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Overcoming non-tariff barriers in African trade

The African continent offers attractive investment potential, particularly given the momentum of the African Continental Free Trade Area (AfCFTA), a rapidly expanding consumer market and the expansion of regional value chains.

However, for businesses operating on the continent, the journey is often complicated by a series of non-tariff barriers that range from geopolitical shifts to regulatory fragmentation.

The ability to successfully do business in Africa now depends on a transition from reactive logistics to proactive, strategic planning which takes consideration of a multitude of barriers which continue to hamper trade.

The first barrier is geopolitical tensions which are increasingly dictating the flow of goods, including uncertainty surrounding the African Growth and Opportunity Act (Agoa). While extended through 2026, future eligibility may hinge on closer political alignment with the US.

"South Africa's deepening ties with Brics+ partners – having facilitated the entry of Egypt and Ethiopia into the bloc – offer new market opportunities but potentially create friction with traditional Western allies," says Bowmans senior consultant Andrew Pike.

Another barrier is infrastructure bottlenecks and regional conflicts, particularly in the Red Sea, which have forced a re-evaluation of trade routes. While diverted shipping around the Cape of Good Hope can benefit Southern African ports, it also increases transit times and freight rates.

"The dominance of China in commodities remains a factor, but new players are entering the fray. India is emerging as a powerful partner in agri-processing and pharmaceuticals, using its non-aligned status to maintain flexibility. Resilience now requires traders to diversify not just their products, but the very corridors they use to move them," says Pike.

The third barrier is congested ports and unreliable rail networks. However, a shift towards public-private partnerships (PPPs) is offering a way forward. In South Africa, the participation of Philippines-based International Container Terminal Services at the Durban container terminal is a blueprint for future infrastructure projects. As fiscal pressures limit government spending in the SADC, the private sector is increasingly expected to provide the capital and expertise necessary to modernise logistics hubs.

Regulatory uncertainty remains one of the most frustrating barriers for cross-border traders. Bowmans partner Julia Choate says the trading environment is plagued by manual processes and

silos. "The African cross-border trade environment is complex, with manual origin certificates, inconsistent border procedures and uneven digitalisation creating friction.



Xolani Nyali.

Regulatory agencies often operate in silos, applying inconsistent standards and rejecting one another's certifications. This results in frustration and delays at borders."

While the South African Revenue Service (Sars) is targeting a fully digital customs framework by 2028, Choate warns that if South Africa's progress outpaces its neighbours, it could exacerbate coordination gaps. She suggests that businesses should integrate customs planning directly into their contracts to mitigate these risks.

Intra-African trade is often stifled by the inability to convert or repatriate local currencies. Bowmans partner Xolani Nyali says the current system is inefficient. "Businesses often receive payment in local currencies that cannot be repatriated or exchanged. Routing payments through New York in dollars introduces delays, costs and compliance risk."

To bridge this gap, the Pan-African Payment and Settlement System (PAPSS) is being implemented to connect central banks and enable local currency payments. "A new trend of using stablecoin-based settlement backed by reserves is also emerging. This avoids central bank to central bank swaps and bypasses dollar routing," says Nyali.

As the industry moves towards digital documentation, legal grey areas persist regarding the enforceability of electronic bills of lading and digital signatures across different jurisdictions. Traders are revisiting force majeure provisions and environmental risk clauses to protect themselves.

Finally, the landscape of international arbitration is shifting. While English law still governs most maritime and commodity trade, delay-related disputes are rising. Contracts now require greater flexibility to accommodate multijurisdictional performance and the rapid pace of regulatory change under the AfCFTA.

Success in the current African trade climate requires a blend of technological adoption and local expertise. "Doing business in Africa requires traders who are highly adaptable," says Nyali.