



## Africa as a Partner

Creating opportunities through Participation of All

*PANEL 1: CURRENT ECONOMIC TRENDS AND  
CHALLENGES IN AFRICA*

Ministry of Foreign Affairs of the Czech Republic

Prague, 24 May 2018

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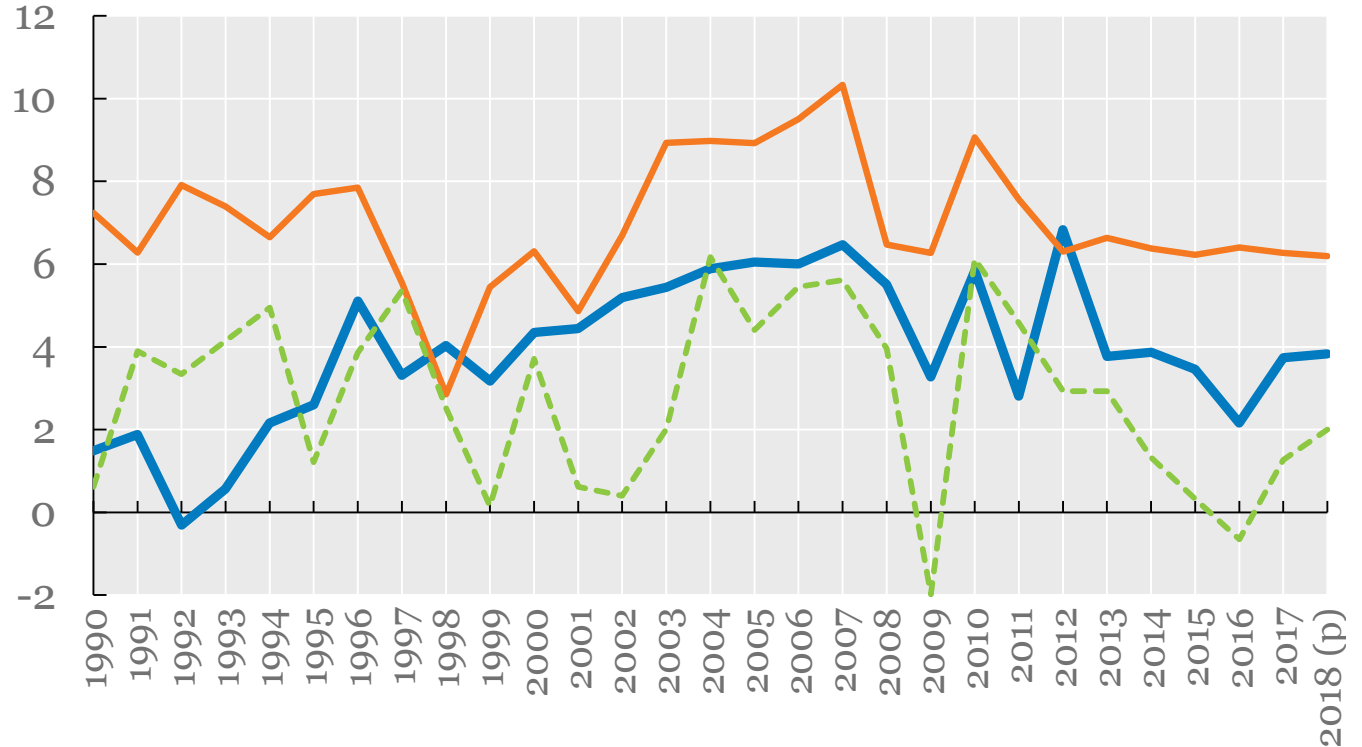




# Africa's growth has been strong, but remains vulnerable

— Africa    — Asia (excl. high inc.)    - - - LAC

Real GDP growth



- **Strengths:**
  - + Growing internal demand,
  - + Natural resources

- **Weaknesses:**
  - Dependence on international markets,
  - Political instability,
  - Inequalities

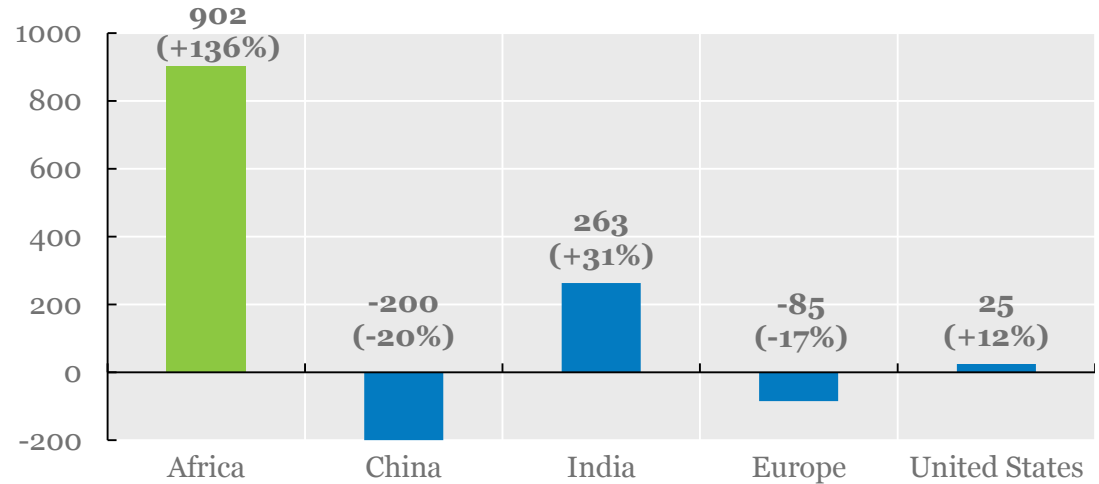
Data from IMF WEO  
Source: *African Economic Outlook 2017*.



# Africa's demographic boom is both rural and urban

By 2050, labour supply will increase by **900 million people** (about 69% of the total increase across the world)

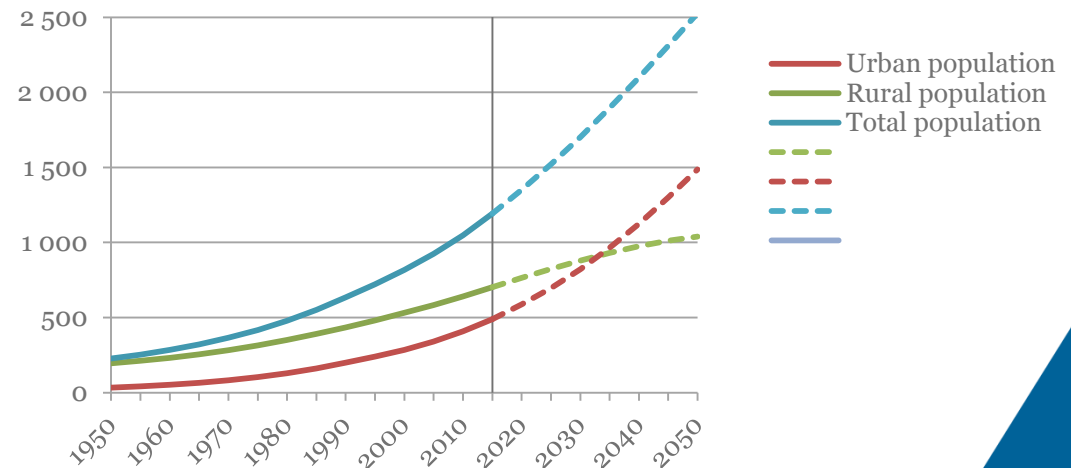
Workforce changes by 2050 (in millions)



Africa's urbanisation occurs **twice as fast as Europe's** (mainly taking place in **intermediate cities** with less than 500 000 residents)

Rural populations will continue to grow until mid-century

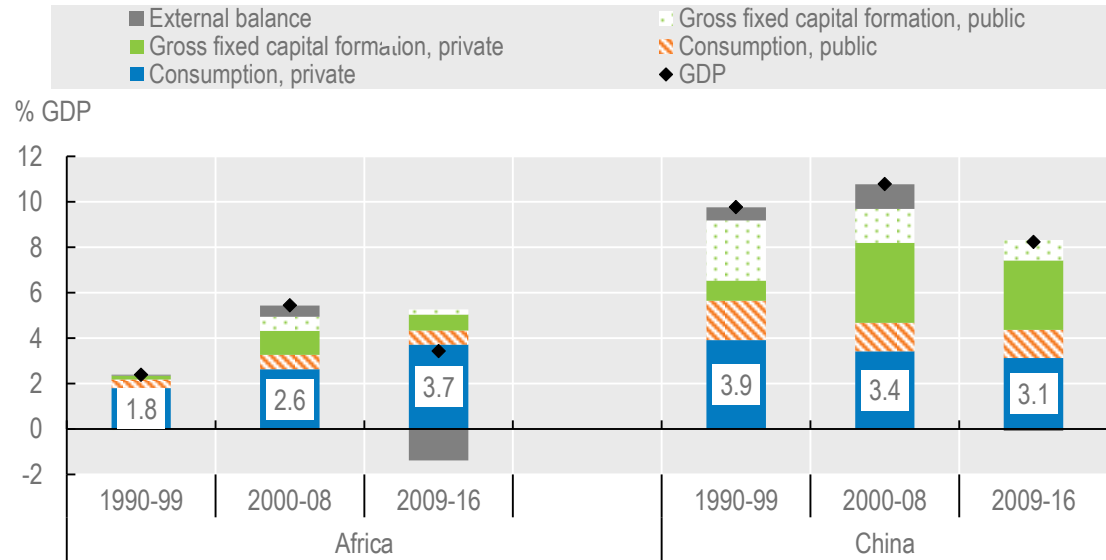
Africa's population by 2050 (in millions)





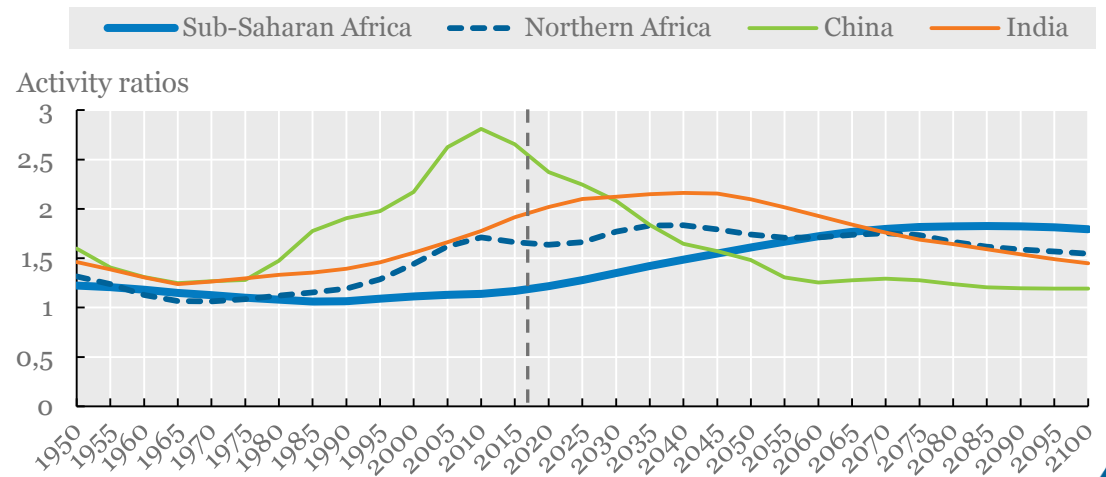
# The current demographic transition is a new window of opportunities

Today, contribution of private consumption to growth is comparable to the level in China



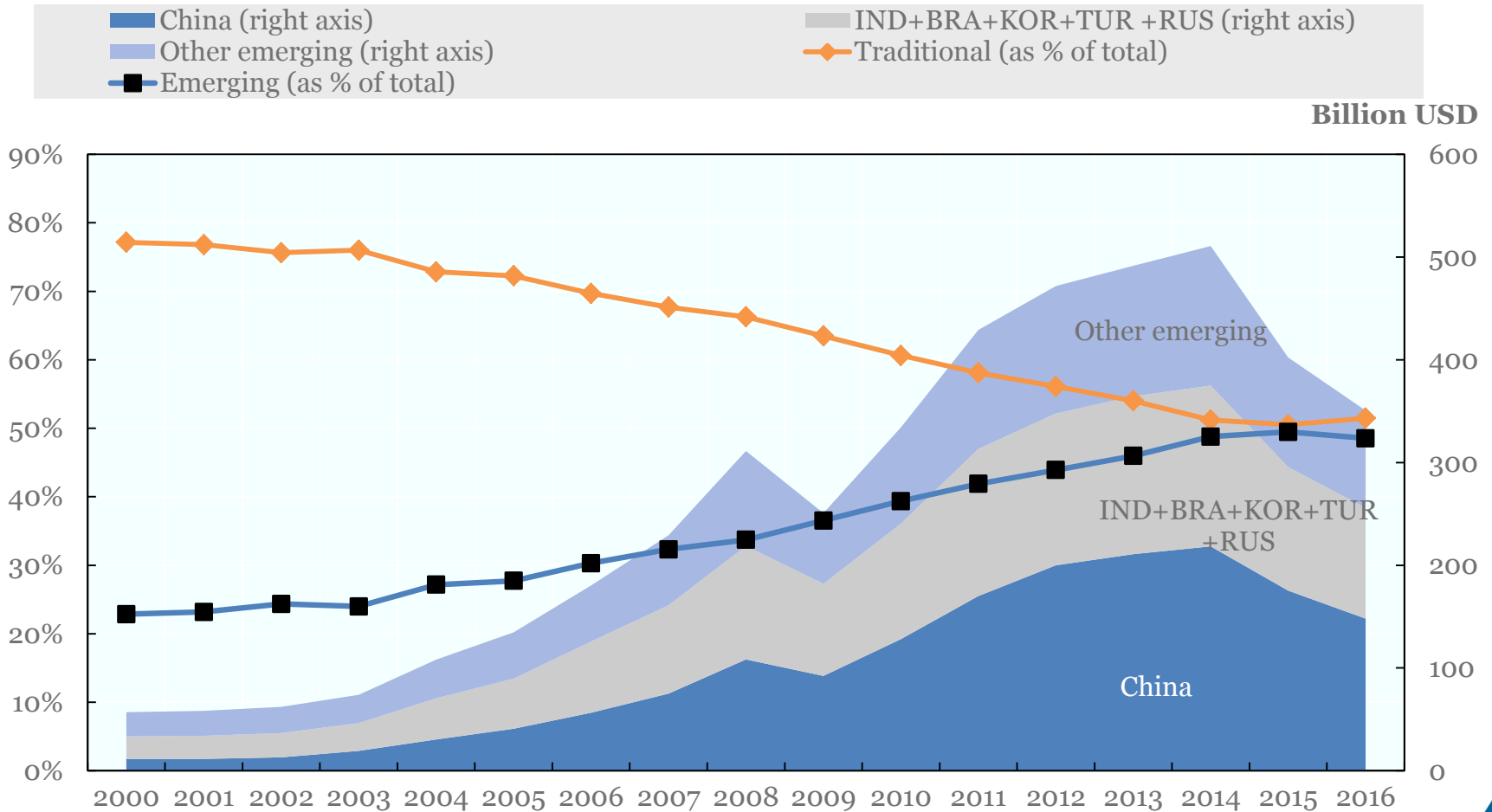
Demographic dividend could contribute 10 - 15% of Africa's GDP growth by 2030

(Ahmed et al., 2014).





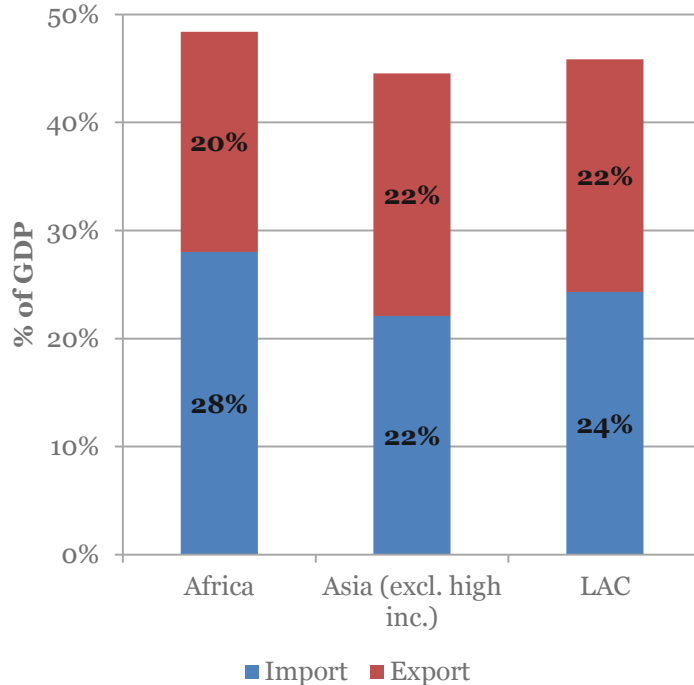
# Trade with emerging partners expanded significantly since 2000



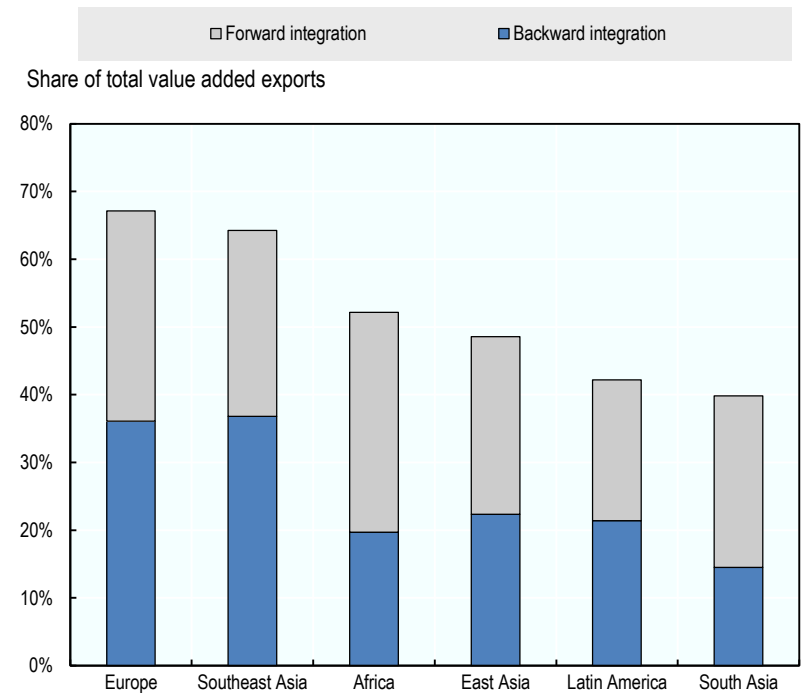


# Africa needs *better* integration into the global economy

A. Trade openness (imports and exports) as a percentage of GDP



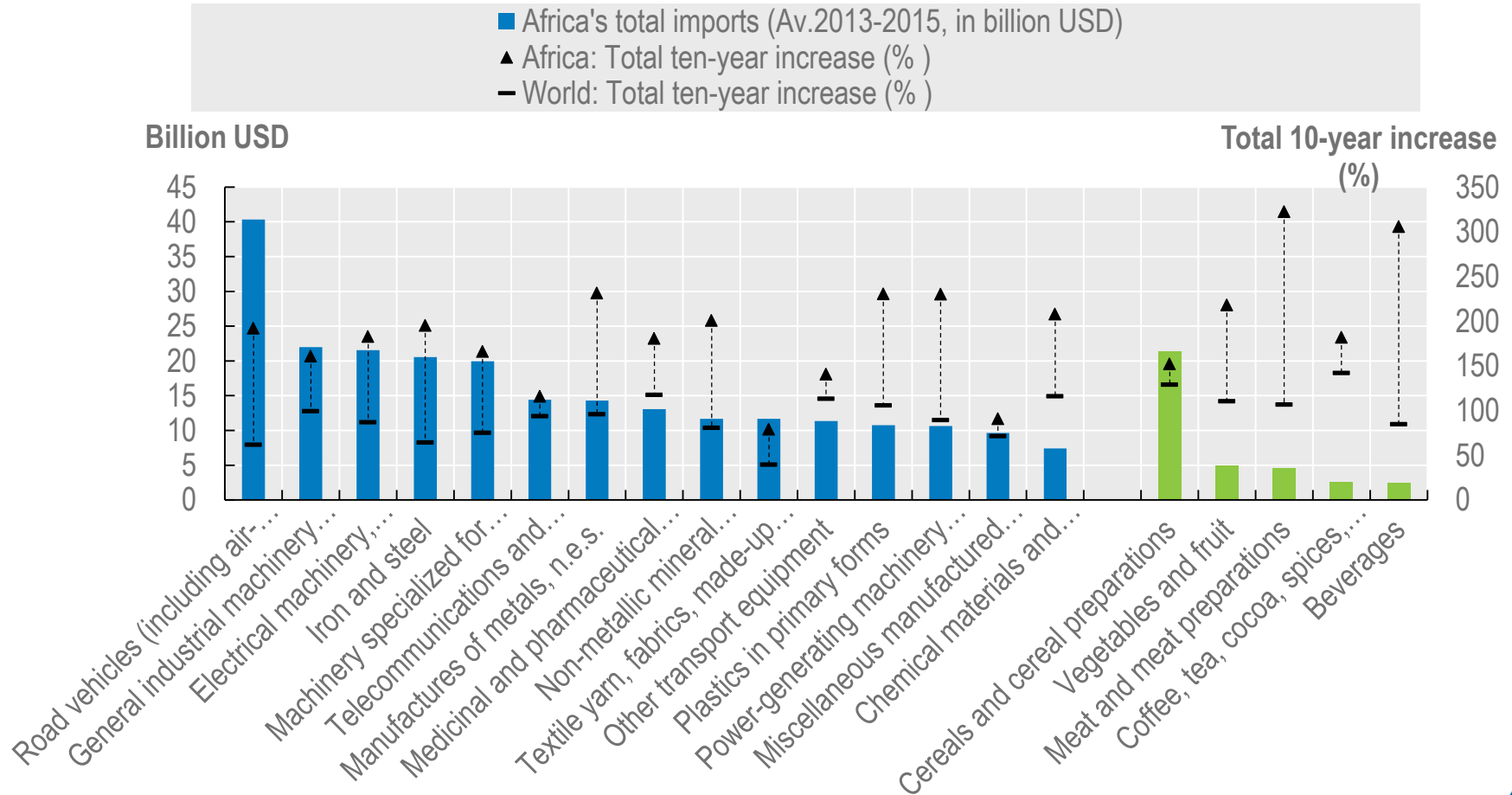
B. Integration of world regions into global value chains





# Both food and non-food markets are more dynamic than the global averages

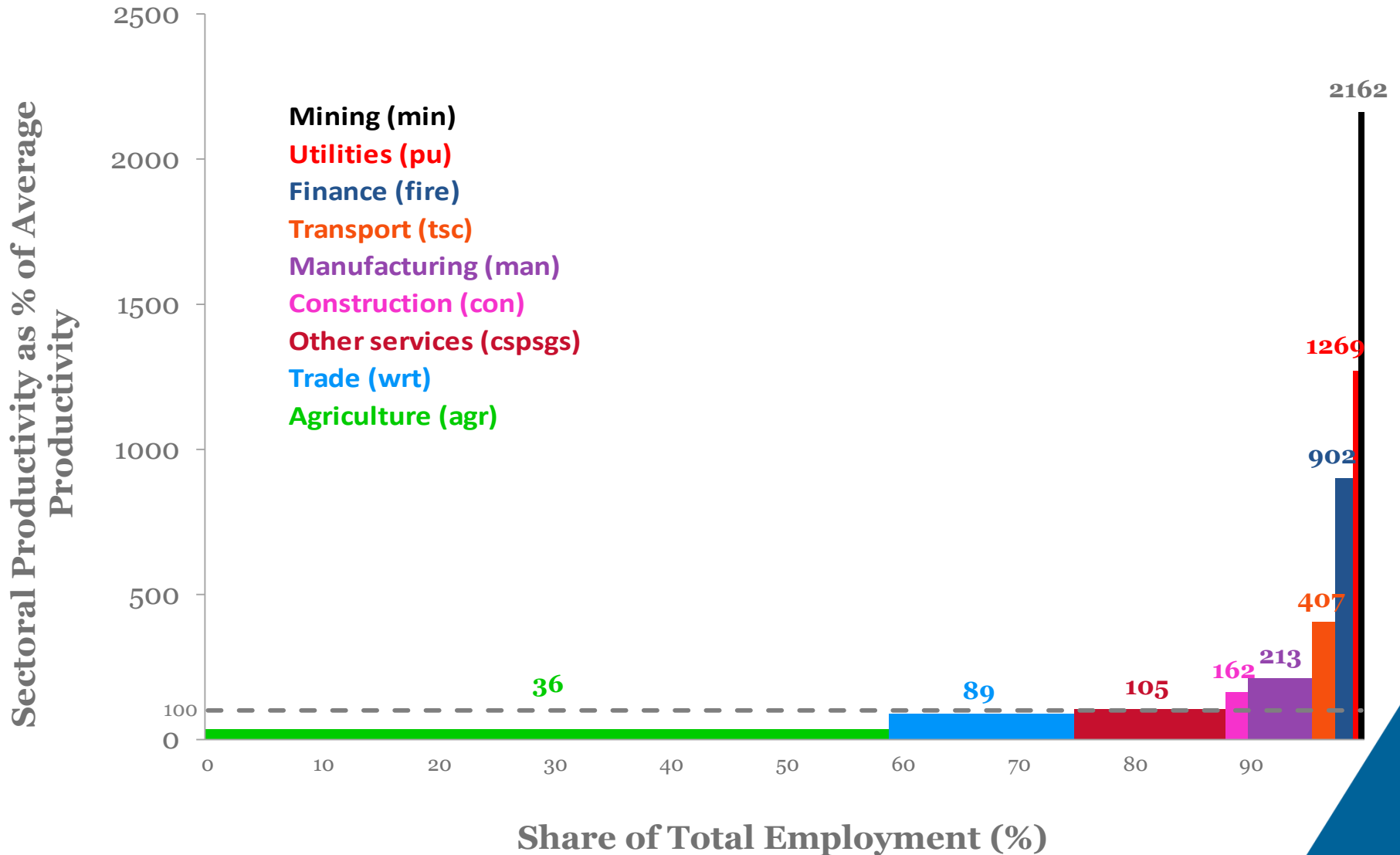
Africa's food markets should triple by 2030 (Byerlee et al., 2013)



Source: Authors' calculations based on UN Statistics Division (2017), UN COMTRADE (database).



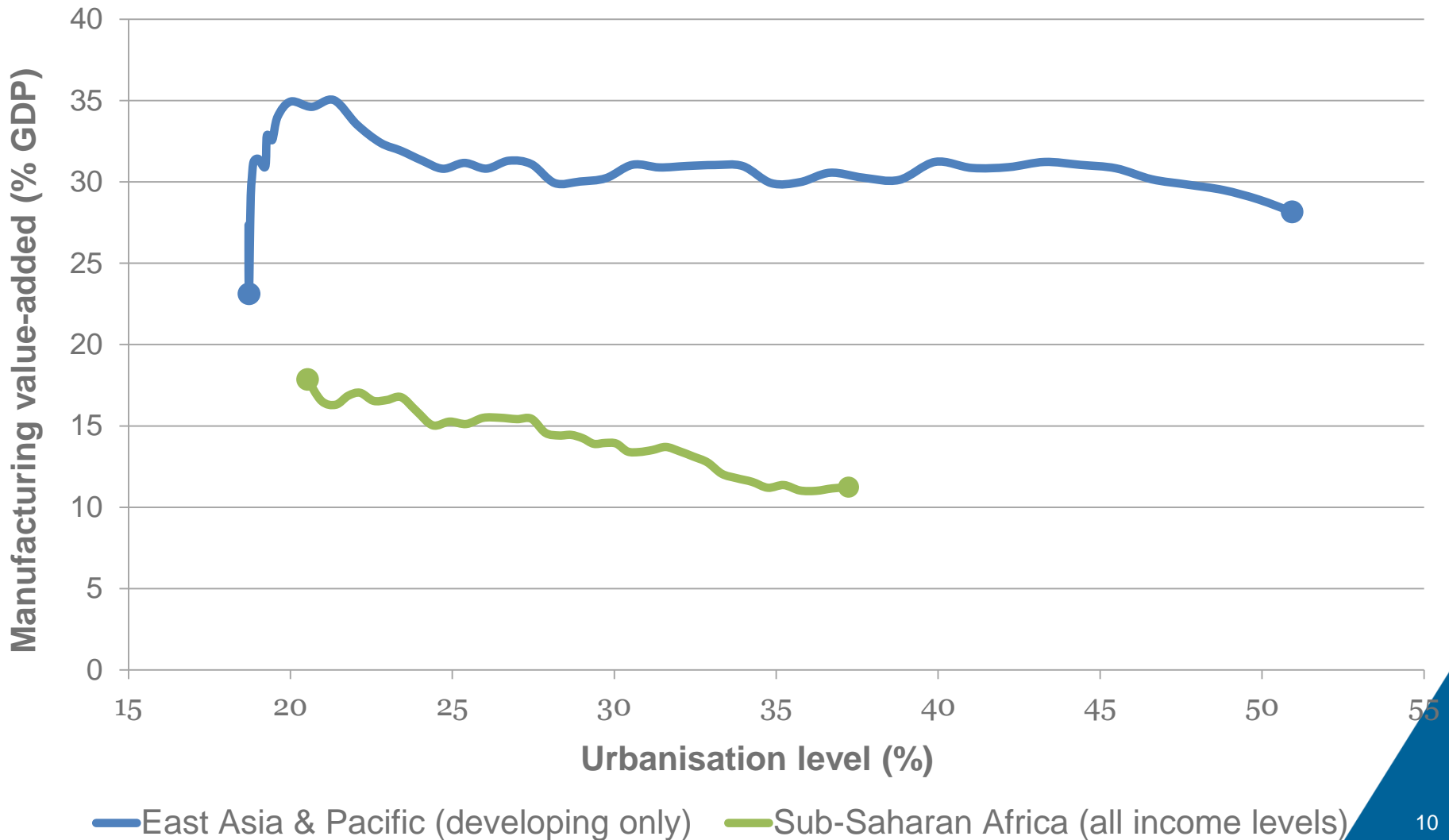
# Africa's structural transformation reveals huge sectoral productivity gaps





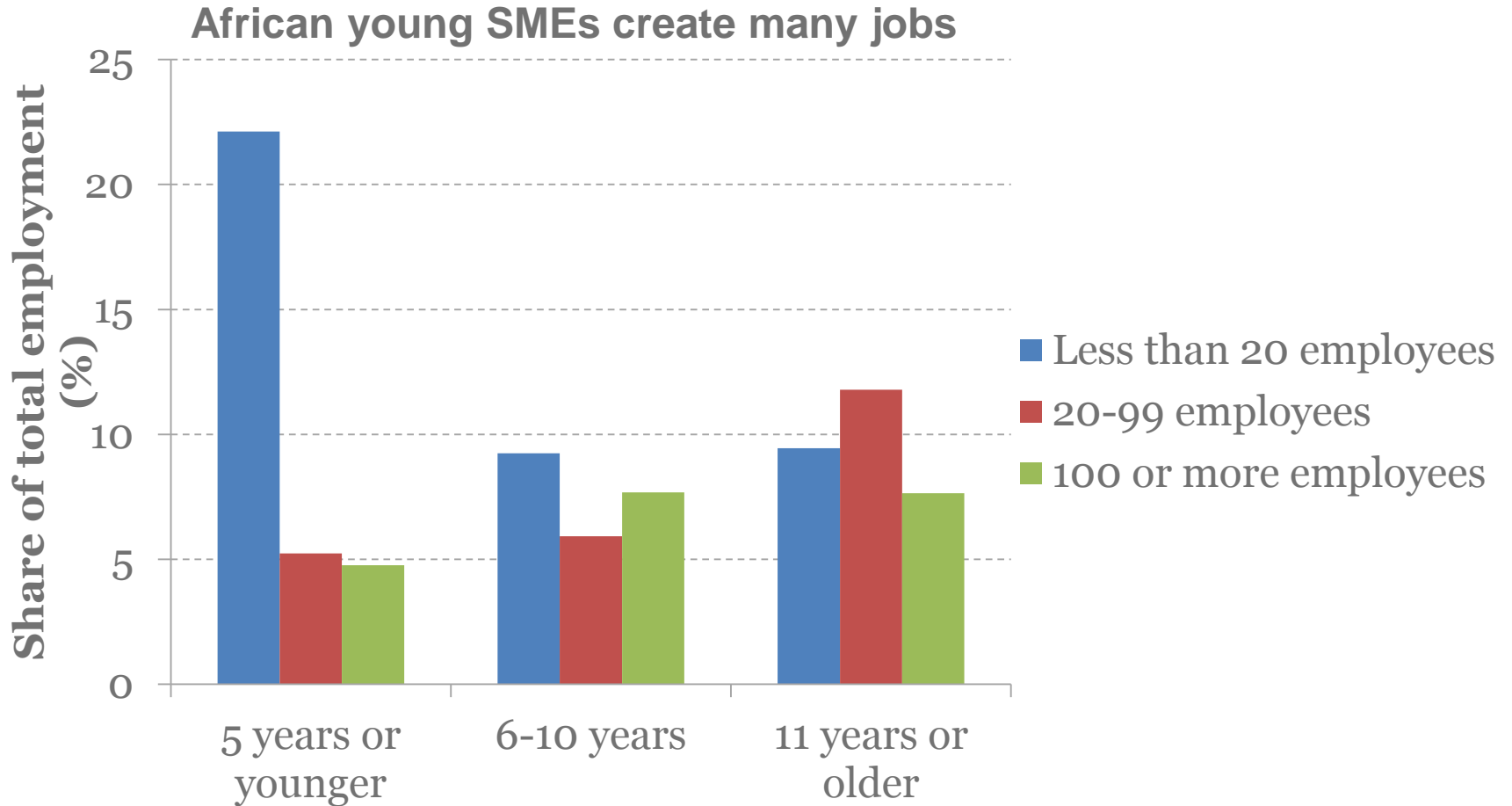


# Policies should prepare urbanisation. Urbanisation does not bring about industrialisation by itself





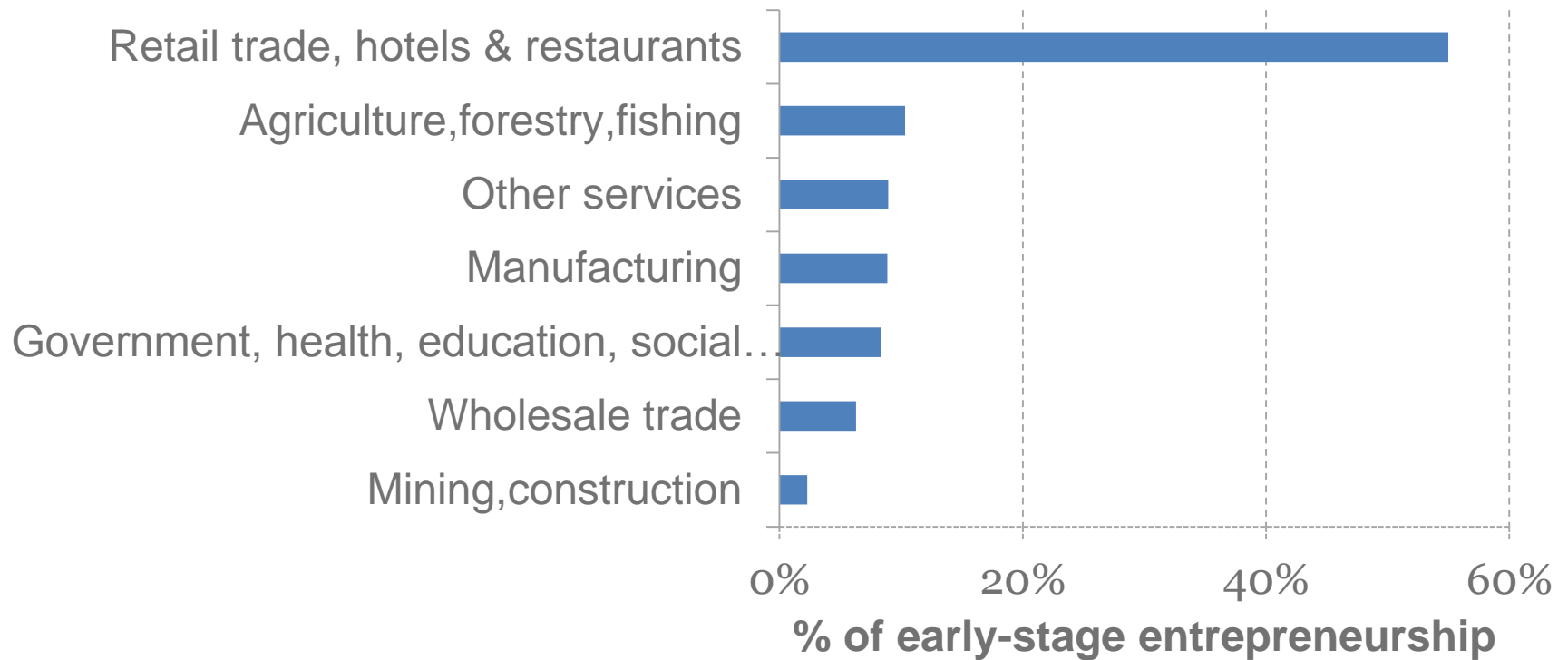
# African entrepreneurship & job creation





# The share of new entrepreneurs is highest in Africa (22% of the labour force), but mostly in non-tradable services

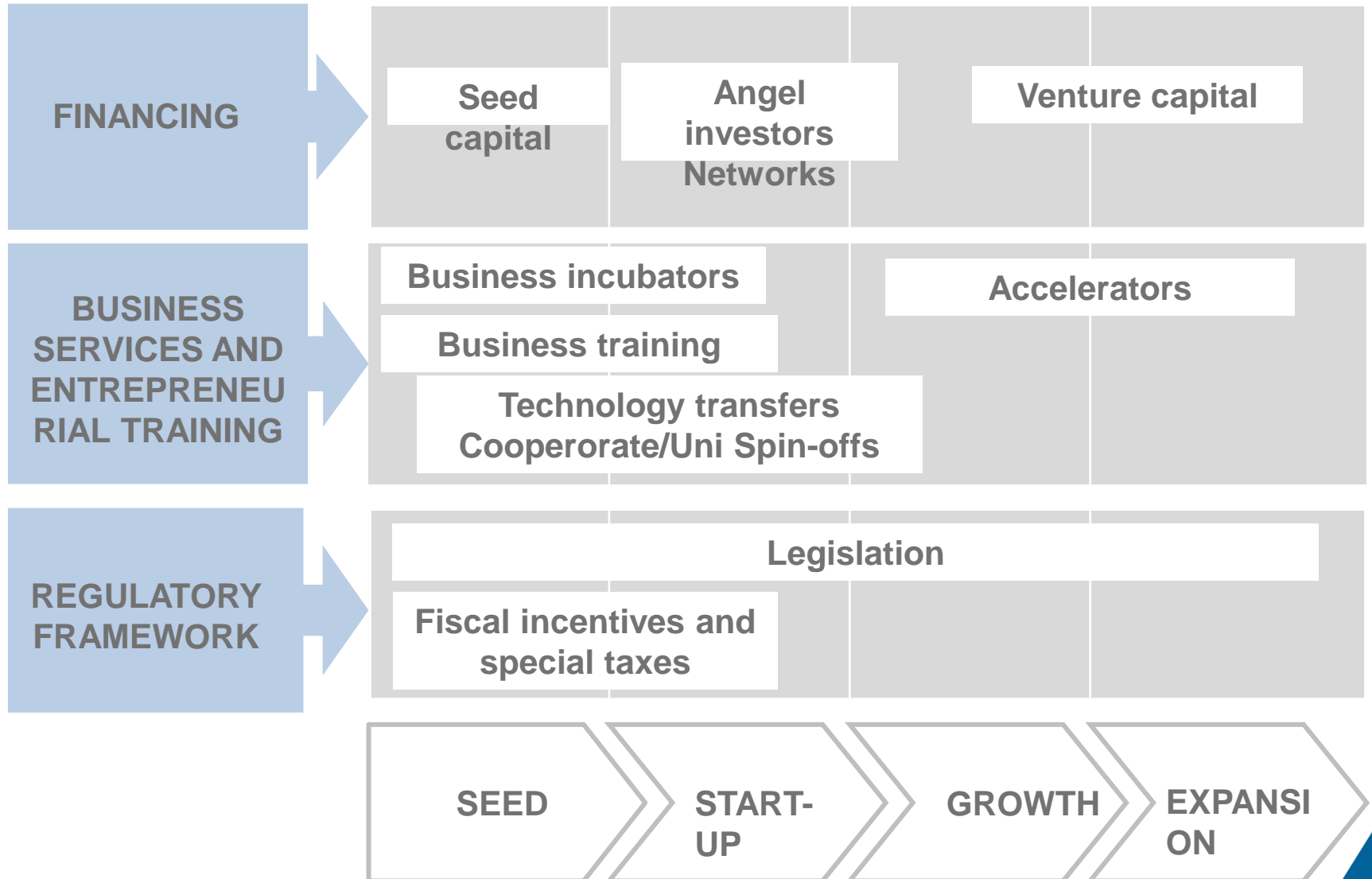
**Sectoral composition of early-stage entrepreneurship in Africa, 2012-16**



Source: Calculations based on GEM (2017)



# A policy mix can promote entrepreneurship





## For more information

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- The OECD Development Centre: <http://www.oecd.org/dev>
  
- The OECD Development Centre's business platform - Emerging Markets Network (Emnet): <http://www.oecd.org/dev/oecdemnet.htm>
  
- The OECD Development Centre's flagship reports on Africa ([https://www.oecd-ilibrary.org/development/african-economic-outlook-2017\\_aeo-2017-en](https://www.oecd-ilibrary.org/development/african-economic-outlook-2017_aeo-2017-en)):
  - *Edition 2018 (forthcoming)*
  - *African Economic Outlook 2017*, Entrepreneurship and Industrialisation;
  - *African Economic Outlook 2016*, Sustainable Cities and Structural Transformation;
  - *African Economic Outlook 2015*, Regional Development and Spatial Inclusion;
  - *African Economic Outlook 2014*, Global Value Chains and Africa's Industrialisation.



**DĚKUJI VÁM ZA POZORNOST**  
**THANK YOU FOR YOUR ATTENTION!**