all Africa' provides an aggregate view, showing that the 'wearing apparel, fur' sector has the highest average proportion of female employees at 69%, indicating a continent-wide trend of female labour in this sector. In contrast, more technologically intensive or traditionally male-dominated sectors like 'printing and publishing' have lower female participation rates.

In summary, while some sectors demonstrate strong female employment figures, substantial regional disparities and sector-specific challenges remain.

Table 1: Female employees, proportion of total by ISIC sector by African sub-region (various years 2000-2020)

ISIC 3 2 Digit Sector	Southern Africa	East Africa	West Africa	North Africa	Central Africa	All Africa
Wearing apparel, fur	77%	63%	92%	65%	39%	69%
Textiles	55%	57%	33%	28%	18%	49%
Radio, television and communication equipment	45%			56%	14%	49%
Leather, leather products and footwear	61%	40%	51%	27%	20%	44%
Printing and publishing	47%	38%	24%	14%	28%	35%
Medical, precision and optical instruments	33%	40%		31%		34%
Paper and paper products	47%	36%	31%	10%	15%	33%
Chemicals and chemical products	33%	37%	28%	21%	17%	32%
Rubber and plastics products	33%	39%	18%	16%	13%	31%
Furniture; manufacturing n.e.c.	62%	21%	10%	14%	8%	31%
Food and beverages	31%	30%	25%	23%	22%	28%
Recycling	24%			32%	19%	28%
Tobacco products	10%	35%	27%	11%	25%	27%
Office, accounting and computing machinery	37%	15%	18%	21%		22%
Fabricated metal products	36%	20%	6%	7%	36%	22%
Electrical machinery and apparatus	27%	16%	2%	28%	13%	21%
Machinery and equipment n.e.c.	23%	22%	12%	10%		20%
Coke, refined petroleum products, nuclear fuel	28%	27%	10%	8%	15%	19%
Non-metallic mineral products	22%	20%	21%	7%	7%	18%
Motor vehicles, trailers, semi-trailers	15%	19%	22%	7%	15%	15%
Wood products (excl. furniture)	20%	15%	12%	5%	4%	14%
Other transport equipment	15%	16%	6%	11%	4%	13%
Basic metals	9%	14%	6%	5%		10%
Averages	39%	31%	24%	19%	18%	30%

Source: Author's calculations using UNIDO (2024) data

Analysis by export specialisation[2]

African countries can generally be divided into four main categories of export product group specialisation: diversified, agri-foods, mining and fuels. Countries that have more diversified exports usually do not have a significant endowment of any particular resource, and this sometimes drives these countries to greater export competitiveness in manufactured products. The next table of data presents the proportion of female employment by sector by export specialisation category in Table 2.

Table 2: Female employees, proportion of total by ISIC sector by export product group specialisation (various years 2000-2020)

ISIC 3 2 Digit Sector	Agri-Foods	Diversified	Fuels	Mining
Wearing apparel, fur	64%	75%	50%	75%
Textiles	60%	52%	14%	47%
Radio, television and communication equipment		69%	21%	28%
Leather, leather products and footwear	50%	42%	15%	53%
Printing and publishing	42%	32%	10%	43%
Medical, precision and optical instruments	43%	35%	24%	33%
Paper and paper products	40%	18%	6%	50%
Chemicals and chemical products	40%	33%	18%	26%
Rubber and plastics products	44%	25%	8%	34%
Furniture; manufacturing n.e.c.	38%	23%	8%	44%
Food and beverages	37%	24%	12%	32%
Recycling		38%	11%	24%
Tobacco products	35%	25%	15%	15%
Office, accounting and computing machinery		22%	17%	28%
Fabricated metal products	22%	26%	8%	20%
Electrical machinery and apparatus	15%	26%	8%	28%
Machinery and equipment n.e.c.	28%	13%	6%	26%
Coke, refined petroleum products, nuclear fuel	8%	23%	10%	17%
Non-metallic mineral products	24%	14%	5%	24%

[2] The export specialisation categorisation used is that of the author and is based on the relative composition of exports at the end of the 2019 year.

Motor vehicles, trailers, semi-trailers	21%	14%	5%	15%
Wood products (excl. furniture)	13%	11%	3%	23%
Other transport equipment	16%	17%	4%	5%
Basic metals	22%	6%	2%	11%
Averages	**37%**	**29%**	**12%**	**34%**

Source: Author's calculations using UNIDO (2024) data

When analysing the data by main export product group specialisation, various insights can be made:

Agri-Foods: Sectors associated with agri-foods tend to have relatively higher female employment, with sectors like 'wearing apparel, fur' and 'textiles' showing proportions of 0.64 and 0.60 respectively. This could indicate a strong presence of female labour in industries that are labour-intensive and traditionally employ women, especially in agricultural processing and textile manufacturing.

Diversified: Countries with diversified exports also show a relatively higher employment of females in sectors like 'wearing apparel, fur' (0.75) and 'radio, television and communication equipment' (0.69). This suggests that countries with a broad economic base might offer more opportunities for female employment across different sectors.

Fuels: The sectors in countries specialising in fuels generally exhibit lower female participation, with sectors like 'textiles' and 'leather, leather products and footwear' showing particularly low figures (0.14 and 0.15 respectively). This may reflect the dominance of the traditionally male-oriented energy sector which influences overall employment patterns.

Mining: Similarly to fuels, mining specialisation correlates with lower female employment rates across several sectors, although there are exceptions in clothing, textile and leather (CTL) sectors that have been seen to feature higher female participation rates in the data so far.

There is an overall trend where more labour-intensive and less capital-intensive industries tend to have higher female participation. This could be due to the accessibility of these jobs and the lesser degree of physical or technical barriers compared to sectors like mining or heavy manufacturing. Finally, the average female employment proportions show that agri-food specialised countries tend to have the highest overall female participation (0.37), followed closely by mining specialized countries (0.34).

Analysis by LDC status

The set of African countries for which UNIDO female employment numbers are available are evenly split between Less-Developed Countries (LDCs) and non-LDCS. This data reveals some interesting insights regarding the proportion of female employment across various industrial sectors, differentiated by the economic status of countries as Less Developed Countries (LDCs) and Non-Less Developed Countries (non-LDCs). Some of these insights follow, and the data is presented below in Table 3.

Higher female employment in LDCs for certain sectors

The female employment proportion in the broad clothing, textiles and leather (CTL) aggregate sector (comprising apparel, textiles and leather products) is high in LDCs and on aggregate, exceeds that in non-LDCS. The 'textiles' and 'leather products' sectors (0.58 in LDCs vs. 0.37 in non-LDCs and 0.44 in LDCs vs. 0.42 in non-LDCs) display higher female employment proportions in LDCs compared to non-LDCs. This could be indicative of the labour-intensive nature of these industries which are more prevalent in LDCs where labour costs are lower, and where female workforce participation is traditionally higher due to the nature of the tasks involved.

The 'radio, television and communication equipment' sector also shows a higher proportion of female employment in LDCs (0.68) compared to non-LDCs (0.42), suggesting a potential area where LDCs are integrating more female labour into technically advanced manufacturing sectors.

Table 3: Female employees, proportion of total by ISIC sector by LDC classification (various years 2000-2020)

ISIC 3 2 Digit Sector	LDC	Non-LDC
Wearing apparel, fur	64%	75%
Textiles	58%	37%
Radio, television and communication equipment	68%	42%
Leather, leather products and footwear	44%	42%
Printing and publishing	38%	31%
Medical, precision and optical instruments	40%	32%
Paper and paper products	34%	31%
Chemicals and chemical products	36%	27%
Rubber and plastics products	38%	24%

Furniture; manufacturing n.e.c.	22%	42%
Food and beverages	27%	30%
Recycling		28%
Tobacco products	35%	13%
Office, accounting and computing machinery	15%	25%
Fabricated metal products	28%	14%
Electrical machinery and apparatus	16%	27%
Machinery and equipment n.e.c.	22%	17%
Coke, refined petroleum products, nuclear fuel	32%	8%
Non-metallic mineral products	18%	18%
Motor vehicles, trailers, semi-trailers	19%	12%
Wood products (excl. furniture)	15%	13%
Other transport equipment	16%	11%
Basic metals	12%	8%
Averages	**32%**	**28%**

Source: Author's calculations using UNIDO (2024) data

Sectorial challenges and opportunities

Sectors such as 'chemicals and chemical products', and rubber and plastics products' show notably higher female employment in LDCs (0.36 and 0.38 respectively) compared to non-LDCs (0.27 and 0.24). This indicates that even in more capital-intensive industries, LDCs may be finding ways to incorporate female labour more effectively than their more developed counterparts.

However, sectors like 'furniture; manufacturing n.e.c.' show a reverse trend, with non-LDCs having higher female employment (0.42) compared to LDCs (0.22). This could reflect specific industrial or cultural factors that influence employment practices differently in LDCs.

Lower female employment in heavy industries across both groups

In traditionally male-dominated sectors such as basic metals' and 'motor vehicles, trailers, semi-trailers', both LDCs and non-LDCs show low female employment rates, although slightly higher in LDCs (0.12 vs. 0.08 in Basic metals). This is consistent with global trends where these industries generally have lower female participation.

General observations

The overall data shows that LDCs tend to have higher female employment in several key sectors compared to non-LDCs. This might suggest that LDCs, possibly due to their labour market dynamics and economic structures, are able to utilise female labour more extensively in sectors where non-LDCs might not. The reasons behind these trends could include economic necessity driving higher female workforce participation in LDCs, differences in industrial development stages, and varying societal norms regarding female employment.

This analysis could serve as a basis for more targeted research into the factors driving higher female employment in certain sectors within LDCs and could inform policy decisions aimed at enhancing female participation in the workforce across different economic contexts.

Gendered enterprise data with sectoral, country and time dimensions: World Bank Enterprise Surveys data for Africa

While UNIDO data is valuable to assess female participation in industry as employees, the micro-founded data drawn from the survey of individual enterprises in the World Bank Enterprises Surveys data contains female enterprise ownership data. Ownership data is a better indicator of female industrial empowerment than employee participation because it represents control over the enterprise. It will, however, be interesting to compare metrics for female participation vs ownership across sectors; for example, the UNIDO data tells us that female participation is high in the CTL sectors, it will be interesting to investigate whether the same pattern holds when it comes to ownership in the sector.

Dimensional analysis of Enterprise Surveys data for Africa

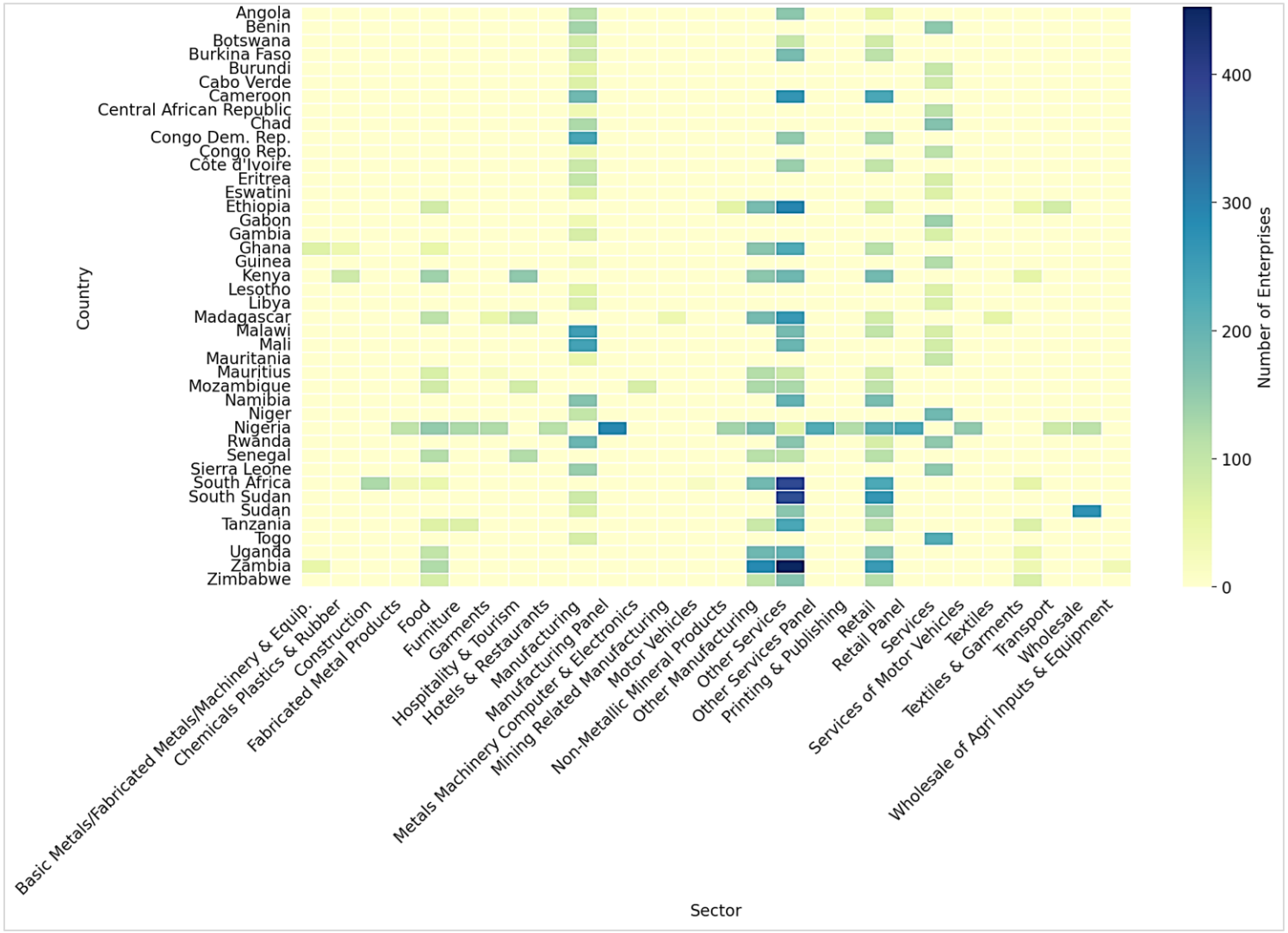
The analysis of the World Bank Enterprise Surveys data for a selection of African countries reveals several salient patterns regarding enterprise characteristics, female ownership, and employment across different sectors and regions.

Firstly, the distribution of enterprises across countries and sectors (Figure 1) indicates a significant diversity in the economic activities of the African continent. Nigeria, Zambia, and South Africa emerge as the countries with the highest number of enterprises surveyed, suggesting a robust and diversified business landscape. The sectors with the most representation, such as ‘retail’ and ‘other services’,

underscore the importance of the service industry across Africa, while the sector 'manufacturing' (non-specified manufacturing activities) also shows strong representation in the totals.

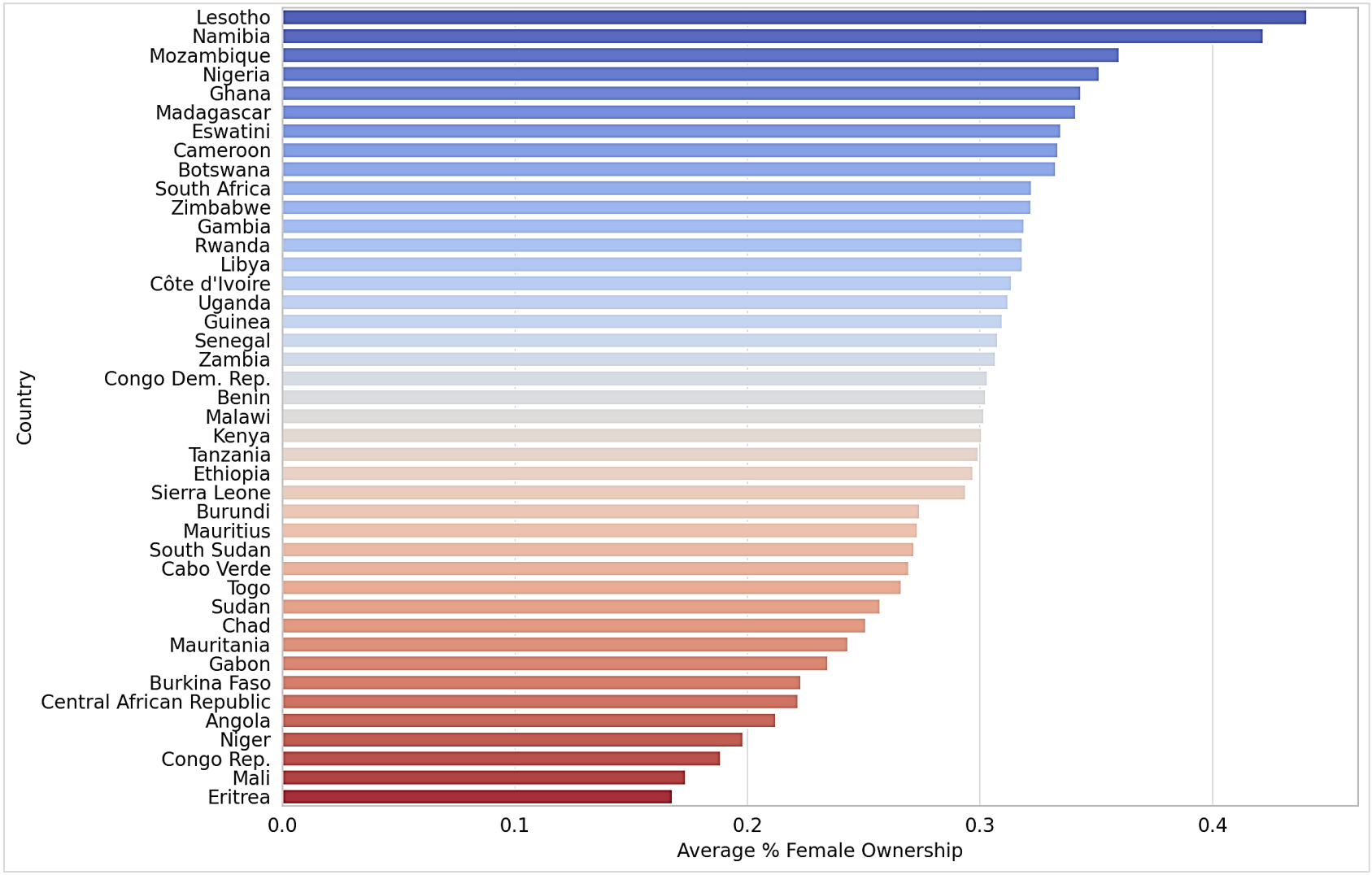
Figure 2 is a stacked bar chart showing female enterprise ownership by African country. It is evident that the average percentage of female ownership varies significantly by country, with some countries showing higher levels of female entrepreneurship than others. This variance suggests differences in cultural, economic, and regulatory environments affecting female participation in business ownership across the continent. The data in Figure 3 further reveals that smaller enterprises tend to have higher average percentages of female ownership, implying that barriers to entry for female entrepreneurs may decrease as the scale of business operations diminishes. This pattern has also been observed in other enterprise survey data (including the tralac gendered value chains survey data) and is a theme that is returned to in the next section.

Figure 1: World Bank Enterprise Surveys (Africa): heatmap of sectors and countries (various years)



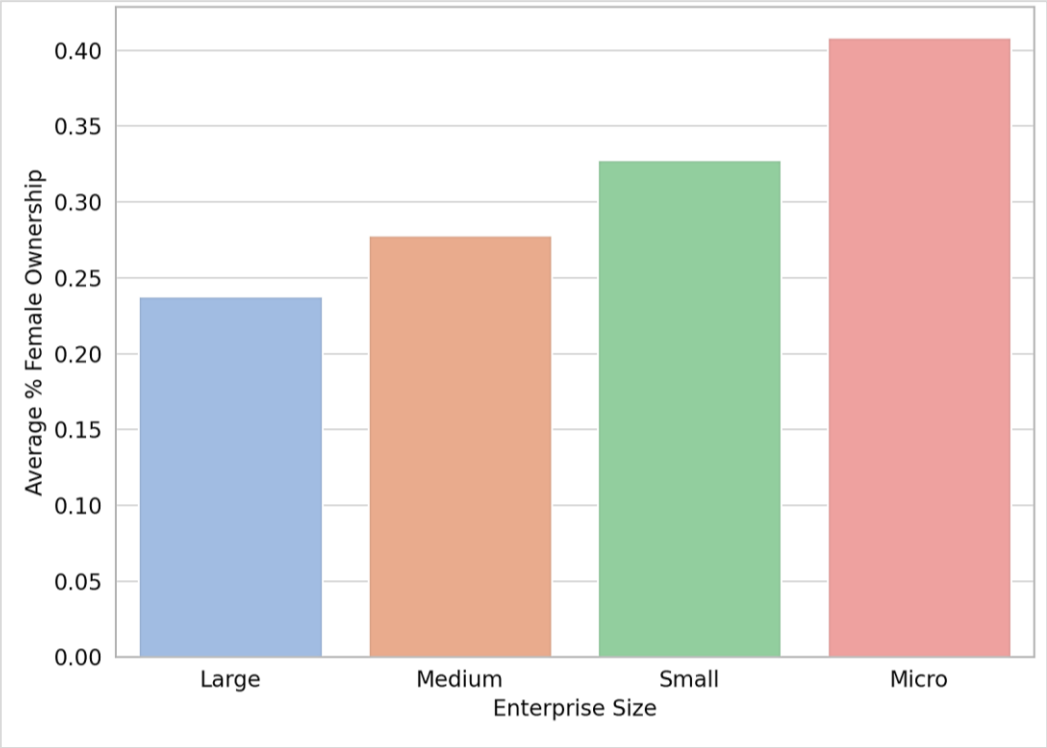
Source: Author's construction using World Bank Enterprises Surveys (2022) data

Figure 2: World Bank Enterprise Surveys (Africa): female ownership proportion by country (various years)



Source: Author's construction using World Bank Enterprises Surveys (2022) data

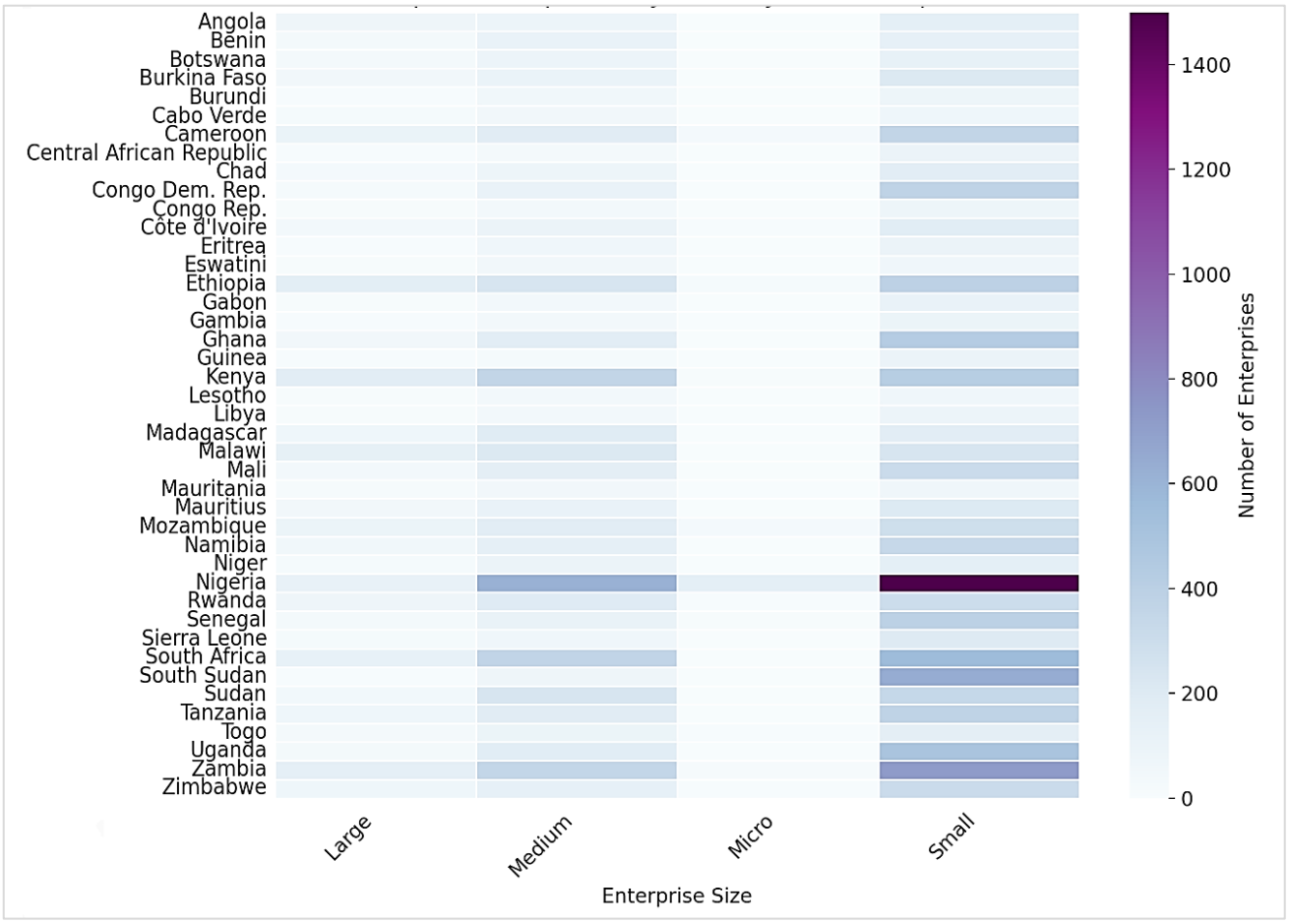
Figure 3: World Bank Enterprise Surveys (Africa): female ownership proportion by enterprise size (various years)



Source: Author's construction using World Bank Enterprises Surveys (2022) data

Figure 4 charts the relationship between enterprise size and country, a diverse pattern of enterprise distribution emerges. 'Small' sized enterprises are most well represented, with few micro enterprises surveyed. In general, West Africa has proportionately more small and micro enterprises and less large enterprises, while North Africa has more medium and large enterprises, although only marginally more than Southern Africa.

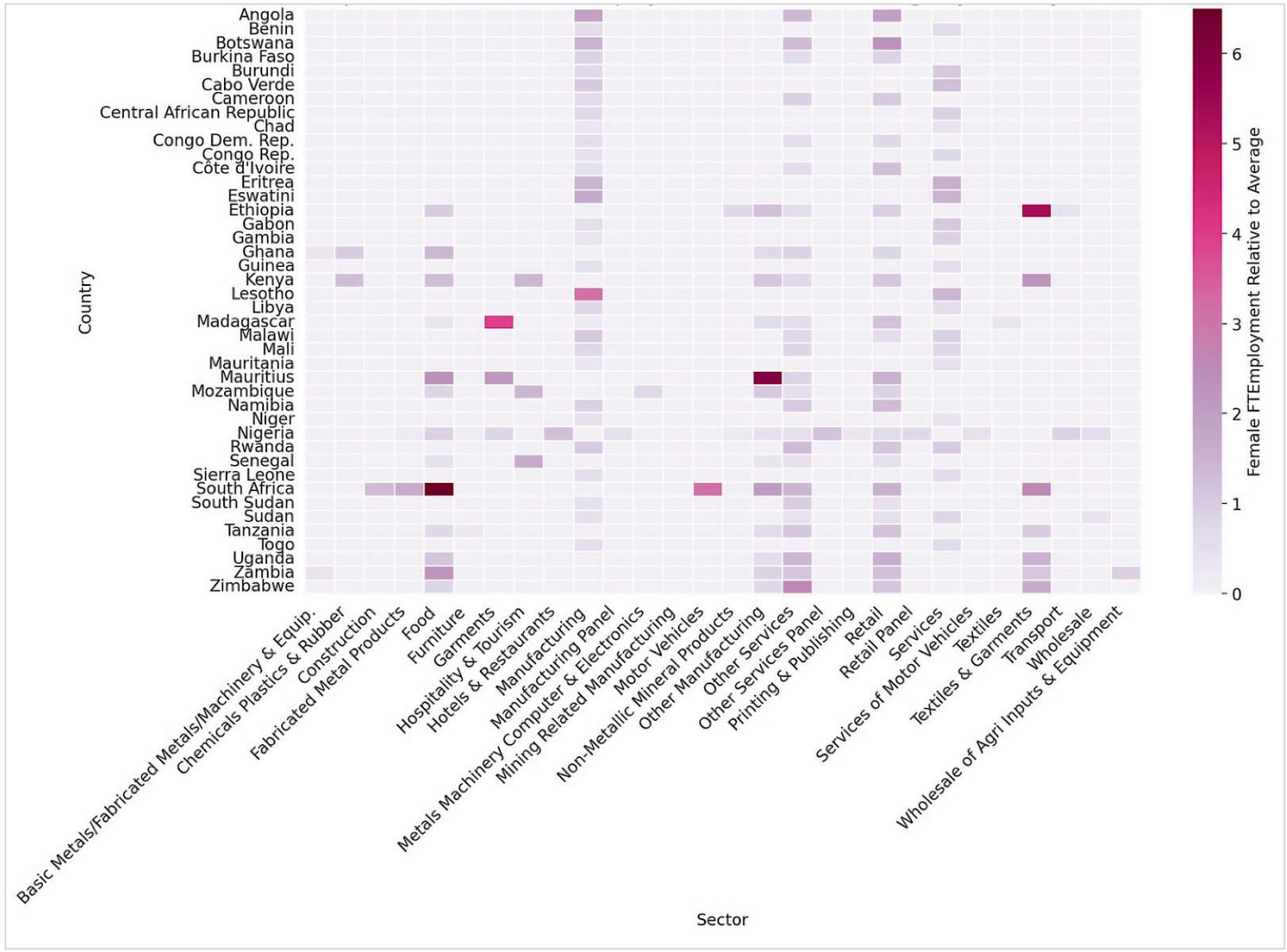
Figure 4: World Bank Enterprise Surveys (Africa): enterprise size by country (various years)



Source: Author's construction using World Bank Enterprises Surveys (2022) data

The heatmap of country, sector, and female full-time employment relative to the average (Figure 5) is an interesting counterpoint to the ownership data and the macro participation data in the UNIDO dataset covered in the previous section. Female full-time employment is noticeably above average in the sectors 'food', 'hospitality & tourism', services, 'retail' and 'textiles and garments'. By comparison, the female ownership proportion is similarly above average in the same sectors as well as in 'hotels and restaurants'. This leads to the interesting outcome that the same sectors in which there is above-average female ownership also feature above-average female employment participation. Generally, sectors that are more alike to 'heavy industry' are less likely to feature either higher female ownership or employee participation.

Figure 5: World Bank Enterprise Surveys (Africa): heatmap of female full-time employment relative to average, by sectors and countries (various years)



Source: Author's construction using World Bank Enterprises Surveys (2022) data

Enterprise surveys: main obstacles faced by enterprises

Table 4 presents ranked data for the main reported business obstacle faced by surveyed businesses, ordered by the extent of female ownership, which is ranked from full female ownership in the left most column to no female ownership on the right hand side.

Table 4: World Bank Enterprise Surveys (Africa): main business obstacle faced by female ownership category (various years)

Type of Obstacle	Fully female owned	Majority female owned	Equally divided between men and women	Partial female ownership	No female ownership	Averages
Access To Finance	28.52%	22.00%	20.85%	22.30%	21.59%	22.70%
Electricity	18.19%	14.51%	16.51%	19.14%	13.85%	18.04%
Practices Of Competitors in The Informal Sector	9.79%	10.43%	13.12%	10.10%	11.95%	10.50%
Political Instability	7.65%	9.07%	7.20%	8.71%	8.14%	8.46%
Tax Rates	7.76%	7.03%	8.36%	8.15%	7.34%	7.98%
Corruption	6.69%	7.26%	6.14%	7.71%	8.04%	7.58%
Access To Land	5.67%	4.76%	5.40%	4.25%	5.17%	4.58%
Customs And Trade Regulations	3.00%	3.63%	3.07%	4.26%	4.50%	4.11%
Tax Administration	2.78%	4.76%	3.28%	3.87%	5.17%	3.96%
Transport	2.25%	2.95%	3.17%	3.43%	3.90%	3.36%
Crime Theft and Disorder	3.16%	4.31%	4.34%	2.67%	2.67%	2.83%
Inadequately Educated Workforce	1.44%	3.63%	3.39%	2.03%	3.44%	2.28%
Business Licensing and Permits	1.61%	2.27%	2.54%	1.50%	2.40%	1.71%
Labour Regulations	1.07%	2.04%	2.12%	1.24%	1.13%	1.27%
Courts	0.43%	1.36%	0.53%	0.64%	0.70%	0.64%
Checksums	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Author's construction using World Bank Enterprises Surveys (2022) data

Enterprises that are fully female-owned report the highest levels of difficulty in accessing finance (28.52%), suggesting that women entrepreneurs face substantial barriers when seeking financial

support. This challenge could stem from systemic biases in the financial sector or a lack of sufficient collateral, which is often required for financing. Similarly, electricity is reported as a significant obstacle (18.19%), indicating potential infrastructural inefficiencies that could disproportionately affect women-led businesses.

These two challenges together – access to finance and the electricity supply – represent nearly 50% of the reported challenges faced by fully female-owned businesses.

Practices of competitors in the informal sector also appear more challenging for fully female-owned businesses (9.79%). This could reflect competitive pressures where informal market players, potentially less regulated and more agile, impact the formal market space where female entrepreneurs may operate.

Political instability (7.65%) and tax rates (7.76%) present notable challenges across the board but are felt most acutely by fully female-owned businesses, possibly hinting at heightened vulnerability to political and fiscal policy shifts. Corruption and access to land are other prominent obstacles that enterprises encounter, with fully female-owned businesses again experiencing these challenges more intensely than those with male or mixed ownership.

In the realm of regulatory challenges, customs and trade regulations, alongside tax administration, are significant impediments, particularly for fully female-owned and majority female-owned enterprises, which could be attributed to the complexity and potentially gendered impacts of regulatory environments.

Interestingly, transport is less of an obstacle for fully female-owned enterprises compared to those with partial or no female ownership. This may suggest that female entrepreneurs are either operating in sectors less reliant on transport or have developed effective strategies to mitigate transport challenges.

An inadequately educated workforce is seen as a minor obstacle across all ownership types, perhaps indicating a relative adequacy in the available labour skill set or successful enterprise adaptation to workforce capabilities. However, it could also indicate the typical size of surveyed enterprises being in the ‘small’ category, and female owned enterprises being relatively smaller than the average. Smaller enterprises have smaller workforces and possibly more ‘hand-picked’ workers.

Labour regulations and the operation of courts represent the least of the concerns, with their impact being quite negligible for fully female-owned businesses. This could signal that these areas, while challenging, are not the primary concern for the surveyed entrepreneurs, or it could also reflect the smaller size of female-owned businesses (with consequently smaller workforces), as was noted in the previous paragraph.

Sectorally-focused obstacles to business

In order to better understand business obstacles faced by female-owned businesses, some more focused data is presented in Table 5. This data applies only to fully and majority-owned female businesses[3], across all countries, regions[4] and years, for the three main 'biggest obstacle' categories as determined in the previous table. Only sectors that were sufficiently represented by female entrepreneurs were considered.

Table 5: World Bank Enterprise Surveys (Africa): main business obstacle faced by fully and majority-owned female enterprises, by sector (various years)

Sector	Access To Finance	Electricity	Practices Of Competitors in the Informal Sector	Checksums
Other Services	52.63%	29.12%	18.25%	100.00%
Retail	56.07%	19.25%	24.69%	100.00%
Manufacturing	51.52%	31.52%	16.97%	100.00%
Other Manufacturing	44.64%	38.39%	16.96%	100.00%
Food	48.19%	37.35%	14.46%	100.00%
Services	53.25%	23.38%	23.38%	100.00%
Textiles & Garments	67.27%	16.36%	16.36%	100.00%
Hospitality & Tourism	37.21%	41.86%	20.93%	100.00%
Garments	42.11%	44.74%	13.16%	100.00%
Averages	49.71%	32.04%	18.25%	100.00%

Source: Author's construction using World Bank Enterprises Surveys (2022) data

[3] Only sectors for which at least 15 enterprises responded, within the category, were represented in the table.
[4] This data was not sliced by sub-region because there were no significant deviations in the pattern when analysing this dimension.

As is evident, access to finance dominates except for 'other manufacturing' and 'food', where the electricity supply is also an important obstacle. Further, in the case of 'hospitality & tourism' and 'garments', the electricity supply marginally dominates access to finance. The obstacle 'practices of competitors in the informal sector' is more important to female-owned retail and services businesses. This possibly refers to businesses such as informal spaza shops and petty services providers such as hair styling and beautician work.

The preceding data reflects the business landscape that female entrepreneurs in Africa navigate, marked by higher susceptibility to various economic and regulatory challenges. It points towards the need for tailored policy interventions that address the unique barriers faced by women in business, particularly in financial inclusion, infrastructure development, and formalisation of business practices. It also underlines the importance of a stable political environment and efficient regulatory frameworks in fostering a supportive ecosystem for female-led enterprises.

tralac Gendered Value Chains survey and database

Overview of the survey

The tralac Gendered Value Chains survey was a survey of African MSMEs conducted in 2023 by field researchers contracted to tralac.

The survey was conducted in two distinct phases. Initially, it focused exclusively on Kenya and Ghana, but the scope was subsequently broadened in the second phase to encompass a total of 21 countries across East, South, and West Africa. To ensure inclusivity and a wider reach, the survey was made available in both English and French. The French version garnered 53 responses from countries such as the Democratic Republic of Congo, Cameroon, Mauritius, Senegal, and Uganda, while the majority of the responses, 506 out of the total 559, were collected through the English version.

There are four main dimensions in the surveyed data:

1. The demographic data, i.e., the identifying data of the entity, the country, sector, female ownership extent, youth ownership extent and the size of business.

2. The main obstacles to business faced by the enterprises.

3. The extent of preferential trade area (PTA) utilisation by the enterprises, and the reasons for non-utilisation.

4. A series of questions referring to value chain position and the stated desire to upgrade within the value chain.

The responses in the survey therefore build on previous similar surveys in terms of the business obstacles and PTA utilisation aspects but add the additional aspect of value chain participation and position. Given that the latter data is categorical (i.e., non-numeric), however, the approach to analysis will however not involve numerical ranking and scoring as may be possible, for example, with business obstacle analysis.

Demographics and gendered dimensions of the survey

Figure 6 illustrates the data dimensions in the survey dataset and the relationships between them. The relational nature of the data allows analysis of indicators of female enterprise control to be cross-referenced against business obstacle, preferential trade area utilisation and indicators of value chain participation. It is important to note that:

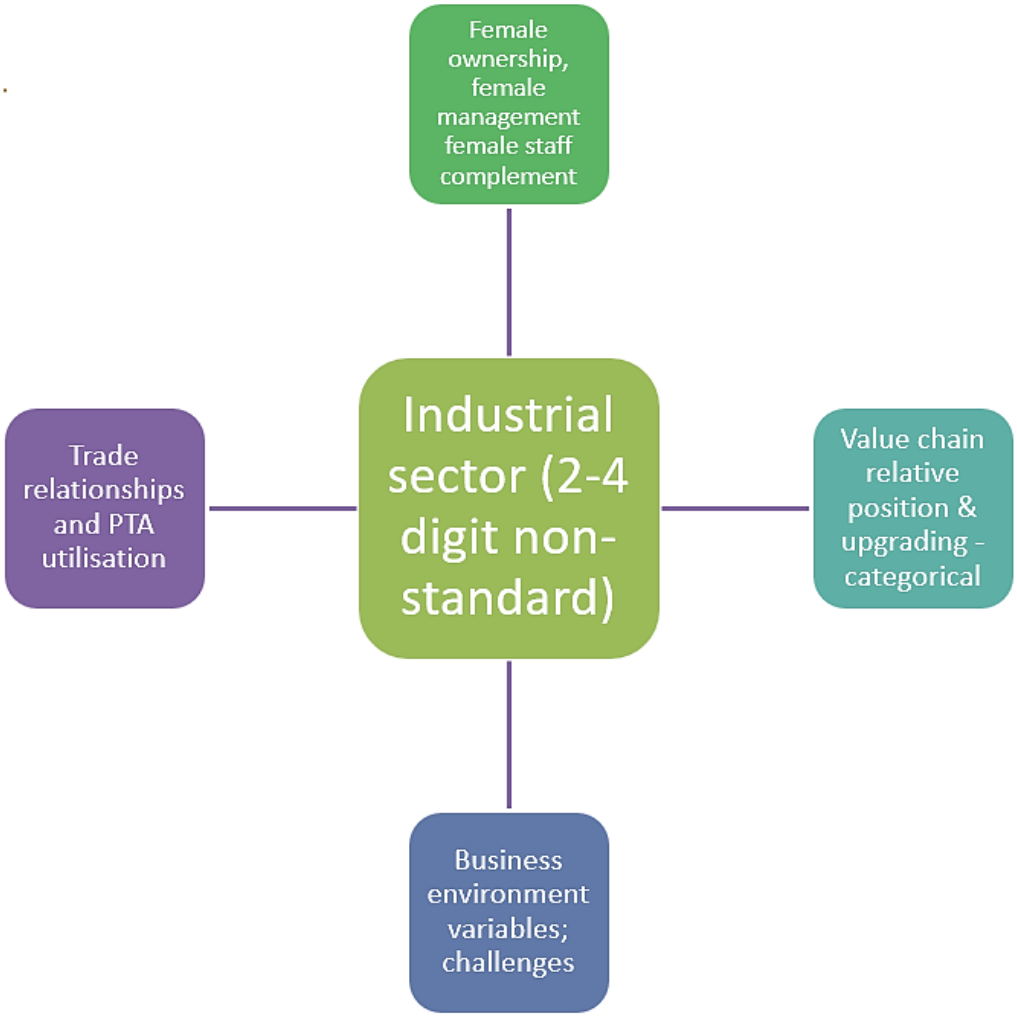
- Not all enterprises trade cross-border because this was not a qualifying requirement for completing the survey.

- For this reason, not all responses addressed the questions relating to PTA utilisation or value chain position.

- However, the majority of enterprises surveyed did indicate they participated in cross-border trade – around 80%. More of the cross-border trading group were involved with imports however, than exports.

- Enterprises that do not trade cross-border still have their responses regarding business environment obstacles entered.

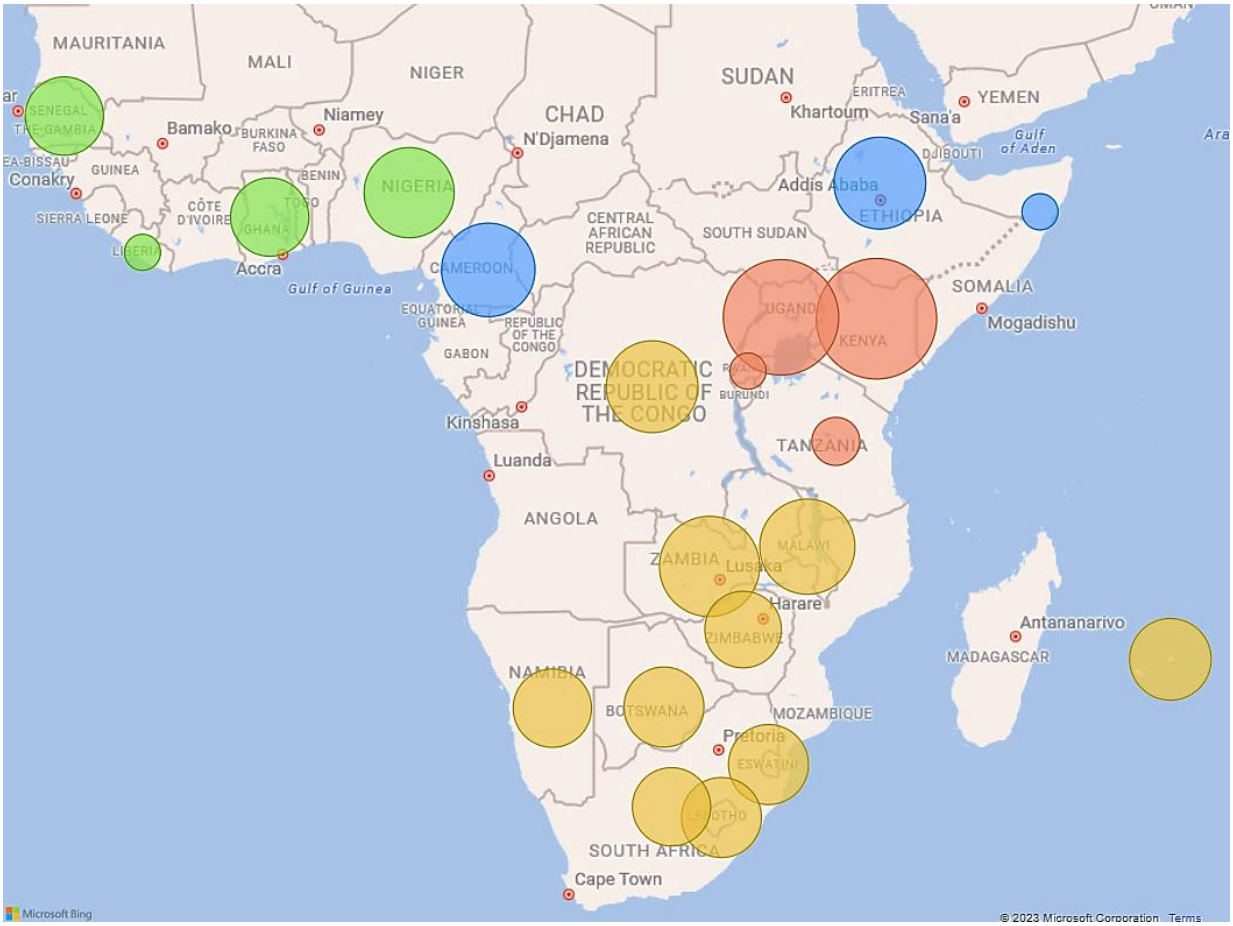
Figure 6: Data dimensions of the tralac gendered field survey



Source: Author's construction

In terms of the geographical and REC membership distribution of the responses, Figure 7 plots responses on a map of SSA. The colour of the bubble relates to the REC membership (refer to the key in the figure caption) and the size of the bubble relates to the number of responses. While more Southern African countries appear in the dataset, the two East African countries Uganda and Kenya have more responses by country.

Figure 7: Geographical and REC distribution of responses



Key:
green: ECOWAS
yellow: SADC
orange: EAC
blue: not applicable

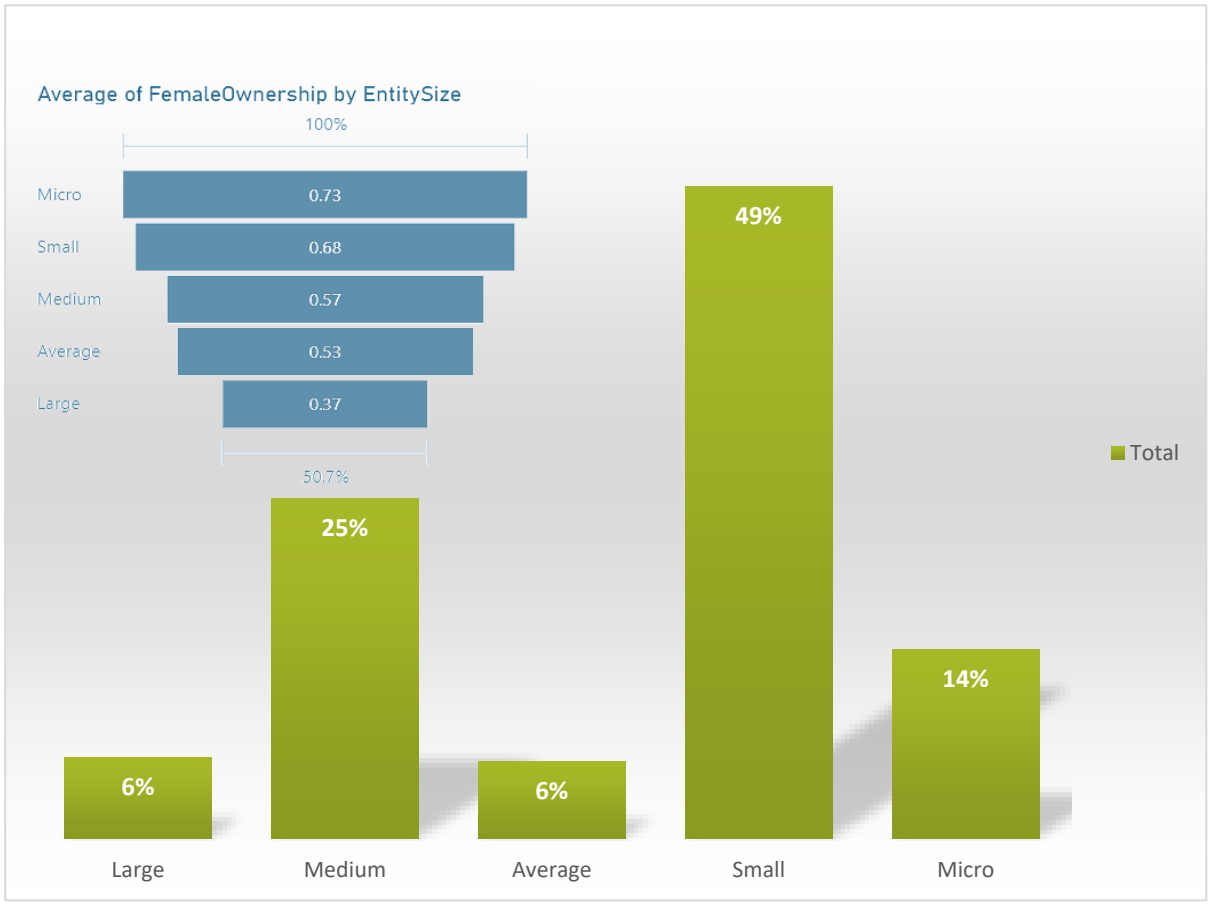
Source: Author's construction

Figure 8 visualises demographics relating to the size distribution of enterprises and their corresponding average female ownership. The main bar chart shows the skewed distribution toward the smaller end of the business size scale, with 'small' being the most common response. The inner funnel chart shows in turn that there is a negative relationship between enterprise size and extent of female ownership. The numerical data field for female ownership (rather than the categorical data field) was used to construct this chart.

In the Appendix, Figure 15 shows additional survey demographics in terms of the number of enterprises by sector and enterprise size. This data allows us to detect the presence of potential patterns in size distribution for the various sectors. Agriculture/agri-business dominates with the highest number of

enterprises, especially in the micro (28) and small (108) categories, summing up to a total of 197. The textiles, apparel, and leather sector also shows a high total of 97 enterprises, with a particularly strong presence of small (50) and medium (24) enterprises. The food sector displays a wide distribution across different enterprise sizes, with a particularly high number of small enterprises (41) but also a significant presence of medium (18) and micro (11) enterprises

Figure 8: Enterprise size vs female ownership



Source: Author's construction

However, there are sectors such as pharmaceuticals (10 medium enterprises) and transport equipment (12 medium enterprises) where medium-sized enterprises are prevalent. This likely indicates industries where scale is important, possibly due to the need for significant investment in machinery, technology, or research and development.

Survey insights: PTA utilisation, business obstacles and value chain upgrading

The three main dimensions of the feedback part of the survey permit analysis of PTA utilisation, business obstacles and value chain upgrading by female-owned businesses. Due to the relational nature of the

data, analysis by cross-referencing of different dimensions is also possible, which leads to unique insights. This is done, for example, in Table 8.

Business environment challenges

Respondents were asked to rank business challenges faced, with a range of ratings from 1 (severe) to 7 (not significant). Table 6 presents this data, partitioned by enterprise size, for the top six sectors only[5].

Table 6: Business challenges by enterprise size

Business Challenge Category	Micro	Small	Average	Medium	Large	Averages
Bribery & corruption	2.11	2.43	2.84	2.7	3.12	2.52
Access to finance	2.04	2.58	3.34	3.15	3.62	2.76
Electricity costs & availability	2.87	3.06	3.47	3.13	3.59	3.11
Transport costs & availability	2.73	3.09	3.28	3.36	2.91	3.11
Government policies & regulations	2.87	3.17	3.34	3.36	3.59	3.21
ICT services costs & availability	3.25	3.35	4.09	3.44	3.85	3.43
Availability & cost of skilled personnel	3.23	3.68	4.03	3.83	3.91	3.69
Averages	2.73	3.05	3.49	3.28	3.51	3.12

Source: Author's calculations

The table data clearly shows the extent of bribery & corruption as a business challenge faced especially by smaller enterprises. Access to finance ranks second among business challenges, and the extent to which the smaller enterprises experience this as a challenge is a pattern seen in other research findings as well. Transport challenges, which rank tied third with electricity, are a concern especially when considering cross-border trading enterprises. In order to actualise intra-African trade, transport networks, infrastructure and border transit facilities will require attention from policy makers.

More generally, in Table 6 there is a clear relationship between enterprise size and the extent of the business challenge faced, indicating the need for targeted support to MSMEs.

[5] These are, in order: agriculture and agro-processing, clothing, textiles and leather (CTL), food, pharmaceuticals, cosmetics & personal care products, and transport equipment.

Cross-border trading challenges

Of the more important insights that are possible to glean from the data, relate to gendered insights to cross-border trading challenges. In Table 7, we have a simplified female ownership categorisation referenced to the four main categories of cross-border trading challenge. The scores in the table are averages of 'degree of challenge' ratings given by the respondents to the four categories. Although there is some variation, in general 'customs procedures' are the hardest challenge and majority-owned female businesses experience the challenges most keenly[6]. When drilling in to the data, female-owned businesses experience sanitary and phyto-sanitary (SPS) requirements as most challenging, which since these only generally apply to perishable goods (agricultural and agro-processed goods), reflects the involvement of female-owned businesses in the sector.

Table 7: Cross-border trading challenges by summary female ownership category

Female ownership	Ease of CUSTOMS PROCEDURES	Ease of TECHNICAL REQUIREMENTS	Ease of SANITARY AND PHYTO-SANITARY	Ease of RULES OF ORIGIN	Averages
Majority (above 50%)	3.39	3.45	3.25	3.39	3.37
Minority (1-49%)	3.35	3.54	3.45	3.34	3.42
No female ownership	3.15	3.74	3.82	3.62	3.58
Averages	3.32	3.35	3.43	3.44	

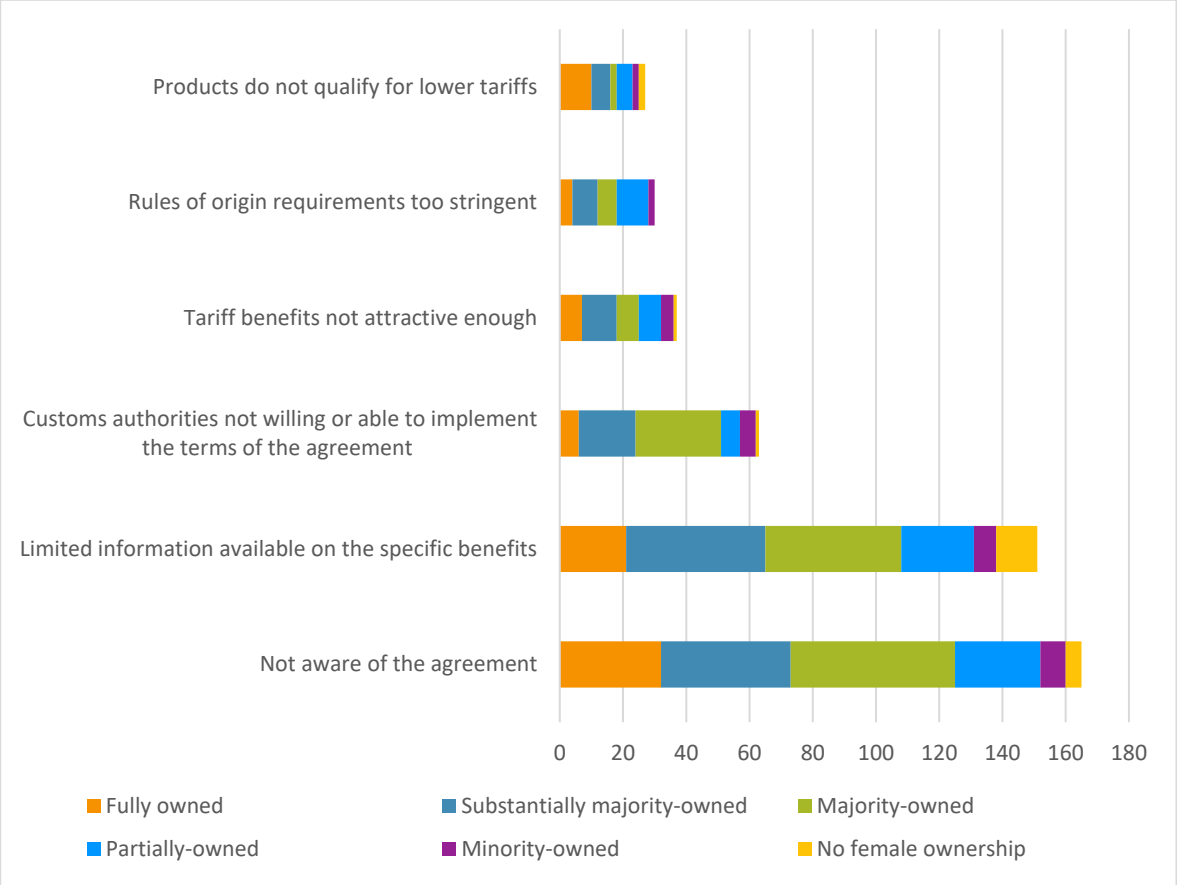
Key:
1 = major challenge
7 = not a challenge

Source: Author's calculations

For businesses that indicated that they do trade cross border, additional questions were asked relating to their utilisation (or not) of preferential trade areas, and the reasons for non-utilisation. These reasons are given in Figure 9, partitioned by female ownership extent.

[6] There is inversion to the aggregate pattern where majority-owned female businesses experience customs procedures as less of a challenge than SPS requirements, and non female-owned businesses experience customs challenges as the most severe challenge.

Figure 9: PTA Non-utilisation reason by female enterprise ownership



Source: Author's construction

The data in Figure 9 reveals certain key insights:

1. **Awareness and information gaps**: A significant number of businesses across all categories of female ownership are not aware of the agreements, with 'majority-owned' enterprises reporting the highest non-utilisation for this reason. The lack of specific benefits information is also a prominent issue, especially for 'substantially majority-owned' and 'majority-owned' businesses.

2. **Customs and implementation issues**: The reluctance or inability of customs authorities to implement the terms of the agreement disproportionately affects 'majority-owned' enterprises compared to other categories.

3. **Tariff and regulation barriers**: The perception that tariff benefits are not attractive enough is relatively consistent across different ownership extents, with slightly higher concerns among

'substantially majority-owned' businesses. Rules of origin (ROO) requirements being too stringent is another notable barrier, particularly affecting 'partially owned' enterprises.

4. **Product qualification**: The issue of products not qualifying for lower tariffs is relatively less cited but is most significant among 'fully owned' enterprises.

5. **Overall impact by ownership**: 'majority-owned' enterprises face the highest total number of barriers, indicating they might be the most affected group. In contrast, 'minority-owned' enterprises report the least barriers, which could suggest either lower participation in trade areas or lesser challenges faced.

This analysis suggests that enhancing awareness about trade agreements, improving information accessibility, simplifying ROO, and addressing customs implementation issues could significantly help female-owned enterprises across different ownership levels to better utilise preferential trade areas.

The following table (Table 8) ranks the business environment challenges by whether the respondent expresses the desire to upgrade within the value chain or not.

Table 8: Desire to upgrade by main challenge faced

Desire to Upgrade?	Availability & cost of skilled personnel	Bribery & corruption	Government policies & regulations	ICT services costs & availability	Transport costs & availability	
No preference	4.33	2.63	3.39	3.78	3.39	3.50
No	3.64	2.55	3.27	3.64	2.82	3.18
Yes	3.53	2.36	3.02	3.23	2.70	2.97
	3.68	**2.41**	**3.10**	**3.35**	**2.82**	**3.07**

This data can be considered along with that presented in Figure 10 below.

Figure 10: PTA utillsation by female ownership

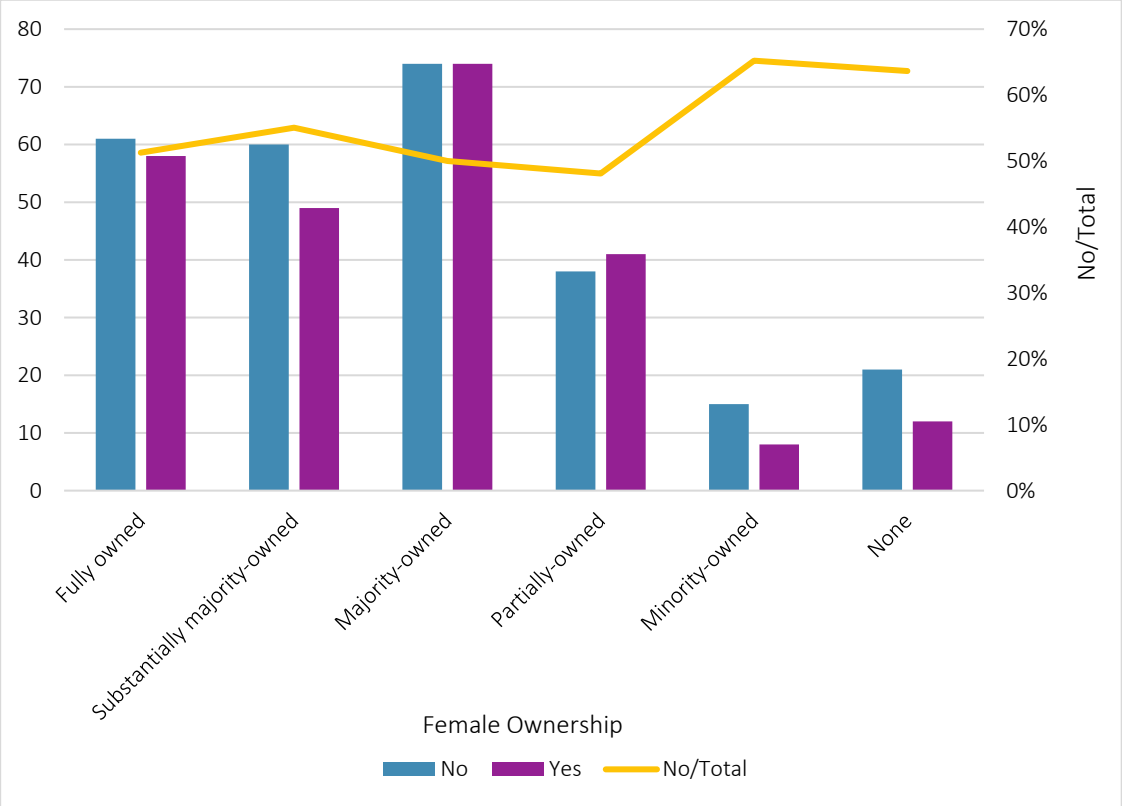


Table 8 and Figure 10 reveal an interesting, policy-related insight. Female-owned businesses are more likely to utilise, or desire to utilise, preferential trade areas (PTAs), but businesses that want to upgrade (i.e. to produce and *trade* more beneficiated versions of the products they produce) generally experience greater challenges relating to the business environment. These businesses especially experience challenges in:

- Transport costs and availability: very important from an intra-African trade perspective
- Bribery and corruption: also relates to border post corruption
- Government policies and regulations: relates to compliance costs, including compliance with SPS, technical and rules of origin requirements of cross-border trade

Analysing trade relationships and value chain positioning among women-owned MSMEs by top sectors

The further analysis of the data reveals some interesting findings relating to the support and promotion of female-owned MSMEs as well as the extent of intra-African trade by female-owned MSMEs. The

latter insights are gleaned from questions that relate to the ranking of the most important African trade partners for the surveyed enterprises. When analysing by the top four sectors in the survey, the following has emerged:

- Agri-business sector: In the case of trade direction, when comparing the extent of intra-African trade by the survey's MSME (and mostly small) respondents with that of the aggregate Eora-derived value chain data, the primary data shows that MSMEs and by implication from our data demographics, female-owned businesses, are more involved in intra-African trade than larger businesses.

- Clothing, textiles and leather (CTL): The CTL sector shows a more globalized trade pattern compared with the agribusiness sector, with significant trade relationships beyond Africa. The analysis reveals that these MSMEs are also more involved in intra-African trade compared with larger businesses, highlighting the importance of MSMEs in trade facilitation and integration strategies.

- Pharmaceuticals sector: The pharmaceutical sector shows significant trade with countries outside Africa, particularly India, which is a major trade partner for many African countries. One finding in common with the analyses of other sectors in the survey is that MSMEs in this sector appear to be more involved in intra-African trade than larger businesses, an important insight for policy and strategy relating to trade facilitation and small enterprise support.

  We also examined the relative positions of entities in the value chain, whether they are importers of intermediate goods or finished products. This analysis provides insights into trade and industrial policy. The pattern for pharmaceuticals differs somewhat from the aggregate. While the aggregate for other sectors' imported component of finished goods is 57%, for pharmaceuticals it is much higher at 77%. This reflects the greater reliance by MSME's in this sector on imported product, being far less able to manufacture or beneficiate product when compared with larger enterprises.

  Analysis by gender ownership shows that mid female-owned categories in the pharmaceutical sector heavily depend on imported finished goods from Africa, with some use of non-African intermediate products

- Cosmetics and personal care products: The analysis reveals that major African hubs like South Africa, Nigeria, and Mauritius account for 85% of exports in cosmetics and personal care products made with intermediate goods sourced from outside Africa. Conversely, major non-African originators like India, South Korea, and Thailand contribute 84% of the intermediate value exported by African exporters in this sector. The data also suggests that MSMEs are more involved in intra-African trade compared with larger businesses. This insight is crucial for policy and strategy related to trade facilitation and support for small enterprises.

The findings of the initial research indicate that support for cosmetics and personal care MSMEs in general and female-owned MSMEs in particular could strengthen African value-chain development. Supporting the sector would involve prioritising MSMEs in industrial policy strategy and also addressing the requirements of female-owned businesses, which tend to be found on the *smaller end of the scale*. Trade facilitation efforts, which are already a part of the action plans of many African trade promotion agencies, should also prioritise the MSME and female-owned MSME sectors.

Directional value chain data: agriculture and CTL

The two most important sectors in the tralac gendered value chains dataset are agriculture and agro-processing (AAP) and clothing, textiles and leather (CTL), accounting together for 53% of the total responses. These are also two of the most well-represented in terms of female enterprise ownership, with AAP at 75% female ownership percentage above 50% and CTL at approximately 90%.

Table 9 presents value chain trade flow data for Africa to all value chain trade partners as well as to other African value chain trade partners, for both of these sectors. It allows comparison of the sectors in terms of their value chain involvement overall as well as intra-African. This table shows for instance, that the number of AAP value flows above USD100k is nearly four times that for CTL value flows. It also shows that the proportion of intra-African value flows in CTL value is only about two-thirds that of AAP value flows. In summary, African-originating CTL value flows are significantly smaller than AAP value flows and the extent of intra-African flows are also less than that for AAP.

Table 9: Comparing the African agricultural value chain with the textiles and apparel value chain (2017, USDm)

Value flows above $100k	Number of flows	Intra-Africa Proportion
Agri- Africa to all	2413	
Agri- Intra-Africa	236	9.8%
Textiles- Africa to all	639	
Textiles- Intra-Africa	42	6.6%
Agri:Textiles proportion	3.78	

Source: Author's calculations based on UNCTAD-Eora GVC database (https://worldmrio.com/unctadgvc/)

Table 10 shows the value of intermediate exports of CTL and AAP production exported by Africa, developed countries and other developing countries, that originates from African countries. As can be seen, developed countries export more than forty times the value of intermediate CTL production than do African countries, from value originally generated in Africa. This means developed countries beneficiate African CTL (and AAP) production to a far greater extent than Africa itself does. This implies there is considerable potential for African countries to 'move up the value chain' (upgrade) in both CTL and AAP production.

Table 10: Intermediate textiles & apparel production exported by region, from African-originating value (2017, USDm)

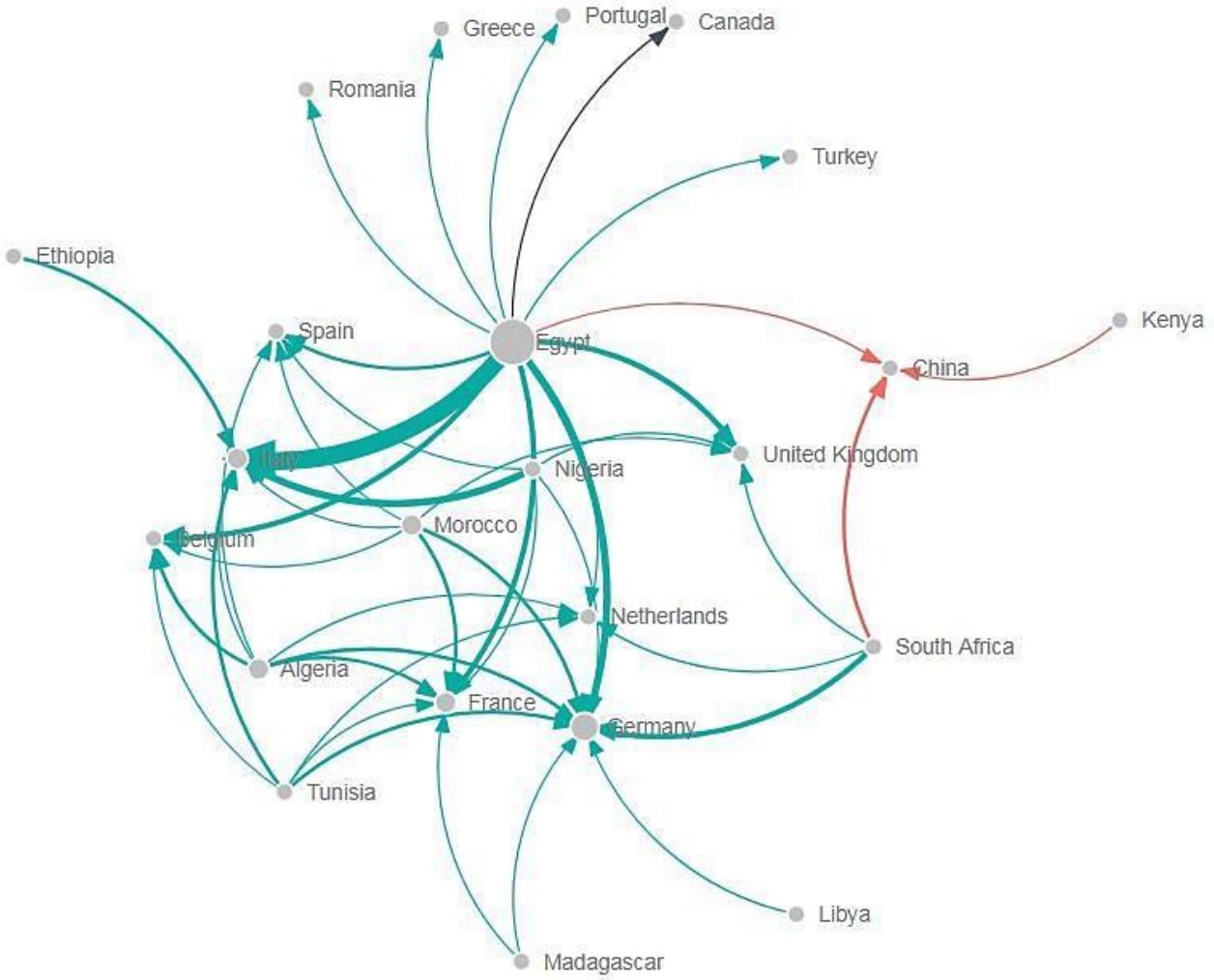
	CTL		AAP	
Region	Value exported	Proportion of Total	Value exported	Proportion of Total
Africa	23 949	1.8%	2099	16.8%
Developed	1 134 606	85.4%	9215	73.7%
Developing (non-Africa)	169 364	12.8%	1196	9.6%

Source: Author's calculations based on UNCTAD-Eora GVC database (https://worldmrio.com/unctadgvc/)

The country to country flows underlying the aggregate data in Table 10 have much to reveal about the trade patterns in intermediate CTL and AAP production. The most important of these are mapped in the following four figures. Figure 11 and Figure 13 show the main flows of African-originating value to

all countries and Figure 12 and Figure 14 show the main flows of African-originating value to other African countries.

Figure 11: Main flows of intermediate textiles & apparel production: Africa to all countries (2017)

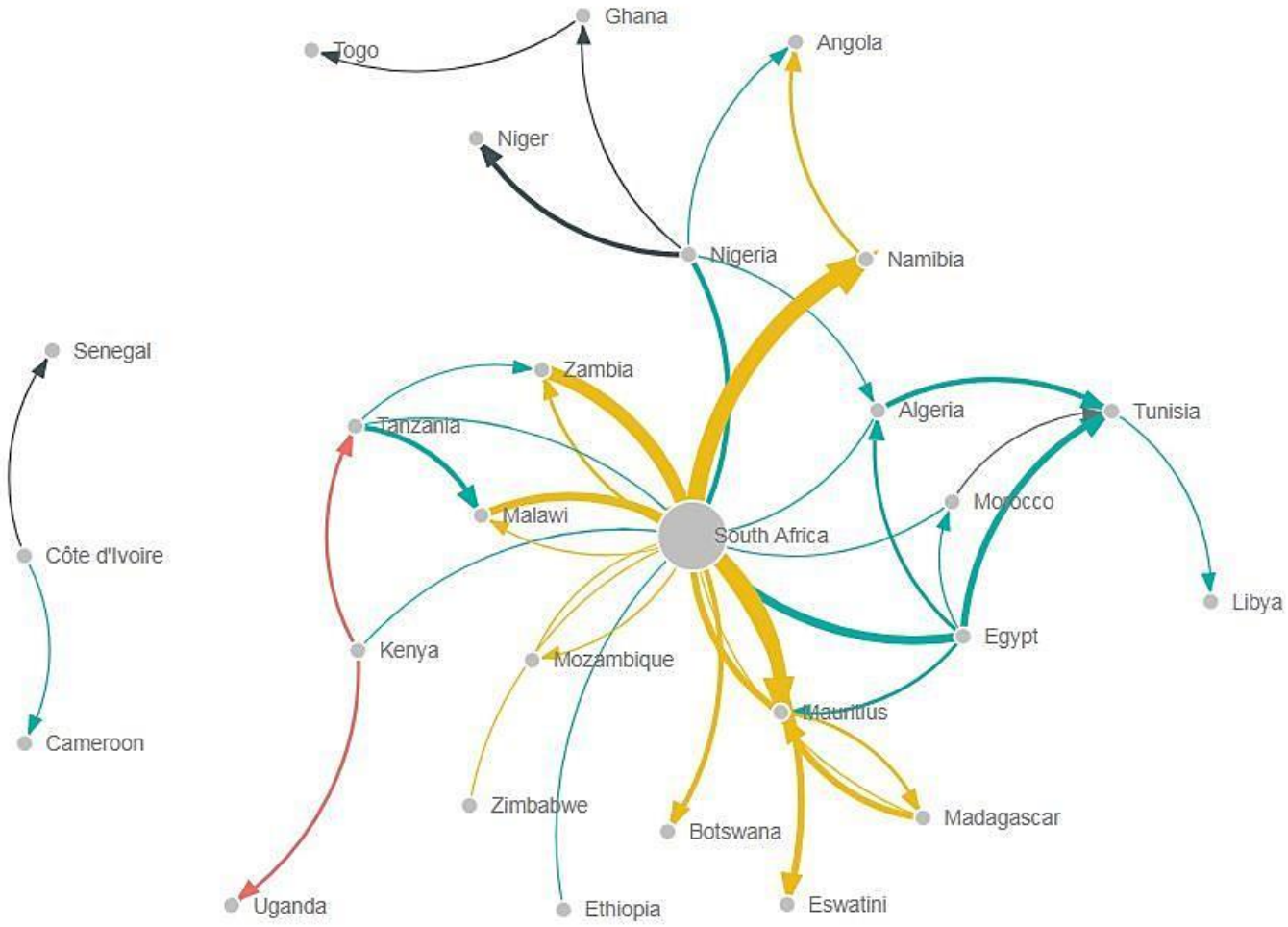


Source: Author's construction based on UNCTAD (2022)

The arrows in the figures are weighted by value flow magnitude and are colour-coded. In Figure 11, green arrows are to European countries, red arrows are to East Asia and the Pacific and black arrows are to North America. In Figure 12, the arrows reflect the existence or not, of common preferential trade area (PTA) memberships. Yellow arrows are between SADC members, black arrows are between ECOWAS members, red arrows are between members of the EAC and green arrows reflect flows between countries that are not members of these three PTAs (or for which their membership in these PTAs is superseded by a deeper level of integration in a different PTA).

It is clear from Figure 11 that European countries are dominant buyers of textiles & apparel value generated in Africa. Furthermore, these flows from Africa are dominated by North African countries, especially Egypt, with Italy, Germany and France being significant buyers. Nigeria, South Africa, Madagascar and Ethiopia are the only significant sub-Saharan African textiles & apparel value suppliers to the rest of the world.

Figure 12: Main flows of intermediate textiles & apparel production: Africa to other African countries (2017)



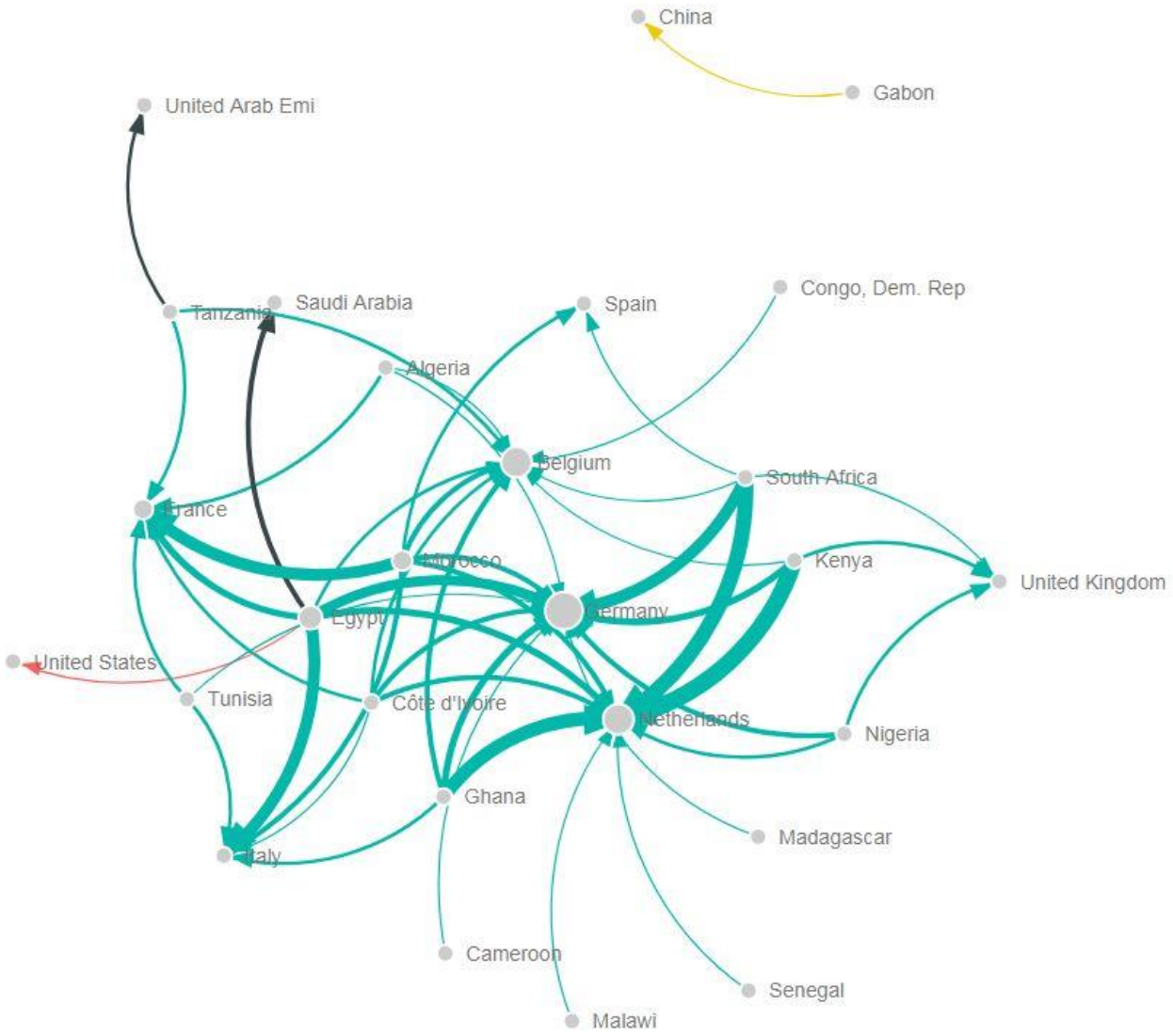
Source: Author's construction based on UNCTAD (2022)

The situation could not be more different for the intra-African value flows (Figure 12). In this case, South Africa dominates as an originator of value with the bulk of the exporters of this value being fellow SACU and SADC members. There are also smaller flows between African countries that are not necessarily involved in mutual PTAs and it is clear that the North African countries are far less involved in exporting intermediate value to other African countries than to Europe. Flows between members of the EAC and

ECOWAS are not significant when compared with SADC flows. This is interesting given that ECOWAS, COMESA and IGAD have identified the textiles & apparel value chain for further development but SADC has not (Briel 2023).

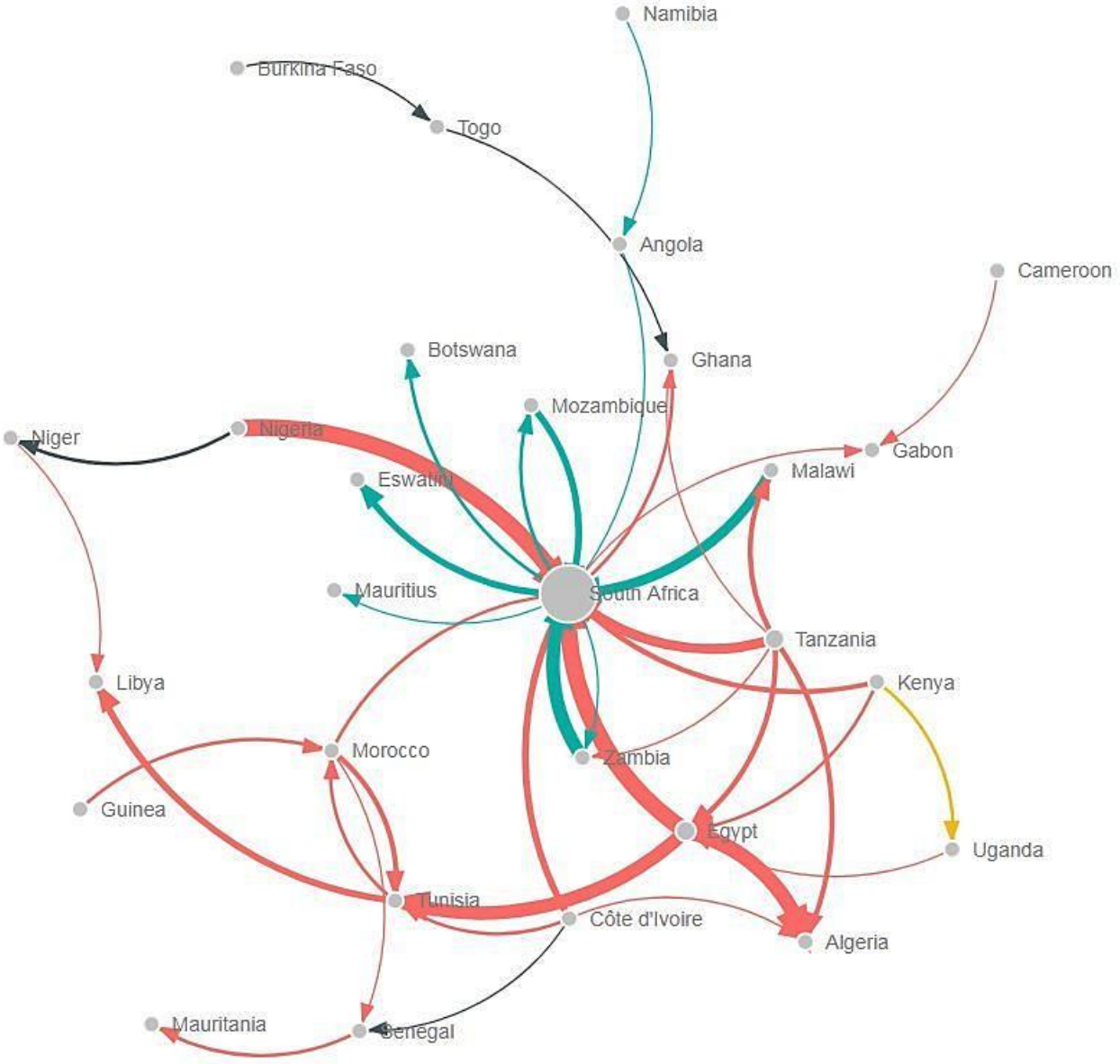
Figure 13 and Figure 14 show the corresponding data for the agricultural and agro-processing sector.

Figure 13: Main flows of intermediate agricultural production: Africa to all countries (2017)



Source: Author's construction based on UNCTAD (2022)

Figure 14: Main flows of intermediate agricultural production: Africa to other African countries (2017)



Source: Author's construction based on UNCTAD (2022)

The arrows in the figures are weighted by value flow magnitude and are colour-coded. In Figure 13, green arrows are to European countries, black arrows are to the Middle East, red arrows are to North America and yellow arrows to East Asia and the Pacific. In Figure 14, the arrows reflect the existence or not, of common preferential trade area (PTA) memberships. Green arrows are between SADC members, black arrows are between ECOWAS members, yellow arrows are between members of the EAC and red arrows reflect flows between countries that are not members of these three PTAs.

The first figure shows clearly the importance of the trade of agricultural value with European countries. A few European countries – Germany, the Netherlands, France, Italy and Belgium dominate the extra-

African agricultural value chain flows. The main exporters of agricultural value from Africa are South Africa, Egypt, Kenya, Côte d'Ivoire, Morocco, Ghana and Nigeria.

Interestingly, in the case of intra-African agricultural value chain trade (which is less than 20% of extra-African agricultural value chain trade), most value flows do not happen within the main PTAs of SADC, the EAC and ECOWAS. South Africa is significant in that it absorbs large value flows from Nigeria and Egypt, while the latter is primarily an originator of value flowing to, besides South Africa, Algeria and Tunisia. In the case of South Africa, there are also reciprocal flows with SADC members Mozambique and Zambia, while in North Africa, Morocco and Tunisia also show reciprocal flows.

These value flow figures are an important data tool in addition to the analysis of GVC exports and GVC participation, with value for policy formulation. For example, AfCFTA policy makers can easily identify which countries are already established originators and absorbers of intermediate value –both within the continent and more broadly. These can serve as a starting point and a resource when it comes to planning and skills transfer. Knowing the female entrepreneur participation in the two sectors analysed above, also assists with assessing impacts of supportive policy on gender empowerment in business.

In future years, under the AfCFTA, the lowering of trade barriers and the extension of preferences across the continent will further improve the prospect for the development and deepening of value chains and progression 'up' the value chain.

Conclusions and policy recommendations

This synthesis report has attempted to draw together the threads of tralac's multi-year research project on industrialisation, value chains and gender in the context of the AfCFTA and African trade integration. As such it has of necessity had to focus on key topics and draw out the most important conclusions.

Industrial data published by UNIDO highlights that female employment in Africa is concentrated in labour-intensive sectors like clothing, textiles, leather (CTL), and electronics manufacturing. These sectors have higher female participation, particularly in Least Developed Countries (LDCs), where women are more actively employed in textiles and apparel.

Enterprise survey data originating in the World Bank's multi-year survey project reveals that sectors with high female ownership, such as food, hospitality, services, retail, and textiles, also show higher female employment rates. Female-owned businesses, especially smaller ones, face significant

obstacles, including access to finance and electricity, with these challenges being more acute in fully female-owned enterprises.

The tralac gendered enterprise value chains survey was conducted across 21 African countries and shows that 80% of enterprises engage in cross-border trade, with imports more important than exports in the collected data. A notable trend is the higher female ownership in smaller enterprises. Major challenges for these enterprises include bribery, corruption, and difficulties related to cross-border trading, particularly customs and sanitary regulations.

The size distribution of enterprises by sector in the tralac data also reveals specific patterns. Agriculture/agri-business, textiles, apparel, leather, and food sectors are mostly made up of micro and small enterprises, indicating a trend towards smaller-scale operations which are more accessible for female entrepreneurs. Conversely, sectors like pharmaceuticals and transport equipment, which require larger investments, are dominated by medium-sized enterprises.

The analysis suggests that there are numerous opportunities to support female entrepreneurship through targeted policy initiatives, particularly in enhancing their participation in higher-value segments of supply chains. Additionally, the diverse and often transcending PTA alignments in trade relationships highlight the potential for more inclusive regional trade policies to promote broader economic integration. Of course, the AfCFTA itself, once fully implemented, will assist in this, though there is some risk that one of the most important sectors in this study – the CTL sector – will be designated as 'sensitive' or even possibly excluded from liberalisation from some countries.

The findings of this research suggest that support for CTL and AAP MSMEs in general and female-owned MSMEs in particular, is pro African integration and African value-chain development. Supporting these sectors would involve prioritising MSMEs in industrial policy strategy and also addressing the requirements of female-owned businesses, which tend to be found on the smaller end of the scale. Trade facilitation efforts, which are already a part of the action plans of many African trade promotion agencies, should also prioritise the MSME and female-owned MSME sectors.

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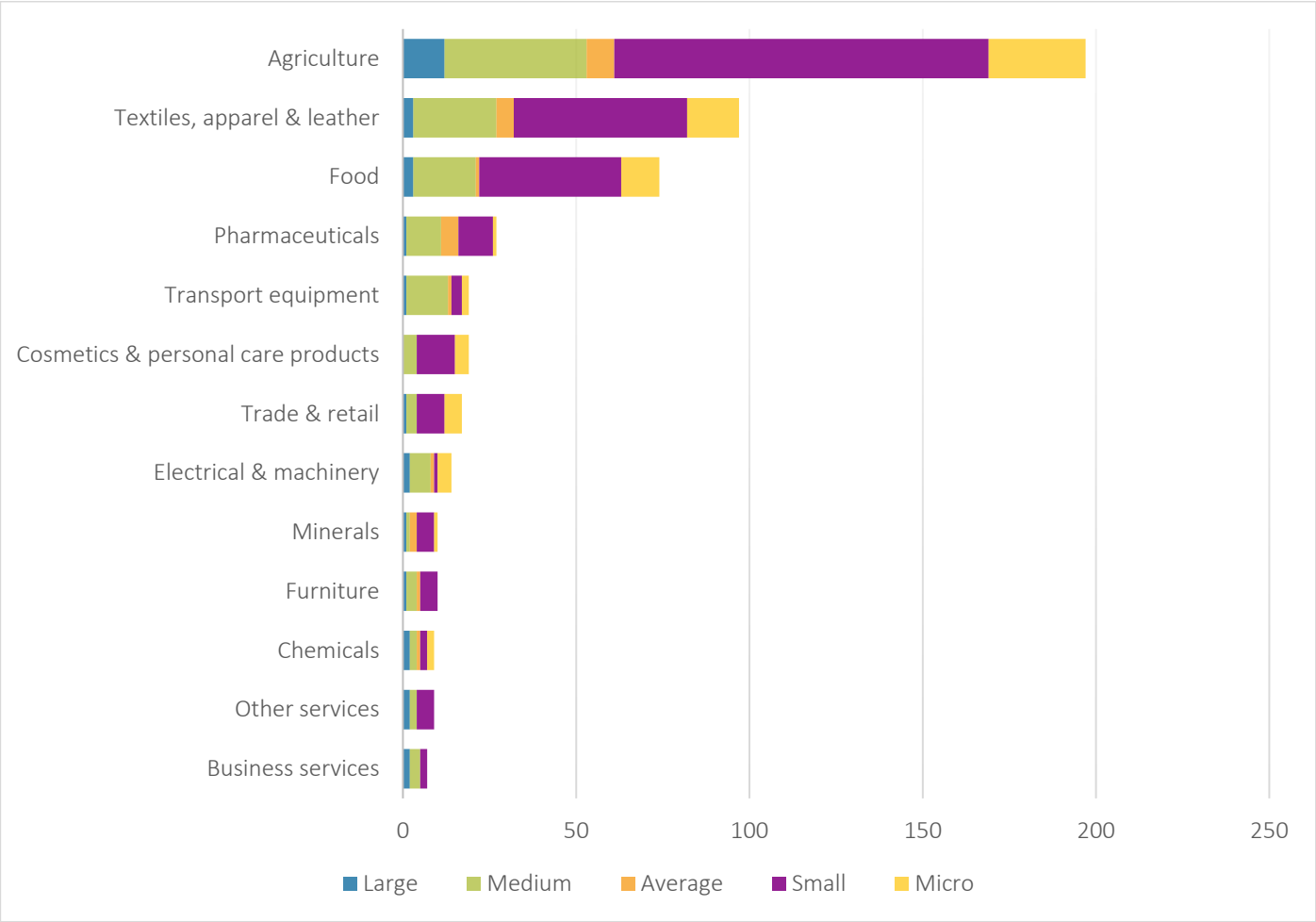
Appendix

Figure 15: Sector by enterprise size (number)



Source: Author's construction