



# IS AFRICA ON THE RISE OR FALLING?

What Economic  
Opportunities & Challenges exist and how to  
overcome these?

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The growth rates recorded by African economies over the last 10 years, large scale infrastructure projects, democratic transitions, new technological innovation, increasing number of actors with economic and political interests in Africa from across the globe speaks to the fact that Africa is on the rise.

# World's Ten fastest Growing Economies

## Annual Average GDP Growth, %

2001-2010

1.	Angola.....	11.1
2.	China.....	10.5
3.	Myanmar.....	10.3
4.	Nigeria.....	8.9
5.	Ethiopia.....	8.4
6.	Kazakhstan .....	8.2
7.	Chad.....	7.9
8.	Mozambique.....	7.9
9.	Cambodia.....	7.7
10.	Rwanda.....	7.6

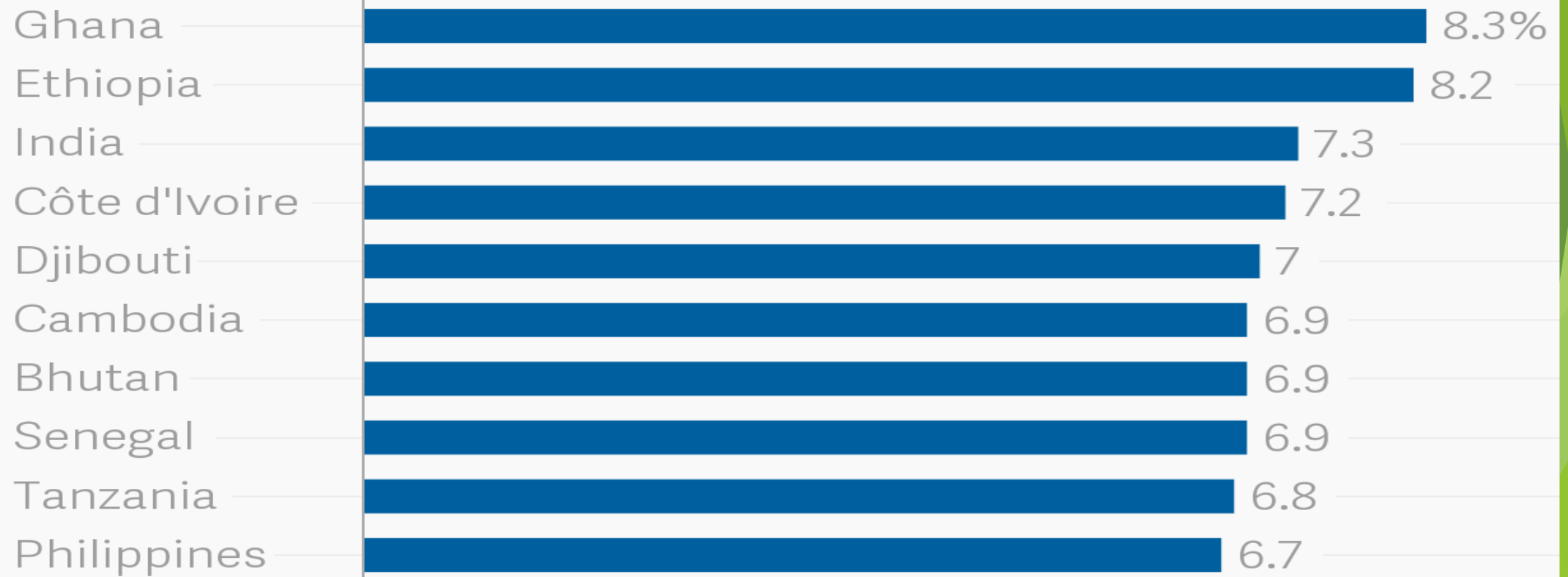
2011-2015

1.	China.....	9.5
2.	India.....	8.2
3.	Ethiopia.....	8.1
4.	Mozambique.....	7.7
5.	Tanzania.....	7.2
6.	Vietnam.....	7.2
7.	Congo.....	7.0
8.	Ghana.....	7.0
9.	Zambia.....	6.9
10.	Nigeria.....	6.8

Source: The Economist, IMF

# Top 10 Fastest Growing Economies in 2018

## Real GDP growth at market prices





# THE BIG QUESTION

Africa is on the Rise, are  
Africans Rising?

- Poverty levels as a proportion of population have declined more slowly in Africa than any other region.
- By 2012 there were 50 million more people living in extreme poverty in sub-Saharan Africa than there were in 1990.
- Poverty in sub-Saharan Africa is expected to increase, even with continued growth- Forecasts project Africa's share of the world's extreme poor rising to 80 percent or above by 2030 if current trends are not reversed
- Inequality is widening



# Curbing Illicit Financial Flows

Illicit Financial Flows (IFFs) originates mostly from commercial activities as follows:

**\$50bn**

Currently, Africa is estimated to be losing more than \$50 billion annually in IFFs.



**\$1 trillion**

Over the last 50 years, Africa is estimated to have lost in excess of \$1 trillion in illicit financial flows (IFFs).

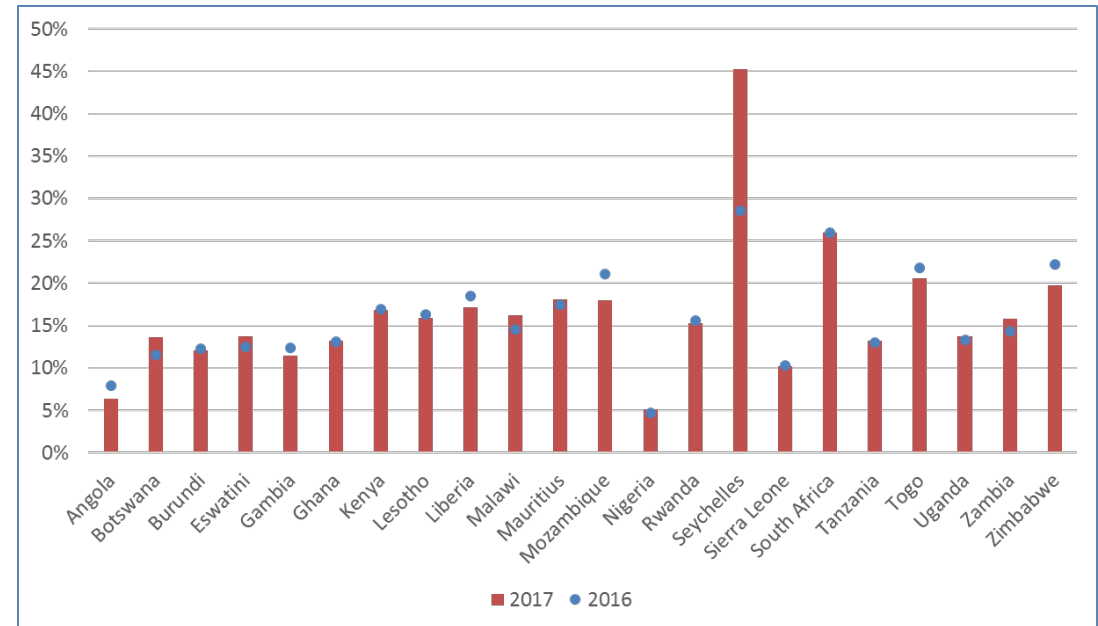


This sum is roughly equivalent to all of the official development assistance received by Africa during the same timeframe.



## Tax-to-GDP ratio performance in the ATO, 2017 vs 2016

Statistics show that the Tax-to-GDP ratio declining and that most countries are highly dependent on indirect taxes which are highly regressive



How do we consolidate what Africa has already achieved and forge a path to sustainable development?

## Invest in a new deal for rural Africa

Undertake direct investment to tackle the needs of small-scale agricultural producers. This should include a target-based timeline and monitoring mechanism to meet and then exceed the Maputo Declaration

Prioritize investments in research and development, extension services, infrastructure, subsidies and fair prices for food.



# Strengthening Economic Diversification

- ❖ African countries have been depleting their wealth to the tune of 1.2 percent a year.
- ❖ Investing in other sectors [agriculture, industry, mining] to harness synergies, and increased value addition
- ❖ Put in place mechanisms to secure local manufacturers -Imports from emerging partners may displace domestic production
- ❖ Why do we continue to import food, seed and fertilizers? What if we invest more in the mining of nitrates , phosphates and other minerals more directly linked with the continent's industrialization agenda
- ❖ Growth in the manufacturing base of African economies will provide a huge opportunity for diversification and creation of decent jobs
- ❖ Prioritize action to formalize sections of the economy, in part through investment in job creation, and create quality jobs for Africa's young people.

# Move from Rhetoric to action on DRM & Regional and Economic Integration

- Create larger, more attractive markets, link landlocked countries to international markets and support intra-African trade
- Put in place processes, strategies or structures for local SME development and support
- Go slow on bi-lateral agreements on investment, trade and technical cooperation

# We must invest in a human economy

- Strengthen human development and capacity building - Governments should increase the proportion of their spending on gender responsive public services that reduce the burden of care on women
- Strengthen skills and technological transfer



# Climate financing specifically for China

Provide greater clarity on the criteria to be used for the South-South Aid Fund and the South-South Cooperation Fund on Climate Change to assist planning by policy makers involved in the FOCAC process

# We must harness the Demographic Dividend

Young, dynamic and innovative population

# Stepping up Infrastructure Development

Regional infrastructure development will need to be stepped up to support trade and investment (according to AfDB, Africa will need to invest about US\$130billion - US\$170billion per annum in infrastructure development).

Infrastructure development should be based on low-debt financing sources and instruments



# More critical things to consider

- Cost of doing business
- Energy
- South-South Learning -reflect SSC in national policy shifts
- Culture of evidence-based decision making
- Effective monitoring and evaluation systems, and improved accountability
- Coordinated projects and policies
- Project type/ tied aid support: lessons from Bretton Woods institutions & Western country aid of the 1960s-80s.

# Leadership

With the many suitors and new alternative sources of financing, Africa must define its priorities and devise a model of engaging with the 'many suitors' for a based on its priorities

- ✓ Rising Poverty and Inequality
- ✓ Youth Bulge
- ✓ Climate Change
- ✓ Urbanization
- ✓ Digital Economy vs Domestic Resource Mobilization
- ✓ Structure of African economies
- ✓ Potential disruption of diseases -Ebola, HIV
- ✓ Changing face of conflict
- ✓ Risk of unsustainable Debt levels

**WARNING!**



**BIOHAZARD**



“If we, are to remain free, if we are to enjoy the full benefit of Africa’s resources, we must be united to plan for our total defense and the full exploitation of our material and human means in the full interest of all our people. To go it alone will limit our horizons, curtail our expectations and threaten our liberty.”

**Kwame Nkrumah**