

The role of African countries in the diversification of European supply chains from the perspective of the European Union

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Abstract

This article presents the analysis of the role of African economies in diversifying European supply chains amid growing trade tensions between the EU, USA, and China. The author identifies key strengths, such as access to raw materials and low labour costs, while addressing challenges like weak infrastructure and political instability. Using a mixed-methods approach, including statistical analysis and content evaluation of EU policy documents, this research highlights the EU's strategy to reduce reliance on China by increasing co-operation with African countries. The findings suggest that while Africa has potential, its integration into European supply chains remains limited due to structural constraints.

Keywords: European Union, Africa, China, European supply chains

Rola państw afrykańskich w dywersyfikacji europejskich łańcuchów dostaw z perspektywy Unii Europejskiej

Streszczenie

W artykule przedstawiono wyniki analizy roli gospodarek afrykańskich w dywersyfikacji europejskich łańcuchów dostaw w obliczu rosnących napięć handlowych między UE, USA i Chinami. Autor wskazuje kluczowe mocne strony, takie jak dostęp do surowców i niskie koszty pracy, a jednocześnie uwzględnia wyzwania, takie jak słaba infrastruktura i niestabilność polityczna. Korzystając z mieszanych metod badawczych, w tym analizy statystycznej i oceny treści dokumentów politycznych UE, badanie podkreśla strategię UE mającą na celu zmniejszenie zależności od Chin poprzez poszerzenie współpracy z krajami Afryki. Wyniki sugerują, że chociaż Afryka ma

potencjał, jej integracja z europejskimi łańcuchami dostaw pozostaje ograniczona ze względu na restrykcje strukturalne.

Słowa kluczowe: Unia Europejska, Afryka, Chiny, europejskie łańcuchy dostaw

The economies of African countries are seen as a potential advantage in the context of international economic trade, offering a chance to achieve economic benefits through access to cheap labour, natural resources, and developing markets. Although there is no doubt that African countries have many advantages that indicate the potential for economic growth, the hopes for rapid development of this part of the world have not yet come true. In times of increasing political and economic tensions resulting from strategic rivalry between China and the USA, as well as trade tensions between the EU and China, the issue of searching for alternative places to produce goods consumed in Europe is becoming increasingly important. The growing awareness of economic dependence on China prompts European countries to consider a policy of seeking alternatives to Chinese suppliers. This is determined by the fear of using trade as an instrument of pressure on European countries and pursuing Chinese national interests. China's external economic policy is not based solely on economic calculations, but largely takes into account political considerations, as evidenced by Chinese investments in Europe. Therefore, it is reasonable to consider, what determinants shape the increasing share of African economies in European supply chains.

The aim of the article is to determine, to what extent African countries can constitute an element of the diversification of global supply chains from a European perspective. The detailed objective of the article is to identify the competitive advantages of African economies in the process of increasing their share in global supply chains. Due to the level of socioeconomic development and the political situation, the possibilities of African countries are limited, for example, in comparison with Asian or Central European economies. Despite this fact, a possible increase of the risk related to difficulties in trade with China suggests the validity of the approach presented in this text.

Therefore, this article is focused on two problem areas: on the one hand, the identification of competitive advantages of African countries in relation to individual components of supply chains, and on the other hand, the EU's policy regarding diversification and its possible targeting towards African countries.

The author verifies in this research the following **hypotheses**:

H1: The rapid increase in the participation of African countries in European supply chains is limited.

H2: The reasons for increasing participation in supply chains are mainly related to the cost side and, to a lesser extent, to the qualitative factors of production's location.

H3: The EU's supply chain diversification policy is related to the promotion of European standards among external partners, and it is a reaction to the Chinese presence on the continent.

Methodological and theoretical basis: supply chains, location of production and their importance in the context of the EU's economic development

Supply chains, understood as the processing of resources in order to deliver products to consumers, have been an important part of the modern economy for years (University of Cambridge 2021). Activities related to the flow and processing of goods – from the initial design stage through the early stage of raw materials, production stages, distribution, up to the end user (customer) – have become significantly longer in the era of globalisation. The pursuit of optimising production processes and creating a competitive advantage resulted in fragmentation of production and, at the same time, extended supply chains. Supply chains have become service systems, within which – from primary production to final consumption – specific goods are produced and delivered to customers at a specific price. It should also be noted that supply chains also involve added value to producers and distributors (Arrighi 2024: p. 324). It appears when revenues exceed costs (Hines 2024: p. 4). Therefore, the functioning of supply chains is a constant process of searching for lower costs and generating higher profits.

For the purposes of this research, the perspective of systems theory was adopted, which considers supply chains as complex interdependent networks, in which each element (supplier, manufacturer, distributor, etc.) interacts with others. This approach allows us to better understand the importance of the entire system to optimise performance, manage risk, and improve overall performance. The key issues of a system include interdependencies (how different parts of the chain influence each other), feedback (how information and materials flow through the system), optimisation (improving efficiency) (Caddy, Helou 2007: p. 319–327). Therefore, it is assumed that supply chains constitute a system from raw material extraction to delivery to the final consumer. In this context, a supply chain is defined as a set of at least three entities (organisations or people) directly involved in the flows of products, services, financing, and/or information from raw materials to the customer (Wilden et al. 2022: p. 491–526). Considering the systemic perspective, it was assumed that the supply chain consists of individual components: raw materials, semi-finished products, production, distribution, sales, and consumers (Kaplinsky, Morris 2002; University of Cambridge 2021). In each of the components, specific locations have certain advantages, but also points of weakness (challenges).

Supply chain in the era of globalisation, in which the delivery of the final product to the consumer, is the result of the functioning not only individual delivery components, but individual locations. Supply chains, understood in this way, affect many aspects of goods available in EU countries. One of them is the quality of products. Each component of the supply chain – from design, through production, to delivery – affects the quality of the final product. Effective supply chain management can also influence production costs, optimise processes, eliminate waste, and increase efficiency, which can have an impact on the profitability of the final product. Another aspect is managing the supply chain to ensure a fast

and reliable delivery of end products. Appropriate production planning, logistics management, and efficient distribution processes can reduce delivery time, which is important for customer's satisfaction and market competitiveness. This requires proper management of the supply chain, which can support innovative processes, rapid introduction of products to the market, and adaptation to changing customer preferences.

The EU has an open trade policy, but does not abandon protectionist measures in industries of common interest to the Member States (Puślecki 2021: p. 6–15). A significant part of production, which a few decades ago was located in Europe, has been moved to countries with lower production costs, especially to Asia. At the same time, the EU countries participate in the global competitive game, trying to catch up with major economic powers, such as the USA and China. By increasing its participation in the processes of economic globalisation, more and more production was located in developing countries (such as China) in increasingly equal competitive struggle. This was accompanied by the calculation of European corporations towards increasing profits (lower production costs), and of governments – towards access to goods at relatively low prices. As a result, a significant part of the goods consumed in the EU countries are imported from China. This country is responsible for over 30% of all goods produced in the world. The fragility of the current supply chain model was demonstrated by the COVID-19 pandemic, increased tension in U.S.–China relations, and situation in Ukraine after February 2022 (Hassan Al-Obaidy 2023: p. 209–222; Alfaro, Chor 2023). These events temporarily and with varying intensity had a negative impact on European supply chains.

This study was designed as a mixed method approach, combining qualitative and quantitative methods. The focus was put on identifying the competitive advantages of African countries in relation to various components of supply chains and the EU's diversification policy, with particular emphasis on targeting African countries. Primary and secondary sources were used: official EU documents, as well as statistical data on the participation of the EU, African countries, and China in international trade. Statistical data on trade flows were obtained from official institutions, such as the European Commission, European Parliament, World Bank, Eurostat, United Nations, International Monetary Fund. Quantitative data analysis was conducted using descriptive statistics to examine trade flows, investment trends, and participation rates of African countries on global and EU markets.

The qualitative approach includes content analysis of primary documents obtained mainly from the EU institutions. Publications concerning European and global supply chains, and Africa's place in the global economy were also used. In order to examine the potential diversification scenario, a comparative analysis of the economic potential of African countries and China was conducted. The article is a review covering the issue from a synthetic perspective. Therefore, individual African economies were not analysed separately, but only sometimes pointed to the characteristic features of some of them.

Africa's place in global and European supply chains

Africa is playing an increasingly important role in global trade relations, foreign companies are paying attention to the continent's potential through the inflow of foreign investments. Despite this, the intensification of global flows of goods, services, capital and information has had a moderate impact on African economies. African trade has not changed significantly since colonial times, and African companies still play a relatively small role in global supply chains, which is confirmed by the fact that they are usually not strategic suppliers (You et al. 2018: p. 252). Economically, Africa is diverse, resulting from geographical and historical premises, cultural and religious differences, the structure of economies, the number of people, and natural resources. A common feature of the economically different African countries is a low level of economic development, relatively underdeveloped markets or low incomes of the population (Rynarzewski et al. 2017: p. 9–11, 39–40). Compared to the population potential of individual African regions, economic results remain quite diverse (see: *Table 1*). For example, Eastern and Southern Africa represents 9.1% of the world's population, while its contribution to global GDP is only 1.2%. Meanwhile, the Middle East and North Africa have a relatively high GDP per capita (USD 7,551) compared to the world average (USD 11,315). The position of this region is similar, taking into account GDP expressed in purchasing power parity (USD 18,599).

Table 1: Diversifying Africa's contribution to the global economy (2022).

Specifi- cation	GDP at constant prices from 2015, USD billion	%	GDP per capita at constant prices from 2015, USD	%	GDP per capita PPP, at constant prices from 2015, USD	%	Population (million)	%	Trade % of GDP
East and South Africa	1 041	1.2	1 445	12.8	4 039	20	720	9.1	57.16
Middle East and North Africa	3 725	4.1	7 551	66.7	18 599	92	493	6.2	65.59
West and Central Africa	894	1.0	1 823	16.1	4 810	23	490	6.2	N/A
European Union	15 282	17.0	34 159	301.9	53 739	266	447	5.6	105.96
World	89 964	100.0	11 315	100.0	20 42	100	7 950	100.0	62.56

Source: World Bank 2024.

Slow but stable economic growth has been disrupted by COVID-19 pandemic (International Monetary Fund 2024). Despite the relatively cheap labour force, pro-growth demographic structure, and access to natural resources important for modern industry, the share of African countries in world trade is moderate. Africa represents 17% of the world's population, but its share in world trade is only 2.9%. Moreover, the share in world trade has a decreasing tendency compared to previous years, when it was approximately 5%. Africa has been losing out in global economic competition in recent years. The negative situation does not change the fact that Africa as a region recorded a trade surplus of approximately USD 18.1 billion in 2022. Due to the low level of economic development and the undeveloped industrial base, Africa is mainly an exporter of fossil fuels, metals, and low-processed goods. African industrial exports represent only 0.8% of global exports. Acting as a supplier of unprocessed raw materials is the best example of this. The low level of manufacturing value added to GDP of 10.5% suggests an underdeveloped manufacturing sector, especially if we compare this indicator with East Asian countries, where it was 24.8% at the beginning of 2022 (African Export-Import Bank 2023: p. 11). The reason for this situation is the infrastructural and cultural context, which makes it difficult for foreign companies to provide African suppliers with more strategic roles in supply chains. African suppliers are often unable to meet the standards of their target markets, such as the EU. The European Union enforces rigorous sanitary and phytosanitary standards, particularly for food products. African exporters often struggle to meet these requirements due to limited technical and financial resources, leading to frequent rejections of shipments. For instance, Africa accounts for about 30% of total non-conformity cases with the EU food standards, resulting in approximately 600 instances of African food shipments being refused entry (Kareem et. al. 2023).

Considering African countries as a possible alternative to Asian suppliers, especially Chinese ones, requires reflection on mutual economic relations. The EU is Africa's main trading partner, because 30% of African exports go to EU countries. The same is related to imports, because 31% of imports come from the European Economic Area. Among the groups of goods imported from Africa, the following should be mentioned (data for 2022), in order from the largest to the smallest: food and beverages, raw materials, and energy (European Parliament 2022a). The structure of trade reflects the imbalance and interdependence of the economies involved and consolidates the place of African economies in value chains generating low margins (added value). Interregional trade is only 14.4% of total trade on the continent (European Parliament 2022b). At the same time, Africa is the EU's fourth largest trading partner after the USA, China, and Great Britain. The largest trading partners with the EU in Africa include, in descending order: Morocco (16% of trade), South Africa (16% of trade), Algeria (11% of trade), Egypt (11% of trade) and Nigeria (10% of trade) (European Commission W/Wa). The EU is Africa's largest trading partner, ahead of China, India, and the USA.

Strengths and weaknesses of involving African countries in supply chains from a European viewpoint

Diversification of supply chains is a procedure aimed at creating supply alternatives to current practices. This is not only the task of states, but primarily of entrepreneurs participating in international trade. The latter, in pursuit of rent, choose the best locations from their point of view, often determined by cost-profit calculations (Dunning 1980: p. 9–31; MacCormack et al. 1994: p. 69–80). Recognising its interests on the African continent, the EU is shaping a policy to increase the share of these economies in European supply chains. This does not change the fact that the EU's main trading partner, after the USA, is still China. The economic potential of African countries is very diverse; some countries are already successfully part of European supply chains. For example, in Morocco, 14% of exports are cars. South Africa also exports cars, accounting for a total of 31% of the country's exports to the EU. Another example is the export of textiles, which has been growing significantly in recent years, and now it accounts for 33% of Madagascar's exports to the EU (European Commission W/Wa).

African economies have both advantages and challenges in increasing their role in European supply chains. In the case of raw materials, the continent has quite a lot to offer, because it has natural resources that are important for today's key industries, such as modern electronics. 48.1% of the world's cobalt reserves, 47.6% of the world's manganese reserves, and 21.6% of the world's graphite reserves are located in Africa. The problem is that African economies do not process their raw materials. For example, only 12% of investments in South Africa are related to mineral processing. The most of raw materials mined on the continent is exported and processed outside the continent (United Nations 2023: p. 6, 48). The government is aware of the situation, therefore, as part of the African Mining Vision of 2009, the African Union "formulated the goal of achieving a sustainable mining industry, seeking to stimulate and optimise economic linkages in the mining sector with a view toward facilitating broad-based economic development" (Müller 2023: p. 188; see also: Ackah-Baidoo 2020). We are talking about stopping the predatory extraction of natural resources in place of their sustainable use and processing on the continent. Although the above-mentioned goal meets political expectations, it has not yet been fully implemented. Key raw materials, necessary for the development of 21st century industries, are not distributed even on the continent, and where they are present, the profits from them largely do not go to state budgets but to criminal groups, constituting illegal financial flows (Signé et al. 2020). The Democratic Republic of the Congo claims that 98% of net profits from illegal mineral extraction go to international organised crime groups (Hines 2024: p. 18).

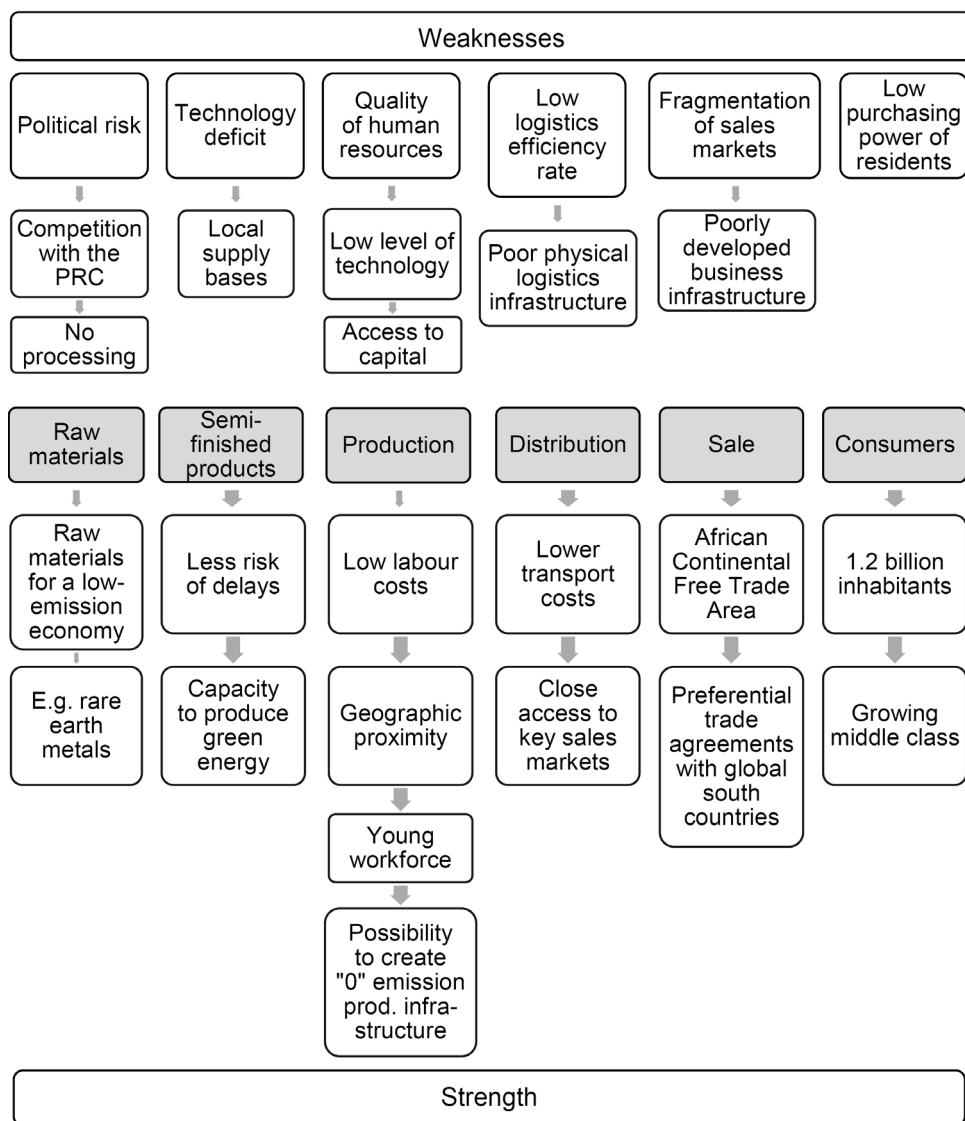
When it comes to the presence of external trade entities, it is worth mentioning China's activities. China is controlling about 90% of global rare earth production, and it is investing heavily in African deposits to secure its supplies and to maintain its dominance in the global market. Due to active investments in African infrastructure, China

has preferential access to raw materials, e.g. road or energy projects in exchange for mining contracts. In turn, the EU imports approximately 95% of rare earth metals and is becoming largely dependent on supplies from China. Therefore, it is trying to diversify its sources of raw material supplies, paying attention to African economies as potential suppliers (Keßler 2024).

Critical raw materials are crucial to European economy. "They form a strong industrial base, producing a broad range of goods and applications used in everyday life and modern technologies. Reliable and unhindered access to certain raw materials is a growing concern within the EU and across the globe. To address this challenge, the European Commission has created a list of critical raw materials (CRM) for the EU, which is subject to a regular review and update" (European Commission 2023; see also: European Commission 2011). The list responds to the challenge of secure and sustainable supply of critical raw materials and actions to increase the EU's resilience and open strategic autonomy. The EU has identified various actions to support the development of a resilient supply chain for CRM. "Achieving resource security requires action to diversify supply from both primary and secondary sources, reduce dependencies and improve resource efficiency and circularity, including sustainable product design" (European Commission 2020a). Diversifying the EU's access to CRM, particularly in light of Chinese dominance in supply chains, is a complex challenge. However, it is possible through a combination of strategies, including expanding domestic extraction and processing, strategic partnerships and alliances, recycling and circular economy initiatives, investment in alternative technologies, legislative and financial support, feasible industrial policy.

With regard to the possibility of producing components and semifinished products, the situation is also unclear. On the one hand, African economies are characterised by technological deficit and are unable to fulfil orders for components of the highest quality expected by European industry. On the other hand, geographical proximity suggests less risk of delivery delays and less risk of the possibility of skyrocketing freight prices. Another weakness of African economies is the lack or, more precisely, the insufficient development of local supply bases. The experience of developing countries demonstrates that in order to move to highly processed production, it is necessary to master the production of basic products, components, and sub-assemblies, often for foreign suppliers. For China, this process took several decades (Brandt, Rawski 2008: p. 10–16).

Figure 1: Strengths and weaknesses of increasing participation in supply chains from the European perspective.



Source: the author's own elaboration.

Another key element of the supply chain is production, which requires material resources, such as technologies, infrastructure, and intangible resources related to access to qualified labour. One of Africa's strengths is its relatively low labour costs. According to the International Labour Organization (2020: p. 67), less than 24% of the African labour force (approximately 32 million workers, one-third of whom are women) earn the mini-

mum wage. In Africa, this averages USD 220 per month, compared to the global average of USD 486 per month, USD 668 in the Americas, USD 381 in Asia-Pacific, and USD 1,041 in Europe and Central Asia (Roberts, Wolf 2018). Many African societies have a relatively young population, with a high birth rate, which means large market potential and a large labour force for future investments. In sub-Saharan African countries, 70% of the population is under 30 years old (United Nations W/W/W). Africa has one of the highest birth rates in the world, leading to rapid population growth.

In addition to problems with infrastructure and finances, the challenge is the low level of human capital (including the quality of education). Despite efforts, many African countries have unsatisfactory level of education compared to other regions, as evidenced by the low level of literacy of children – 64% of the population (Aikins, Cilliers 2025). A large percentage of young people complete primary school, with limited access to higher and vocational education. The average number of years of schooling, i.e. the average number of completed years of education in the world's population is around 8.7 years, while in Africa it is 5.2 years, and in some countries – such as Guinea, Burkina Faso, Niger – it is 2 years (World Economics W/W/W). This fact suggests that even if foreign investments tend to increase, it is impossible to ignore the challenges related to the lack of human resources necessary for industrial production for the needs of modern economies.

Production requires access to relatively cheap energy. Due to its geographical location, Africa has a lot to offer, because it has a large potential to generate energy from renewable sources (mainly from the sun), which is estimated to be approximately 7,900 gigawatts. Furthermore, African countries, due to their developmental backwardness, are not burdened with infrastructure that generates excessive CO₂. Therefore, it is a place where there is no need to implement a green transformation in the sense of moving from high-emission to low-emission sources. A big advantage in this context is the availability of raw materials for the production of electric cars or, more broadly, modern electronics. The condition and quality of the energy infrastructure is not satisfactory. The economies of African countries require additional investment in renewable energy, because only 43% of the population has access to electricity. Only 2% of global investment in renewable energy goes to Africa (United Nations 2023: p. 45, 105). This underinvestment is caused by factors such as perceived political and economic risks, infrastructural challenges, and limited access to financing. The EU has recognised the need to bolster renewable energy investments in Africa. Initiatives like the *Global Gateway Africa – Europe Investment Package* are aimed at supporting Africa's green and digital transformation by accelerating the green transition, among other objectives.

Geographic distance is an undoubted advantage for some African economies compared to Chinese producers. China has a much larger geographical distance from Europe, which translates into longer delivery times and a greater risk of disruptions in the supply chain. Thus, the transport of goods by sea from China to Europe takes approximately 4–7 weeks, but from Africa to Europe takes approximately 1–3 weeks. Therefore, the transport costs from Africa to Europe are much lower than those from China. Considering the fact that between 2019 and 2021 freight costs increased fivefold

from the point of view of European supply chains, this is important. Despite the above-mentioned facts, the key aspect here is the provision of hard infrastructure such as ports, roads, and railways. Africa has fewer than 70 ports, and some of them are poorly equipped. "In 2018, for example, performance of African countries was lower (2.46) than the global average (2.87), as measured by the World Bank logistics performance index on a scale of one to five, with one being the lowest, and five, the highest" (United Nations 2023: p. 7).

There is no doubt that the fragmented African market is not conducive to selling products and achieving the added value resulting from the potential location of production in Africa. African countries have signed many trade agreements with countries in the global south. Moreover, on the continent operates the African Continental Free Trade Area, established to support continental and regional integration, stimulate intra-African trade, as well as harmonise trade between regional economic communities and within multiannual trade agreements. The organisation brings together all African economies except Eritrea. As a market worth USD 2.6 billion with 1.2 billion people, it is the largest free-trade zone in the world in terms of the number of participants (Cieřlik 2021).

European Union's policy to increase African participation in European supply chains

In its declarations, the EU supports the economic development of Africa. The actions taken by EU institutions in recent years suggest that including African economies in European supply chains may be an alternative to trade relations with China. Taking into account the value of trade with China (reaching approximately EUR 2 billion per day) and with Africa (approximately EUR 0.7 billion), the black continent can only be additional (Eurostat 2019, 2024). In the near future, it is difficult to speak about African countries replacing their trade relations with China. Therefore, the possible delocalisation of production should be considered in the context of the economic exchange between the EU and China. The current assessment of these relations is unfavourable for the EU, considering the negative trade balance with China. EU institutions suggest that this is the result of restrictions on access to the Chinese market by the country's authorities. If this way of reasoning is correct, it should be stated that the greater the expansion of China's industrial policy, the greater the willingness of EU decision-makers to change supply chains from Chinese to African ones (European Commission 2019).

Therefore, the policy of increasing the share of African economies in European supply chains must be considered in the context of Chinese expansion on the continent. When it comes to Africa, China focusses on cooperation in areas, in which it has experience in the context of national economic growth: e.g. infrastructure investments and cooperation in the field of raw material extraction. The construction of roads, ports, and railway lines undoubtedly increases the chance of integration with global supply chains. From the Chinese perspective, this facilitates the export of raw materials and semifinished products to China and to other parts of the world. The EU is focussing more on sustainable

development and the diversification of African economies, with a greater component related to the promotion of European values and standards. Implicitly, we are speaking about adopting the European development model.

At the same time, the EU is opening its markets for African products, which is confirmed by the fact that 90% of African exports benefit from duty-free and quota-free access to the EU single market. Even though the EU offers preferential access for many African exports, tariff escalation remains an issue. This practice involves imposing higher tariffs on processed goods than on raw materials, discouraging the export of value-added products from Africa. This fact is limiting African countries participation in higher-value segments of global trade (European Commission W/WWc).

The adopted economic agreements do not provide too much preference for African countries. Existing EU-Africa trade agreements lack explicit provisions on dual pricing like those in the EU-Chile Free Trade Agreement (FTA). The EU-Chile FTA allows Chile to maintain a limited dual pricing regime for lithium, allowing the country to support local production while ensuring access for EU industry (European Commission W/WWd; European Commission 2014; Council of the European Union 2014).

The economic interests of individual EU countries in Africa are diverse. Official announcements from the EU institutions suggest cooperation in the spirit of understanding on the basis of equal parties, e.g. in sustainable and socially inclusive investments. This aims to promote EU priorities and values externally (European Commission 2020b).

Due to the desire to maintain their high-margin position in global value chains, European economies have little incentive to allow African economies to occupy a higher position in value chains (to achieve higher margins). In this sense, the announced creation of an open strategic autonomy towards the USA and China does not mean automatic entrustment of high-margin components of supply chains such as research and development, design, or marketing and sales activities. In fact, the European Commission defines trade and investment relations with China as both important and difficult, points out that it will strengthen relations with the African continent and African countries (European Commission 2019). Here, the main motivation is to achieve relative prosperity and stability in Africa as a determinant of the development of the EU as a whole. However, similarly to other external activities of the EU, there is a clear belief in the need to take into account the current EU development priorities, e.g. ecological and digital transformation (European Commission 2021). In other words, the support of the prosperity of African economies will take place in a form and scope that will bring the beneficiary countries closer to European standards.

The Chinese presence is certainly a challenge to the effectiveness of European policy. China's long-standing policy has resulted in the country's becoming the largest creditor in the region (Schneidman, Wiegert 2018). In the years 2018–2021, China invested USD 60 billion in Africa, and in the years 2022–2024, it declared to provide USD 40 billion to stimulate the economic growth of the continent (Forum on China-Africa Cooperation 2021a,b; Cieślík 2022). Meanwhile, the EU has reserved an investment package of USD 163 billion for 2021–2027, which will include the implementation of sustainable develop-

ment activities for the continent, investments in various types of infrastructure (digital, energy, transport), health, education and skills, as well as the environment (European Commission W/Wb). In recent years, this translates into an average annual support of approximately USD 20 billion from China and approximately USD 26 billion from the EU.

The EU is a long-term trading partner of the African economy, but the benefits are not clear. The EU is a more important trading partner than China, considering imports. China's imports from Africa amounted to just USD 118 billion in 2022, while EU imports from Africa increased to USD 247 billion in the same year. Taking into account the EU's trade deficit with Africa (in 2023 amounting to EUR 8 billion) (European Commission 2024), it can be said that the African side benefits from cooperation to a greater extent than the European one. The situation is different, when it comes to economic exchange between Africa and China, where deficits are regularly recorded. China's industrial expansion in the post-pandemic years suggests that the deficit will increase. The EU is still the largest foreign direct investor. In 2017, European investments amounted to EUR 222 billion, while Chinese investments amounted to only EUR 38 billion (European Parliament 2022a).

Conclusions

Supply chains, like economic development models, are not static and do not constitute unchanging systems. The continuous shaping of supply chains to ensure the availability of goods on a given market in a quantity and price that is acceptable to the customer is a fundamental feature of policies aimed at their formulation. The author discusses the potential of African economies in the diversification of European supply chains. The shape of supply chains is the result of the economic policies of the countries and the activities of businesses engaged in international trade.

The study of the strengths and weaknesses of African economies demonstrates that the rapid increase in the participation of African countries in European supply chains is limited. Africa has certain advantages to become a bigger player than it currently is in global supply chains, but for now it is a construct that needs to be continuously implemented rather than an observable effect. The limitations are resulted from both internal and external factors. In the first case, insufficient ability to build competitive potential, which results in development backwardness, lack of political stability, and failure to build effectively functioning institutions. External factors include the competitive position of other players in international trade. Although China is Africa's largest creditor, supporting the development of some countries, it takes advantage of its position as the largest producer, which is reflected, for example, in the growing trade deficit. The EU, which opens its markets to products manufactured in Africa, but imposes conditions that often seem prohibitive, related to the need to adapt to the standards prevailing in the internal market, and is not encouraging for African economic partners.

Referring to the second hypothesis stated at the beginning, it should be confirmed that the possibilities of increasing Africa's share in European supply chains revolve mainly around quantitative (including cost) and, to a lesser extent, qualitative factors. We can

speak about potentials, i.e. abilities, possibilities, and forces that may appear, but have not yet been fully revealed. The best evidence is the disproportionately low share of African economies in global supply chains in relation to their population potential. With regard to the first element, the demographic potential of the continent should be increased, which can be used in the process of producing export goods, but also in the long term may constitute consumption potential. Another potential is undoubtedly access to raw materials that are necessary to build low-emission economies. The main problem here is the fact that raw materials are the main export product of the continent, so they contribute to economic development to a limited extent because they are not processed on site. Another aspect to be noted is the relatively low labour costs, which are incomparable to those in highly developed economies. This is an advantage that appears very often among the factors that determine the location of production. However, in the long run, the challenge will not be the level of wages, but also labour productivity, understood as the ratio of labour cost to the value of the good produced in a given economy. Here, given the relatively modest quality of human resources, governments have much to do. As mentioned above, there are much fewer qualitative factors and include, for example, preferential trade agreements with various economic regions or a lower risk of delays due to geographical proximity. However, Chinese experience suggests that with appropriate policy, certain weaknesses can be turned into advantages, e.g. the quality of human resources.

The last problematic issue discussed in the article is the EU supply chain diversification policy. As an entity with greater economic potential, the EU is more open to goods imported from Africa than Africa is to products imported from Europe, as evidenced by the EU's trade deficit in recent years. Under the slogan of building sustainable cooperation, fair investments, and building Europe's economic resilience, there is a desire to export the EU normative and development model to Africa. Colonial experiences suggest that this type of strategy is not optimal, which China's policy takes advantage of. The EU, as a normative power, wants to mark its presence on the continent. Similar volumes of financial support from China and the EU suggest that this will not be a decisive issue. African economies will certainly focus on cooperation that will bring them greater benefits (e.g. economic, political). The above means that the EU's policy of diversifying supply chains with African countries is determined by the policy of reducing economic dependence on China and building economic resilience. Taking into account the strengths and weaknesses of increasing the share of African economies in European supply chains, it is difficult to expect dramatic increases in the near future, unless there are sudden circumstances that will force Europeans to change supply chains from Asian to European ones.

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