



Intra-Regional Trade: Economic Integration in the African Union and Gulf Cooperation Council (GCC)

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Abstract

This paper investigates the patterns, performance, and policy implications of intra-regional trade within two significant regional blocs: the African Union (AU) and the Gulf Cooperation Council (GCC). Employing a comparative and quantitative analysis using gravity models of trade, we assess the impact of economic integration policies on intra-regional trade flows between 2005 and 2022. Results show that while both regions have made significant strides in institutional cooperation, trade intensity remains low, especially in Africa. However, the African Continental Free Trade Area (AfCFTA) represents a major potential game-changer. The study contributes to understanding regional integration dynamics in developing economies and offers targeted policy recommendations to enhance trade complementarities, logistics, and institutional capacity.

Keywords: Intra-regional trade, African Union, GCC, regional integration, AfCFTA, customs union, gravity model.

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Original Research Article

1. INTRODUCTION

Intra-regional trade has long been acknowledged as a fundamental driver of regional economic integration. It not only enhances economic resilience by reducing reliance on external markets but also fosters structural diversification, promotes industrial development, and nurtures political cohesion among member states. Regional trade, when effectively facilitated, provides economies of scale, improves productivity, and strengthens regional value chains. The benefits extend beyond economics-regional integration fosters diplomatic cooperation, regional stability, and collective bargaining power on the global stage.

Despite the compelling advantages of intra-regional trade, many developing regions, particularly Africa and the Gulf Cooperation Council (GCC) states, continue to grapple with underwhelming trade performance within their respective blocs. As of 2022, intra-African trade constituted less than 17% of the continent's total trade volume, while intra-GCC trade accounted for merely about 10% of total trade among member countries (UNCTAD, 2023; IMF, 2022). These figures starkly contrast with regions such as the European Union and ASEAN, where intra-regional trade routinely exceeds 60%, highlighting a glaring disparity in integration outcomes.

The limited intensity of trade within these blocs raises critical questions regarding the structural and institutional impediments that hinder deeper economic integration. In the African context, the persistence of tariff and non-tariff barriers, fragmented transport and customs infrastructure, and overlapping mandates of regional economic communities (RECs) pose significant challenges. The recent advent of the African Continental Free Trade Area (AfCFTA), however, marks a historical milestone with ambitious objectives to remove these barriers and forge a unified continental market.

On the other hand, the GCC presents a different integration narrative. Despite shared language, religion, and cultural heritage - as well as significant financial and logistical capabilities - the bloc's trade performance remains tepid. This underperformance is largely attributed to limited economic diversification, geopolitical rivalries, and a lack of enforcement of existing trade agreements, such as the GCC Customs Union. The bloc's overreliance on hydrocarbons further exacerbates its vulnerability to external shocks and weakens trade complementarity among member nations.

This paper embarks on a comparative journey to investigate the dynamics of intra-regional trade within the African Union and the Gulf Cooperation Council. The study is structured around



three core objectives. First, it seeks to empirically map and analyze the trade flows and intensities within each region over time, providing both visual and statistical insights. Second, it employs an augmented gravity model framework to quantitatively assess the impact of economic integration policies, including the AfCFTA and the GCC Customs Union, on trade flows. Third, it offers a comparative institutional and policy analysis that elucidates the similarities and divergences in the two blocs' integration experiences, thereby revealing valuable lessons and policy directions.

By addressing these objectives, this paper contributes to the relatively scarce body of comparative research on regional trade in the Global South. Existing literature often treats Africa and the Gulf region in isolation, lacking cross-regional insights that could enrich policy formulation. Furthermore, the empirical dimension of this study leverages recent data and advanced econometric methods-specifically Poisson pseudo-maximum likelihood (PPML) estimation - to provide robust results even in the presence of zero trade flows and heteroskedasticity.

Ultimately, the findings are intended to inform policymakers, regional economic organizations, and international development partners on how intra-regional trade can be better leveraged to drive sustainable and inclusive growth in both Africa and the Gulf. This is particularly timely given the growing recognition of regionalism as a buffer against global economic uncertainties, supply chain disruptions, and shifting geopolitical alliances. The paper's multidisciplinary approach-blending institutional critique, economic modeling, and comparative regional analysis-aims to generate a nuanced understanding of the complex forces shaping intra-regional trade in the 21st century.

2. LITERATURE REVIEW

The theoretical foundation of economic integration dates back to the pioneering work of Jacob Viner (1950), who conceptualized the critical phenomena of trade creation and trade diversion-mechanisms by which preferential trade agreements may improve or reduce overall welfare. Trade creation occurs when high-cost domestic production is replaced by more efficient imports from partner countries, whereas trade diversion emerges when imports shift from more efficient global producers to less efficient members of a trade bloc due to preferential access. These concepts laid the groundwork for understanding both the benefits and potential inefficiencies of regional economic groupings.

Building upon Viner's framework, Balassa (1961) advanced the theory by defining a sequential typology of regional integration that remains widely accepted in economic discourse today. According to Balassa, integration proceeds through five cumulative stages: (1) a free trade area, which eliminates tariffs among member countries; (2) a customs union, which adds a common external tariff; (3) a common market, which allows free movement of labor and capital; (4) an economic union, harmonizing economic policies across members; and finally (5) complete integration, which entails full political union. While the European Union is often cited as a model for moving

through these stages, both the African Union (AU) and the Gulf Cooperation Council (GCC) are still navigating the early to middle phases, struggling to consolidate the foundations necessary for deeper integration.

In the African context, extensive scholarly attention has been paid to the structural weaknesses that undermine intra-continental trade. Numerous studies emphasize Africa's fragmented markets, inadequate transport and logistics infrastructure, and high trade costs as persistent barriers to economic integration (UNECA, 2021; Coulibaly & Plunkett, 2022). For instance, many African countries belong to multiple, overlapping Regional Economic Communities (RECs)-such as ECOWAS, COMESA, and SADC-each with differing tariff schemes and regulatory standards. This institutional redundancy has often led to policy incoherence, limiting the effectiveness of trade facilitation initiatives. Moreover, non-tariff barriers (NTBs) such as customs delays, roadblocks, and inconsistent health and safety standards further erode trade potential across borders. According to Geda and Seid (2015), these challenges are compounded by weak political will, limited institutional capacity, and vulnerability to conflict and instability, which altogether restrict the full realization of regional trade agreements.

Conversely, the GCC countries face a distinct set of constraints that reflect their unique economic and geopolitical landscape. Though relatively wealthier and better connected through physical infrastructure, GCC nations remain heavily reliant on hydrocarbon exports, particularly crude oil and natural gas, which dominate their trade portfolios. This overdependence has impeded the development of export diversification, resulting in intra-GCC trade that is limited in scope and concentrated in a narrow range of commodities. Furthermore, geopolitical rivalries - especially between major players such as Saudi Arabia, Qatar, and the United Arab Emirates - have occasionally disrupted collective policy coordination, weakening the cohesiveness of the bloc (Kinninmont, 2019). Institutional reforms, including the creation of a GCC customs union in 2003, have seen mixed results in practice, often hindered by diverging national interests and uneven policy implementation.

From an empirical standpoint, the use of gravity models of trade has become a dominant approach to quantifying and explaining trade flows between countries. First introduced by Tinbergen (1962), the gravity model analogizes trade flows to Newton's law of gravity: trade between two countries is positively related to their economic size (usually proxied by GDP) and negatively related to the geographic distance between them. Modern formulations of the model incorporate additional variables such as shared language, colonial ties, common borders, and, crucially, the presence of preferential trade agreements (Anderson & van Wincoop, 2003). These models have demonstrated that well-structured and enforced regional trade agreements tend to significantly enhance trade flows among member countries, especially when supported by favorable geographic and institutional factors.

Despite the widespread application of the gravity model, comparative empirical studies that juxtapose the performance



of African and Gulf regional integration remain scarce. While there is a rich literature on intra-African trade dynamics, fewer studies systematically contrast the AU and GCC experiences using updated datasets that reflect recent policy reforms, such as the African Continental Free Trade Area (AfCFTA) initiated in 2018 and ongoing adjustments to the GCC's customs union. The post-2015 period represents a critical turning point for both regions: Africa has embarked on an ambitious journey to reduce internal trade barriers through AfCFTA, while the GCC has intensified discussions around economic cooperation, digitalization, and shared infrastructure. Yet, academic engagement has not kept pace with these developments, leaving a gap in understanding the effectiveness, limitations, and lessons that may be drawn from a cross-regional analysis.

Furthermore, few studies explore the interaction effects between economic and non-economic variables in shaping trade outcomes. For instance, the influence of regulatory harmonization, logistics performance, governance quality, and regional peace and stability are underexamined in empirical models of trade. In both Africa and the GCC, the success of economic integration is closely tied to the political economy of each region, necessitating a multi-dimensional analytical approach that goes beyond traditional trade theory.

In conclusion, the existing literature provides a solid theoretical foundation and an expanding empirical base for understanding intra-regional trade. However, a comprehensive, comparative analysis that incorporates recent developments, robust empirical modeling, and nuanced institutional interpretation remains lacking. This study seeks to bridge that gap by using a gravity model framework to assess and compare the effectiveness of intra-regional trade integration within the AU and GCC. By doing so, it contributes to a more holistic understanding of how regional integration strategies can be tailored to context-specific challenges and opportunities in the Global South.

3. METHODOLOGY

To analyze the determinants of intra-regional trade, we employ the augmented gravity model of trade:

$$X_{ij} = A \cdot \frac{(GDP_i^\alpha \cdot GDP_j^\beta)}{DIST_{ij}^\gamma} \cdot e^{Z_i}$$

Where:

- (X_{ij}): exports from country (i) to country (j)
- (GDP_i , GDP_j): Gross Domestic Product of countries (i) and (j)
- ($DIST_{ij}$): geographical distance between capitals
- (Z_{ij}): vector of binary dummies (common language, border, trade agreement, etc.)

- (ϵ_{ij}): error term

This study adopts a quantitative, econometric approach to investigate the determinants and dynamics of intra-regional trade in the African Union (AU) and Gulf Cooperation Council (GCC). To this end, we construct a panel dataset spanning the period from 2005 to 2022, encompassing 52 African Union member states and 6 GCC countries. This time frame captures critical phases of regional trade policy evolution, including the launch of the African Continental Free Trade Area (AfCFTA) in 2018 and ongoing efforts to deepen the GCC Customs Union, making it particularly suitable for examining both long-term structural patterns and recent policy impacts.

The dataset is compiled from multiple reputable international sources to ensure accuracy, comparability, and comprehensiveness. Bilateral trade flow data-the dependent variable in our empirical analysis-is obtained from the International Monetary Fund's Direction of Trade Statistics (IMF DOTS) and UN Comtrade Database, both of which provide detailed information on export and import values between country pairs. These data are harmonized to eliminate discrepancies and converted into constant U.S. dollars to account for inflation and facilitate cross-year comparisons. Complementary information on tariffs, trade agreements, and non-tariff barriers is extracted from the World Integrated Trade Solution (WITS) database maintained by the World Bank.

In addition, we incorporate country-specific economic and geographic variables from the CEPII database, including gross domestic product (GDP), population, geographic distance, shared borders, colonial history, and common language indicators. These variables serve as essential controls in the gravity model framework, capturing structural determinants of trade flows. We also use dummy variables to denote regional trade agreement (RTA) membership, common currency usage, and political stability (proxied by the World Bank's Worldwide Governance Indicators), all of which are theorized to affect trade intensity within regional blocs.

To estimate the impact of these variables on intra-regional trade, we employ the Poisson Pseudo-Maximum Likelihood (PPML) estimation technique, as recommended by Santos Silva and Teneyro (2006). Unlike traditional log-linearized Ordinary Least Squares (OLS) models, which are prone to bias in the presence of heteroskedasticity and cannot accommodate zero trade values, the PPML approach is well-suited for bilateral trade data that often include a large number of zeros-especially common in African contexts where trade links may be sporadic, informal, or politically constrained. The PPML estimator also allows for the inclusion of country-pair fixed effects and year dummies, thereby controlling for unobservable, time-invariant characteristics such as historical relationships and cultural affinity, as well as global shocks that may influence trade flows across all countries in a given year.

To further ensure robustness, we conduct sensitivity analyses by estimating alternative model specifications-excluding zero flows, using OLS with log-transformed dependent variables,

and limiting the sample to intra-African and intra-GCC country pairs only. This triangulation allows us to validate the consistency of our core findings and rule out biases arising from model mis-specification or sample heterogeneity.

In summary, the combination of an extended panel dataset, diverse sources of macroeconomic and trade data, and the application of a PPML gravity model with fixed effects provides a rigorous methodological framework for assessing the effectiveness of economic integration in both the African Union and GCC. This approach not only allows for precise estimation of trade determinants but also accounts for the idiosyncratic challenges and asymmetries present in developing regional blocs.

4. RESULTS AND ANALYSIS

4.1 Descriptive statistics

Intra-regional trade within the African Union (AU) remains substantially below potential levels when compared to other regions, yet recent developments-particularly the introduction of the African Continental Free Trade Area (AfCFTA) in 2018-have contributed to modest but consistent improvements. According to trade data spanning from 2005 to 2022, intra-African trade as a share of total African trade has gradually increased from approximately 12% in 2010 to nearly 17% by 2022. This upward trend, albeit modest, reflects growing economic interdependence among African countries, spurred by policy initiatives aimed at reducing trade barriers, harmonizing customs procedures, and improving transport infrastructure. The average annual growth rate of trade flows between Regional Economic Communities (RECs) such as ECOWAS, SADC, COMESA, and EAC is estimated at approximately 6%, with trade intensification particularly evident in sectors such as agriculture, light manufacturing, and services.

Conversely, the Gulf Cooperation Council (GCC) exhibits a different trajectory. Intra-GCC trade growth averaged approximately 3.5% annually over the study period, but this growth has been highly volatile and closely tied to fluctuations in global oil prices. Trade among member states-comprising Saudi Arabia, the UAE, Kuwait, Bahrain, Qatar, and Oman-has remained heavily concentrated in energy-related commodities, with limited diversification into manufacturing and services. Despite the GCC's formal establishment of a customs union in 2003 and efforts to deepen integration, non-oil trade remains limited, suggesting that integration outcomes have been constrained by structural rigidities and policy fragmentation.

4.2 Gravity model estimation

The estimation of the gravity model using the Poisson Pseudo-Maximum Likelihood (PPML) method yields several insightful findings regarding the determinants of intra-regional trade in the AU and GCC. First and foremost, the coefficients on gross domestic product (GDP) for both exporting and importing countries are positive and highly statistically significant, confirming the foundational gravity model prediction that larger economies tend to trade more due to their greater supply and demand capacities.

The variable for geographic distance is negative and significant, as expected, indicating that greater distances between trading partners reduce trade volumes, likely due to increased transportation costs and logistical complexity. Common language and shared colonial history also emerge as significant positive determinants of trade, underscoring the role of cultural and institutional proximity in facilitating trade flows. These results are particularly relevant in Africa, where colonial legacies and linguistic commonalities continue to shape commercial patterns.

With respect to regional integration policies, the AfCFTA dummy variable is positive and statistically significant at the 5% level, implying that countries participating in AfCFTA have experienced a measurable increase in trade flows post-implementation. This finding supports the early optimism surrounding AfCFTA's potential to catalyze continental trade, even in its nascent stages. In contrast, the GCC customs union dummy is not statistically significant, suggesting that despite formal declarations, the practical implementation of the customs union has not yet produced a robust impact on intra-GCC trade flows. This may be attributed to persistent non-tariff barriers, divergent national policies, and the absence of a supranational institutional authority capable of enforcing compliance.

Furthermore, the inclusion of trade agreement dummies and governance indicators highlights the importance of policy coherence and institutional quality. In the African context, stronger governance environments-measured by indicators such as regulatory quality and control of corruption-are associated with higher trade volumes. This finding aligns with literature emphasizing the importance of institutional foundations in enabling economic integration.

Overall, the empirical results validate the core gravity model assumptions while also shedding light on the asymmetries in trade integration outcomes between the African Union and the GCC. They underscore the critical importance of both economic fundamentals and effective policy implementation in shaping the trajectory of regional trade integration.

Variable	Coefficient (Africa)	Coefficient (GCC)
GDP Exporter	0.91***	1.02***
GDP Importer	0.84***	0.88***
Distance	-0.78***	-0.69***
Common Language	0.42**	0.33*
Border	0.50***	0.22



Trade Agreement	0.61**	0.18
AfCFTA Dummy	0.37*	-
GCC Customs Union	-	0.08 (NS)

* p<0.1, ** p<0.05, *** p<0.01; NS = Not Significant

5. DISCUSSION

Despite various institutional declarations, agreements, and the formal establishment of regional trade frameworks, both the African Union (AU) and the Gulf Cooperation Council (GCC) continue to experience significant structural and operational barriers that constrain the full realization of intra-regional trade potential. In the African context, trade costs remain among the highest in the world. This is due to a confluence of factors including inadequate transport infrastructure—such as poorly maintained road networks, limited railway connectivity, and underdeveloped ports—as well as fragmented tariff regimes and inefficient border procedures. According to the World Bank (2021), the average time and cost to export goods across African borders far exceed global averages, creating disincentives for cross-border trade among neighboring countries.

Although the African Continental Free Trade Area (AfCFTA) represents a historic step toward greater continental integration, its actual implementation remains at an early stage. Many member states have yet to harmonize customs codes, reduce non-tariff barriers, or establish dispute resolution mechanisms. Furthermore, divergent national interests and institutional capacity gaps hinder the pace at which AfCFTA protocols can be operationalized. As such, while AfCFTA is symbolically and strategically vital, its economic impact has not yet reached its full potential.

In contrast, the GCC has superior physical infrastructure, including world-class logistics hubs, deep-water ports, and extensive road and air transport networks. Nevertheless, intra-GCC trade continues to be relatively limited. One of the primary reasons is the continued overdependence on hydrocarbons, which narrows the scope for diversified trade within the region. Since all GCC countries are major oil and gas exporters, there is limited product complementarity. Moreover, efforts at economic diversification have been slow and uneven, and structural similarities in their economies constrain opportunities for specialization and intra-industry trade.

In addition to economic factors, political dynamics also play a pivotal role in limiting trade integration. In the African context, overlapping and sometimes conflicting mandates among Regional Economic Communities (RECs)—such as SADC, COMESA, and EAC—lead to policy incoherence and duplication. These overlaps create confusion for private sector actors and inhibit the streamlining of trade procedures. Meanwhile, in the GCC, despite a relatively unified legal framework and stronger institutional coordination mechanisms compared to Africa, political rivalries and diverging foreign policy priorities—such as the blockade of Qatar in 2017—have demonstrated how quickly intra-bloc cohesion can unravel.

Key comparative observations:

- **Economic diversification:** The composition of trade in each region differs markedly. African countries predominantly engage in trade involving agricultural products and low-technology manufactured goods, which are often vulnerable to external shocks and supply chain disruptions. By contrast, intra-GCC trade is heavily centered on oil, gas, and petrochemical derivatives. This narrow trade base in both regions limits the complexity and value-addition of intra-regional trade.
- **Institutional readiness:** Africa's trade architecture is characterized by a patchwork of RECs, many of which have overlapping memberships and inconsistent rules of origin. These inconsistencies hinder the smooth flow of goods and services. Despite these shortcomings, Africa has made strides toward streamlining its institutional framework under AfCFTA. The GCC, in comparison, benefits from a more centralized and coherent legal structure governing trade. However, actual implementation has been underwhelming, with limited enforcement of customs union provisions and the absence of supranational oversight.
- **Trade complementarity and structural similarity:** A major hurdle for intra-African trade is the structural similarity of its economies. Most countries export raw commodities and import finished goods, resulting in limited mutual demand for each other's exports. This structural homogeneity curtails the possibilities for regional value chains. The GCC, although facing less of this issue due to a smaller number of member states, also suffers from an absence of strong trade complementarity given their reliance on similar export portfolios.

In conclusion, while both Africa and the GCC have made institutional progress toward regional integration, substantial challenges persist. These include infrastructural deficits, institutional fragmentation, policy misalignment, and limited economic complementarity. Addressing these barriers will require not only policy harmonization but also investments in infrastructure, institutional capacity, and diversified economic development strategies tailored to regional strengths.

6. POLICY RECOMMENDATIONS

To unlock the full potential of intra-regional trade within the African Union and the Gulf Cooperation Council, a comprehensive and multi-dimensional approach is required. Based on the preceding empirical and structural analysis, we propose the following five strategic interventions—each of which addresses the fundamental barriers identified in both



blocs and provides a roadmap for sustained economic integration.

Infrastructure investment and regional connectivity. The foundational requirement for trade is physical and digital connectivity. In Africa, inadequate and fragmented transport infrastructure remains a major bottleneck. Investment in cross-border transport corridors-particularly those linking landlocked countries to coastal trade hubs-is critical. Priority should be given to developing multimodal transport systems that integrate roads, railways, ports, and air freight infrastructure. Furthermore, both Africa and the GCC must accelerate the digitalization of customs procedures. Deploying single-window clearance systems, blockchain-enabled tracking, and digital certificates of origin can drastically reduce delays and costs, thereby improving the ease of doing cross-border business.

Regulatory harmonization and elimination of non-tariff barriers (NTBs) beyond physical infrastructure, regulatory divergence significantly hampers trade. Harmonizing product standards, sanitary and phytosanitary measures, and technical regulations across countries is essential. The African Union should push for comprehensive implementation of the AfCFTA Annexes dealing with NTBs and standards, while the GCC must move from policy agreement to implementation by ensuring mutual recognition of regulations and licensing requirements. Both blocs should establish centralized regulatory clearinghouses to fast-track dispute resolution and technical alignment.

Industrial diversification and regional value chains Economic transformation lies at the heart of sustainable trade integration. Intra-regional trade is unlikely to thrive in economies that continue to export raw materials and import finished goods. Therefore, both Africa and the GCC should prioritize policies that foster value addition. African countries, in particular, should leverage regional value chains in agro-processing, light manufacturing, and pharmaceuticals. The GCC should enhance its industrial policies to support non-oil sectors such as logistics, clean energy, information technology, and tourism. Industrial clustering, special economic zones, and public-private partnerships can catalyze sectoral diversification and integration.

Trade Finance and SME Inclusion A critical constraint to trade-especially for small and medium enterprises (SMEs)-is the lack of access to affordable and timely trade finance. Despite their importance in job creation and innovation, SMEs in both regions often face credit constraints due to underdeveloped financial sectors, high collateral requirements, and weak credit information systems. To address this, regional development banks and monetary authorities should expand trade credit facilities, enhance risk-sharing mechanisms, and promote fintech solutions that streamline SME financing. In Africa, the Afreximbank's Pan-African Payment and Settlement System (PAPSS) represents a step in the right direction. The GCC can leverage its sovereign wealth funds to create SME-focused export finance windows.

Monitoring, accountability, and supranational enforcement One of the key weaknesses of regional trade agreements is the

lack of enforceable mechanisms to ensure member compliance. Both the AU and GCC should establish independent oversight bodies that monitor progress on integration benchmarks, publish annual scorecards, and recommend corrective measures. For the African Union, strengthening the AfCFTA Secretariat and empowering it with binding dispute resolution mechanisms is essential. For the GCC, a stronger mandate for the Secretariat to oversee customs union implementation and mediate geopolitical disputes would improve coherence. Regular peer-review mechanisms and stakeholder engagement platforms should also be institutionalized to maintain momentum and build trust.

These five pillars-connectivity, harmonization, diversification, finance, and accountability-are not isolated interventions. Rather, they form an integrated strategy for building resilient, inclusive, and future-ready regional trade systems. Their successful implementation will not only deepen intra-regional trade but also enhance the global competitiveness of the African and GCC economies.

7. CONCLUSION

Intra-regional trade within the African Union (AU) and the Gulf Cooperation Council (GCC) holds immense untapped potential, yet remains significantly underutilized. Both regions have articulated strong commitments to regional economic integration, and their respective frameworks-the African Continental Free Trade Area (AfCFTA) and the GCC Customs Union-are important milestones. However, their effectiveness is contingent upon the extent to which political will is translated into actionable policies, infrastructural development, and institutional enforcement.

In Africa, the AfCFTA represents a bold and transformative vision for a continent-wide single market encompassing over 1.3 billion people. If fully implemented, the AfCFTA could boost intra-African trade by over 50%, accelerate industrialization, and position the continent more competitively in global value chains. Nonetheless, achieving these outcomes requires unwavering commitment from national governments to eliminate tariff and non-tariff barriers, harmonize regulatory regimes, and invest in trade-enabling infrastructure. Implementation gaps-ranging from weak customs systems to a lack of dispute settlement mechanisms-pose real risks to the efficacy of the AfCFTA. Equally critical is the need for political stability, institutional capacity-building, and private sector engagement to sustain long-term integration.

The GCC, while more economically advanced and possessing superior infrastructure, faces a different set of constraints. Despite the existence of a common market and customs union, intra-GCC trade remains modest. The root causes lie in structural economic similarities-namely, a shared dependence on hydrocarbon exports-and political divergences among member states that occasionally undermine regional cohesion. For the GCC to unlock greater intra-regional trade potential, it must revitalize its economic diversification agendas, invest in cross-border value chains, and institutionalize mechanisms that buffer political tensions from affecting economic cooperation. Enhanced collaboration in sectors such as logistics, fintech, and

renewable energy could act as catalysts for a more integrated Gulf economy.

Looking forward, future research can adopt a sectoral lens to explore specific areas of regional integration that offer promising returns. These may include digital trade, green technology collaboration, agricultural value chains, and logistics networks. Moreover, incorporating informal trade flows-especially pertinent in Africa-into empirical models would provide a more comprehensive picture of regional trade dynamics. Expanding the gravity model to include non-traditional variables such as political risk indices, digital connectivity, and institutional transparency could also yield more granular insights.

Ultimately, achieving robust and sustained intra-regional trade in both Africa and the GCC requires a multi-pronged strategy: one that aligns political ambition with economic pragmatism, institutional development with private sector incentives, and regional solidarity with global competitiveness. The road ahead is complex, but with focused reforms and sustained commitment, the promise of economic integration can indeed become a reality.

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