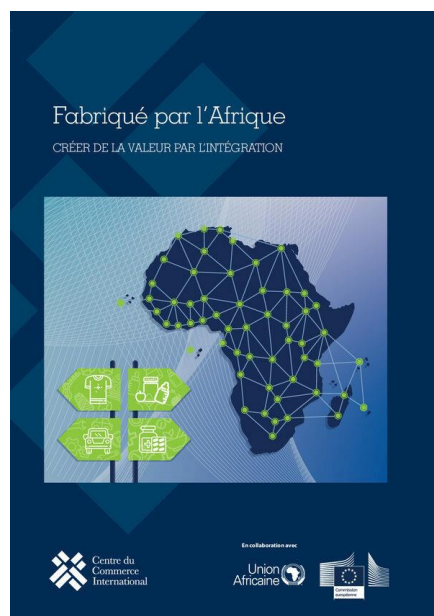


ITC's Value Chain Diagnostics

From results to action

26 March 2025

Phase 1: Made by Africa



1

Identifying feasible and desirable regional value chains

2

Understanding business needs and key challenges

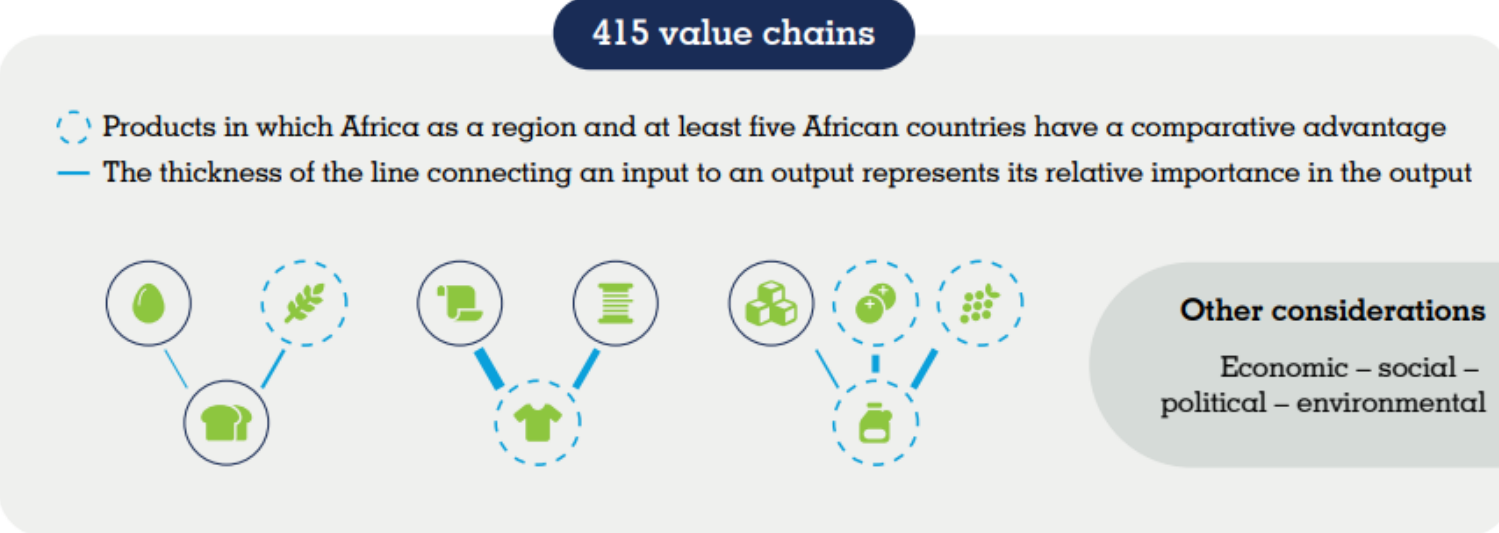
1

Identification of feasible ...

- Assessment of **input availability**
- Assessment of **transformative capacity**

... and of desirable value chains

- Do they involve at least five countries and 2 RECs?
- Are they conducive to continental-level development?
- Do they have solid demand prospects in EU and regional markets?
- Do they encourage investment?
- ...



Value chains with a comparative advantage

63 only in inputs	15 only in outputs	14 in inputs and outputs	2 at national levels and with strong strategic considerations
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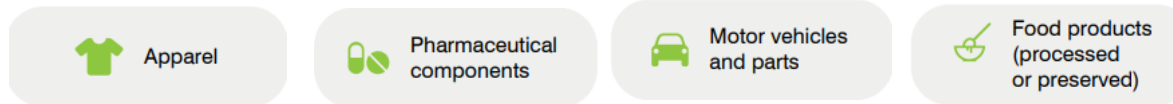
94 feasible value chains for Africa

- 4 pilots**
- Apparel
 - Pharmaceutical components
 - Motor vehicles and parts
 - Food products (processed or preserved)

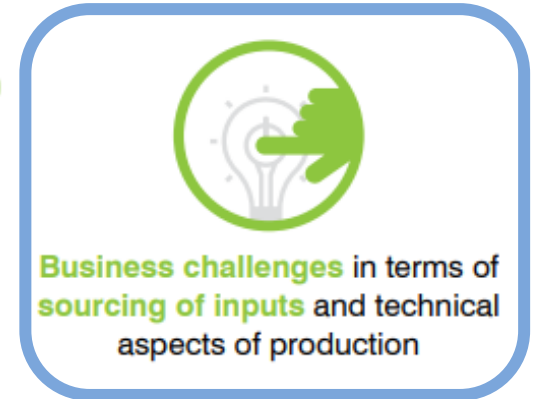
ITC consultations with African stakeholders reveal significant investment needs to foster value chain development

2 Understanding the **business needs**

ITC gathered in-depth insights into value chain development challenges through interviews and web-based consultations with over 1,250 businesses and business support organizations



Insights on constraints for African businesses



Automotive value chain: sector-specific challenges*

*In addition to the cross-cutting challenges relevant for all sectors



Visions and strategies for sector development have to date mostly been formulated with a national focus



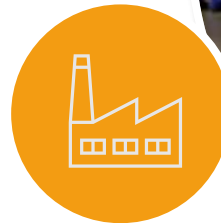
Limited institutional infrastructure to certify against complex origin and quality criteria

Limited demand for new cars



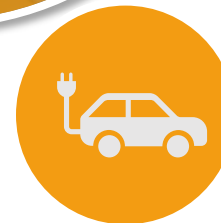
Fragmented production of finished products lacking the necessary scale to make the production particularly of high-quality technical components economically viable

Despite the abundance of raw materials such as copper, lacking refinement possibilities on the continent



Challenges related to waste disposal.

Limited capacity to comply with complex quality and origin criteria and related documentation requirements



Limited readiness to face the trend towards more environmentally friendly vehicles



Automotive value chain: enabling factors

Selected points for action

Harmonization of standards (including for parts and components)

Defining a joint vision

Improve the **availability of specialized testing and certification facilities** on the continent

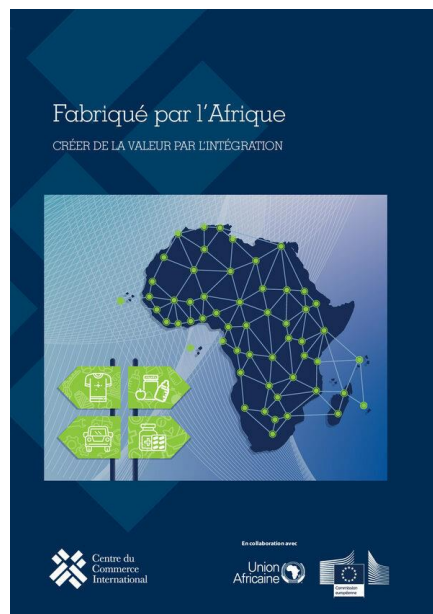
- Mapping of existing laboratories / testing capacities
- Assessment of economic viability to upgrade available facilities to offer testing and certifications currently not available
- Improve accessibility to laboratories across borders

Rules of origin and related certification

- Clarify and optimize rules
- Review certification procedures and ensure transparent time and cost thereof
- Ensure transparency of applicable rules under the different agreements in force
- Build capacity of businesses and officials on the pertaining rules

Invest in recycling facilities for end-of-life vehicles and especially batteries

Phase 2: focus on selected value chains



3

Developing actionable roadmaps for selected focus value chains

- Fortified complementary foods (FCF)
- E-vehicle batteries
- Pharma products



Which sub-value chains are being assessed?

FCF

9 formulations

- RUTF (ready-to-use therapeutic food) – licensed UNICEF recipes
- FBF (fortified blended flours)
- HEB (high-energy biscuits)
- Yoghurt
- Infant formula – 2 formulations

Automotive

4 specifications of e-vehicle batteries

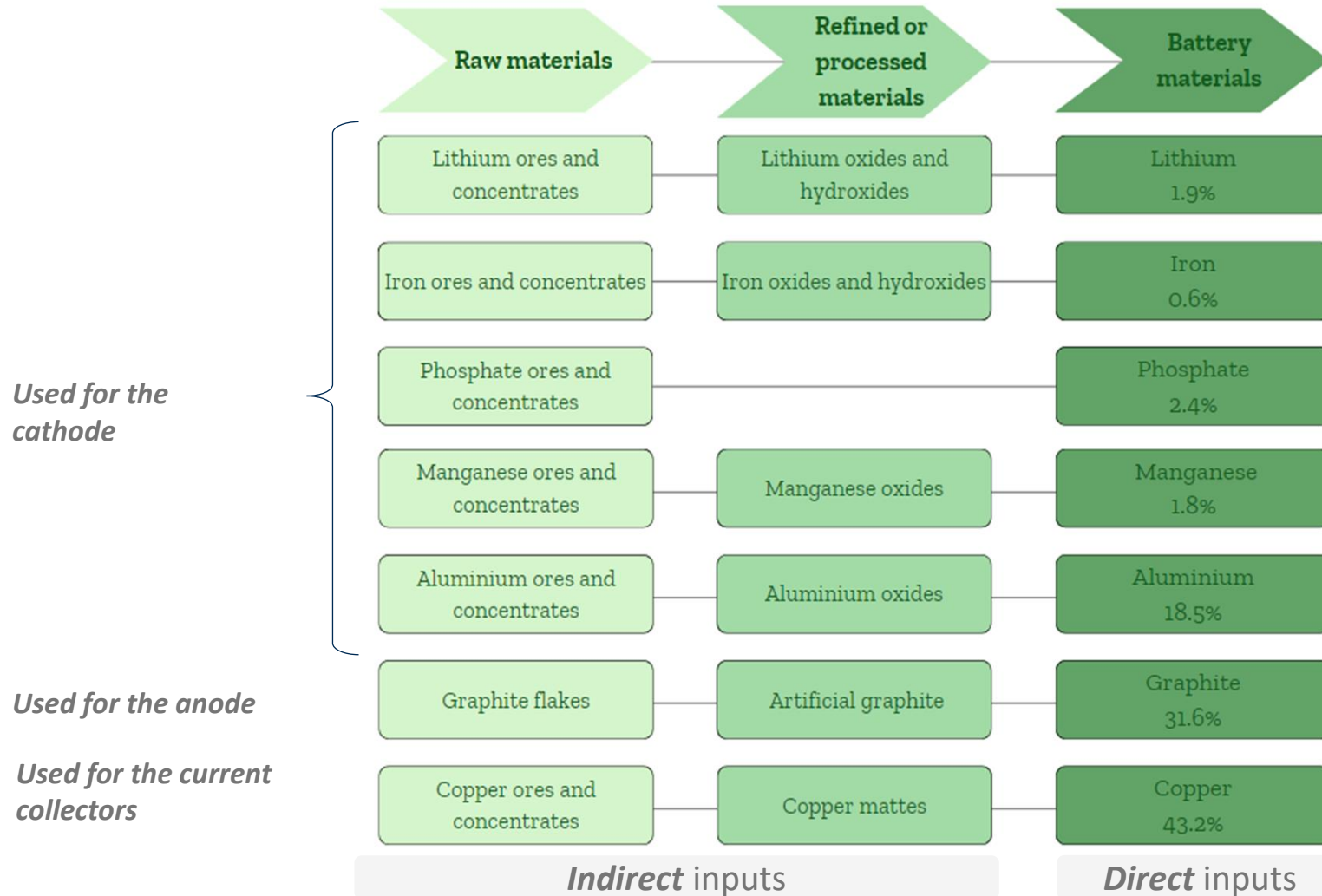
- NMC622 (Nickel Manganese Cobalt)
- LFP (Lithium Iron Phosphate)
- LMFP (Lithium Manganese Iron Phosphate)
- Sodium-ion

Pharma

2 pharmaceutical products

- Routine vaccines
- Antibiotics in tablet form

Example: LMFP battery value chain



Cathodes, anodes, and current collectors represent the major cost components of e-vehicle batteries, significantly influencing overall battery pricing.

LMFP lithium-ion batteries

Example: LMFP battery value chain

Share of inputs available in Africa to meet \$15 bn export target (across all inputs): **62%**

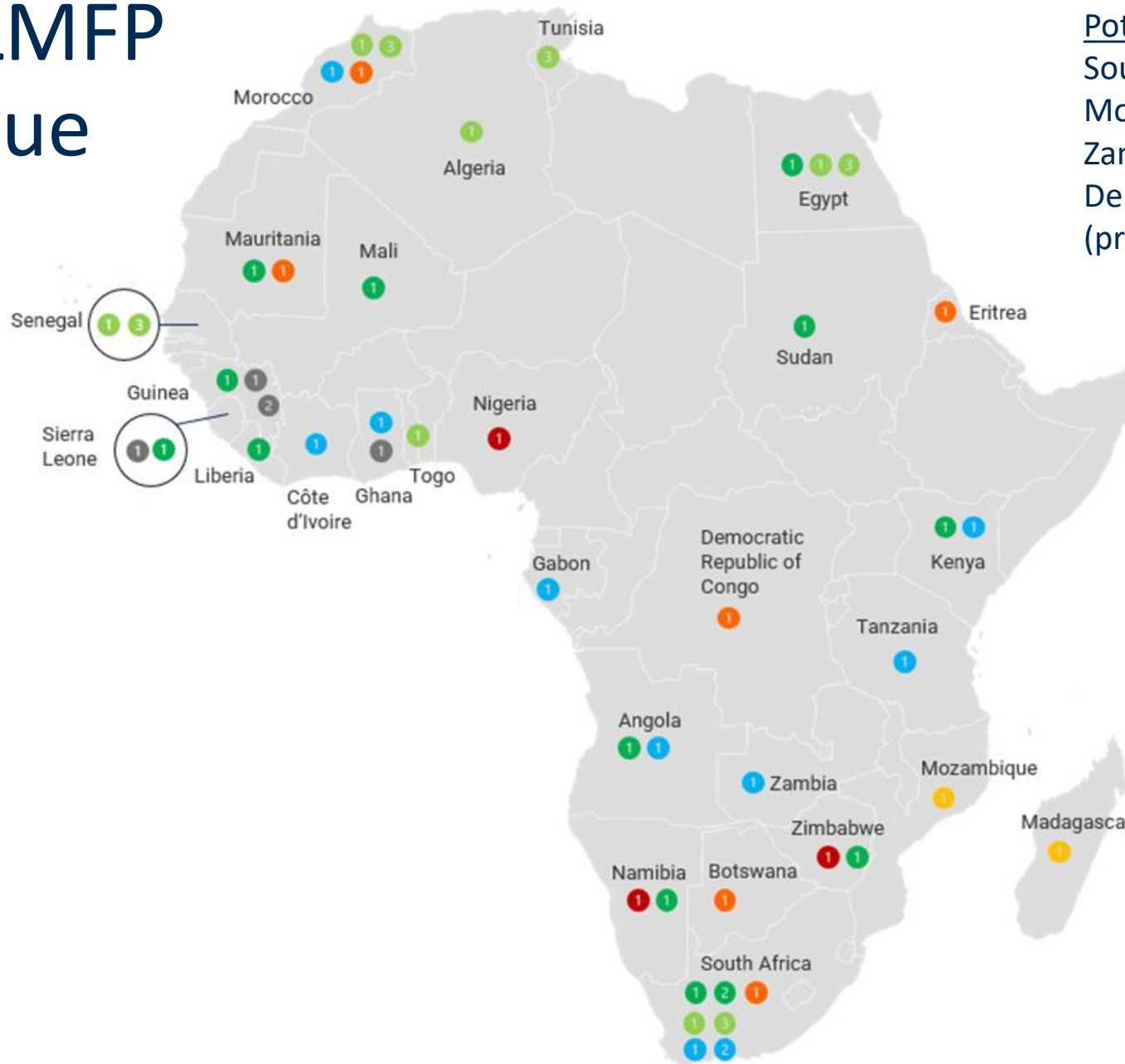
Investment into transformative capacity to move from raw and refined to battery material production

Sourcing from non-African suppliers with untapped export potential (China, Chile, Australia, Korea)

Investment into mining (Africa holds 21% of the world's graphite reserves)

Value Chain: LMFP batteries	Input name	Technical coefficient	Minimum requirement (in million US\$)	Share of inputs available in Africa to meet the minimum requirement		
				Battery materials	Battery and refined materials	Battery, refined and raw materials
	Copper	43.2%	6'496	0 %	4 %	80 %
	Graphite	31.6%	4'759	0 %	0 %	11 %
	Aluminium	18.5%	2'778	0 %	36 %	100 %
	Phosphate	2.4%	357	100 %	Min. req. met with 3rd stage inputs	100 %
	Lithium	1.9%	285	0 %	0 %	59 %
	Manganese	1.8%	277	0 %	12 %	100 %
	Iron	0.6%	96	6 %	100 %	Min. req. met with 2nd and 3rd stage inputs

Example: LMFP battery value chain



Potential output providers
South Africa
Morocco
Zambia
Democratic Republic of Congo*
(precursors)

- Lithium
- Iron
- Manganese
- Phosphate
- Graphite
- Aluminium
- Copper
- ① Raw material
- ② Refined material
- ③ Processed battery material



What's next?

- ✓ From assessments and surveys to the preparation of operational roadmaps for batteries, antibiotics, vaccines, and RUTF
- ✓ Linking REC-level value chain development efforts to those at continental level
- ✓ Multi-agency cooperation for implementation

THANK YOU

Made by Africa

CREATING VALUE THROUGH INTEGRATION



Julia Spies

Chief, Trade and Market Intelligence



Division of Market Development
International Trade Centre (ITC)

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Contact us at: marketanalysis@intracen.org