Can Export Restrictions Deliver Sustainable Industrialisation in the Shea Sector?



West African governments are increasingly turning to export restrictions to encourage local processing and capture more value from the shea industry. While restricting raw kernel exports creates opportunities for domestic processors, building a sustainable industrial foundation requires a broader approach.

Findings from a recent research work on export restrictions, Analysis of Export Restrictions in the Shea Sector, show that limiting raw material exports does not automatically guarantee industrial development or higher regional economic retention.

More kernels, but at what cost?



According to the report, export restrictions limit access to international buyers and redirect shea kernels to domestic processors. However, strictly enforced restrictions can slow domestic price growth, directly impacting rural women collectors who depend on shea sales for their livelihoods.

The findings pointed out that, when local processors cannot absorb the available supply, competition weakens and kernel prices drop. In Mali, for example, the introduction of export restrictions is estimated to cost approximately US$20 million in annual export sales, with rural women bearing much of the loss.

The capacity gap: A major obstacle to industrialisation

One of the report's central findings is that the success of export restrictions depends heavily on a country's existing processing capacity.

Where processing capacity matches production, restrictions help businesses secure raw materials. However, where capacity falls short, restrictions create excess supply, weaken domestic prices, and lower overall export earnings.

Industrialisation requires more than access to raw materials

For export restrictions to translate into sustainable industrial growth, they must be accompanied by investments that strengthen the entire processing ecosystem.

Sustainable growth requires targeted investments in financing, reliable infrastructure, efficient logistics, modern processing technology, and stronger market institutions. These enable local processors to meet international quality standards and compete globally.

A regional industry requires regional thinking

Shea is not confined by national borders. Kernels move across West Africa, connecting producing communities, traders and processing businesses in different countries.

Unilateral export restrictions disrupt established cross-border trade flows across West Africa. Coordinated action through regional bodies like ECOWAS and AfCFTA can harmonise trade policies, reduce market uncertainty, and support balanced industrial growth.

So, can export restrictions deliver sustainable industrialisation?



Export restrictions can contribute to industrialisation, but only when paired with supportive infrastructure, investment, and equitable value distribution across the entire supply chain.

Equally important is ensuring that the benefits of industrial development reach the women and communities who sustain the industry. A stronger domestic processing sector should create better economic opportunities across the value chain, not simply transfer value from producers to processors.

This article draws on findings from the report, Analysis of Export Restrictions in the Shea Sector: Economic Impacts, Market Dynamics, and Policy Lessons for West Africa.