

Policy Brief

West-East {Nigeria-Kenya} Trade Report 2025:
Intra-African Trade in a Growing Regionalism and Mercantilist Global Order
-Special Perspective on Scaling Nigeria-Kenya Trade under Presidents Tinubu and Ruto Administrations

Support and Modelling for AfCFTA Operationalization

Prepared by:

Bob M. Achanya -Nigeria-Kenya Chamber of Commerce, Industry, Mines and Agriculture (NiKCCIMA)

For:

- Ministry of Industry, Trade and Investment (Nigeria);
- UNDP Nigeria;
- AfCFTA Nigeria Office; County Governments and Cooperatives (Kenya); and all
- AfCFTA Stakeholders

Date: March 2026

Executive Summary

Amid rising global mercantilism—protectionist tariffs, friend-shoring, and geopolitical fragmentation—the African Continental Free Trade Area (AfCFTA) offers Africa a powerful counter-strategy for inclusive regional integration and resilience. This policy brief analyses the West-East Nigeria-Kenya trade corridor as a living model of AfCFTA operationalisation. Drawing on 2024–2025 data, it shows Nigeria’s intra-African trade surging to US\$18.4 billion (127% growth) and Kenya reinforcing its East African gateway role, highlighted by Nigeria’s first AfCFTA-compliant shipment to Mombasa in early 2025. Under the decisive leadership of Presidents Bola Ahmed Tinubu and William Ruto, institutional reforms, Digital Trade Protocol ratification, and payment infrastructure advances (notably PAPSS) are delivering tangible results.

The brief argues that presidential backing, combined with private-sector facilitation and sub-national engagement, creates a scalable, inclusive blueprint for AfCFTA success. It emphasises value-chain integration across agriculture (including Nandi coffee cooperatives), agro-processing, digital services, lig

ht manufacturing, and logistics to unlock over US\$77 billion in untapped intra-African export potential while addressing infrastructure gaps, non-tariff barriers, and trade-finance shortfalls. NiKCCIMA stands ready to support SMEs, women/youth entrepreneurs, farmers, and cooperatives through targeted matchmaking, export readiness, and the Q3 2026 trade mission to Nigeria. Recommendations call for immediate sub-national desks, scaled PAPSS adoption, and multi-stakeholder partnerships to ensure equitable benefits for all Africans.

1. Background and Context

The global trade order is tilting toward mercantilism, prompting Africa to deepen regionalism via AfCFTA. As Africa's economic powerhouse, Nigeria is synergizing with Kenya, East Africa's commercial and logistics hub to form a strategic West-East trade corridor to serve 1.4 billion consumers. According to reports in 2024, intra-African merchandise trade rebounded to US\$220.3 billion (12.4% growth), representing 14.4% of Africa's total trade despite external headwinds. This policy brief examines how presidential leadership is translating AfCFTA commitments into inclusive growth for SMEs, cooperatives, women and youth traders, and sub-national actors.

2. Insights from Recent Scholarship

Post-2023 literature underscores AfCFTA's evolving impact. Debrah et al. (2024) highlights the need for research on value-chain reconfiguration and private-sector roles. Adams et al. (2024) use gravity modelling to prove AfCFTA's positive mediation in ICT and digital trade across 43 countries, with spillovers to other sectors. Kere (2023) and Afreximbank/UNECA reports (2024–2025) stress digital multipliers, rules-of-origin harmonisation, and the US\$100 billion trade-finance gap. These studies affirm that strong leadership, digital tools (e.g., PAPSS), and inclusive private-sector engagement are essential for realising AfCFTA's promise of higher farmer incomes, industrial upgrading, and SDG-aligned growth.

3. Current State of Nigeria-Kenya and Intra-African Trade

Bilateral trade, though modest, is gaining momentum. Nigeria's inaugural AfCFTA shipment to Mombasa (early 2025) under the Guided Trade Initiative (GTI) included synthetic filaments, processed foods, and manufactures. Kenya's intra-African exports reached ~US\$3.13 billion in 2024, led by agriculture and light manufactures. Nigeria's intra-African trade doubled to US\$18.4 billion, driven by refined petroleum and non-oil diversification. Continent-wide figures reflect gradual shifts toward processed goods, with West and East Africa as key drivers.

4. AfCFTA Operationalization under Presidents Tinubu and Ruto

Tinubu's administration revitalised Nigeria's AfCFTA Coordination Office, gazetted tariffs, launched GTI shipments to Kenya, and ratified the Digital Trade Protocol while securing co-champion status. Ruto has positioned Kenya as East Africa's AfCFTA gateway through infrastructure and digital initiatives. Their synergy—Nigeria's scale and resources paired with Kenya's logistics and market intelligence—accelerates Phase II protocols and PAPSS (now linking 19 countries, including direct Nigeria-Kenya instant payments via Pesalink). This model demonstrates how presidential will converts policy into inclusive, practical outcomes for SMEs and cooperatives.

5. Opportunities and Challenges in a Mercantilist Global Order

Global protectionism creates space for intra-African substitution. AfCFTA can elevate intra-trade toward US\$296 billion while shielding against volatility. Key opportunities include joint

value chains in agro-processing (e.g., Nigerian foods with Nandi coffee), digital/ICT services, light manufacturing, and logistics leveraging Mombasa port and PAPSS for instant, low-cost local-currency settlements. Challenges— infrastructure deficits, non-tariff barriers, and finance gaps—can be addressed through inclusive reforms that prioritise SMEs, women/youth, and sub-national actors for equitable benefits.

6. Strategic Opportunities for Inclusive Scaling

- **Agriculture & Agro-processing:** Link Nandi coffee cooperatives and Nigerian processors for premium exports.
- **Dairy and Livestock:** Link Kenya Dairy and milk sectors to Nigerian businesses and entrepreneurs for premium imports.
- **Digital Services & ICT:** Leverage the Digital Trade Protocol and PAPSS for SME e-commerce.
- **Manufacturing & Logistics:** Develop joint value chains with PAPSS-enabled payments.
- **Inclusivity Focus:** Prioritise women/youth traders, informal cross-border actors, and county/state-level participation to ensure broad-based gains.

7. NiKCCIMA's Role and Concrete Offers

As the bilateral chamber, NiKCCIMA facilitates:

- Targeted B2B matchmaking for importers, roasters, distributors, and cooperatives.
- Export documentation, AfCFTA compliance, and market intelligence support.
- Capacity workshops on rules of origin, digital trade, and PAPSS usage.
- Trial shipments and joint promotions.
- The high-impact Q3 2026 Nigeria trade mission, building on existing linkages.

8. Recommendations for Partners

To the Ministry of Industry, Trade and Investment & AfCFTA Nigeria Office: Institutionalize sub-national AfCFTA desks; co-fund exporter readiness with NiKCCIMA; expand GTI to more sectors.

To UNDP Nigeria: Support SME/women/youth digital-trade pilots and inclusive value-chain programmes along the corridor.

To Kenyan County Governments & Cooperative Unions: Establish AfCFTA focal points; Join NiKCCIMA missions for direct market access. **Joint Actions:** Scale PAPSS adoption; co-host sectoral buyer-seller forums in Q2 2026; monitor inclusivity metrics (SMEs, gender, youth).

Conclusion and Next Steps

The Nigeria-Kenya corridor exemplifies how presidential leadership, pragmatic regionalism, and inclusive private-sector collaboration can operationalize AfCFTA amid global mercantilism. As

we invest in value chains, digital enablers, and sub-national participation, Africa can deliver higher incomes for farmers and SMEs, industrial growth, and continental resilience.

NiKCCIMA invites all stakeholders -ministries, UNDP, AfCFTA offices across Africa, cooperatives, and private actors to partner in sustainable and practical terms. Join us in the Q3 2026 mission to translate this momentum into concrete deals, jobs, and shared prosperity for Nigeria, Kenya, and Africa.

Contact: Arc. Bob m. Achanya, PhD, Global President; Mr. Teri Luka, President, NiKCCIMA Kenya Chapter | Global Office, Nigeria