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The Egypt - Chad Land Link Project: Catalyzing Trade and Regional Integration



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Abstract

Egypt is actively pursuing stronger economic ties with various countries, particularly within Africa, recognizing the critical role of robust transportation networks in continental growth. In line with this vision, Egypt has launched the "Land Link Project," a 1,700 km road designed to connect Egypt and Chad. This ambitious initiative aims to foster deeper economic integration and significantly enhance trade flows between the two nations, building on the proven success of land-based infrastructure in driving development and commerce compared to other transport modes.

The Land Link Project is poised to unlock substantial trade and investment opportunities, not only between Egypt and Chad but also extending to Libya. It will serve as a vital export gateway for Egyptian goods into Chad and its

landlocked neighbors, while simultaneously providing Chad with a crucial route for its exports to Europe, leveraging its strategic position linking the Red Sea to the Atlantic Ocean. This connectivity is expected to dramatically boost bilateral trade prospects and investment collaboration across multiple sectors.

For the project's success, this study recommends that Egypt and Chad establish robust mechanisms to ensure political and security stability, which are paramount for uninterrupted implementation. Furthermore, maintaining updated project statistics and adhering to a strict timeline before and during execution are essential. Ultimately, the long-term improvement of trade between Egypt and Chad hinges on their sustained and strengthened bilateral cooperation across all fields.

Main Points

Project, Land Link, Economic Integration, Trade Exchange, Egypt, Chad, Libya, Challenges, Project Dimensions

Introduction

Since the late 1960s, Chad has consistently pursued economic development plans, yet it continues to grapple with a significant trade deficit. This challenge is largely attributed to persistent political instability, which has hampered its economic stability, and its geographical constraint as a landlocked nation. Surrounded by six countries—Sudan, Libya, Niger, Nigeria, Cameroon, and the Central African Republic—Chad lacks direct access to maritime trade routes, severely limiting its external trade capabilities.

To overcome these inherent challenges, Chad critically needs to enhance regional economic integration and intra-African trade. While intra-regional trade is widely acknowledged as a powerful engine for economic growth, poverty reduction, and strengthened food security across Africa, many African nations still face considerable trade barriers. The establishment of the African Continental Free Trade Area (AfCFTA)

in Kigali, Rwanda, in March 2018, marked a pivotal step toward boosting intra-African commerce, positioning Africa as the world's largest free trade area by number of participating countries. Within this broader context, the proposal for a "Land Link" road connecting Egypt, Libya, and Chad aligns directly with high-level discussions between the Egyptian Minister of Transport and the President of Chad. This initiative forms a cornerstone of Egypt's efforts to enhance trade and economic integration among the three countries, simultaneously positioning Chad as a vital commercial hub connecting the Red Sea and the Atlantic Ocean.

This paper provides an overview of the Land Link Project, examines its strategic, economic, and political dimensions, and analyzes the opportunities it presents for the participating nations. Finally, it explores the challenges that may impede its short-term implementation.



1. Overview of the "Land Link" Project

The Land Link Project represents a monumental step toward strengthening trade exchange and economic integration between Egypt and Chad, transforming Chad into a commercial gateway between the Red Sea and the Atlantic Ocean. This ambitious undertaking was first highlighted by Egyptian Foreign Minister Badr Abdel Aty in a December 2024 statement, describing it as a "huge project" and a "major corridor for development" that will significantly enhance the historical relations between the two countries. The Egyptian Ministry of Transport, under Prime Minister Kamel El-Wazir, further confirmed its significance on February 18, 2025. As is clear from Figure No. (1).

As illustrated in Figure No. (1), the Land Link road connecting Egypt and Chad, via Libya, is divided into three key segments:

- **Segment 1 (Egypt):**

A 400 km stretch from Eastern Oweinat in Egypt to the Kufra border crossing, currently being executed by Egyptian companies.

- **Segment 2 (Libya):**

A 390 km portion located within southeastern Libya, near the Egyptian border.

- **Segment 3 (Chad):**

A 930 km segment extending from the Chadian border to Abéché in Umm Jaras.



Figure No. (1)

The "land link" road between Egypt and Chad

2. Dimensions of the "Land Link" Project

Strategic Dimensions

Chad's economy is predominantly agrarian, with approximately 80% of its population relying on agriculture and livestock, many residing in remote rural areas. As a landlocked nation lacking railways and navigable rivers, Chad's trade with its neighbors is critical for its economic survival. Support from entities like the Islamic Development Bank since 2006 has focused on improving Chad's road network, leading to increased agricultural output and reduced transportation times, thereby benefiting national and international commerce. The Land Link Project aligns with and significantly amplifies these efforts.

For Egypt, this road serves profound strategic interests. Historically, Egypt has functioned as a vital corridor between East and West, acting as Africa's principal gateway to global markets. The Land Link Project reinforces this role and significantly enhances Egypt's national security by strengthening its ties with Sudan and Libya, its immediate neighbors who also share borders with Chad.

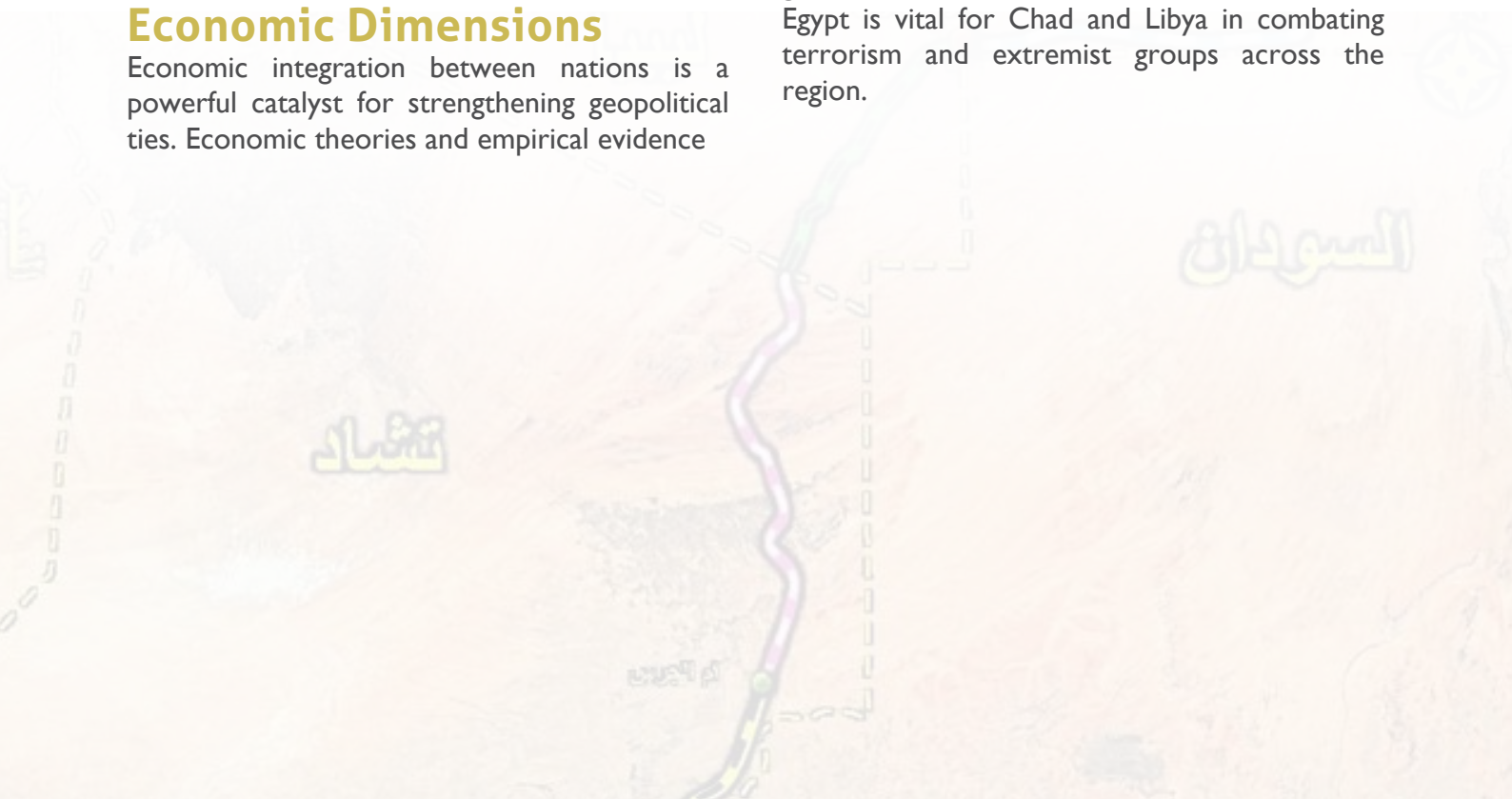
Economic Dimensions

Economic integration between nations is a powerful catalyst for strengthening geopolitical ties. Economic theories and empirical evidence

suggest that successful integration thrives when participating countries share complementary socio-economic systems and collaborate on resource utilization for long-term mutual benefit. The Land Link Project embodies this principle, aiming to create a synergistic economic zone that fosters shared prosperity through improved connectivity and reduced trade barriers.

Political Dimensions:

Chad holds a pivotal position in Egypt's future foreign policy strategies in Africa. Its proximity to Sudan and Libya—both sharing extensive borders with Egypt—makes Chad crucial for regional security and stability. Furthermore, Chad was an active member of the G5 Sahel group, which played a significant role in counter-terrorism efforts before the withdrawal of Mali, Burkina Faso, and Niger. Therefore, robust political and security coordination between Egypt and Chad is indispensable, particularly in addressing the ongoing internal conflict in Sudan, which commenced in 2023. As highlighted by Dr. Ghada Fouad, Director of the African Center for Strategic Studies and Research, collaboration with Egypt is vital for Chad and Libya in combating terrorism and extremist groups across the region.



3. Opportunities Created by the "Land Link" Project

The completion of the Land Link road is set to generate substantial opportunities for all participating countries:

- **Enhancing Intra-African Trade:**

The Land Link road directly aims to bolster intra-African trade and elevate the standard of living for both Egyptian and Chadian citizens by increasing trade and investment flows. This land route significantly reduces transit times, facilitating transport between Egypt and Chad in a matter of days—typically less than a week—a stark contrast to the months often required for maritime transport. This efficiency will greatly enhance Egyptian-Chadian trade and enable Egypt to more effectively leverage the broader African market for its goods and services. Moreover, as a key corridor connecting Egypt to its regional surroundings, the road will simplify market access for major companies, thereby introducing new products and creating new markets.

- **Improving Foreign Trade Performance:**

Recent trade figures between Egypt, Libya, and Chad demonstrate a positive trajectory, which is expected to accelerate significantly with the implementation of the Land Link Project.

1- Egypt-Libya Trade: Trade between Egypt and Libya grew by approximately 12.7% in the first half of 2024, reaching \$1.646 billion compared to \$1.477 billion during the same period in 2023, largely favoring Egypt. Egyptian exports to Libya showed a substantial increase, rising to \$1.621 billion in 2023 from \$1.085 billion in 2022—an increase of \$536 million, or 94.4%. Conversely, Egyptian imports from Libya declined to \$61.7 million in 2023, down 28% from \$85.5 million in 2022.

2- Egypt-Chad Trade: Trade volume between Egypt and Chad reached \$23.5 million in 2023,

compared to \$6.9 million in 2022, according to a report from the Department of African Countries and Organizations. This growth is primarily attributed to an improvement in Egyptian exports to Chad, which totaled \$64.4 million between 2012 and 2022 (Central Agency for Public Mobilization and Statistics). Notably, Egyptian exports to Chad surged to \$7.6 million in 2021 from \$3.0 million in 2018. However, exports significantly declined to \$1.2 million in 2022, reflecting an 86.4% negative growth rate, contrasting with a 14.9% increase in 2021. Regarding Egyptian imports from Chad, they witnessed a significant improvement in 2018, reaching \$20.5 million compared to \$267,000 in 2017, primarily focusing on 'gums, resins, and plant extracts.' A continued rise in Egyptian imports from Chad, particularly in the meat sector, is anticipated in the coming period.

Overall, this analytical review of recent trade exchange figures indicates a positive trend that is expected to further improve. The robust bilateral relations between Egypt and Chad, strengthening since 2020, are poised to bolster these trade rates and benefit both economies.

- **Transforming Chad into a Trade Hub Connecting the Red Sea and the Atlantic Ocean:**

A core component of the Land Link Project is its potential to connect Chad with global markets. Given Chad's long-standing struggles with weak transportation infrastructure, its landlocked status, and lack of direct access to any seaport, this road represents a game-changer. The existing geographical constraint has historically led to prohibitively high transportation costs for many goods. The Land Link will alleviate this burden, positioning Chad as an essential transit point and commercial nexus.

A Step Towards Enhancing Trade Exchange Between Egypt and Chad : The Land Link Project

1 Strengthening intra-trade

by increasing the rates of intra-trade and investment flows to Egypt and Chad, and facilitating transportation within a short period of no more than a week.

2 Improving foreign trade performance

Trade exchange is expected to increase due to the improvement witnessed by the country as a result of the bilateral agreements that began between Egypt and each of Chad and Libya since 2020:



a. The rate of trade exchange between Egypt and Libya increased by about 12.7% during 2024, recording \$1.646 billion compared to \$1.477 billion during the same period in 2023 in favor of Egypt

b. Improving Egyptian exports to Libya: They rose to \$1.621 billion in 2023 compared to \$1.085 billion in 2022, an increase of \$536 million, or an increase of 94.4%.

c. Trade exchange between Egypt and Chad increased to record \$23.5 million in 2023 compared to \$6.9 million in 2022.

d. The rate of Egyptian exports to Chad increased to (64.4) million dollars during the period (2012-2022), and it increased significantly in 2021, reaching (7.6) million dollars compared to (3.0-) in 2018.

3 Transforming Chad into a commercial center linking the Red Sea and the Atlantic

Ocean in view of the "Land Road" project, which is considered an opportunity linking the State of Chad to the world, especially after its suffering from weak transportation routes, as it is a landlocked country between six countries, as I mentioned at the beginning, and it does not have any water outlet, which affects the high cost of transporting many goods.

4. Challenges Facing the Implementation of the "Land Link" Project

Despite the ambitious development plans and economic programs initiated by both Egypt and Chad, the successful and timely completion of the Land Link Project depends on effectively overcoming or mitigating several significant challenges that may hinder its execution in the short term. Key obstacles include:

- **Administrative Challenges:**

These primarily encompass complex border crossing regulations within African countries, coupled with a general lack of consistent long-term maintenance and attention to road

infrastructure across many African nations. Additionally, excessive bureaucratic restrictions and stringent movement regulations along such routes could impede the project's intended long-term goals.

- **Legal Challenges:**

The diverse array of legislation, regulations, and administrative procedures prevalent across different African countries often leads to complications in project execution and may cause disruptions in implementation, requiring careful legal harmonization and coordination.



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Conclusion

The implementation of the Land Link Project holds immense promise for significantly boosting trade and attracting investments between Egypt, Chad, and Libya. This initiative aligns perfectly with Egypt and Chad's shared objective of expanding trade activities both bilaterally and across the wider African continent. The road is strategically designed to serve as a crucial export gateway for Egyptian goods into Chad and its neighboring countries, while simultaneously offering Chad a vital route for its exports to Europe. Given Chad's unique geographical location—linking the Red Sea to the Atlantic Ocean—the project presents an unparalleled opportunity to dramatically increase trade flows and enhance investment cooperation between the two nations across various sectors.

Based on this analysis, the study strongly recommends the establishment of a joint mechanism, led by both Egypt and Chad, to proactively ensure political and security stability. Such stability is paramount for the project's successful and uninterrupted implementation. Furthermore, it is critical to maintain consistently updated statistical data and to develop and adhere to a detailed, structured timeline before commencing the project. Ultimately, the long-term improvement of trade exchange between Egypt and Chad, and indeed within the broader region, will depend on their sustained commitment to strengthening bilateral relations and fostering cooperation not only with each other but also with other nations across various economic and political spheres.