African Economies' Commodity Dependence – *A Snapshot as at 31 Aug 2025*

1 Overview of commodity dependence

UNCTAD's *State of Commodity Dependence 2025* defines an economy as commodity-dependent if primary commodities account for more than 60 % of its merchandise exports. The 2025 report shows that 46 of Africa's 54 countries (≈85 %) are commodity-dependent; only **Tunisia**, **Morocco**, **Egypt**, **Djibouti**, **Comoros**, **Mauritius**, **Eswatini** and **Lesotho** have diversified export bases. Dependence is most extreme in Central and West Africa, where 100% of countries rely on commodities and, on average, 80 % (Central) and 75% (West) of export revenues come from commodities. Energy exports dominate in 11 countries (e.g., **Angola**, **Nigeria**, **Algeria**), agricultural exports dominate in 15 countries, and mining products dominate in 20. UNCTAD notes that Africa's commodity exports fell 5.6 % between 2012-2014 and 2021-2023; the continent's share of global commodity exports dropped from 2.3 % to 1.8 %, mainly because energy exports declined due to lower oil prices and falling output in Nigeria, Angola and Algeria.

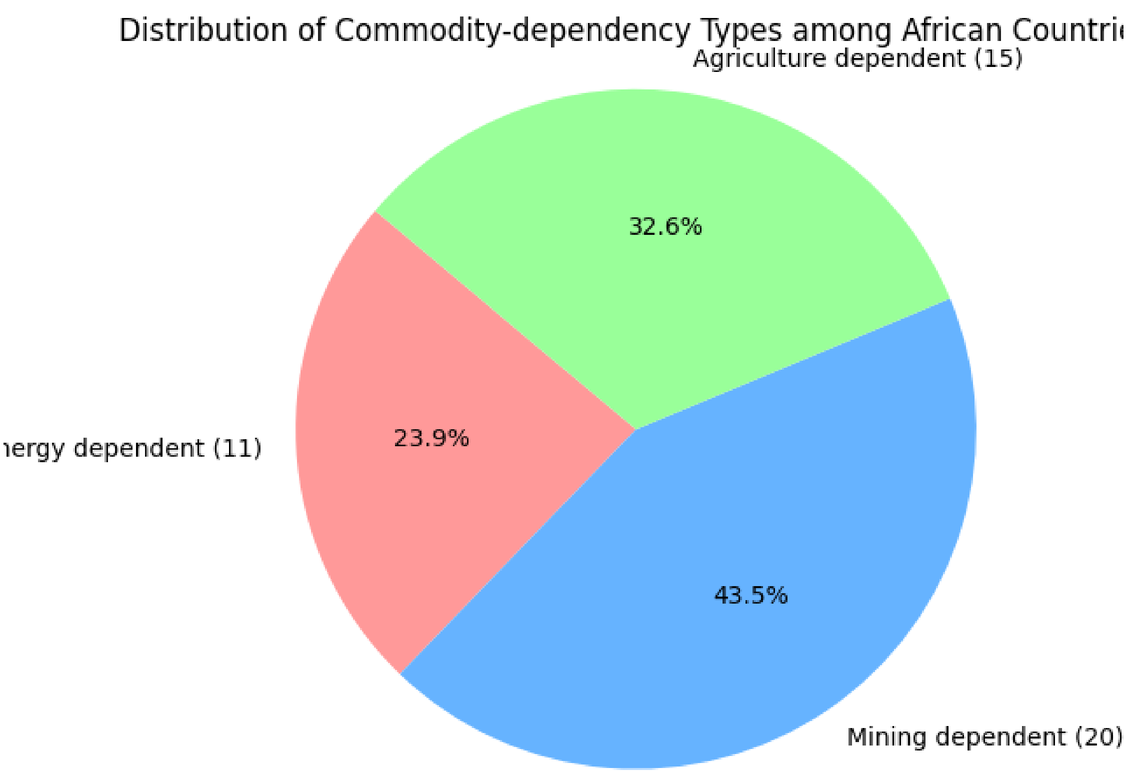

Figure 1: Distribution of commodity-dependence types among African countries

2 Price and demand trends in 2025

Energy

Brent crude oil averaged around US$69–75/bbl in the first half of 2025. OPEC+ supply discipline and geopolitical tensions provided support, but slower growth in China and the US kept prices well below the US$80–90/bbl levels expected earlier. Natural gas markets were volatile; **Egypt** – previously a significant LNG exporter – saw domestic output fall from over 6 billion cubic feet/day in 2021 to 3.5 bcf/d by April 2025.

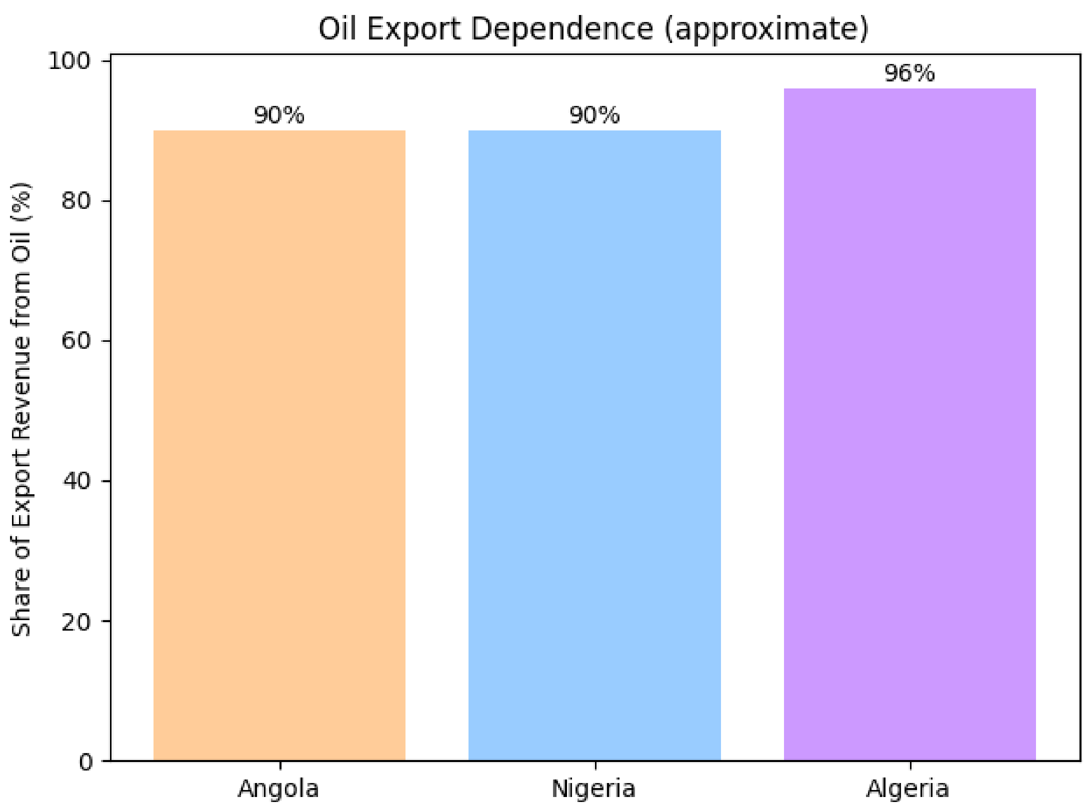

Figure 2: Oil export dependence for Angola, Nigeria, and Algeria (approximate).

Metals and minerals

Copper prices remained firm due to energy-transition demand but supply from the **Democratic Republic of Congo** (DRC) and **Zambia** improved. Zambia's copper output rose 30 % year-on-year in Q1 2025 to 224 000 tonnes, though operational issues caused a decline in Q2 and raised doubts about reaching the government's one-million-tonne target. The DRC, which produces ~70 % of the world's cobalt, imposed and later extended a ban on exports of cobalt hydroxide in Feb 2025, causing cobalt metal prices to surge to US$15–

16/lb. Stocks held outside Congo limited price impacts. Gold prices set fresh records above US$2 250/oz in 2025 amid geopolitical uncertainty. **Ghana** expected gold output to rise ≈6 % to 5.1 million oz in 2025. Diamonds were a laggard: weak demand and competition from lab-grown stones forced **Botswana**'s Debswana to reduce production by 16 %, contributing to a large drop in national revenues.

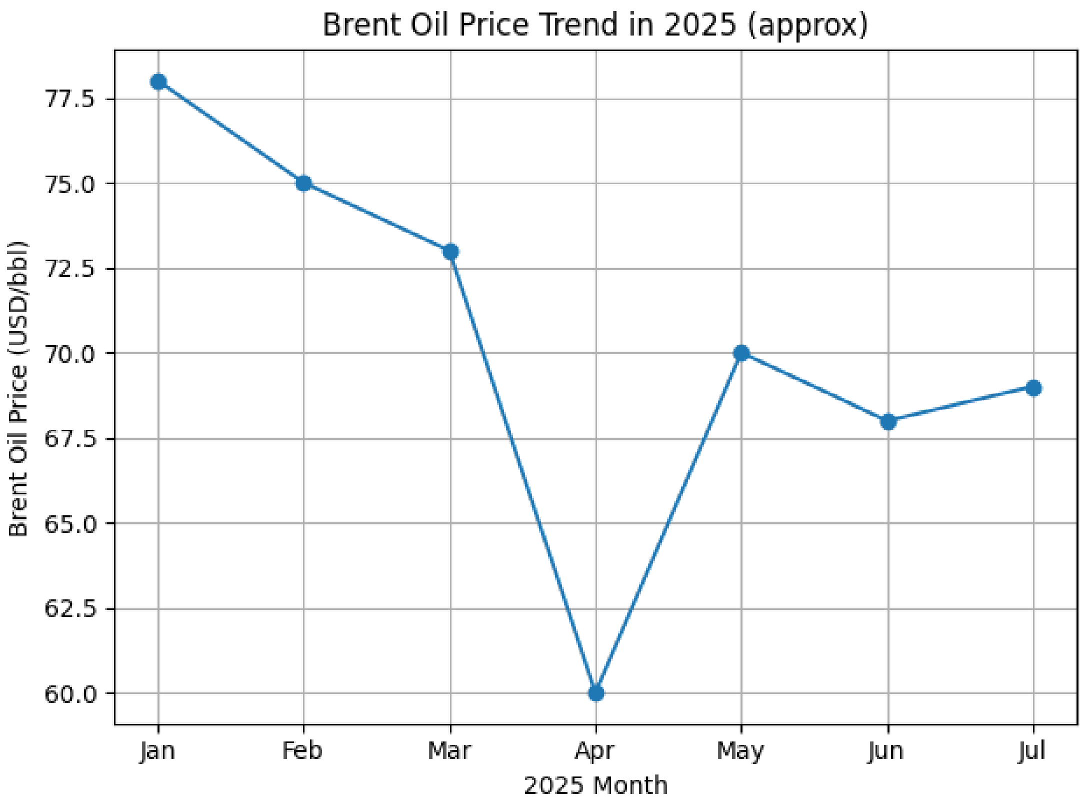

Figure 3: Brent oil price trend in 2025 (approximate).

Agricultural commodities

Cocoa prices rocketed to over US$10 750/tonne in January 2025 as poor weather cut output in **Côte d'Ivoire** and **Ghana**. Although prices eased, the 2024/25 and 2025/26 seasons are still expected to deliver below-normal crops; West Africa's cocoa production could fall ≈10 % in 2025/26 due to ageing trees, disease and small-scale mining. Coffee prices were buoyant; **Ethiopia** reported US$1.87 billion of coffee export revenue in the 10 months to May 2025, beating targets by 142 %. Food inflation remained elevated across the continent.

3 Economy-by-economy review (Jan – Aug 2025)

3.1 Energy exporters

Angola – petroleum dependence and fiscal stress: Angola remains one of the world's most oil-dependent economies; hydrocarbons account for ≈50 % of GDP and 90 % of exports. Government revenues depend on oil for ≈60 %. The 2025 budget assumed oil at US$70/bbl, but Brent prices dipped below US$60 in April, highlighting fiscal vulnerability. The government partially removed fuel subsidies in mid-2025, triggering protests.

Nigeria – oil recovery and non-oil export push: Nigeria marginally exceeded its OPEC+ quota in July 2025, producing 1.56 million bbl/day. Oil accounts for ~90 % of export earnings but only about a quarter of GDP. Non-oil exports surged 24.8 % year-on-year to US$1.79 billion in Q1 2025. First-half non-oil exports rose 19.6 % to US$3.23 billion.

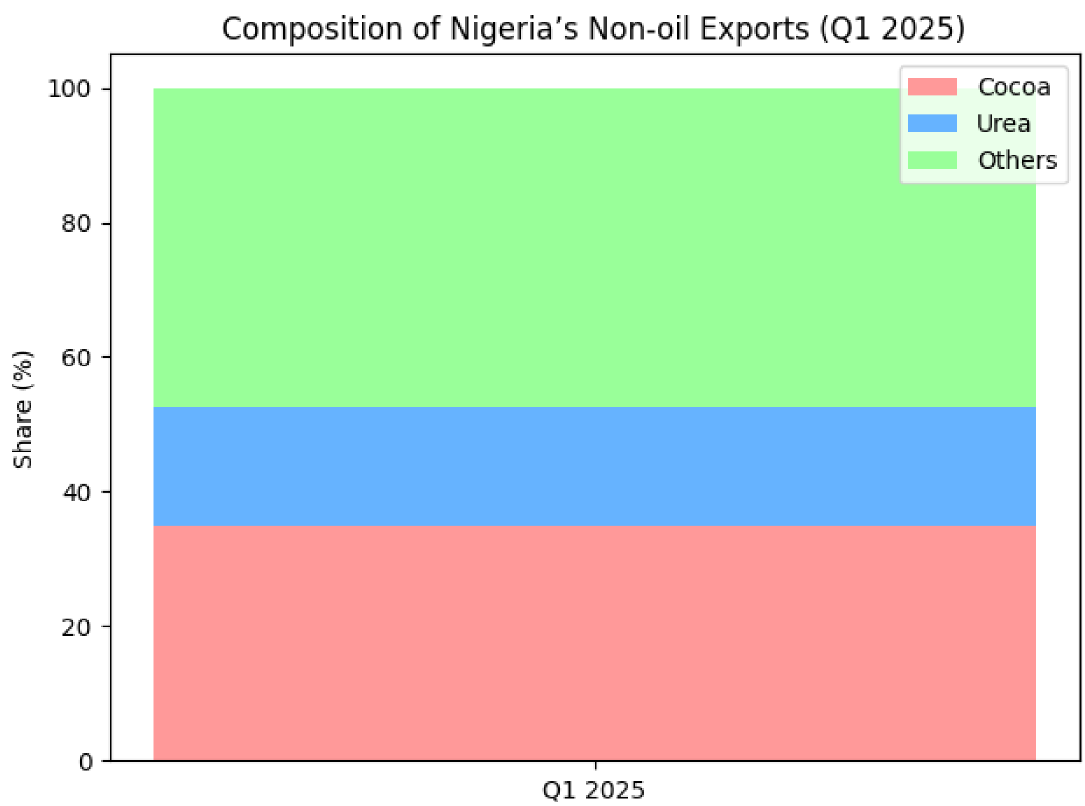

Figure 4: Composition of Nigeria's non-oil exports (Q1 2025).

Algeria – gradual diversification under carbon-intensive exports: Over 90 % of Algeria's export earnings historically come from oil and gas. Non-hydrocarbon exports have tripled since 2017 to US$5.1 billion (≈2 % of GDP) thanks to exports of fertilisers, steel and cement.

However, hydrocarbons still dominate and decarbonisation measures may erode future revenues.

Egypt – gas exporter turned importer: Domestic gas output plunged from over 6 bcf/d in 2021 to 3.5 bcf/d by April 2025. Demand surged with population growth and hot summers, forcing Egypt to import up to 160 LNG cargoes.

3.2 Mining- and metal-exporting economies

Democratic Republic of Congo (DRC) – cobalt leverage: The DRC produces about 70 % of the world's cobalt. In February 2025 it banned exports of cobalt hydroxide, pushing prices to US$15–16/lb. Large inventories outside the DRC limited price impacts.

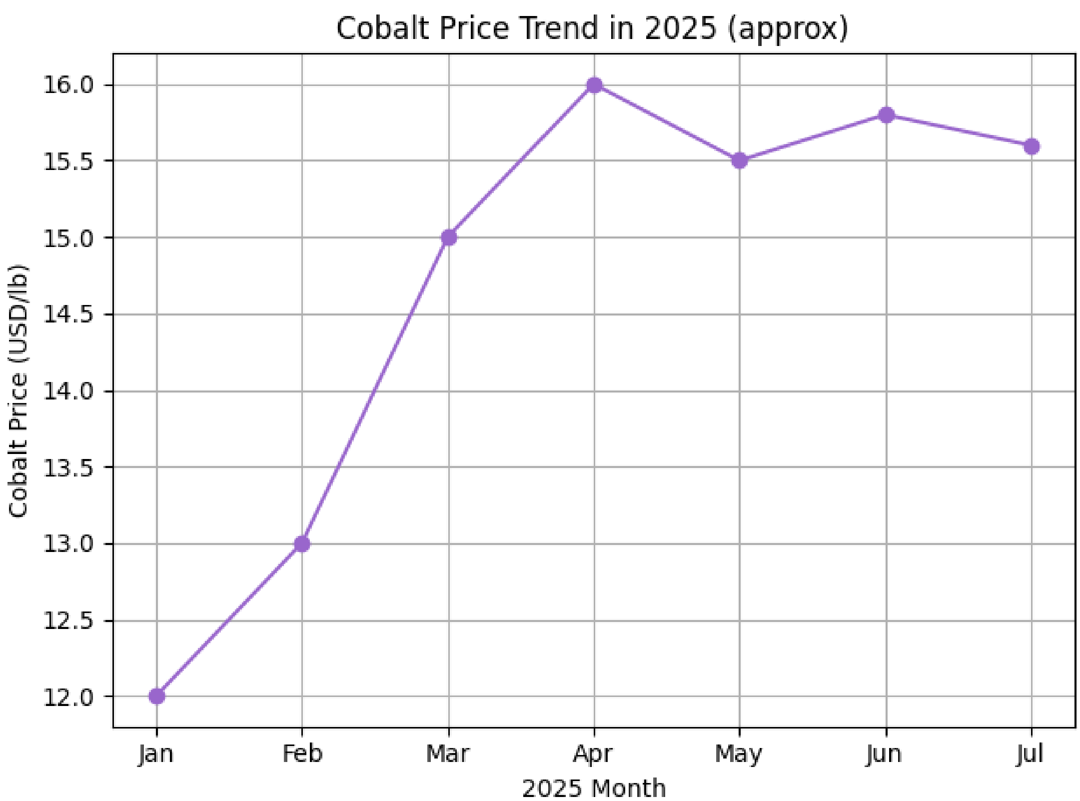

Figure 6: Cobalt price trend in 2025 (approximate).

Zambia – copper rebound amid operational issues: Zambia's copper output jumped 30 % year-on-year to 224 000 t in Q1 2025, but Q2 production slipped and put the 1 million t target at risk.

Botswana – diamond slump forces diversification: Diamonds usually provide around 80 % of Botswana's export revenue. Debswana cut output by 16 %. Authorities encourage local cutting and polishing and are promoting diversification.

South Africa – mining stagnation but gold windfall: Mining sectors faced electricity shortages and rail bottlenecks, but high gold prices boosted exports by 33.8 %. Mining employment fell 2.9 % year-on-year.

3.3 Agriculture-dependent and mixed economies

Ghana – gold boom and cocoa crisis: Ghana's gold sector benefited from record prices and new large-scale mines. National gold output is forecast at 4.4–5.1 million oz in 2025. Cocoa production could drop to below 500 000 t. Farmers threaten to smuggle beans if farm-gate prices remain low.

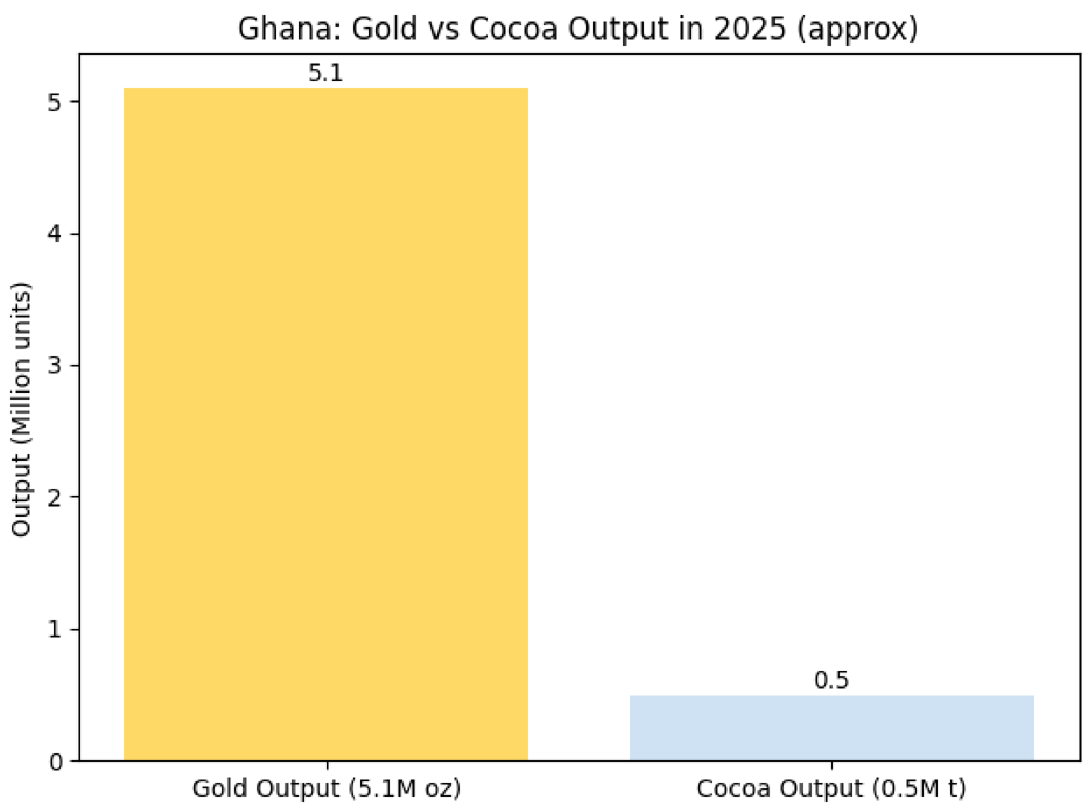

Figure 5: Ghana – Gold vs Cocoa output in 2025 (approximate).

Côte d'Ivoire – resilient main crop but structural risks: Ivory Coast's main cocoa crop looked healthy in August 2025, but regional production is expected to be 10 % lower than usual.

Ethiopia – coffee windfall but climate risks: Ethiopia earned US$1.87 billion from coffee exports in 10 months, surpassing targets. Vulnerability to drought and conflict remains.

Nigeria – diversified agriculture: Nigeria's non-oil export boom includes cocoa, cashew nuts, sesame seeds and processed foods. Security and logistics challenges persist.

4 Macro-fiscal implications

According to Afreximbank's *African Trade and Economic Outlook 2025*, Africa's current-account deficit widened to 2.4 % of GDP in 2024. Oil-exporting countries swung from a surplus of 1.1 % of GDP in 2022 to a deficit of 1.5 % in 2023. Central Africa neared balance, Southern Africa's deficit fell due to Angola and Namibia, while Northern Africa's deficit widened to 9 % of GDP.

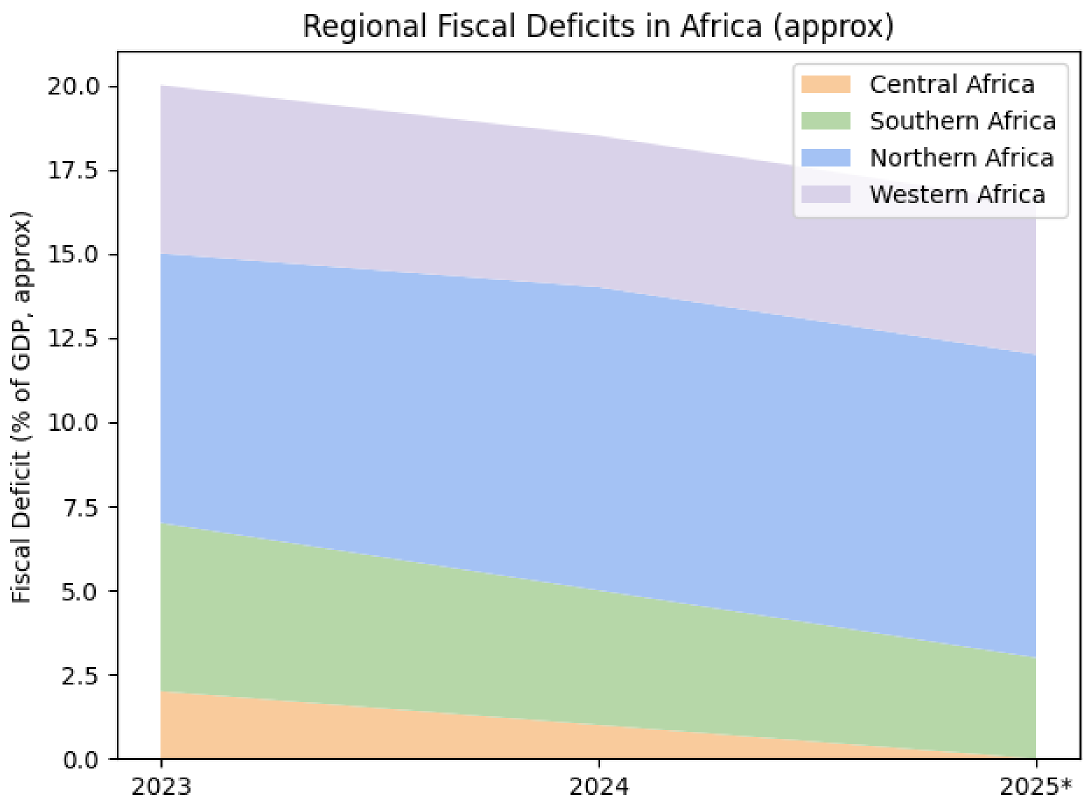

Figure 7: Regional fiscal deficits in Africa (approximate).

5 Policy implications and recommendations

1. **Diversification and value addition** – Governments should prioritise export diversification into manufacturing, services and technology. Investing in agro-processing, petrochemicals, fertilisers and renewable energy can create value and jobs.

2. **Fiscal resilience and sovereign wealth funds** – Oil-rich countries need stabilisation funds and conservative budgeting. Angola's fuel subsidy removal protests illustrate the social costs of abrupt fiscal adjustments.

3. **Local processing and industrial policy** – Resource-rich countries should incentivise local refining and processing; abrupt export bans should be avoided.

4. **Climate adaptation and sustainable agriculture** – Invest in disease-resistant crops, irrigation and fair farm-gate pricing to reduce smuggling.

5. **Infrastructure and energy reforms** – Liberalise electricity markets and invest in renewables; Egypt's gas crisis underscores this need.

6. **Debt management and regional financing** – Improve debt transparency and restructure high debt; use regional banks to finance diversification.

7. **Strengthening institutions and transparency** – Transparent licensing and anti-corruption measures attract investment.

6 Conclusion

As of 31 Aug 2025, African economies remain heavily tied to commodity exports. Energy exporters face volatile markets; mining producers benefit from high prices but risk policy uncertainty; agriculture-dependent economies are exposed to climate shocks. Commodity volatility, high debt and rising import bills constrain fiscal space. A sustained push for diversification, value addition, fiscal prudence and climate adaptation is therefore essential to transform Africa's commodity riches into broad-based prosperity.