

African economies with greatest potential for trade growth

African economies come first and third in the Standard Chartered Trade20 Index, which identifies the markets with the greatest potential for future trade growth.



Image source: Gallo/Getty.

Côte d'Ivoire is the market that has most rapidly improved its trade growth potential over the past decade, according to new research from Standard Chartered. The Trade20 index, which identifies the 20 rising stars of trade, places African markets Côte d'Ivoire in the top spot, and Kenya at number three.

The Trade20 index determines each market's trade growth potential by analysing changes within the last decade across a wide range of variables, grouped into three equally-weighted pillars: economic dynamism, trade readiness and export diversity.

The study examines 66 markets around the world. It finds that while existing trade powers like China and India continue to rapidly improve their trade potential, African economies are making particularly strong progress from a relatively low starting point.

Kenya is consolidating its position as the trading hub of East Africa, while Côte d'Ivoire is cementing its position as a West African trading hub. Ghana also performs well in the index, placing just outside the top 10.

The key findings of the Trade20 index for African markets are:

- Côte d'Ivoire and Kenya have significantly improved their trade readiness, demonstrating that investments in infrastructure and business environment improvements are paying off.
- Côte d'Ivoire and Ghana also fare well for economic dynamism, with Côte d'Ivoire enjoying robust GDP and export growth, and Ghana seeing an influx of FDI.

Saif Malik, regional co-head, Global Banking, AME, Standard Chartered, said: “Home to some of the world’s fastest-growing economies, Africa has the potential to become a much bigger player on the global trade stage. Already connected with the trading powers in Asia, particularly China, through the Belt and Road Initiative, and with the launch of the African Continental Free Trade Area, we see numerous growth opportunities for trade and investment in the years ahead. Additionally, the growing young, digitally-savvy population and an increasing female workforce will aid in the continent’s economic transformation.”

66 markets

Trade20 examines 12 metrics across 66 global markets – the major global economies plus the major economies in each region – to reveal the 20 economies that are most rapidly improving their potential for trade growth.

While most traditional trade indices are based on a market’s present performance, the Trade20 index captures changes over time to reveal the markets that have seen the most improvement within the last decade. This enables us to identify the economies where recent positive developments may point to an acceleration in trade growth potential.

These markets are identified by measuring changes in 12 metrics under three pillars: economic dynamism (foreign direct investment, export and GDP growth), trade readiness (infrastructure, e-commerce, and ease of doing business) and export diversity (the range of exports).

While most traditional trade indices are based on a market’s present performance, our index captures changes over time to reveal the markets that have seen the most improvement during the last decade. A high ranking also suggests a market that is improving as a possible outsourcing location.

View the Trade20 report [here](#).

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