According to the study <u>Strengthening Africa's capacity to trade</u> published by the World Trade Organisation (WTO), since 2000, most of African countries have maintained their structure of commodity-dependent countries, recording, as a continent, the highest growth rate (70 per cent) in the number of agricultural product categories exported, compared to others regions in the world. The report also reveals that the number of industrial product categories exported from 2000 to 2017 increased by 70 per cent, recording the strongest growth rate in industry export diversification between 2000 and 2017, followed by Asia (31 per cent) and America (17 per cent).

However, <u>other sources</u> indicate that the growth of the manufacturing and industrial sectors, over the past 20 years has declined from one fifth of the total output on the continent (as it was in the 1970s) to a little over a tenth of Africa's GDP, showing a still underdeveloped and not competitive structure of these sectors and concluding that a premature de-industrialization process is currently taking place in Africa, this being one of the main challenges of the new African Continental Free Trade Areas (AfCFTA).

The report also indicates that the export diversification and growth rate of the industrial sector has been more pronounced in North Africa, reaching up to more than 4,000 product export categories in 2017, and in Southern Africa, which records the second highest product export diversification in the region, with a growth of industrial exports in more than 3,000 HS (Harmonized System) codes. In contrast, Central, Eastern and Western Africa are still confronted with problems of insufficient industrial export diversification. In 2017 for instance, exports of industrial products covered no more than 700 product categories, against the 4,000 product export categories exported in the same year by North African countries cumulatively.

The report also observes that five African countries (Burundi, Central African Republic, Comoros, Ethiopia and South Sudan) reported that no progress had been made in economic diversification since 2006. Among the constraining factors: lack of financing (Burundi); the 2013 internal conflict (Central African Republic); and limited progress in the transformation of traditional products and dependence on a few export products (Comoros).