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External trade
Economy and finance

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Statistics in Focus
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Africa-EU: economic indicators, trade and investment

Trade in goods affected by global crisis: EU-27 imports down 33%

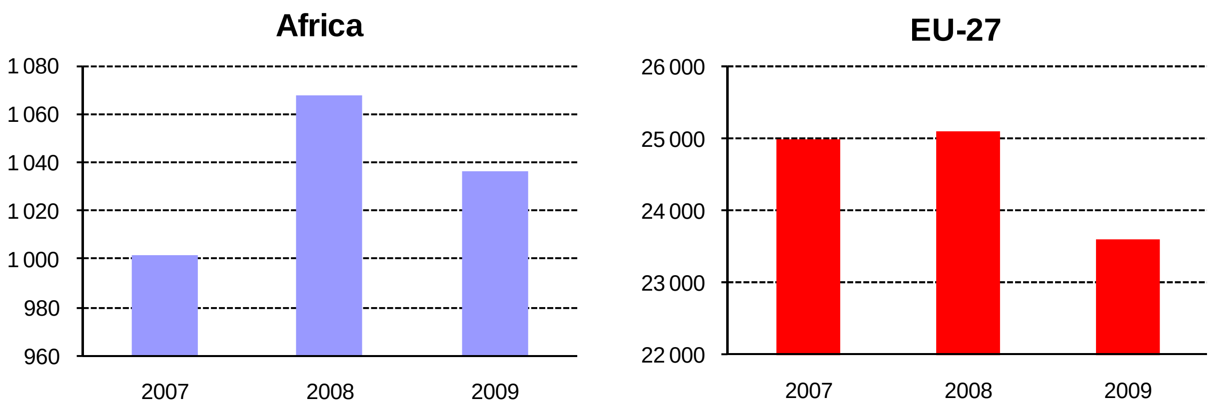
In recent years, GDP in African countries has progressed at a faster pace than in the European Union, but it has been offset by a comparatively high increase in consumer prices. Furthermore, the global economic crisis had a considerable impact on GDP and trade in goods in 2009. Since 2004, the value of extra-EU trade in goods with Africa has risen substantially, with imports (mainly energy products) consistently higher than exports (especially machinery and transport equipment). The economic crisis abruptly ended this trend: in 2009, the value of EU-27 imports from Africa decreased by 33% and EU-27 exports to Africa fell by nearly 10%, resulting in a near trade balance.

In 2009, Libya was the foremost African exporter of goods to the EU-27, and South Africa was the main destination for EU-27 exports to Africa. The EU-27's small trade surplus observed in the trade of services in 2007 increased to EUR 3.7 billion in 2008.

Between 2000 and 2008, nominal GDP growth in Africa as a whole increased at a faster pace than that of the European Union. In 2008, total GDP in the EU-27 stood 36 index points above its base-year value (2000), while that of Africa progressed by 67 index points over the same period. Due to the global economic crisis, GDP in the EU-27 fell by 8 index points in 2009. The corresponding 2009 figure for Africa as a whole is not yet available.

Obviously, aggregate data mask large disparities with regard to the 'weight' of the individual countries. The largest contributors to Africa's GDP are South Africa, Nigeria, Egypt, Algeria, Morocco and Libya. However, the picture changes considerably when considering GDP *per capita*.

Figure 1: ***Per capita*** **Gross Domestic Product (GDP) at current prices in 2007, 2008 and 2009 (in EUR)**



Source: Africa: African Statistical Yearbook – EU-27: Eurostat / National Accounts (nama_gdp_c).

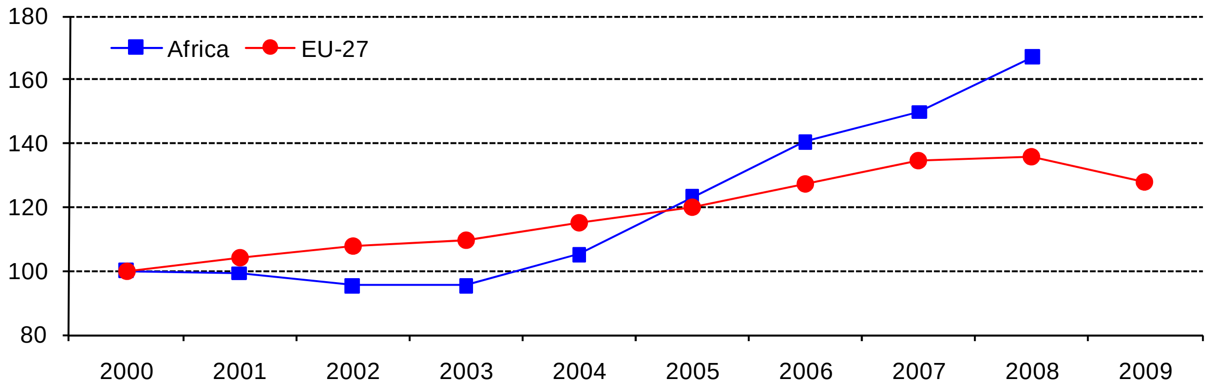
This is the second publication prepared jointly by Eurostat and the African Union (AU) Commission's Statistics Unit in the framework of the promotion of economic governance as foreseen by the Joint Africa-EU Strategy (http://www.africa-eu-partnership.org/)

Between 2008 and 2009, *per capita* GDP decreased by 2.9% in Africa, and by 6.0% in the EU-27

GDP in Africa increased at a fairly high rate between 2003 and 2008. Expressed 'at current prices', i.e. valued at the prices prevailing at the time indicated and taking 2000 as the starting point, GDP in Africa stood 67% higher in 2008 than it did in 2000. The average annual growth rate (AAGR) between 2000 and 2008 amounted to 13.0%. The corresponding AAGR (nominal growth) for the EU-27 was 3.9%, with GDP standing 36% higher in 2008 than in 2000. If the crisis year 2009 is included (with a 5.7% decrease in GDP between 2008 and 2009), AAGR (nominal growth) in the EU-27 drops to 2.8%.

This trend is also reflected in the *per capita* figures (Fig.1). Between 2007 and 2008, GDP *per capita* in Africa increased by 6.6%, while in the EU-27 it rose by only 0.4%. Between 2008 and 2009, Africa's *per capita* GDP decreased by 2.9%, whereas that of the EU-27 dropped by 6.0%. This should however be balanced against the fact that consumer prices have been increasing considerably faster in Africa.

Figure 2: GDP at current prices, development 2000–2009 (2000=100)



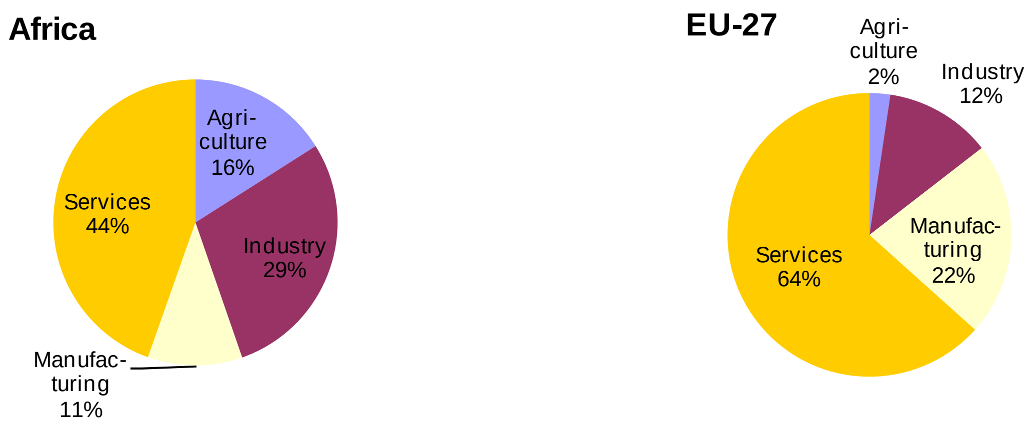
Source: Africa: African Statistical Yearbook – EU-27: Eurostat / National Accounts (nama_gdp_c).

Structure of output: the industrial sector in Africa is gaining weight

With regard to the structure of the African economy, the weight of the agricultural sector (16% in 2007 — latest available year), may appear to be smaller than expected. Indeed, countries such as Liberia, Chad or Sierra Leone reported shares of over 50%. Conversely, agriculture contributed to only a fraction of the economy in South Africa, Botswana and Equatorial Guinea.

However, the overall percentage might be under-stated, as in many African countries parts of the population live on subsistence farming, the output of which is not accounted for economically.

Figure 3: Structure of the economy: share of the main economic sectors in 2007* (%)



* EU data based on the share of Gross Value Added (GVA) at current prices.

Source: Africa: African Statistical Yearbook – EU-27: Eurostat / National Accounts (nama_nace06_c).

Industry and manufacturing accounted for 40% of GDP in Africa, compared to 34% in the European Union. In 2007, the highest shares were observed for Equatorial Guinea (95%), Libya (76%), Congo (70%) and Angola (69%).

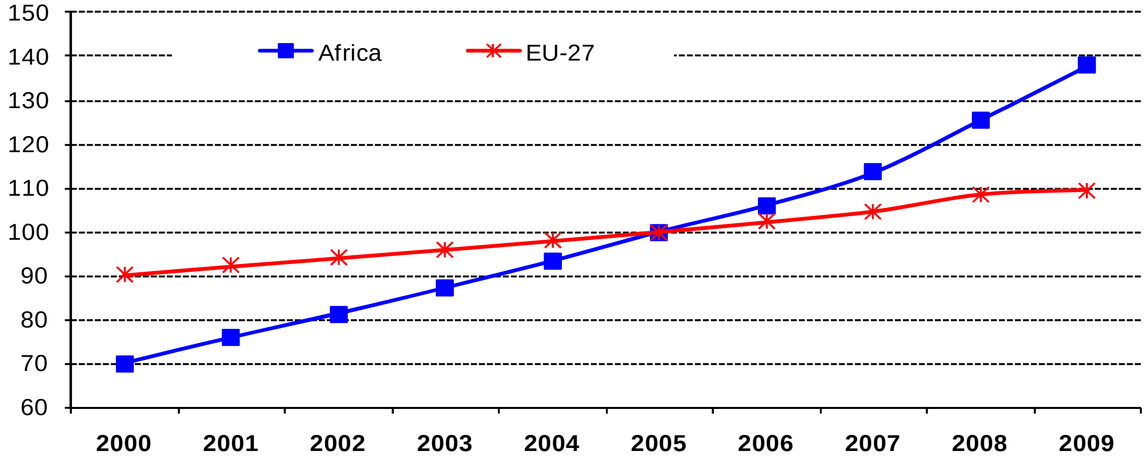
Similar disparities were observed at the national level regarding services as a share of GDP. In countries such as Botswana, Burkina Faso, Mauritania, Mozambique or Zambia, the share of services in GDP was close to the African average (44%). Services represented the largest share of GDP in Mauritius and Seychelles, as both countries are heavily influenced by the tourism sector, and especially Djibouti (78%), which offers very little industry and agriculture, but acts as an important international maritime transshipment and refueling centre because of its location between the Red Sea and the Gulf of Aden.

Consumer prices continue to rise in Africa, but stagnate in the EU

The African consumer price index recorded a constant and steep upward trend throughout the period observed. This trend has even accelerated since 2007, driven by an increase in world energy and food prices. Consumer prices in Africa have increased by 25% between 2005 and 2008 (EU-27: 9%) and by 38% between 2005 and 2009 (EU-27: 10%).

The African average masks large differences at country level, ranging from very high inflation in Angola and the Democratic Republic of the Congo to actual deflation in Libya (data not shown). Due to hyperinflation, Zimbabwe has been excluded from the overall African aggregate.

Figure 4: Consumer price index 2000–2009 (2005=100)



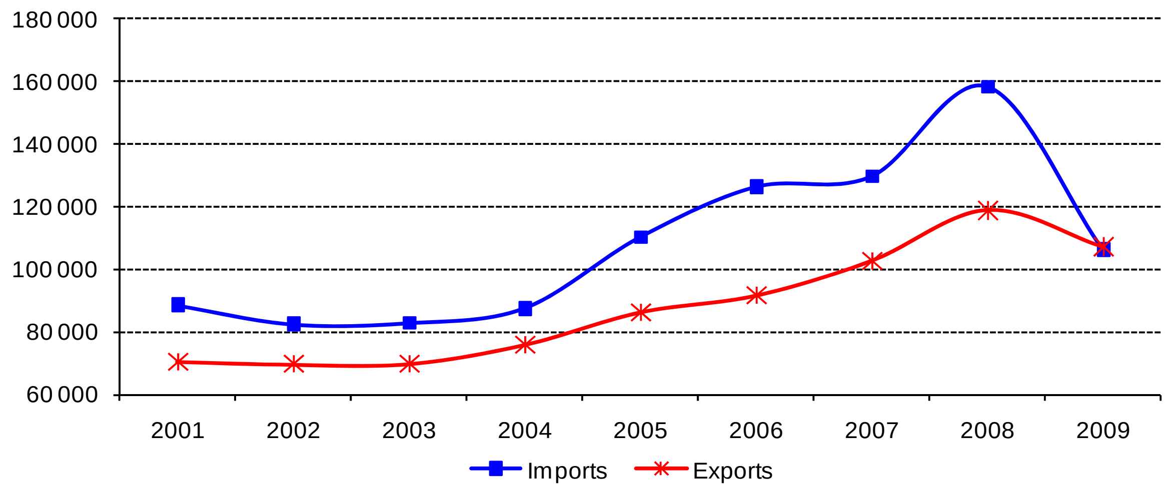
Source: Africa: African Statistical Yearbook – EU-27: Eurostat (prc_hicp_aind).

Over the same period, the rise in consumer prices in the EU-27 was less striking. The highest overall price increases were registered in Bulgaria, Romania and the Baltic States and the lowest in the Netherlands and France. Between 2008 and 2009, influenced by the economic crisis, consumer prices increased by a single index point.
Considering the price of specific goods in the EU-27 consumer price index (according to the COICOP classification — Classification of Individual Consumption by Purpose) over the entire period under review, 'Clothing and footwear' and 'Communication' have become cheaper, but this was not enough to offset the considerable increases registered for 'Gas' and 'Liquid fuels' (data not shown).

Trade in goods: steadily increasing EU trade deficit since 2004

After years of relative stagnation, EU-27 trade with Africa accelerated in 2004, a trend that ended abruptly in 2009. Between 2008 and 2009, the value of EU-27 imports from Africa decreased by 33% (from EUR 158 billion to EUR 106 billion), and EU-27 exports to Africa fell by 10% (from EUR 119 billion to EUR 107 billion). The EU-27 consistent trade deficit with Africa since the beginning of the decade turned into a near balance in 2009, with a trade surplus of EUR 0.8 billion.
The increase in the value of imports in the years prior to 2009 could largely be attributed to energy products, which follow world prices and were mainly imported from Algeria, Libya, Nigeria and Angola.

Figure 5: Development of extra-EU-27 trade with Africa (EUR million)

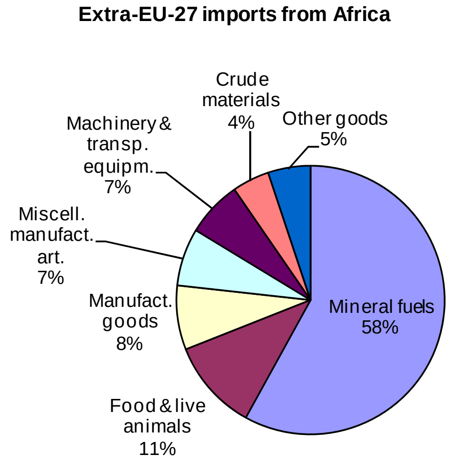


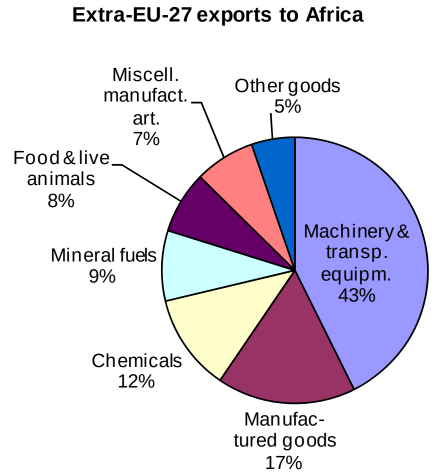
Source: Eurostat / Comext (DS_018995)

In 2009, 'Mineral fuels' indeed represented the bulk (58% of the total value) of EU-27 imports from Africa (Fig. 6). Compared to 2008, this share remained virtually unchanged, but the value of mineral fuel imports from Africa decreased by 32%. The total value of imports for all other product categories also decreased, with the most noticeable drops registered in 'Crude materials', 'Animal and vegetable oils' and 'Manufactured goods (around -40% compared to 2008). Exceptions were 'Food and live animals', whose total value remained practically unchanged, and 'Beverages and tobacco', which progressed by nearly 20% (data not shown).

'Machinery and transport equipment' accounted for the greater part (43% of the total value) of EU-27 exports to Africa, followed by 'Manufactured goods' and 'Chemicals'. In 2009, almost all export product categories were affected by a drop in value compared to 2008, ranging from -21% for 'Mineral fuels' (mainly to Nigeria, Libya and Morocco) to -2% for 'Miscellaneous manufactured articles'. The only exception was 'Animal and vegetable oils', with a 2% increase in value. However, in absolute terms, this category is of minor importance, representing only 0.3% of the total value of EU exports to Africa, which amounted to EUR 333 million.

Figure 6: Extra-EU-27 trade with Africa by product category (SITC 1), 2009





Source: Eurostat /Comext (DS_018995)

Libyan and Algerian gas dominates EU imports; Egypt gains importance for EU exports

In terms of EU-27 imports, the main African partners in 2009 were Libya (98% of goods from Libya were 'Mineral fuels'), followed by Algeria (also 98% 'Mineral fuels') and South Africa (with a more diverse product mix in which 'Manufactured products' accounted for 29%). These three countries together represented 49% of all EU-27 imports from Africa in 2009.

Whereas EU-27 imports from Nigeria (4th in the ranking) were also dominated by oil (share of 91%), those from Tunisia and Morocco mainly consisted of machinery and miscellaneous manufactured articles. The share of food products from Morocco (27% of the value of all Moroccan imports, essentially consisting of fish and fruit & vegetables) is also worth mentioning.

Table 1: EU-27's ten main African partners in goods trade, 2009

	extra-EU-27 imports		extra-EU-27 exports	
Rank	Country	Value in million EUR	Country	Value in million EUR
1	Libya	19 996	South Africa	16 040
2	Algeria	17 356	Algeria	14 655
3	South Africa	14 928	Egypt	12 627
4	Nigeria	10 453	Morocco	11 909
5	Tunisia	7 891	Nigeria	9 162
6	Morocco	6 510	Tunisia	8 931
7	Egypt	6 112	Libya	6 471
8	Angola	4 916	Angola	5 187
9	Côte d'Ivoire	3 055	Ghana	1 749
10	Cameroon	1 744	Senegal	1 628

Source: Eurostat / Comext (DS_018995)

South Africa led the ranking regarding EU-27 exports to Africa. In 2009, EU-27 exports to South Africa were valued at over EUR 16 billion, half of which consisted of 'Machinery and transport equipment', followed by 'Chemicals' and 'Manufactured goods' (both 14%). Algeria was ranked second, ahead of Egypt which overtook Morocco. The product mix for Algeria and Egypt was broadly similar, with 'Machinery and transport equipment' as the most important product group (42% share for both countries), followed by 'Manufactured goods' (23% and 15%, respectively) and 'Chemicals' (12% and 15%, respectively — data not shown).

Trade in services: holidays at popular destinations in Morocco, Tunisia and Egypt boosts the EU's deficit for travel-related services

Overall trade in services with African countries has increased in the period under review: the sum of services sold and services bought increased by 15% between 2006 and 2007, and by 10% between 2007 and 2008. At the same time, the EU-27 registered a trade deficit in 2006 (EUR 2.8 billion), a near balance in 2007 and a clear surplus in 2008 (EUR 3.7 billion). Whereas the relation between 'services rendered' (credit) and 'services received' (debit) was fairly balanced for transportation services, a sharp contrast was observed for 'Travel' and 'Other services'. In 2008, the value of travel services received was three and a half times higher than that of services rendered. In other words, many more Europeans travelled to Africa (especially to popular destinations in Morocco, Tunisia and Egypt) than Africans travelled to Europe. In 2008, the EU-27 trade deficit for 'Travel' amounted to almost EUR 10.3 billion. This was largely compensated by 'Other services', for which the EU-27 recorded a trade surplus of EUR 14.6 billion, meaning that many more such services were supplied to African countries than were received. The two main sub-categories in 'Other services' were 'Construction services' and 'Other business services', the latter especially consisting of business, engineering and technical services (data not shown).

Table 2: EU-27 Trade in services with Africa 2006–2008 (million EUR)

	2006			2007			2008		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Total services	**26 755**	**29 564**	**-2 810**	**32 850**	**32 141**	**708**	**37 783**	**34 044**	**3 739**
Transportation	**7 189**	**9 168**	**-1 979**	**8 213**	**9 666**	**-1 453**	**9 218**	**9 823**	**-604**
Sea transport	3 254	4 399	-1 145	4 041	4 509	-468	4 688	4 758	-70
Air transport	3 490	3 956	-467	3 599	4 147	-548	3 782	3 954	-172
Other transport	451	810	-359	573	1 014	-441	748	1 107	-358
Travel	**3 456**	**12 766**	**-9 310**	**3 730**	**13 565**	**-9 835**	**4 027**	**14 302**	**-10 275**
Other services	**16 105**	**7 630**	**8 475**	**20 897**	**8 894**	**12 003**	**24 529**	**9 904**	**14 625**
of which: Construction services	3 164	1 164	2 000	3 425	1 156	2 269	4 740	1 745	2 995
Other business services	7 588	3 320	4 268	10 683	4 364	6 319	12 785	4 420	8 366

Source: Eurostat (bop_its_det)

In 2008, South Africa and Egypt (both with a share of 15%) were the EU's leading partners in terms of total volume of trade in services (i.e. services sold and services bought). Whereas South Africa primarily traded 'Other services' (accounting for 50% of all services traded with the EU-27), 'Travel' was the main source of trade in Egypt (44%) and Morocco (36%), reflecting their position as popular tourist destinations (data not shown).

Services traded with Nigeria (ranked 4th) primarily concerned 'Other business services' (74%), which mainly included services linked to construction and business. Mauritius appears further down in the ranking (9th position), well in front of far larger countries such as Senegal or Ghana. This small Indian Ocean island bought EUR 521 million worth of services from the EU in 2008; at the same time it sold services worth EUR 985 million. Although detailed data on the services exchanged with Mauritius are not available, it can be reasonably assumed that most services bought by the EU are linked to tourism.

Table 3: Top 15 African partners in trade in services with EU-27, 2008

Rank	Country	Trade volume (in million EUR)
1	South Africa	10 522
2	Egypt	10 027
3	Morocco	7 592
4	Nigeria	6 631
5	Tunisia	5 297
6	Algeria	4 412
7	Angola	3 747
8	Libya	2 473
9	Mauritius	1 506
10	Kenya	1 408
11	Senegal	1 291
12	Liberia	1 187
13	Côte d'Ivoire	1 129
14	Gabon	1 032
15	Ghana	990

Source: Eurostat (bop_its_tot)

South Africa ahead in terms of Foreign Direct Investment, with France as the main investor

EU-27 FDI stocks (see Methodological Notes) held in African countries in 2008 amounted to EUR 153 billion, or 4.7% of worldwide extra-EU-27 FDI stocks. EU-27 stocks were mainly held with enterprises located in South Africa (30%) and Nigeria (17%). France and the United Kingdom in particular have invested substantially in Africa: at the end of 2008, these Member States held respectively 26% and 13% of EU-27 stocks in Africa.

Conversely, EU liabilities towards African investors reached almost EUR 25 billion, with nearly one quarter owed to South Africa. Comparatively, French enterprises held the most stock liabilities with African countries.

Table 4: EU-27 FDI stocks to/from Africa, 2008 (million EUR)

	Outward FDI stocks				Inward FDI stocks		
	in million EUR	as a % of total Africa	as % of total extra-EU-27		in million EUR	as a % from total Africa	as % of total extra-EU-27
Africa	**153 142**	**100%**	**4.7%**		**24 868**	**100%**	**1.0%**
of which:							
South Africa	46 345	30%	1.42%	South Africa	5 911	24%	0.24%
Nigeria	25 595	17%	0.79%	Nigeria	4 675	19%	0.19%
Egypt	20 933	14%	0.64%	Egypt	4 003	16%	0.17%
Morocco	14 133	9%	0.43%	Morocco	731	3%	0.03%
Main EU countries involved							
France	39 394	26%		France	6 079	24%	
United Kingd.	19 998	13%		United Kingd.	2 202	9%	
Spain	5 851	4%		Spain	1 315	5%	
Italy	5 039	3%		Italy	1 022	4%	

Source: Eurostat (bop_fdi_main)

Looking at FDI flows (Table 5), the EU-27 countries invested in Africa EUR 18.5 billion in 2008, with Egypt having attracted more than half (53%) of this amount. France and the United Kingdom were the main investors in 2008.

Conversely, African enterprises invested more than EUR 6 billion in the EU economy in 2008 (2007: EUR 4.8 billion). Egyptian enterprises were by far the most active investors. Half of all African investments in the EU in 2008 were carried out in France.

Table 5: EU-27 FDI flows to/from Africa, 2008 (million EUR)

	Outward FDI flows				Inward FDI flows		
	in million EUR	as a % of total Africa	as % of total extra-EU-27		in million EUR	as a % from total Africa	as % of total extra-EU-27
Africa	**18 548**	**100%**	**5.3%**		**6 040**	**100%**	**3.0%**
of which:							
Egypt	9 808	53%	2.82%	Egypt	3 445	57%	1.73%
South Africa	2 721	15%	0.78%	South Africa	467	8%	0.24%
Nigeria	1 641	9%	0.47%	Nigeria	92	2%	0.05%
Morocco	1 517	8%	0.44%	Morocco	7	0.1%	0.004%
Main EU countries involved							
France	11 341	61%		France	3 092	51%	
Spain	1 135	6%		United Kingd.	1 350	22%	
United Kingd.	992	5%		Luxembourg	616	10%	
Germany	911	5%		Spain	450	7%	

Source: Eurostat (bop_fdi_main)

➢ METHODOLOGICAL NOTES

Data sources:
The contents of this "Statistics in Focus" are based on data available in the African Statistical Yearbook – 2010 Edition, prepared by the **African Union Commission, the African Development Bank and the United Nations Economic Commission for Africa,** and in **Eurostat**'s databases NewCronos and Comext.
Please note that although **Morocco** is not a member of the African Union (AU), figures for Africa provided by AU do include data on Morocco.

African GDP data (Figure 1 and Figure 2) were available in USD only and have been converted to EUR using the average annual rate of exchange (Table: ert_bil_eur_a).

Structure of the economy (Figure 3)
For EU-27 data, public administration and community services and activities of households have not been taken into account.

Methodology for external trade statistics:
In the methodology applied for statistics on the trading of goods, extra-EU trade (trade between Member States and non-member countries) statistics do not record exchanges involving goods in transit, placed in a customs warehouse or given temporary admission (for trade fairs, temporary exhibitions, tests, etc.). This is known as "special trade". So the partner will be the country of final destination of the goods.

SITC classification
In Figure 6, information on commodities exported and imported are presented according to the SITC classification (Standard International Trade Classification) at a more general level (1-digit). A full description is available from Eurostat's classification server RAMON, accessible at: http://ec.europa.eu/eurostat/ramon/

Consumer Price Index for Africa
The African Consumer Price Index as supplied in the original source has 2000 as the base year. It has been restated to '2005=100' so as to allow a comparison with EU-27 figures (Figure 4).

Data on Foreign Direct Investment (FDI)
Data of Foreign Direct Investment (FDI) is based on the methodological framework of the OECD: Benchmark Definition of Foreign Direct Investment Third Edition, a detailed operational definition fully consistent with the IMF Balance of Payments Manual, Fifth Edition, BPM5. FDI is the category of international investment made by an entity resident in one economy (direct investor) to acquire a lasting interest in an enterprise operating in another economy (direct investment enterprise).
Through outward FDI flows, an investor country builds up FDI assets abroad (outward FDI stocks).
Correspondingly, inward FDI flows cumulate into liabilities towards foreign investors (inward FDI stocks).
FDI flows are components of the financial account of the Balance of Payments, while FDI assets and liabilities are components of the International Investment Position.

Composition of EU-27
EU-27: European Union composed of 27 Member States: Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and United Kingdom.

In this publication: 1 billion = 1 000 000 000

Further information

Eurostat Website: http://ec.europa.eu/eurostat

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