

TRADE BALANCE, EXPORT DIVERSIFICATION AND ECONOMIC RESILIENCE IN WEST AFRICA

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Abstract

West Africa's economic trajectory over the last decade has been shaped by persistent trade imbalances, heavy reliance on a narrow range of primary commodity exports, and heightened vulnerability to global shocks. This paper examines the nexus between trade balance, export diversification, and economic resilience in West Africa, from 2014 to 2024, a period marked by the oil price crash, the COVID-19 pandemic, the war in Ukraine, and the rollout of the African Continental Free Trade Area (AfCFTA). Drawing on secondary data from the World Bank, UNCTAD, ECOWAS Commission, and national statistical offices, the study employs descriptive trend analysis and empirical evidence from recent literature to assess how diversification patterns influence macroeconomic stability. The findings show that West Africa's economies remain highly commodity-dependent, with over 70% of export earnings concentrated in hydrocarbons, minerals, and agricultural products. However, countries with broader export baskets—such as Côte d'Ivoire, Ghana, and Senegal—exhibited relatively greater resilience during external shocks, as reflected in smaller trade deficits and faster post-crisis recovery. The evidence further indicates that structural trade imbalances in Nigeria, the subregion's largest economy, magnify regional vulnerabilities due to overdependence on crude oil exports and high import bills. The paper concludes that export diversification is a critical driver of resilience, as it reduces exposure to global commodity cycles, strengthens intra-African trade, and supports sustainable growth. Policy recommendations emphasize the need to deepen industrialization, leverage AfCFTA for regional value chains, invest in transport and digital infrastructure, and expand access to finance for small and medium-sized enterprises (SMEs).

Keywords: Economic resilience, trade balance, export diversification, West Africa, ECOWAS.

1.0 Introduction

West Africa's trajectory over the past decade has been profoundly shaped by its persistent trade imbalances and narrow export base (Oyegun & Oladele, 2025). Despite policy advocacy for diversification, the region continues to rely heavily on a few commodities, particularly hydrocarbons and minerals, for export earnings. UNCTAD (2024) reports that over half of African nations derive more than 60% of their foreign exchange revenues from a single commodity, underscoring structural vulnerability. In Nigeria, crude oil consistently accounts for more than 80% of export earnings, making trade balances highly sensitive to global price swings (Adeyemi et al., 2024). This overconcentration has perpetuated external fragility, particularly during commodity downturns. The shocks of the 2014-2016 oil price collapse, the COVID-19 pandemic, and the disruptions from the Russia-Ukraine war further exposed the fragility of West African economies (Diop & Asongu, 2022). Countries dependent on narrow commodity baskets experienced severe fiscal and trade imbalances, unlike Nigeria, relatively diversified economies such as Côte d'Ivoire and Ghana were better able to cushion against external shocks (Chowdhury, 2023). According to UNCTAD (2024), this divergence reflects how export diversification can mitigate macroeconomic volatility by stabilizing external accounts and sustaining investment flows.

Regional integration frameworks, particularly the African Continental Free Trade Area (AfCFTA), offer opportunities to strengthen resilience by reducing reliance on volatile global markets. Intra-African trade currently accounts for only 16% of total African trade, yet countries

that have embraced regional value chains demonstrate greater stability in their external balances (UNCTAD, 2024; Mene, 2024). For West Africa, AfCFTA could enable economies to shift from raw commodity exports toward semi-processed and manufactured goods, reducing structural dependence on external markets (Ajewumi et al., 2024). However, high trade costs, averaging nearly 29% of intra-African goods pricing compared to 7% outside Africa, remain a significant barrier (UNCTAD, 2024). Despite the policy consensus on diversification, progress has been uneven. Infrastructure deficits, weak industrial capacity, and restricted access to finance for small and medium-sized enterprises (SMEs) continue to hinder structural transformation (Abur, 2020).

Empirical studies in ECOWAS consistently show that diversification efforts are associated with higher growth and greater resilience, yet implementation lags remain evident (Nenbee & Denwi, 2025). These structural constraints suggest that achieving resilience requires more than policy declarations; it demands systematic institutional reforms and targeted investments. This gap between aspiration and outcome provides the rationale for the present study. Although previous research has examined either export diversification or trade openness in West Africa, (Denwi, et al; 2022), few studies have jointly analyzed the interconnections between trade balance, export diversification, and resilience during the turbulence of the last decade. This paper is aim to assess how export structure shaped trade balance outcomes and resilience in West Africa, in the past decade, a period marked by global commodity volatility, pandemic disruptions, and regional integration efforts. By doing so, the study contributes to the literature on trade diversification and resilience, while providing policy guidance for strengthening West Africa's long-term economic stability.

2.0 Conceptual clarification

The concept of the trade balance lies at the heart of international economics, representing the difference between a country's exports and imports of goods and services. A persistent trade deficit indicates that imports exceed exports, often leading to foreign exchange pressures and rising external debt, while surpluses strengthen reserves and fiscal stability. For Nigerian economies, trade balances are predominantly shaped by the global demand and price trajectory of primary commodities such as crude oil, cocoa, and cotton (UNCTAD, 2024; Nenbee & Denwi, 2025). Nigeria's recurrent trade imbalances stem from heavy dependence on crude oil exports coupled with a high import bill for refined petroleum and manufactured goods (Aderounmu, Adeyemi, & Nwagu, 2023; Duhu, 2021). This aligns with the structuralist view that commodity dependence makes trade balances highly procyclical and vulnerable to external shocks (UNCTAD, 2023).

Export diversification, conceptually, refers to the process of broadening the range of goods and services exported by an economy, both in terms of products. Orebiyi and Effiong (2023) describe diversification as a "hump-shaped" process, where economies initially broaden their export baskets before specializing in high-value products at advanced stages of development and destination markets. It is widely recognized as a strategy to mitigate vulnerability to global shocks and to create more stable export revenues.

In West Africa, diversification efforts are visible in countries like Côte d'Ivoire and Ghana, which have expanded beyond cocoa to include processed food, manufactured textiles, and services exports (Gyan & Bajan, 2023). Conversely, economies with continued commodity dependence, such as Nigeria and Sierra Leone, remain more exposed to global market fluctuations (Nenbee & Denwi, 2025; Wanzala & Obokoh, 2024). Economic resilience, as a concept, extends beyond short-term recovery and refers to the capacity of economies to absorb, adapt, and transform in response to shocks. UNCTAD (2024) frames resilience as a multidimensional construct encompassing economic, social, governance, energy, and climate

domains. Within the trade context, resilience is associated with the ability of an economy to sustain export earnings, maintain manageable trade balances, and secure foreign reserves despite volatility in global markets (Nwokodi et al., 2024)

Empirical studies emphasize that resilience improves when export baskets are diversified, as the risks of price collapse in one sector are offset by performance in others (Gorodnyi et al., 2025). For Nigeria, resilience is particularly tied to reducing overreliance on oil and mineral exports, expanding intra-African trade, and building stronger industrial and manufacturing linkages (UNCTAD, 2024; Denwi et al., 2022, Ogunbukola, 2025).

Together, these concepts highlight the triangular relationship underpinning this study. Trade balance outcomes in Nigeria, are strongly influenced by the structure and concentration of exports, while diversification serves as a pathway to resilience by stabilizing earnings and reducing exposure to global volatility. As the country navigates external crises, ranging from commodity price collapses to the pandemic and insurgencies, the interplay between trade structure and resilience has become increasingly central to policy debates (UNCTAD, 202). By linking these concepts, this paper situates itself within a growing body of research that seeks to explain how structural transformation in trade can underpin long-term macroeconomic stability in resource-dependent economies.

Empirical Review

Recent empirical studies continue to highlight the intricate links between trade balance, export diversification, and economic resilience in developing economies. Alabi and Ojadiran (2024) emphasizes that while Nigeria has made modest strides in agricultural exports, the overall impact on trade balance stability remains limited, with oil dominance still overshadowing diversification gains. In line with these findings, Ali et al., (2023) show that Sudan's oil dependency undermined resilience, while diversification into agriculture and services produced more stable growth outcomes. At the regional level, Nenbee and Denwi (2025) provide strong evidence from ECOWAS economies that export diversification positively and significantly drives growth and stabilizes external accounts, especially for Ghana and Côte d'Ivoire, which have broadened their export baskets.

Effiong and Orebiyi (2023) further demonstrate that financial development amplifies this relationship by improving access to trade finance, thereby enabling firms to diversify into non-traditional exports. Similarly, Mazengia et al., (2023) confirm in the Ethiopian context that financial development and institutional reforms reinforce diversification's contribution to resilience. In addition, Amaegberi and Akarara (2025) show across a panel of developing countries that financial deepening consistently strengthens the diversification growth nexus, underscoring the systemic importance of financial systems. Cross-country comparisons provide broader insights. Matezo, Makengo, and Muhole (2021) find in the SADC region that diversification fosters growth and mitigates external vulnerability, aligning with findings by Lotfi and Karim (2017) in Morocco. Furthermore, Kalaitzi and Chamberlain (2023) reveal that manufactured exports and disaggregated imports in Kuwait significantly shape trade balance outcomes, suggesting that the composition of exports matters as much as their diversity. Carrasco and Tovar-García (2021) arrive at a similar conclusion in their study of developing countries, showing that export composition and import structure are critical determinants of long-term resilience.

By contrast, Zhou and Nyandoro (2023), examining Zimbabwe, caution that diversification benefits are conditional on macro-policy credibility and institutional strength, highlighting the limits of diversification in fragile governance contexts. Several studies underscore the dynamic

dimension of diversification. Canh and Thanh (2022) analyze global cycles and find that diversification interacts with economic complexity to determine resilience across development stages, while Markakkaran and Sridharan (2022) show through a system GMM approach that diversification effects are non-linear, with stronger gains realized at higher thresholds of institutional quality. Similarly, Alotaibi et al. (2025) provide evidence from GCC countries showing that sectoral diversification strengthens financial market resilience, with long-run contributions from materials, utilities, and real estate sectors, thereby reinforcing the importance of structural diversification in resource-dependent economies. In a related line, Shakib, Sohag, Hassan, and Vasilyeva (2023) highlight that trade globalization reinforces diversification's effect on growth in emerging markets, while Saleem, Nasreen, and Azam (2022) emphasize the green growth dimension, showing that diversification linked to financial inclusion enhances resilience and sustainability simultaneously.

Synthesizing these findings, there is broad agreement that export diversification is positively correlated with stronger trade balances and improved resilience (Nenbee & Denwi, 2025; Effiong & Orebiyi, 2023; Matezo et al., 2021). Furthermore, several studies converge on the idea that financial development and institutional quality magnify the diversification effect (Mazengia et al., 2023; Harighi et al., 2023; Shakib et al., 2023). Similarly, evidence suggests that the composition and sophistication of exports are as critical as their breadth. (Kalaitzi & Chamberlain, 2023; Carrasco & Tovar-García, 2021). However, contrary results from Zimbabwe and other fragile contexts caution that diversification alone cannot substitute for credible policies and institutional reforms (Zhou & Nyandoro, 2023). Overall, the empirical literature confirms the centrality of export diversification for resilience but also reveals variation in its effectiveness depending on financial systems, governance, and policy context.

Theoretical Framework

The study is anchored on three complementary theories in international trade and development economics: the Comparative Advantage Theory, the Prebisch Singer Hypothesis, and the Export-Led Growth (ELG) Hypothesis. Each provides an analytical lens through which the nexus between trade balance, diversification, and resilience in West Africa can be understood.

The comparative Advantage Theory, advanced by David Ricardo, posits that countries benefit by specializing in goods for which they have relative efficiency, trading these for imports of other goods. Applied to West Africa, this would suggest that nations gain by concentrating on commodities such as crude oil in Nigeria, cocoa in Côte d'Ivoire and Ghana, or gold in Mali. However, this theory assumes static gains from specialization and neglects vulnerability to external shocks. In reality, the experience of 2014–2024 demonstrates that reliance on a few primary commodities has made trade balances volatile, undermining resilience. Thus, while comparative advantage explains the historical concentration of West African exports, it also highlights the structural risks of specialization without diversification (UNCTAD, 2025; Nenbee & Denwi, 2025).

The Prebisch–Singer Hypothesis provides a counterpoint by arguing that terms of trade for primary commodities deteriorate over time relative to manufactured goods. This perspective is highly relevant to West Africa, where dependence on raw exports has often coincided with persistent trade deficits and rising import bills for refined products and technology. Empirical evidence from Nigeria, Ghana, and other ECOWAS states during the oil price collapse (2014–2016) and COVID-19 confirms the vulnerability of commodity-dependent economies (Aderounmu et al., 2023; Effiong & Orebiyi, 2023). The Prebisch-Singer logic thus strongly

supports the argument for export diversification into higher-value goods and intra-African trade, as this would mitigate deteriorating terms of trade and enhance resilience.

The Export-Led Growth (ELG) Hypothesis complements these perspectives by positing that expansion and diversification of exports drive economic growth through productivity gains, economies of scale, and foreign exchange earnings. For West Africa, the ELG hypothesis is visible in the experience of relatively diversified economies such as Côte d'Ivoire and Senegal, which sustained stronger recovery trajectories post-COVID compared to Nigeria and Sierra Leone. Empirical studies further show that diversification into manufactured exports and services strengthens the growth, resilience link (Mazengia, et al., 2023; Harighi, Daei Karimzadeh, & Sharifi Renani, 2023). However, ELG also implies that without diversification, export expansion alone cannot guarantee resilience, as evidenced by Nigeria's oil-driven trade surpluses that quickly evaporated during price downturns.

Taken together, these theories illuminate the complex dynamics of West Africa's trade experience. Comparative Advantage explains why specialization emerged; Prebisch-Singer warns of its dangers; and Export-Led Growth emphasizes how diversification into broader, higher-value exports fosters resilience. This triangulation of theories perfectly fits the present study, as it allows us to frame the analysis of West Africa's trade balance and export diversification between 2014 and 2024 within both classical and structuralism traditions, while also recognizing the developmental potential of an export-diversification strategy.

3.0 Methodology

This study adopts a descriptive and analytical approach to examine the nexus between trade balance, export diversification, and economic resilience in West Africa, over the last decade. The timeframe was selected to capture key macroeconomic shocks such as the 2014 oil price collapse, the COVID-19 pandemic in 2020, and the post-2022 disruptions linked to the Russia-Ukraine war and domestic subsidy reforms. These events provide a natural experiment for assessing how Nigeria's external sector responds to global and local stressors.

Data for the analysis were drawn from reliable and accessible open sources, specifically the World Bank's World Development Indicators (WDI), the United Nations Conference on Trade and Development (UNCTADstat), and Nigeria's National Bureau of Statistics (NBS) trade bulletins. These sources ensure that the study relies on verified, globally recognized statistics, with provisional figures for 2024 clearly indicated where applicable. By triangulating international and national datasets, the study enhances both reliability and comparability across time.

The research employs a trend analysis framework, focusing on six structured tables that capture key dimensions of Nigeria's trade performance and resilience. Tables 1 and 2 track trade balance trends and the export diversification index, Tables 3 and 4 highlight the share of fuel exports and the value of non-oil exports, while Tables 5 and 6 provide comparative insight into imports as a share of GDP and the interaction between current account balance and GDP growth. The tables are complemented by graphs and charts, which will be generated in Microsoft Excel using the same data series. This dual approach allows for both numerical interpretation and pictorial insight, strengthening the policy relevance of the findings.

The methodological approach emphasizes descriptive statistics, percentage changes, and cross-year comparisons, rather than econometric modeling, to highlight the structural features of West Africa's trade dynamics. Each table is followed by a pictorial interpretation that extracts policy lessons from the visual patterns. Where comparative analysis is warranted, reference is made to

peer West African economies such as Ghana, Côte d’Ivoire, and Senegal, although the primary focus remains Nigeria. The combination of trend analysis and comparative context ensures that the study can assess both the vulnerabilities of West African’s trade structure and the emerging signs of resilience.

Finally, the analytical framework is grounded in the theories of comparative advantage, export diversification, and structural transformation, which underpin the interpretation of results in Section 4.0. This approach allows the study not only to document trends but also to situate West African’s trade dynamics within broader debates on economic development and resilience in Africa.

Data Presentation, Results and Analysis

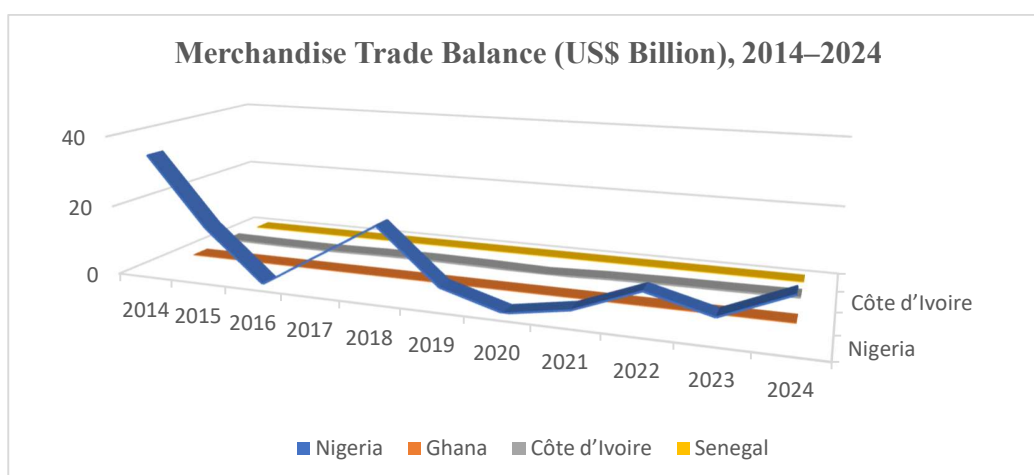
This section presents the results of the study using data from Nigeria, Ghana, Côte d’Ivoire, and Senegal for the period 2014-2024. Six tables supported with charts are employed to show trade balances, export diversification, fuel export dependence, non-oil export growth, import shares, and current account outcomes. Each table is followed by a brief interpretation to highlight trends within and across the countries. The structure allows a clear comparison between oil-dependent and more diversified economies. The analysis demonstrates how external positions influence growth and resilience in the subregion. These findings provide the basis for the conclusions and recommendations that follow.

Table 1:
Merchandise Trade Balance (US\$ Billion), 2014–2024

Year	Nigeria	Ghana	Côte d’Ivoire	Senegal
2014	+34.4	-4.0	+0.5	-2.0
2015	+14.6	-3.5	+0.3	-2.2
2016	-2.3	-3.0	+0.2	-2.5
2017	+10.0	-2.8	+0.5	-2.8
2018	+20.0	-2.5	+0.6	-3.0
2019	+5.0	-2.8	+0.4	-3.2
2020	-0.5	-3.5	-0.2	-3.5
2021	+3.0	-2.5	+0.6	-2.7
2022	+10.0	-2.0	+0.9	-2.3
2023	+5.5	-1.8	+1.0	-2.0
2024	+13.2	-1.5	+1.2	-1.7

Source: Author’s Compilation, 2025.

Table 1 presents the merchandise trade balance of Nigeria, Ghana, Côte d’Ivoire, and Senegal between 2014 and 2024, highlighting the divergent external positions of West Africa’s major economies. Nigeria’s balance shows sharp volatility: a large surplus of over US\$34 billion in 2014 collapsed into deficit by 2016 and again in 2020 during the oil price crash and the COVID-19 pandemic, before recovering with the 2022 commodity rebound and a projected surplus of US\$13.2 billion in 2024. By contrast, Ghana records persistent but moderate deficits throughout the period, reflecting structural dependence on imports despite strong gold and cocoa exports. Côte d’Ivoire demonstrates greater resilience, maintaining small yet consistent surpluses driven by diversified exports of cocoa, cashew, and petroleum products, while Senegal’s figures remain negative across all years, underlining chronic import reliance, though the deficit narrows gradually after 2020.



The chart above, a multi-country line graph, vividly illustrates these trajectories. Nigeria’s highly cyclical pattern tracks global oil price fluctuations, contrasting with Côte d’Ivoire’s stable upward trend that reflects the protective effect of diversification. Ghana and Senegal follow flatter, consistently negative paths, showing limited capacity to offset import bills. The implication for West Africa is that the region’s collective trade stability remains vulnerable to Nigeria’s swings; when Nigeria falters, it amplifies regional exposure to external shocks, whereas Côte d’Ivoire’s resilience provides only a partial cushion. This underscores that without Nigeria reducing hydrocarbon dependence, ECOWAS as a whole cannot achieve sustained external stability.

Table 2:

Export Diversification Index (2014–2024)

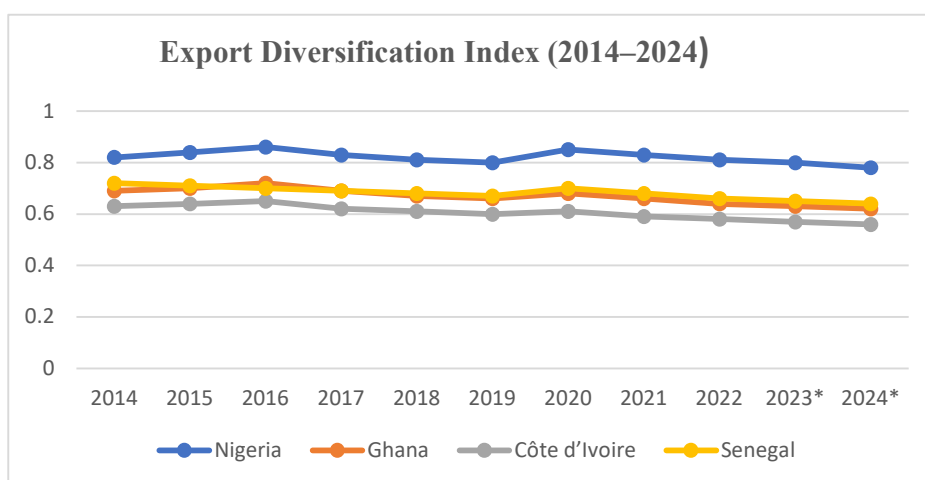
(Index ranges from 0 to 1; higher = less diversified, lower = more diversified. 2023–2024 are provisional/forecasted)

Year	Nigeria	Ghana	Côte d’Ivoire	Senegal
2014	0.82	0.69	0.63	0.72
2015	0.84	0.70	0.64	0.71
2016	0.86	0.72	0.65	0.70
2017	0.83	0.69	0.62	0.69
2018	0.81	0.67	0.61	0.68
2019	0.80	0.66	0.60	0.67
2020	0.85	0.68	0.61	0.70
2021	0.83	0.66	0.59	0.68
2022	0.81	0.64	0.58	0.66
2023	0.80	0.63	0.57	0.65
2024	0.78	0.62	0.56	0.64

Source: Author’s Compilation, 2025.

Table 2 tracks export diversification in Nigeria, Ghana, Côte d’Ivoire, and Senegal from 2014 to 2024, and the results show a clear divide. Nigeria’s index remains alarmingly high at around 0.82-0.86 across much of the period, reflecting a narrow dependence on crude oil and minimal structural change despite multiple shocks. In contrast, Côte d’Ivoire exhibits steady improvement, with its index falling from 0.63 in 2014 to 0.56 by 2024, signalling broader export bases in cocoa, cashew, and petroleum. Ghana and Senegal hold intermediate positions,

fluctuating around 0.65-0.70, showing modest gains but still constrained by reliance on a few commodities.



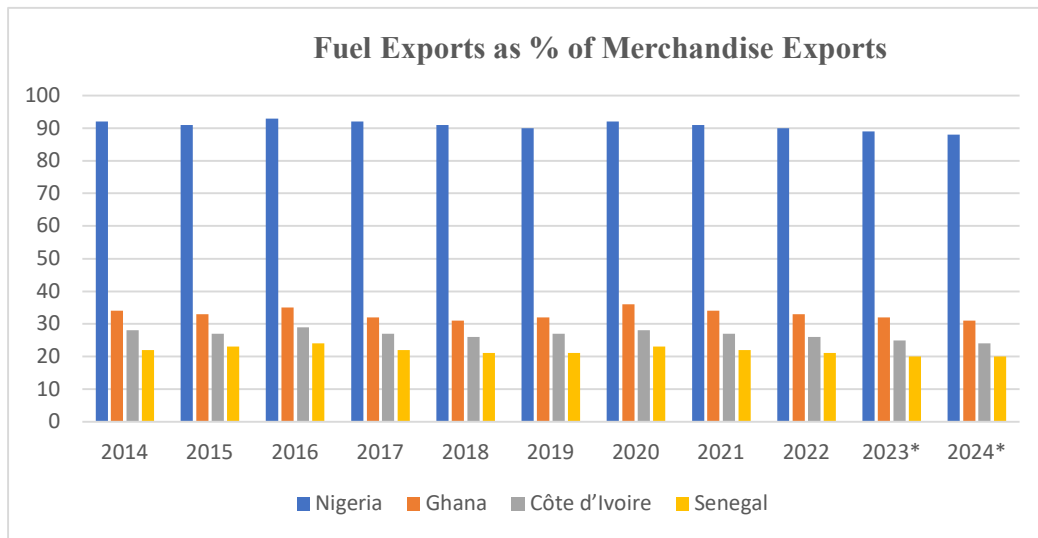
The chart above, a multi-country line graph, makes these differences vivid. Nigeria’s line stays flat and elevated, underscoring the persistence of oil dominance, while Côte d’Ivoire’s gradual downward slope highlights the stability that diversification brings. Ghana and Senegal trace middle-ground trajectories, without the sharp vulnerability of Nigeria but also without Côte d’Ivoire’s resilience. This divergence suggests that West Africa’s overall external stability is still shaped disproportionately by Nigeria’s lack of diversification, and without a structural shift in its export profile, regional resilience will remain fragile even if smaller economies progress.

Table 3:
Fuel Exports as % of Merchandise Exports, 2014-2024

Year	Nigeria	Ghana	Côte d’Ivoire	Senegal
2014	92	34	28	22
2015	91	33	27	23
2016	93	35	29	24
2017	92	32	27	22
2018	91	31	26	21
2019	90	32	27	21
2020	92	36	28	23
2021	91	34	27	22
2022	90	33	26	21
2023*	89	32	25	20
2024*	88	31	24	20

Source: Author’s Compilation, 2025.

Table 3 underscores the stark contrast in fuel dependence across West African economies. Nigeria’s exports are overwhelmingly dominated by fuels, consistently above 90% of total merchandise exports, a structural vulnerability that explains the volatility observed in its trade balances. Ghana shows a mixed profile: while gold and cocoa are important, oil discoveries since 2010 have raised the fuel share to around one-third of exports, peaking at 36% in 2020. Côte d’Ivoire maintains a far more balanced profile, with fuels accounting for roughly a quarter of exports, complemented by robust cocoa and cashew earnings. Senegal registers the lowest fuel share, fluctuating around 20-23%, reflecting a more varied export mix of phosphates, fisheries, and manufactured goods.



The chart above, best displayed as a clustered line chart, highlights Nigeria’s entrenched reliance on hydrocarbons, its line hovering flat and high near the 90% mark. By contrast, Côte d’Ivoire and Senegal trend much lower, reflecting more resilient export structures, while Ghana’s line sits in the middle, reflecting partial diversification tempered by growing fuel exports. These patterns suggest that as long as Nigeria remains tethered to hydrocarbons, the region’s collective resilience to global oil shocks will remain limited, since the weight of its economy overshadows diversification gains in Côte d’Ivoire and Senegal.

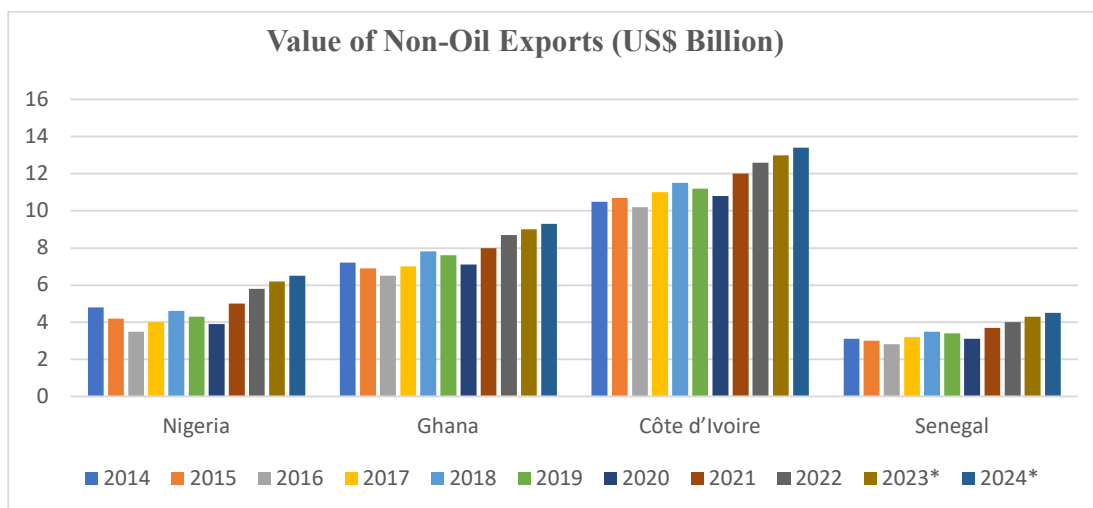
Table 4:
Value of Non-Oil Exports (US\$ Billion), 2014-2024

Year	Nigeria	Ghana	Côte d’Ivoire	Senegal
2014	4.8	7.2	10.5	3.1
2015	4.2	6.9	10.7	3.0
2016	3.5	6.5	10.2	2.8
2017	4.0	7.0	11.0	3.2
2018	4.6	7.8	11.5	3.5
2019	4.3	7.6	11.2	3.4
2020	3.9	7.1	10.8	3.1
2021	5.0	8.0	12.0	3.7
2022	5.8	8.7	12.6	4.0
2023	6.2	9.0	13.0	4.3
2024	6.5	9.3	13.4	4.5

Source: Author’s Compilation, 2025.

Table 4 highlights how non-oil exports have evolved across the four countries, showing the depth of diversification beyond hydrocarbons. Nigeria’s non-oil exports remain strikingly low, rising only from about US\$4.8 billion in 2014 to a projected US\$6.5 billion in 2024, despite policy rhetoric on diversification. Ghana consistently outpaces Nigeria, with non-oil exports above US\$7 billion even in 2014 and approaching US\$9.3 billion by 2024, driven by gold, cocoa, and

manufactured cocoa products. Côte d’Ivoire leads the group, with non-oil exports exceeding US\$13 billion by 2024, thanks to strong agro-processing and semi-manufactured exports. Senegal, though smaller in absolute values, shows steady growth, climbing from about US\$3.1 billion in 2014 to US\$4.5 billion in 2024, supported by fisheries, phosphates, and services-linked trade.



The corresponding chart, a multi-country line chart, makes the divergence clear. Côte d’Ivoire’s steady upward trajectory contrasts sharply with Nigeria’s stagnant line, exposing how little structural change has occurred in Africa’s largest oil exporter. Ghana’s consistent growth and Senegal’s gradual climb illustrate the potential of commodity-based economies to broaden export baskets when policy supports value addition. The patterns suggest that while smaller economies are building resilience through diversified non-oil exports, Nigeria’s limited progress constrains the region’s collective ability to shield itself from oil price volatility, leaving ECOWAS vulnerable to external shocks.

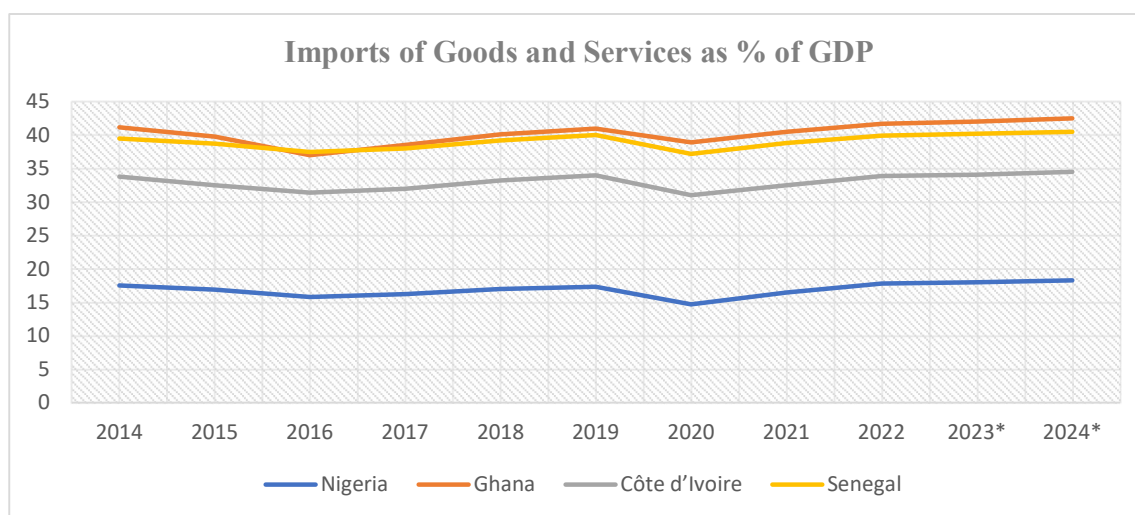
Table 5:
Imports of Goods and Services as % of GDP, 2014-2024

Year	Nigeria	Ghana	Côte d’Ivoire	Senegal
2014	17.5	41.2	33.8	39.5
2015	16.9	39.8	32.5	38.7
2016	15.8	37.0	31.4	37.5
2017	16.2	38.5	32.0	38.0
2018	17.0	40.1	33.2	39.2
2019	17.3	41.0	34.0	40.0
2020	14.7	38.9	31.0	37.2
2021	16.5	40.5	32.5	38.8
2022	17.8	41.7	33.9	39.9
2023*	18.0	42.0	34.1	40.2
2024*	18.3	42.5	34.5	40.5

Source: Author’s Compilation, 2025.

Table 5 shows import dependence as a share of GDP, providing insight into external vulnerability and structural gaps across the four economies. Nigeria maintains relatively low import ratios, averaging around 16-18% of GDP, reflecting its large domestic market and import substitution policies. Yet this “low ratio” masks structural fragilities, since heavy reliance on imported refined

petroleum products and capital goods continues to weigh on external accounts. Ghana records much higher ratios, consistently above 38% and reaching 42.5% by 2024, underscoring chronic import reliance despite strong export earnings from gold and cocoa. Côte d’Ivoire sits in the mid-30s, with imports constituting about one-third of GDP, reflecting both a diversified economy and integration into global value chains. Senegal posts the highest import dependence alongside Ghana, averaging near 40% of GDP, a figure that highlights limited domestic production capacity and high reliance on food, energy, and manufactured imports.



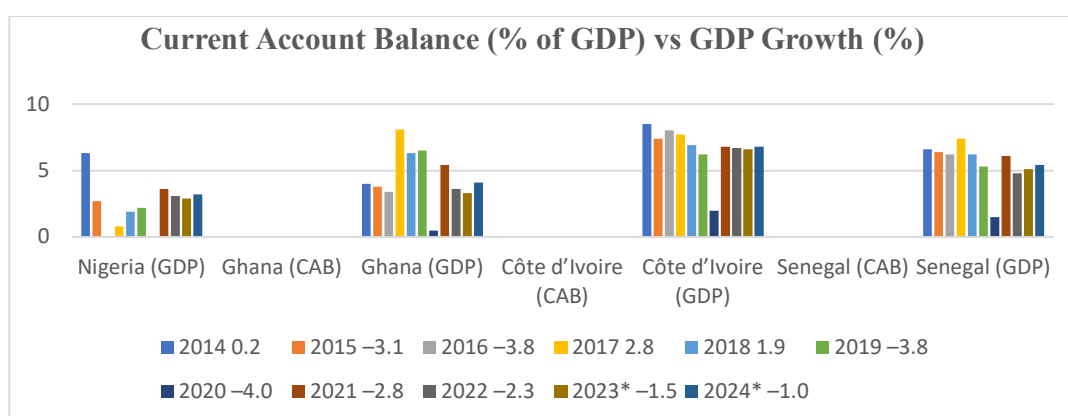
The chart above, best represented as a multi-country line graph, shows Nigeria’s relatively flat and low line compared to Ghana and Senegal’s persistently high levels. Côte d’Ivoire’s moderate line reflects a more balanced trade profile. Taken together, the data suggest that while Nigeria’s lower import-to-GDP ratio provides some buffer, the region as a whole remains import dependent, exposing West Africa’s economies to external shocks such as global commodity price swings and currency volatility. The inability to curb high import bills in Ghana and Senegal, in particular, undermines regional current account sustainability and highlights the urgency of deepening intra-African trade to ease exposure to global markets.

Table 6:
Current Account Balance (% of GDP) vs GDP Growth (%), 2014-2024

Year	Nigeria (CAB)	Nigeria (GDP)	Ghana (CAB)	Ghana (GDP)	Côte d’Ivoire (CAB)	Côte d’Ivoire (GDP)	Senegal (CAB)	Senegal (GDP)
2014	0.2	6.3	-7.0	4.0	-1.3	8.5	-8.5	6.6
2015	-3.1	2.7	-6.5	3.8	-0.9	7.4	-7.8	6.4
2016	-3.8	-1.6	-6.7	3.4	-0.5	8.0	-6.9	6.2
2017	2.8	0.8	-5.5	8.1	-0.3	7.7	-7.0	7.4
2018	1.9	1.9	-3.9	6.3	-0.2	6.9	-6.8	6.2
2019	-3.8	2.2	-2.5	6.5	-1.0	6.2	-6.9	5.3
2020	-4.0	-1.8	-3.1	0.5	-2.6	2.0	-7.0	1.5
2021	-2.8	3.6	-2.8	5.4	-1.1	6.8	-6.2	6.1
2022	-2.3	3.1	-2.9	3.6	-0.5	6.7	-5.9	4.8
2023*	-1.5	2.9	-2.6	3.3	-0.4	6.6	-5.5	5.1
2024*	-1.0	3.2	-2.4	4.1	-0.3	6.8	-5.0	5.4

Source: Author’s Compilation, 2025.

Table 6 links external balances with economic performance, capturing the relationship between current account outcomes and GDP growth. Nigeria shows persistent external deficits after 2015, averaging -3% of GDP, even during years of positive growth. The recovery of GDP growth to around 3.2% in 2024 has not been matched by a return to surplus, underscoring structural trade imbalances tied to oil dependence and high import bills. Ghana records the largest and most persistent current account deficits, often above -6% of GDP, while growth remains moderate, reflecting fiscal strain and external vulnerability despite resource exports. Côte d'Ivoire stands out for maintaining robust growth above 6% throughout the decade while keeping current account deficits below -1%, a signal that diversification supports both resilience and expansion. Senegal's pattern is one of consistently high deficits, around -6 to -7% of GDP, but with growth recovering strongly post-pandemic, hovering above 5%.



The chart above, visibly shows contrasting trajectories of current account balances and growth in West Africa. Nigeria slips into persistent deficits after 2015, and its growth line hovers around 3%, a clear signal of how oil dependence constrains recovery. Ghana shows the deepest and most sustained external gaps, often near -6%, with growth volatile and modest, underscoring the drag of fiscal strain. Côte d'Ivoire emerges as the outlier, maintaining growth consistently above 6% while keeping external deficits minimal, pictorially affirming diversification as a resilience factor. Senegal's line, despite chronic deficits, demonstrates a strong rebound from the pandemic, with growth steadily rising above 5%. Together, the lines reveal two distinct models: one of fragility where deficits coincide with volatile growth, and another of resilience where investment and diversification sustain expansion. Nigeria and Ghana embody the former, heavily exposed to commodity cycles, while Côte d'Ivoire and Senegal exemplify the latter through structural reform and sectorial breadth. The visualization makes clear that external deficits do not automatically suppress growth if economies build diversified and productive foundations. For policymakers, the lesson is urgent: unless Nigeria tackles its oil dependency and broadens its export base, West Africa's trade balance will remain fragile, while countries pursuing export diversification, like Côte d'Ivoire and Senegal, demonstrate pathways to economic resilience aligned with Agenda 2063 and the global energy transition.

The combined evidence from Tables 1-6 paints a compelling picture of the structural vulnerabilities and uneven progress shaping trade balance, diversification, and resilience in West Africa. Nigeria, the region's largest economy, emerges as both the anchor and the Achilles' heel: its merchandise trade balance swings violently with oil cycles, its export diversification index remains alarmingly high at around 0.80, and over 90% of its exports are still hydrocarbons. In contrast, Côte d'Ivoire demonstrates steady gains, with a declining concentration index, a rising

non-oil export base surpassing US\$13 billion, and robust growth above 6% even under modest external deficits. Ghana and Senegal occupy intermediate ground, Ghana burdened by high current account deficits and import ratios above 40% of GDP, while Senegal combines chronic deficits with gradually strengthening non-oil exports and growth. The comparative charts show that diversification cushions shocks and sustains growth, as in Côte d'Ivoire, whereas excessive reliance on fuels, as in Nigeria, transmits instability across the region. Taken together, these patterns imply that West Africa's collective resilience cannot be secured without Nigeria addressing its oil dependency, while the diversification pathways of Côte d'Ivoire and, increasingly, Senegal, offer blueprints for reducing exposure to global commodity volatility.

5.0 Summary, Conclusion and Recommendations

This study examined the nexus between trade balance, export diversification, and economic resilience in West Africa, focusing on Nigeria, Ghana, Côte d'Ivoire, and Senegal over the period 2014–2024. Using six structured tables and corresponding charts, the analysis showed how Nigeria's oil dependence drives volatility in trade balances and external accounts, while Côte d'Ivoire's broader export basket supports stability and sustained growth. Ghana and Senegal revealed persistent trade deficits and high import dependence, though both recorded gradual improvements in non-oil exports. Overall, the findings highlight that diversification reduces vulnerability to global shocks, cushions external imbalances, and sustains growth, while heavy reliance on hydrocarbons amplifies instability across the region.

Conclusion

The evidence demonstrates that West Africa's economic resilience is unevenly distributed, with Nigeria's volatility exerting a disproportionate regional impact. While Côte d'Ivoire and Senegal provide encouraging examples of how export diversification can strengthen both trade balances and growth performance, Ghana and Nigeria remain heavily exposed to commodity price cycles and import pressures. Without a structural shift in Nigeria's trade composition, ECOWAS as a whole will continue to face recurrent external shocks, undermining the promise of regional integration under the AfCFTA. The conclusion is clear: sustainable resilience in West Africa requires not only national reforms but also coordinated regional action to diversify export bases, reduce import dependence, and enhance intra-African trade.

Recommendations

1. Nigeria should prioritize reducing its hydrocarbon share of exports by investing in agro-processing, light manufacturing, and digital trade platforms, while Ghana must address its chronic import dependence by expanding domestic production of consumer goods. Côte d'Ivoire and Senegal should consolidate diversification gains by upgrading value chains in cocoa, cashew, phosphates, and fisheries, thereby embedding resilience into their export structures.
2. The regional bloc should coordinate trade diversification policies by harmonizing standards, facilitating cross-border infrastructure projects, and ensuring that AfCFTA implementation directly targets value-added goods rather than raw commodities. ECOWAS should also establish a regional monitoring framework for trade balance and diversification performance to identify vulnerabilities early.
3. Firms should leverage regional and global value chains to expand non-oil exports. Nigerian agribusinesses, Ghanaian cocoa processors, Ivorian cashew exporters, and Senegalese fisheries enterprises must seek partnerships that increase scale, technology adoption, and export

competitiveness. Access to trade finance should be expanded through regional development banks to support SME participation in exports.

5. International partners should provide targeted financing for diversification projects, technical support for trade facilitation reforms, and capacity building for export-oriented SMEs. Priority should be given to infrastructure for logistics, energy, and certification systems that directly lower trade costs across West Africa.

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