

2011

African Economic Outlook

AFRICA, AND ITS
EMERGING PARTNERS

Pretoria, 5 July 2011



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Outline

- ▶ A changing context: Shifting Wealth and Africa's role in the global economy
- ▶ Africa's Emerging Partners: who are they?
- ▶ Africa's Emerging Partners: Debunking some myths
- ▶ Africa in relation to its Emerging Partners: An agenda for Action



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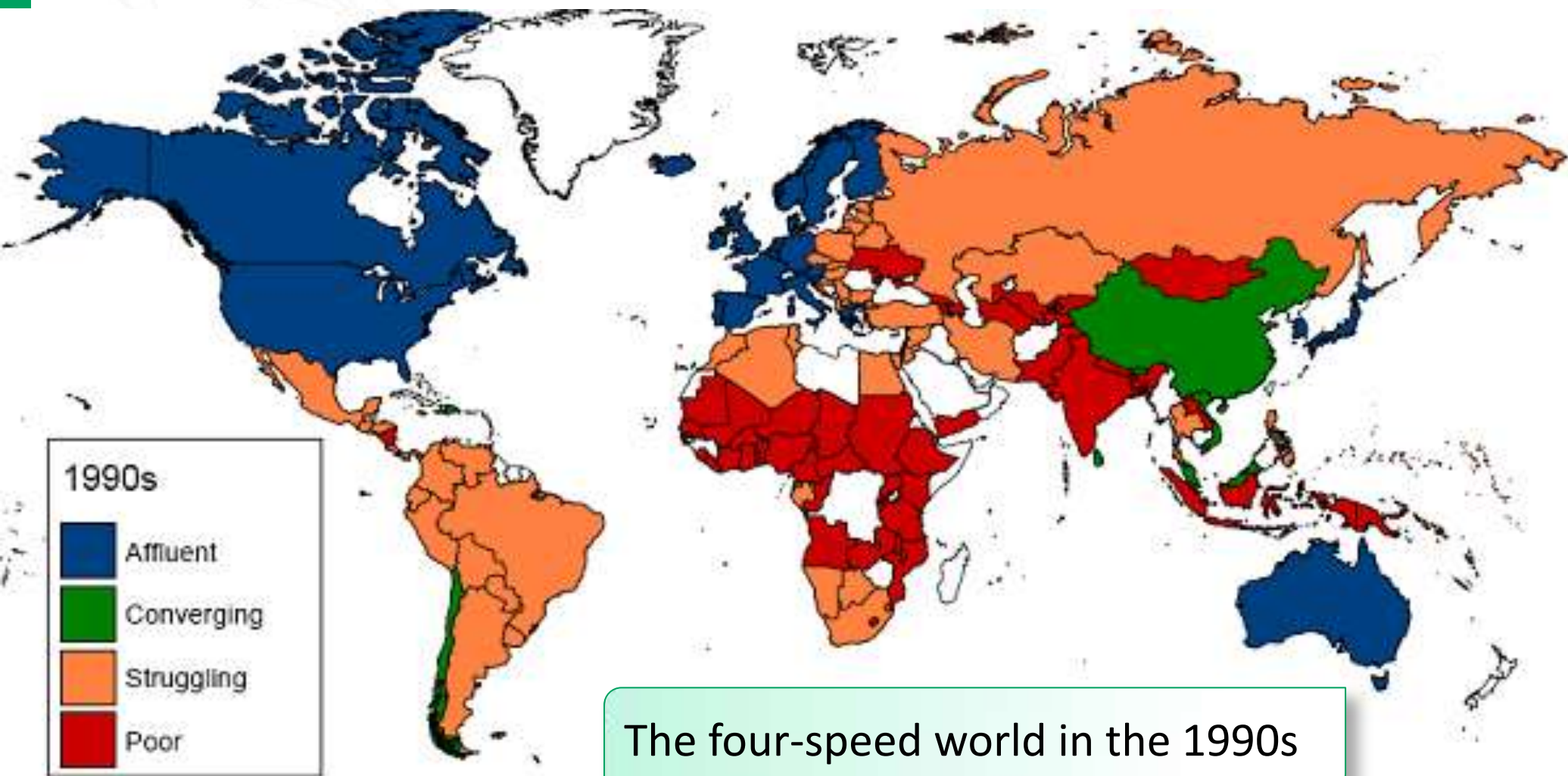
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Intro: Africa's shifting role in globalization



The four-speed world in the 1990s



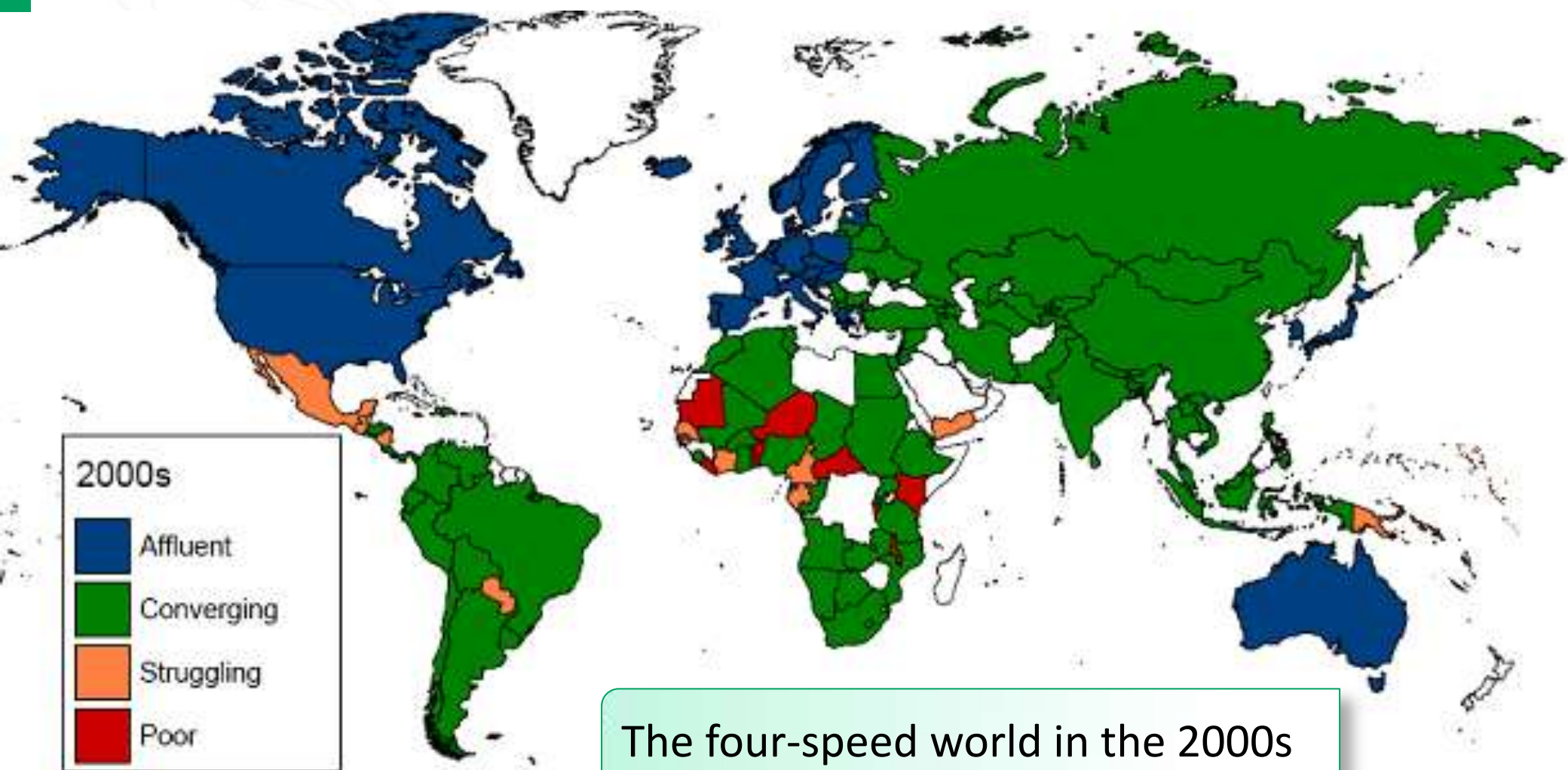
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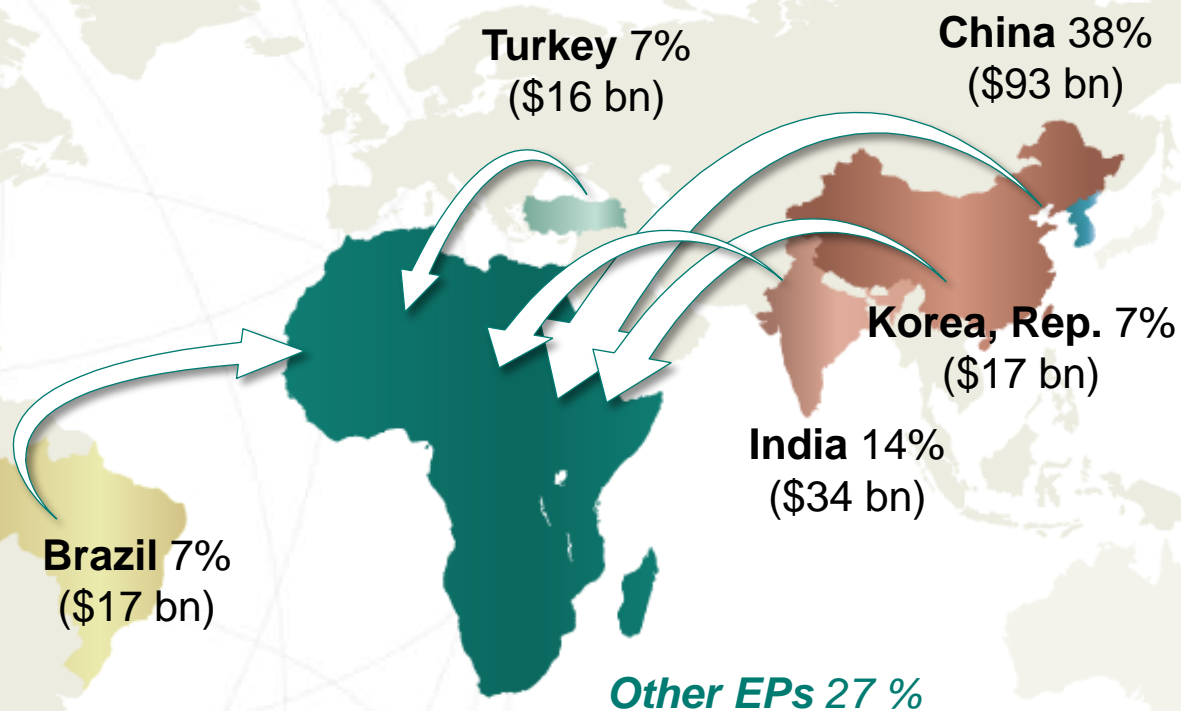
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Who are Africa's "Emerging Partners"?



Africa Trade Volume, 2009 % of total (US\$ billion)

- Countries outside OECD DAC in 2000 whose economic relations with Africa have risen fast over the decade
- China (incl. HK), India, Korea, Brazil and Turkey are leading the pack

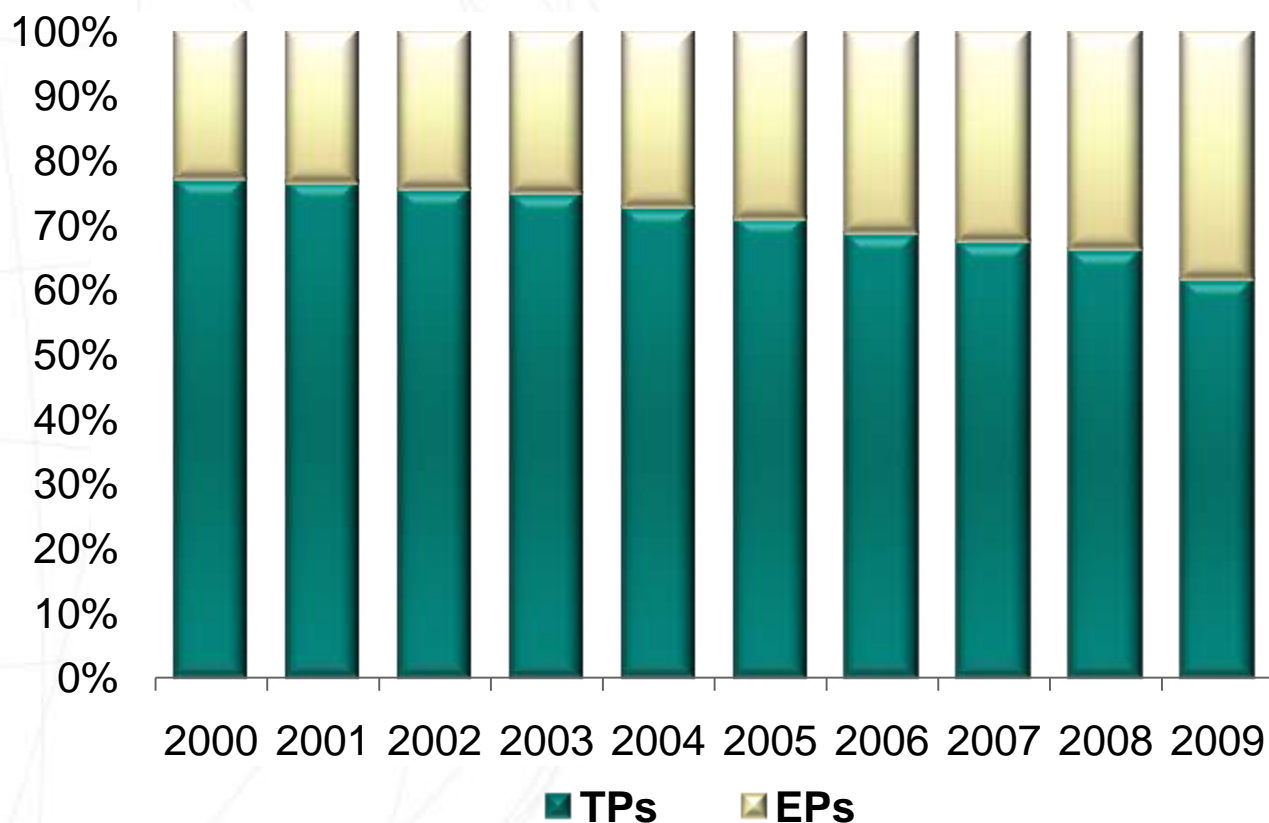


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The rise of Emerging Partners

Share of Traditional (TPs) and Emerging Partners (EPs)
in Africa's total trade



- Africa's total **trade doubled** between 2000 and 2009
- Share of trade with non-traditional partners **increased from 23% in 2000 to 39% in 2009**
- **China's share tripled**



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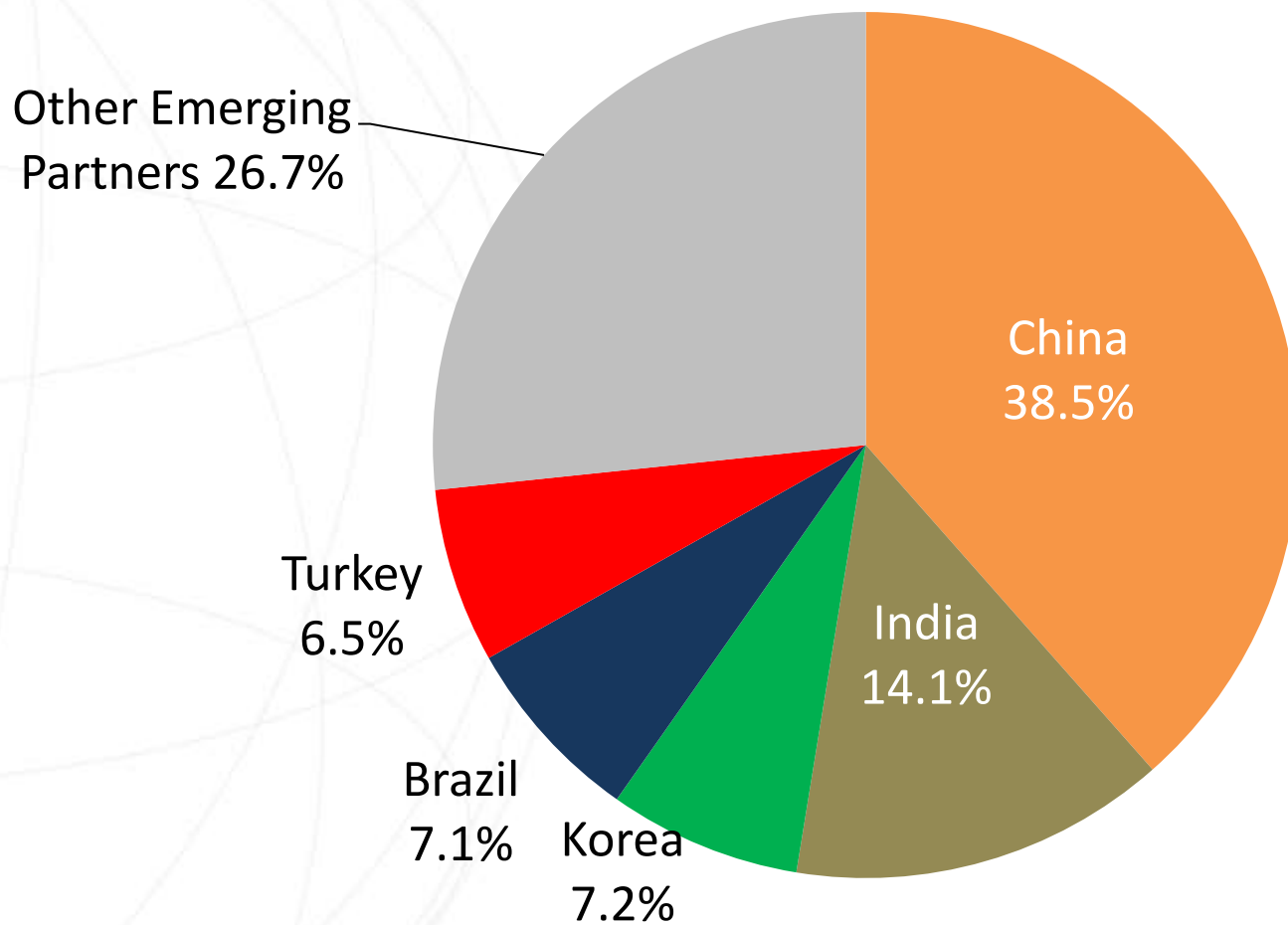


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... and it's much more than all about China

Africa's total trade with emerging partners (2009)

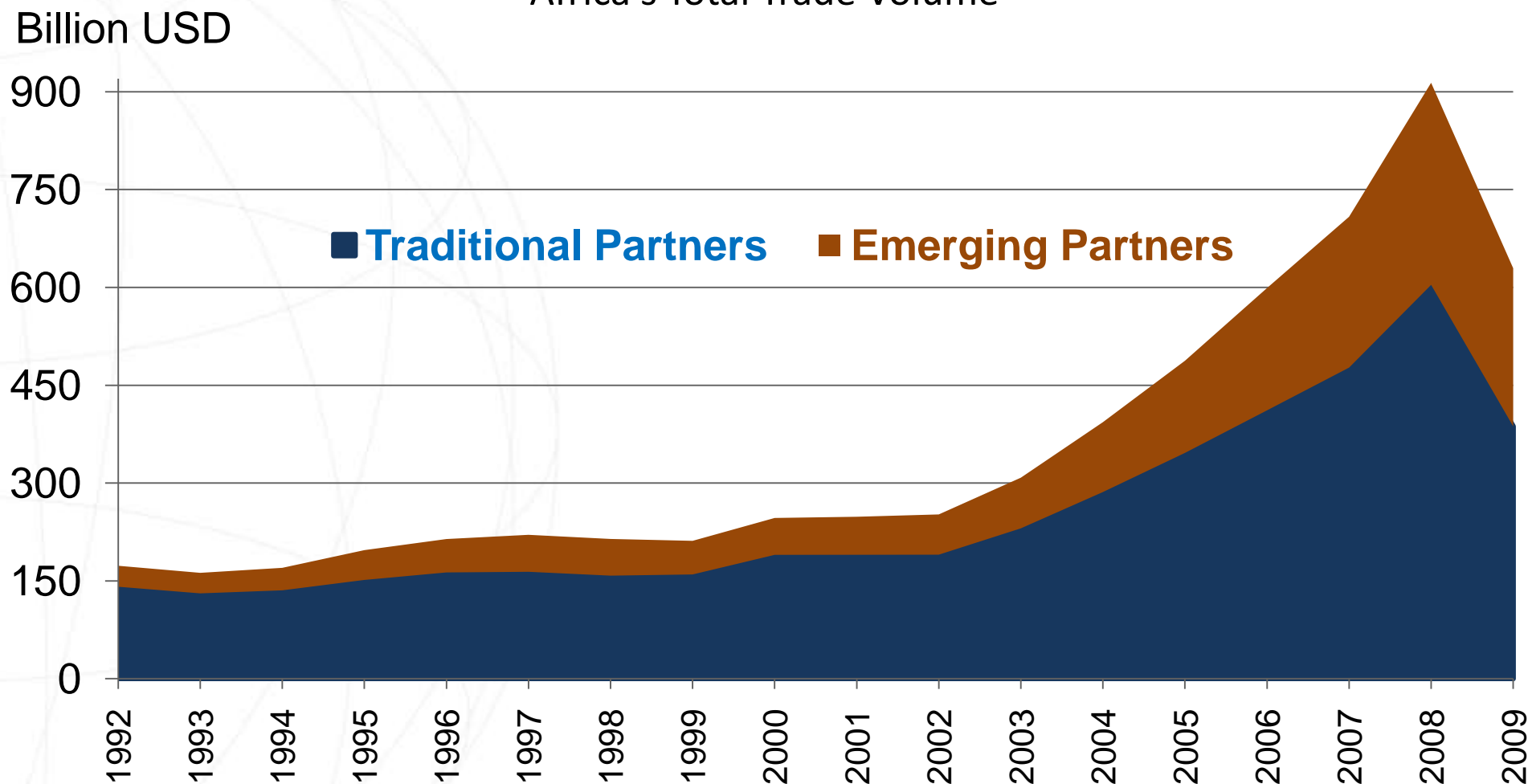


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Yet, Traditional Partners remain key...

Africa's Total Trade Volume

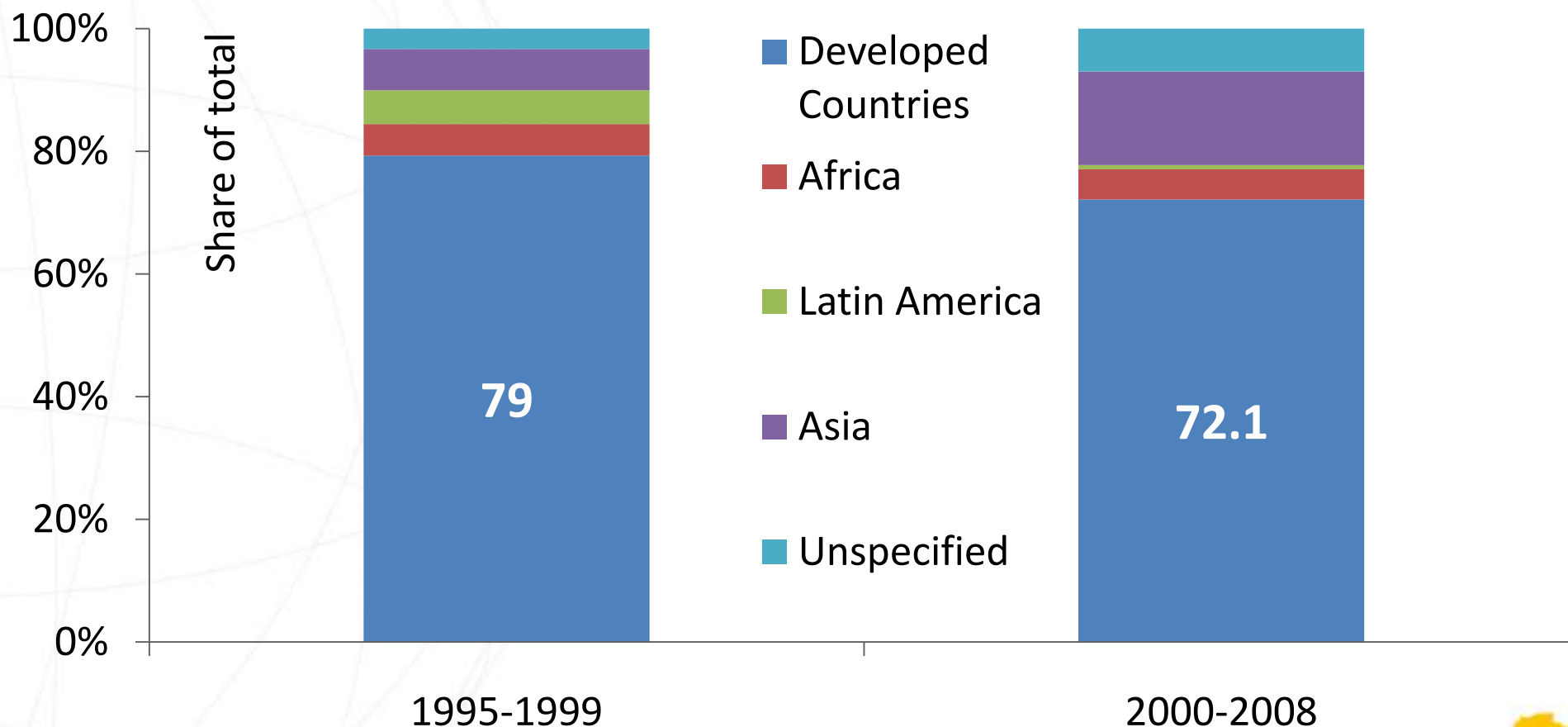


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Yet Traditional Partners remain key... (continued)

African FDI inflows 1995-2008

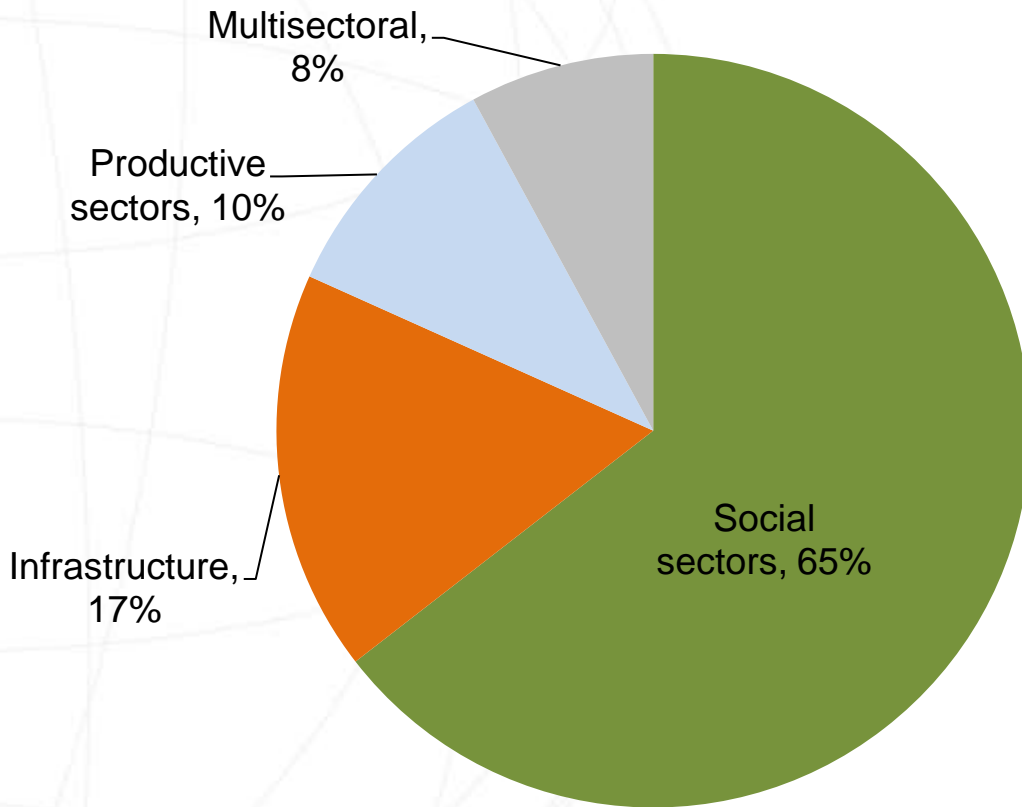


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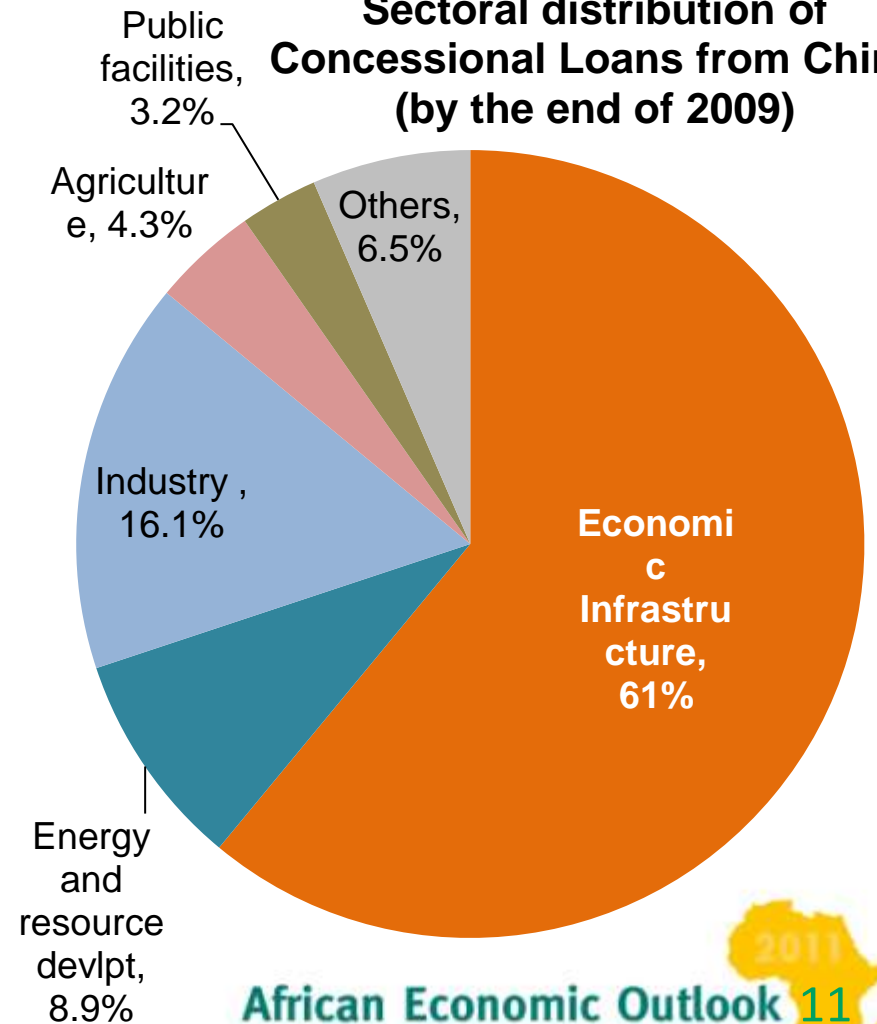


Scope for synergies

**Official Development Assistance to Africa
Sectoral distribution by DAC donors (05-09)**



**Sectoral distribution of
Concessional Loans from China
(by the end of 2009)**



2005-2009



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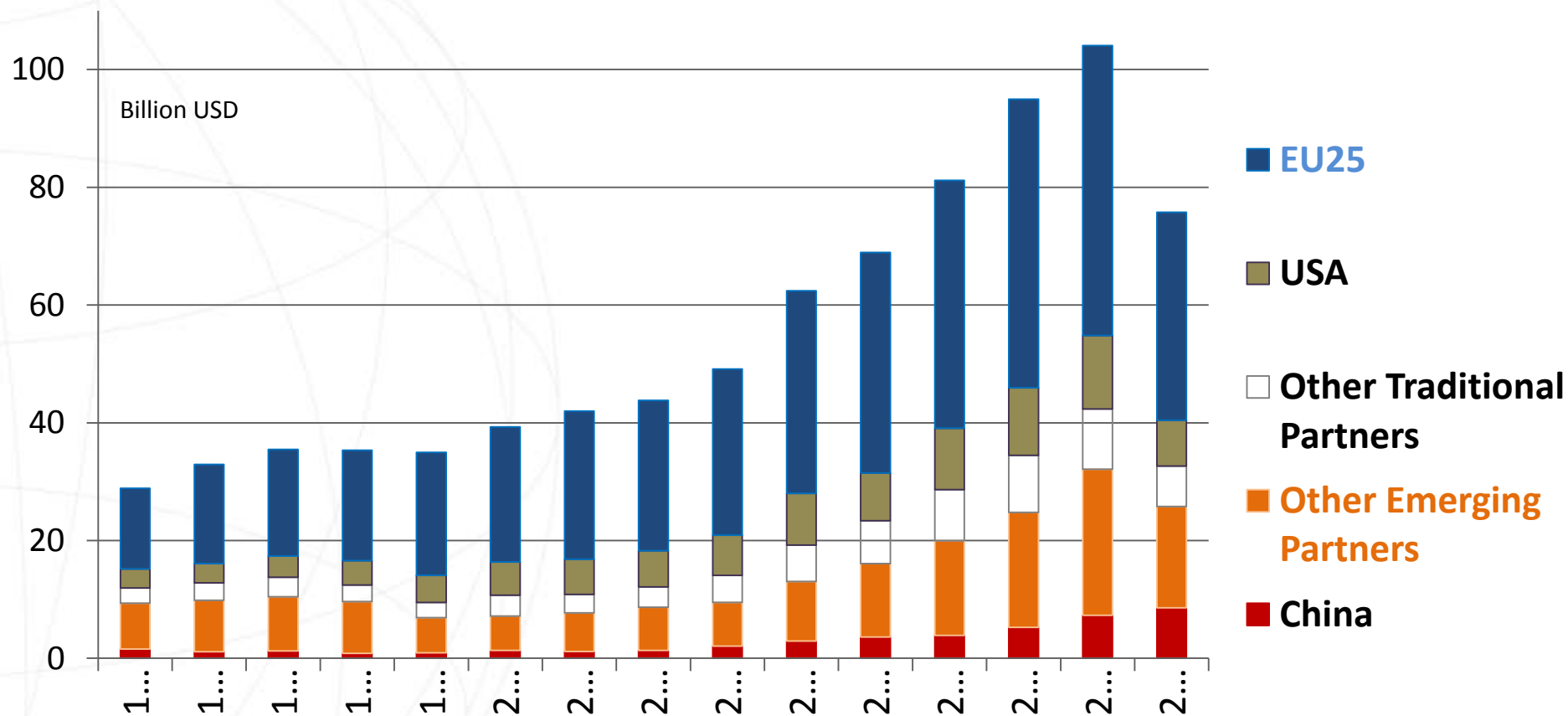


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Industrialization: more opportunities than threats

Africa's exports of manufactured products

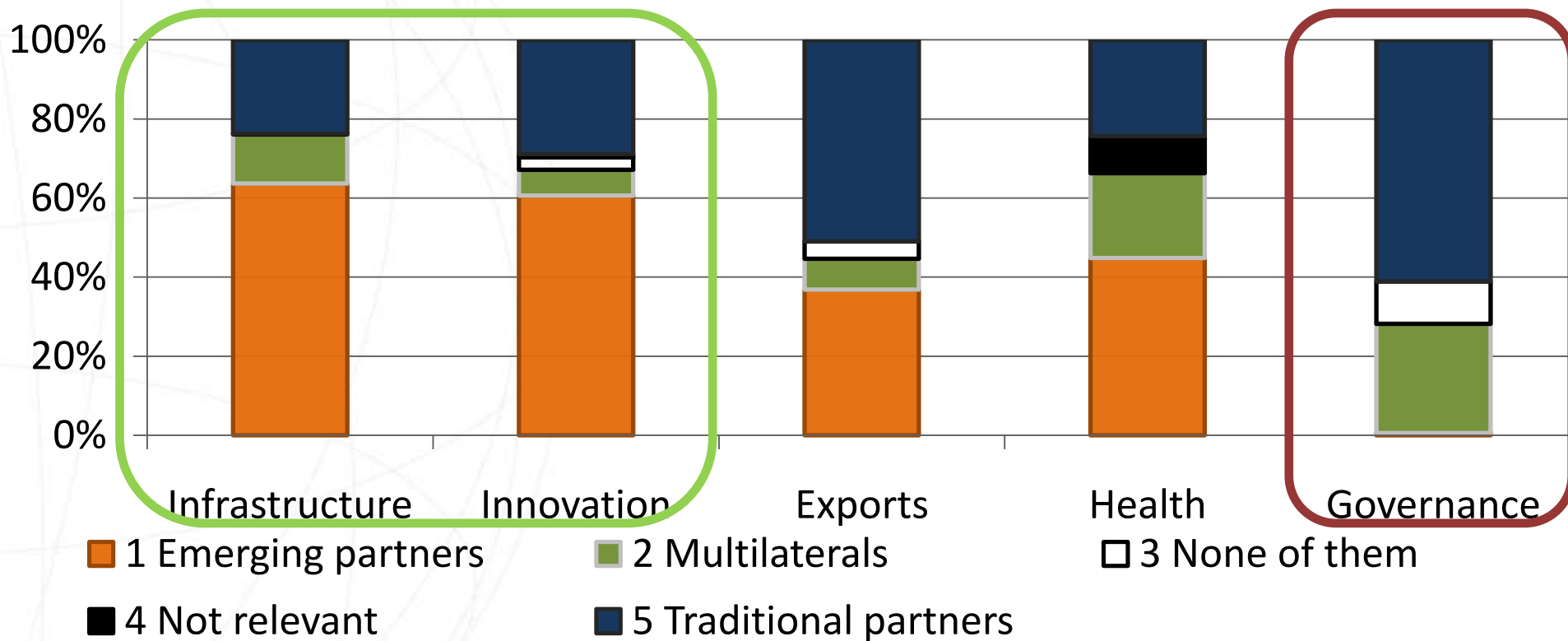


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Managing a widening policy space

Who among the following partners are typically most effective at meeting the development objectives of the country?



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4 received notions this report calls into question

Emerging partners are perceived

1. to be bringing down governance standards;
2. to be helping the re-indebtment;
3. to be contributing to the de-industrialization;
4. and to specialization into resource extraction of African countries



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Main findings

- ▶ Emerging Partners have become a major driver of Africa's growth – although Traditional Partners are still very significant and will remain so in the years to come
- ▶ The patterns of engagement of Emerging and Traditional Partners tend to be complementary, to the benefit of African countries
- ▶ There are outstanding risks especially for the weakest African states but so far, more fear than harm



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Policy implications

- ▶ Enshrine engagement strategies into national development plans
- ▶ Search for a virtuous circle of regional integration and coordination
- ▶ Raise the scale of investment to attract emerging investors, including Sovereign Wealth Funds
- ▶ More transparency to put an end to unconstructive myths



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The screenshot shows the website's header with navigation links for English, Français, and Português, and sections for About us, Partners & affiliates, and Contact us. A search bar is present. The main navigation bar includes Home, Outlook (highlighted), In Depth, Countries, Data & Statistics, News & Events, and Resources. The main content area features a breadcrumb trail 'Home > Outlook', a title 'Outlook', and social media sharing options. A text block discusses the 2010 African Economic Outlook, noting the continent's recession and the challenges of achieving the Millennium Development Goals. A section titled 'Global conditions are expected to improve in 2010' includes an image of a large red and white ship and text about global recovery progress. A right-hand sidebar lists key topics: Macroeconomic Situation and Prospects, External Financial Flows to Africa, Trade Policies and Regional Integration in Africa, Progress towards the Millennium Development Goals, and Political and Economic Governance. Below this is a box titled 'CHALLENGES AFRICA FACES AFTER THE GLOBAL CRISIS' with a partial image of a woman's face.

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African Economic Outlook

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Outlook

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The 2010 African Economic Outlook finds the continent reeling from the effects of the world's deepest and most widespread recession in half a century. Many countries are at risk of falling far off track to achieving the Millennium Development Goal of halving extreme poverty and hunger by 2015. Just how hard was the region hit? What are the prospects for recovery? Insights and answers in this edition including an in-depth study of Taxation and Aid in Africa.

Global conditions are expected to improve in 2010



Since the trough of the recession in the first half of 2009, **the global recovery has made significant progress**. Global output is on the rise and business sentiment is improving world wide. But towards the end of 2009 global industrial production and world trade levels were still much lower than before the crisis.

An exception is the development in emerging countries where – boosted by China – **industrial production** already exceeds pre-crisis levels.

- ▶ **Macroeconomic Situation and Prospects**
- ▶ **External Financial Flows to Africa**
- ▶ **Trade Policies and Regional Integration in Africa**
- ▶ **Progress towards the Millennium Development Goals**
- ▶ **Political and Economic Governance**

CHALLENGES AFRICA FACES AFTER THE GLOBAL CRISIS

Challenges Africa faces after the



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