



Statement to the Intergovernmental Group of Twenty-Four (G-24) Ministerial Meeting

Navigating Global Economic Interdependence in a Fragmented World

I. Africa's Exposure to Global Fragmentation and Emerging Opportunities

The United Nations Economic Commission for Africa (ECA) welcomes the opportunity to contribute to this Ministerial Meeting on navigating global economic interdependence in a fragmented world.

For African economies, intensifying fragmentation is exposing longstanding vulnerabilities in patterns of trade, production, finance and investment. The continent remains closely integrated into global markets, yet this integration remains highly concentrated and externally dependent. Approximately 83 per cent of African exports are destined for markets outside the continent, while fuels and mineral products continue to account for a substantial share of total exports. At the same time, a large proportion of the inputs used in African production originates from outside the continent, underscoring persistent dependence on external production networks.

Recent geopolitical tensions have reinforced these vulnerabilities. Disruptions in energy, fertilizer and shipping markets have increased import costs, inflationary pressures and food insecurity, while higher transport and insurance costs have undermined trade competitiveness. Exchange-rate depreciation and tighter global financial conditions have also increased debt-service burdens across many African economies. Governments have responded through fiscal consolidation measures, targeted social protection programmes, fuel-pricing reforms and domestic revenue mobilization efforts aimed at protecting vulnerable populations while preserving macroeconomic stability. These responses have highlighted the difficult policy trade-offs facing countries operating within constrained fiscal space.

At the same time, changes in the global economy are increasing Africa's strategic importance. The reconfiguration of global supply chains, rising demand for critical minerals, the accelerating energy transition and Africa's rapidly growing and youthful population create opportunities for productive investment, industrialization and structural transformation. However, unless managed strategically, these developments could also deepen commodity dependence and heighten exposure to geopolitical competition. The challenge for Africa is therefore to transform shifting global dynamics into a catalyst for sustainable and inclusive development.

II. Regional Integration and Productive Transformation as Pathways to Resilience



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Africa's response to fragmentation should not be disengagement from the global economy. Rather, it should be the pursuit of more resilient and diversified interdependence through deeper regional integration, productive diversification and broader economic partnerships. The African Continental Free Trade Area (AfCFTA) provides the principal platform for advancing this agenda while maintaining constructive engagement with global markets.

Effective implementation of the AfCFTA can expand intra-African markets and create additional sources of demand, supply and investment. Larger and more predictable regional markets can reduce dependence on individual export destinations and suppliers, strengthen resilience to external disruptions and improve Africa's collective position within the global economy. Estimates suggest that full implementation of the Agreement could significantly increase intra-African trade, particularly in agrifood products and manufactured goods.

The transformative potential of the AfCFTA extends beyond trade expansion. The Agreement offers an opportunity to change what Africa produces, how it produces it and how production is organized across countries. While Africa's share of global manufacturing remains small, implementation of the AfCFTA could substantially increase industrial output and stimulate productive transformation across the continent.

Realizing this potential requires a shift from market integration towards productive integration. Regional value chains and production networks can enable countries to specialize in different stages of production according to their comparative advantages, rather than attempting to build complete industries independently. Such networks can increase regional processing of raw materials, strengthen industrial linkages, encourage technology transfer and support upgrading into higher-value activities.

Priority sectors include critical minerals and battery production, pharmaceuticals, agro-processing, textiles and apparel, automotive industries, renewable energy, digital infrastructure and financial services, with key policy actions to link investment with infrastructure development, technology transfer, skills formation and domestic enterprise development across the continent.

III. Financing Transformation and Addressing Debt Vulnerabilities

Achieving greater regional integration and productive transformation requires sustained investment in productive and connective infrastructure. Regional trade cannot be achieved through tariff liberalization alone. It depends upon effective transport and logistics systems, reliable energy supplies, digital connectivity, industrial capacity, trade finance, skills development, technology adoption and efficient payment systems.

Financing remains a central challenge. Africa's trade-finance gap continues to constrain firms seeking to expand across borders and participate in regional value chains, particularly small and



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medium-sized enterprises. Strengthening regional payment infrastructure, including the Pan-African Payment and Settlement System, can reduce transaction costs and lessen dependence on external settlement currencies. At the same time, affordable long-term financing is needed to support infrastructure development, productive investment, industrial upgrading and climate resilience.

Diversification must also extend to sources of development finance. Stronger domestic resource mobilization, deeper domestic and regional capital markets, enhanced African development finance institutions and greater participation by institutional investors can broaden and strengthen the financing base. External finance will nevertheless remain indispensable, particularly for infrastructure, climate-related investment and structural transformation.

Multilateral development banks and development finance institutions can play an important role by providing affordable long-term capital, guarantees and risk-sharing instruments that crowd-in private investment. Financing frameworks should place greater emphasis on investments with regional and cross-border impact, including strategic transport corridors, regional energy and digital infrastructure, industrial clusters, special economic zones and regional value chains. Such an approach would better align international financing mechanisms with Africa's integration and transformation objectives.

Debt vulnerabilities continue to pose serious constraints. High debt-service costs absorb resources that could otherwise support infrastructure, human capital and productive investment. External shocks can further intensify these pressures through rising interest rates, exchange-rate depreciation and refinancing challenges. Stronger debt management, improved transparency, local-currency financing and innovative financing instruments can help reduce vulnerabilities. At the global level, sovereign debt restructuring processes should become more timely, predictable and coordinated. Greater creditor coordination, improved access to liquidity during crises and wider use of state-contingent instruments can help protect development spending when major shocks occur.

IV. Strengthening Multilateral Cooperation and Advancing Collective Action

In an increasingly fragmented world, multilateral cooperation is more important than ever. Trade, debt, taxation, financial stability, climate change and technological development generate cross-border spillovers that cannot be addressed effectively through national action alone. Strong multilateral institutions remain essential for providing predictable rules, coordinating responses to common challenges and facilitating access to finance, technology and development opportunities.

The G-24 continues to play a vital role in coordinating and amplifying the voice of developing countries within the global financial system. Greater representation of African and other



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developing countries in international economic decision-making is necessary to ensure that global governance arrangements better reflect their priorities and development aspirations.

ECA therefore calls for stronger and more diversified financing for development, including expanded access to affordable and long-term financing, strengthened support for African development finance institutions and more effective use of guarantees and risk-sharing mechanisms to mobilize private investment. Progress is also needed in reforming the international debt architecture to deliver more timely, predictable and coordinated debt resolution processes.

At the national and regional levels, African countries should continue to accelerate economic diversification, strengthen productive capacities, broaden investment partnerships and deepen regional markets. Building stronger food systems, energy systems, regional value chains and domestic financial markets can reduce vulnerability to external shocks while enabling countries to capture greater value from shifts in global production and investment.

ECA remains committed to supporting member States through analytical work, policy advice and technical assistance on AfCFTA implementation, trade facilitation, regional value chains, special economic zones and productive transformation. These efforts seek to translate continental ambitions into practical actions that promote inclusive growth, industrial development and regional integration.

Conclusion

Ultimately, Africa's objective in a fragmented global economy should not be less interdependence, but more resilient, diversified and development-oriented interdependence. The AfCFTA provides a unique opportunity to strengthen regional markets and production networks while maintaining diversified global partnerships. With adequate financing, productive investment, effective institutions and renewed multilateral cooperation, regional integration can become a platform for industrialization, economic diversification, job creation and resilience. The international community should support this transformation through stronger cooperation and an international financial architecture that enables African countries to invest in sustainable development and shared prosperity.