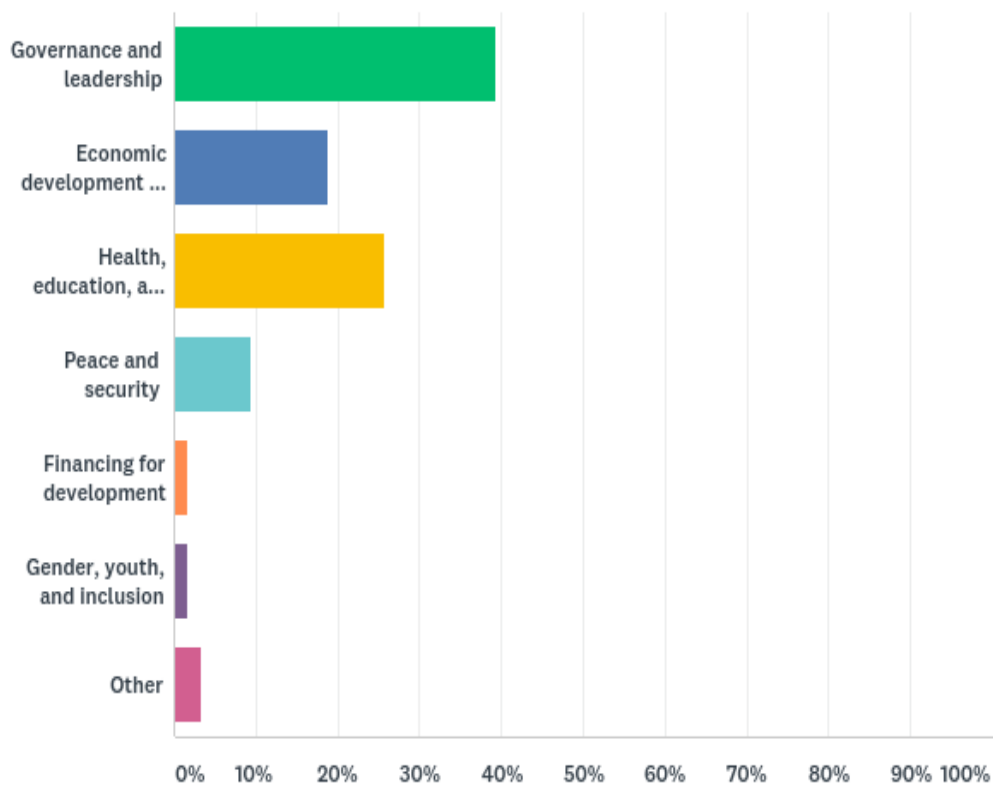




Q1 What is your top priority for Africa in 2019?

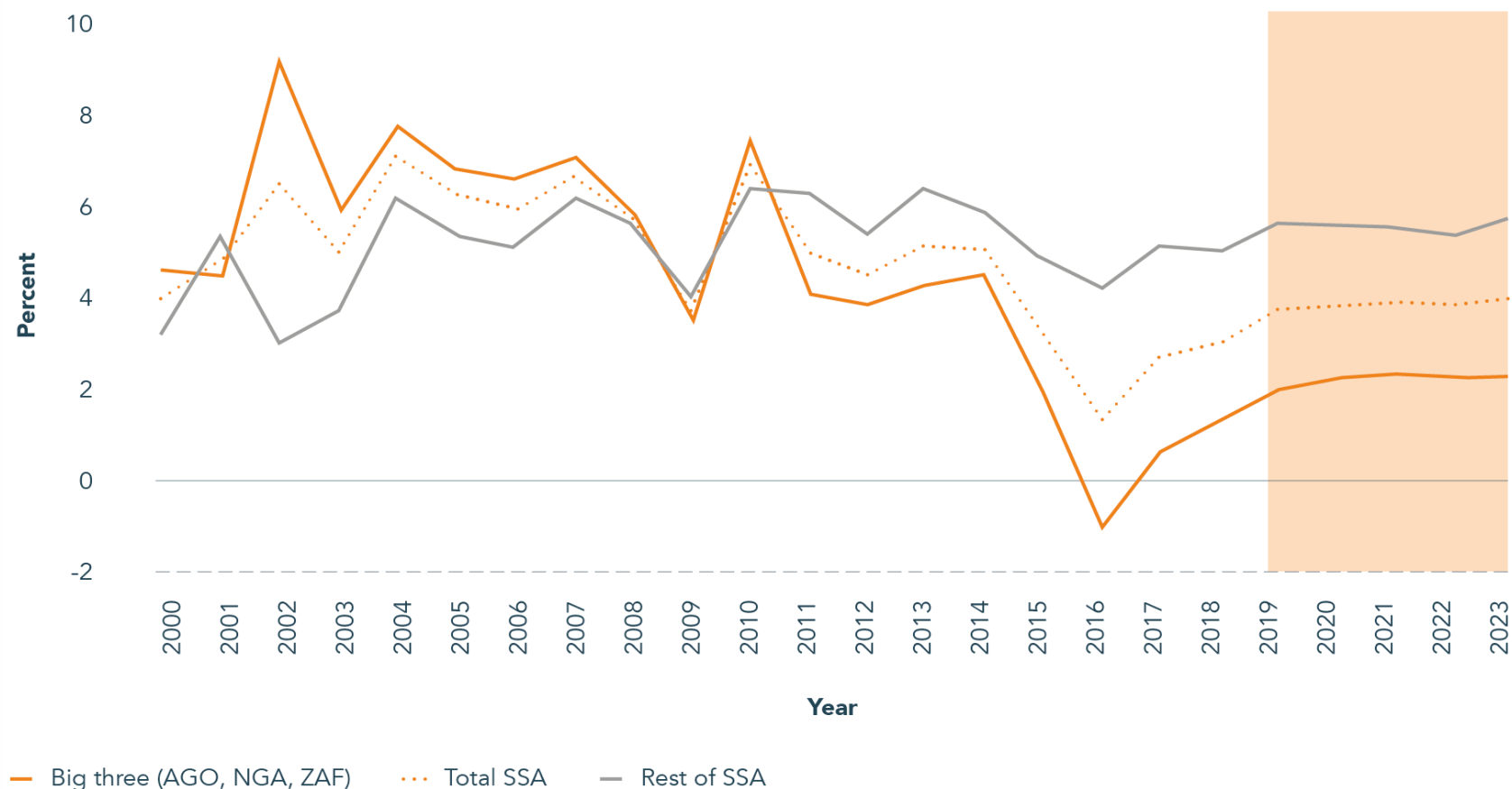


1. **Bolstering good governance:** *The imperative of inclusion and efficiency*
2. **Managing debt and mobilizing resources:** *A delicate balance to sustain economic growth*
3. **Harnessing Africa's youth dividend:** *A new approach for large-scale job creation*
4. **Fixing fragility:** *The role of the private sector and local institutions*
5. **Africa's untapped business potential:** *Countries, sectors, and strategies*
6. **Boosting trade and investment:** *A new agenda for regional and international engagement*

Managing debt and mobilizing resources: *A delicate balance to sustain economic growth*

Figure 2.1 Real GDP growth in sub-Saharan Africa 2000-2023

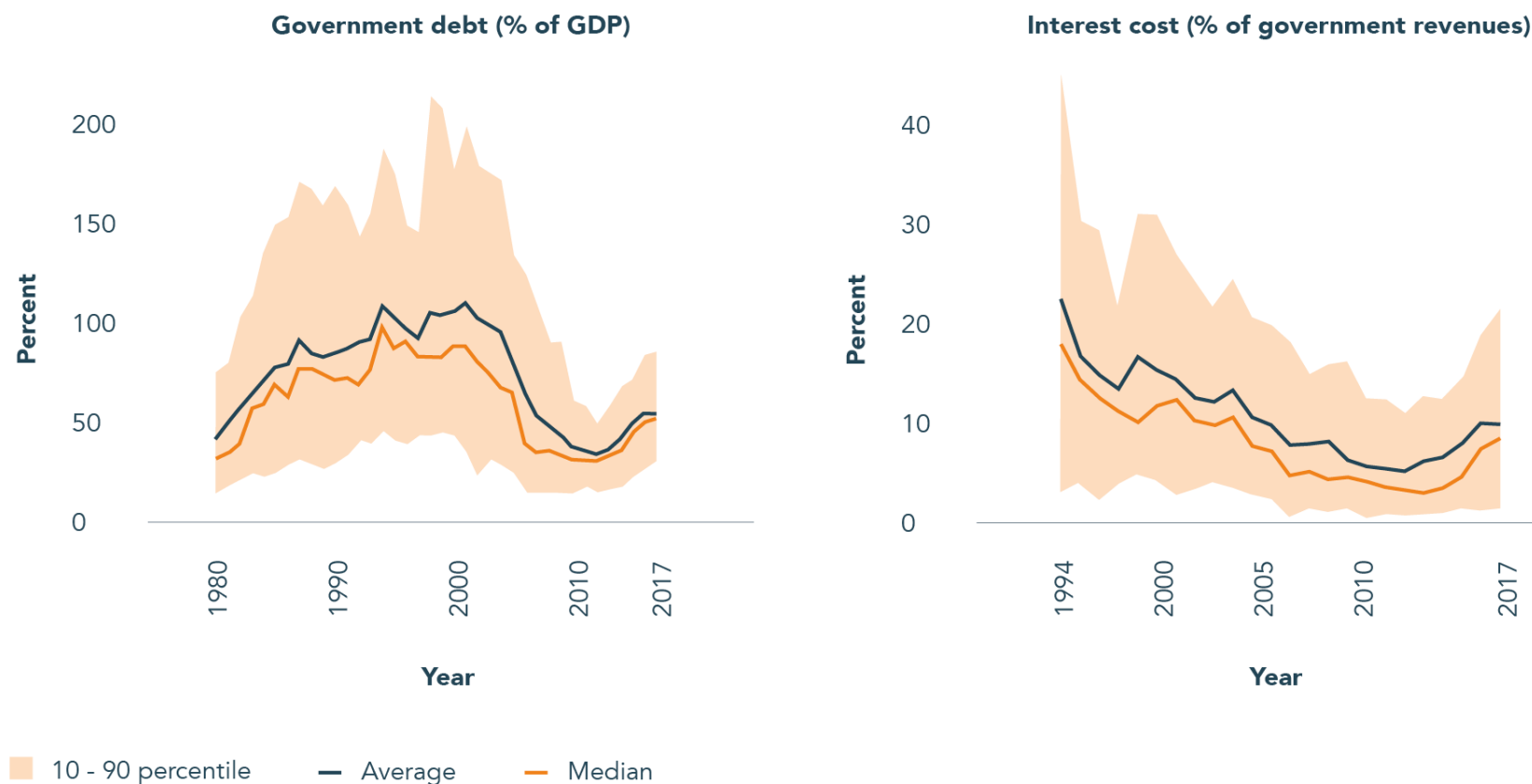
GDP growth will pick-up in 2019 aided by a growth rebound in the region's three largest economies, Angola, Nigeria, and South Africa.



Source: International Monetary Fund, World Economic Outlook, October 2018.

Figure 2.3 Government debt and interest cost

Debt sustainability has deteriorated in sub-Saharan Africa with both debt and interest costs rising.



Source: International Monetary Fund, World Economic Outlook, October 2018; Sub-Saharan Africa Regional Economic Outlook, October 2018; International Monetary Fund, Historical Debt Database.

Figure 2.4 Non-resource tax gap in African countries (excluding social contributions)

The size of Nigeria's economy and its large tax gap due to low non-resource tax revenues (below 5 percent of GDP) means that it accounts for more than half the region's average nominal tax gap of \$110 billion a year. South Africa and Angola follow in second and third with average tax gaps of \$10 billion and \$8 billion respectively.



● Tax Capacity

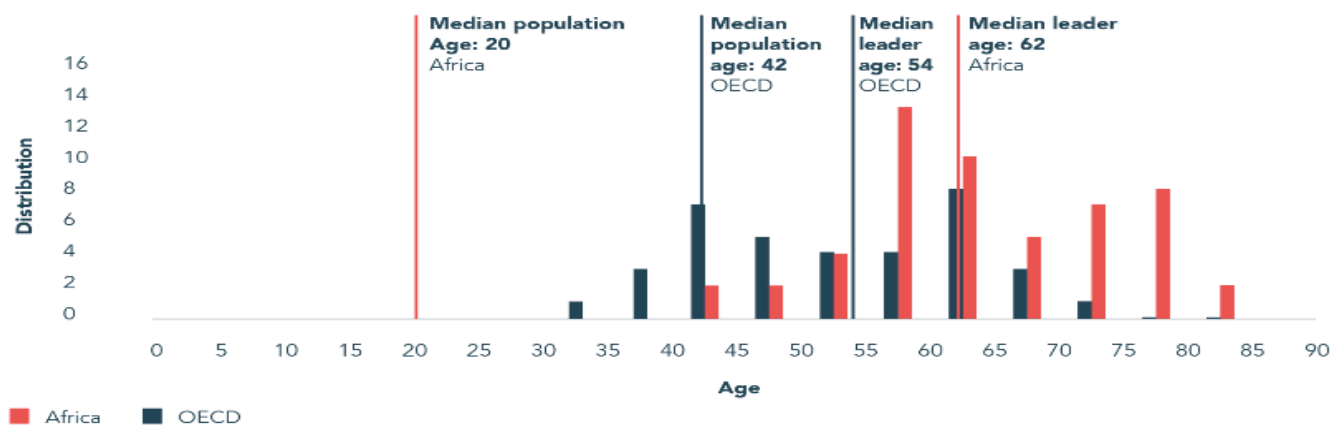
Source: Coulibaly and Gandhi, 2018.

Bolstering good governance

The imperative of inclusion and efficiency

Figure 1.4 Old leaders, young population

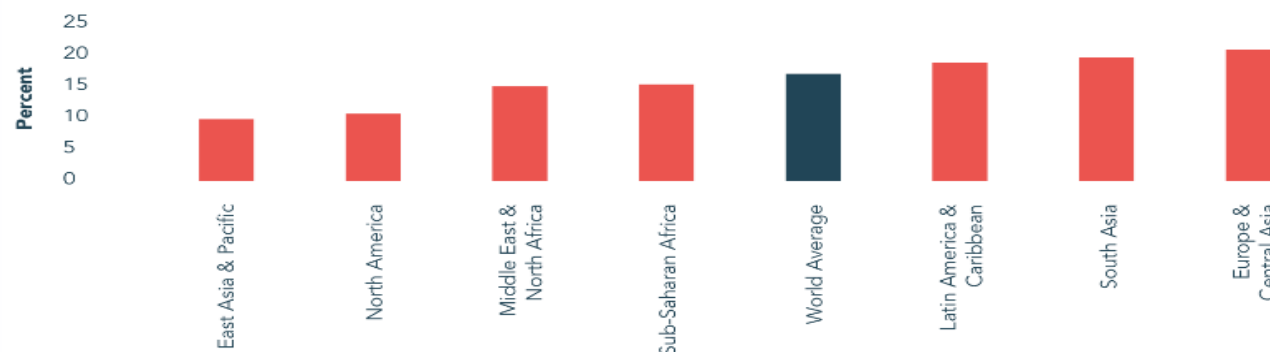
Africa has the youngest population globally but some of the world's oldest leaders. The median African leader at 62 years old is 8 years older than the median OECD leader. Furthermore, the age gap between the region's population and leaders is 42 years compared to only 12 for the OECD.



Source: Brookings calculations.

Members of Parliament under 40 years of age

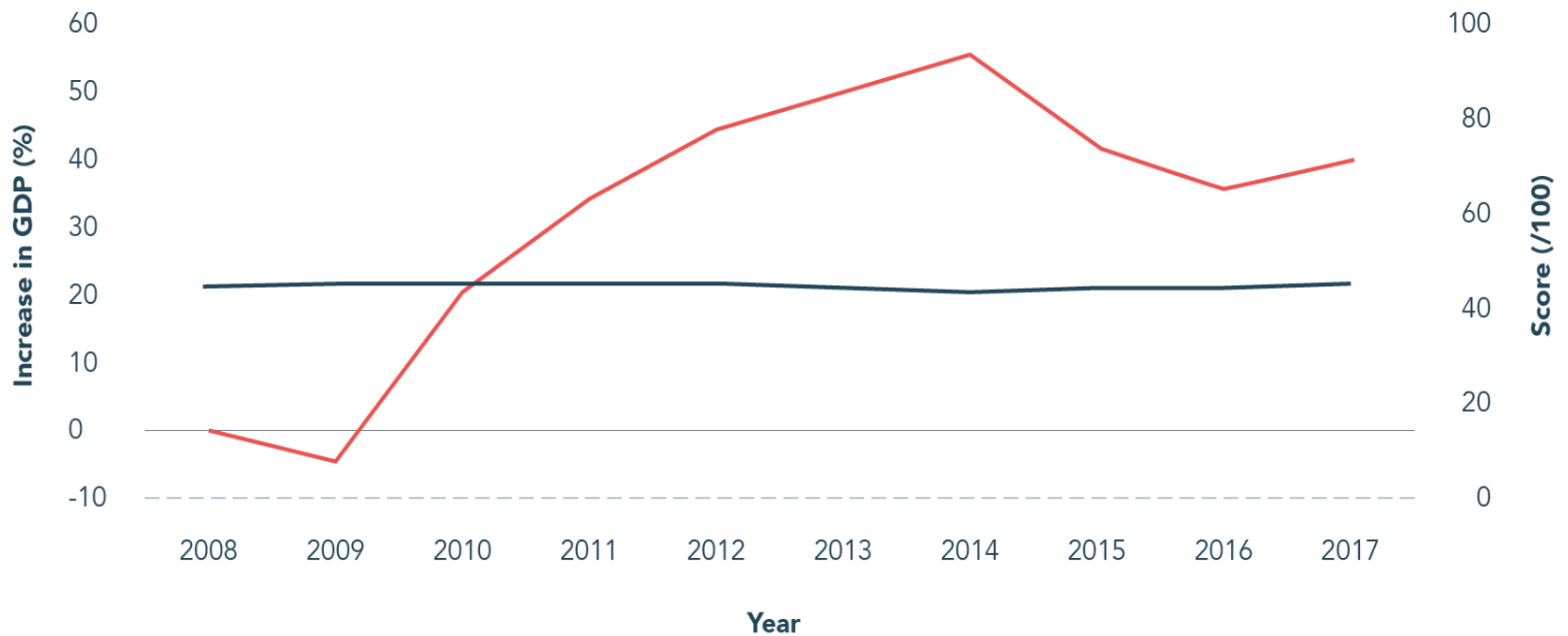
The younger population is also not as well represented in African parliaments. On average, only 14 percent of the region's parliamentarians are younger than 40, which is below the world average. It should be expected to be much higher given that 70 percent of the region's population is under 30 years old.



Source: Inter-Parliamentary Union. data.ipu.org

Figure 1.3 Sustainable Economic Opportunity and GDP growth

While Africa's combined GDP has increased by almost 40 percent over the past decade, average progress has been almost null for Africa's citizens in Sustainable Economic Opportunity.



— Increase in GDP (%) — Sustainable Economic Opportunity African Average Score

Source: 2018 Ibrahim Index of African Governance, Mo Ibrahim Foundation. <https://mo.ibrahim.foundation/iiag/>

World Poverty Clock

MAKING
EVERYONE COUNT

Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

Currently in the World

590,954,905

people live in extreme poverty

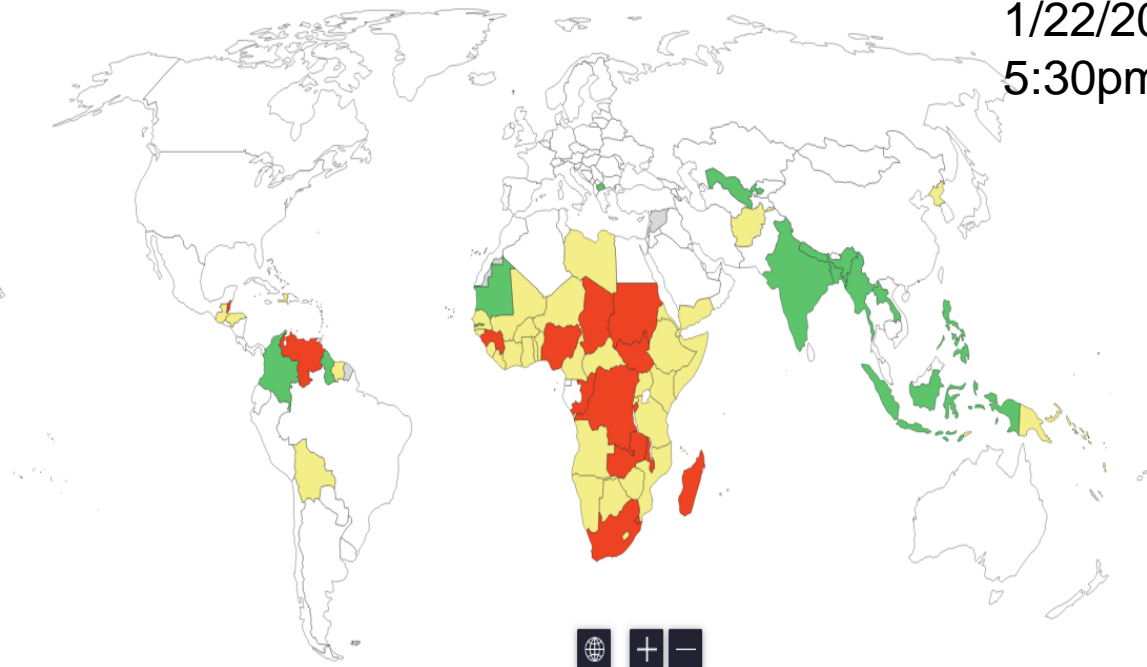
1.6 **0.8**
TARGET CURRENT
ESCAPE ESCAPE
RATE RATE

people/ sec.

7.8%

of the World population
of 7,572,804,721

As of
1/22/2019
5:30pm EST



JANUARY
2019



- On-track for SDG Target
Countries able to escape poverty by 2030
- Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate
- Poverty is rising
- No extreme poverty

World Poverty Clock in 2030

As of
1/22/2019
5:30pm EST

MAKING
EVERYONE COUNT

Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

In December of 2030 in the
World

434,171,738

people live in extreme poverty

- **0.3**
TARGET
ESCAPE
RATE | CURRENT
ESCAPE
RATE

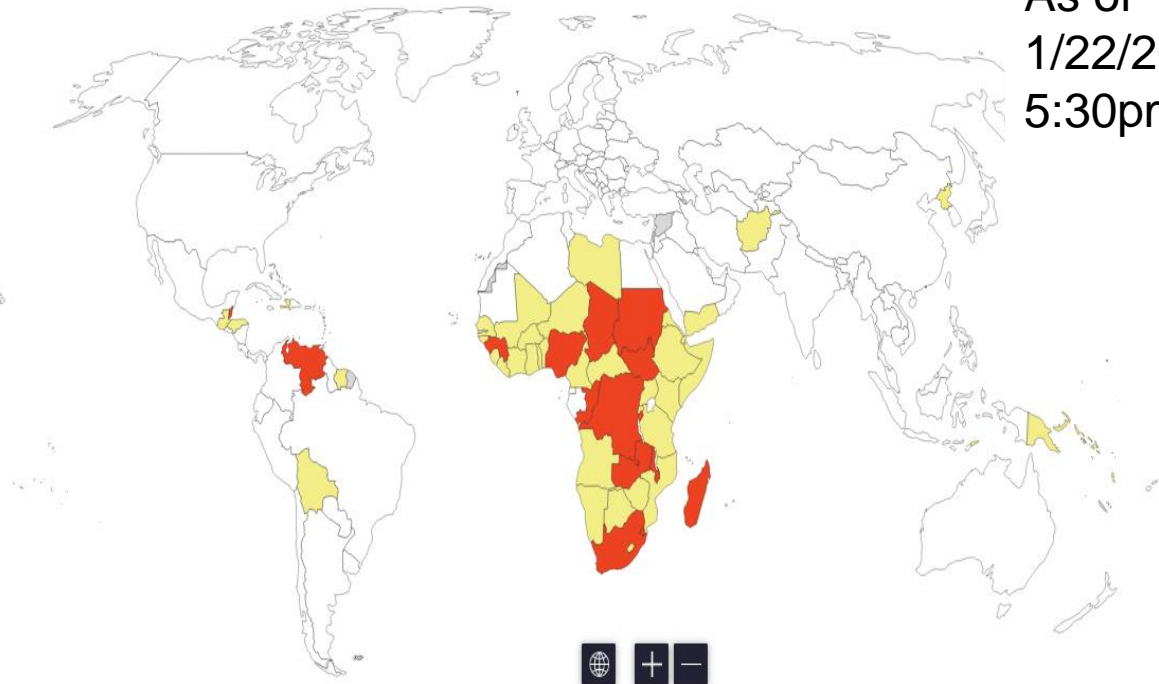
people/ sec.

5.2%

of the World population
of 8,377,369,560



- On-track for SDG Target
Countries able to escape poverty by 2030
- Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate
- Poverty is rising
- No extreme poverty



Africa Poverty Clock

MAKING
EVERYONE COUNT

Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

Currently in Africa

422,302,147

people live in extreme poverty

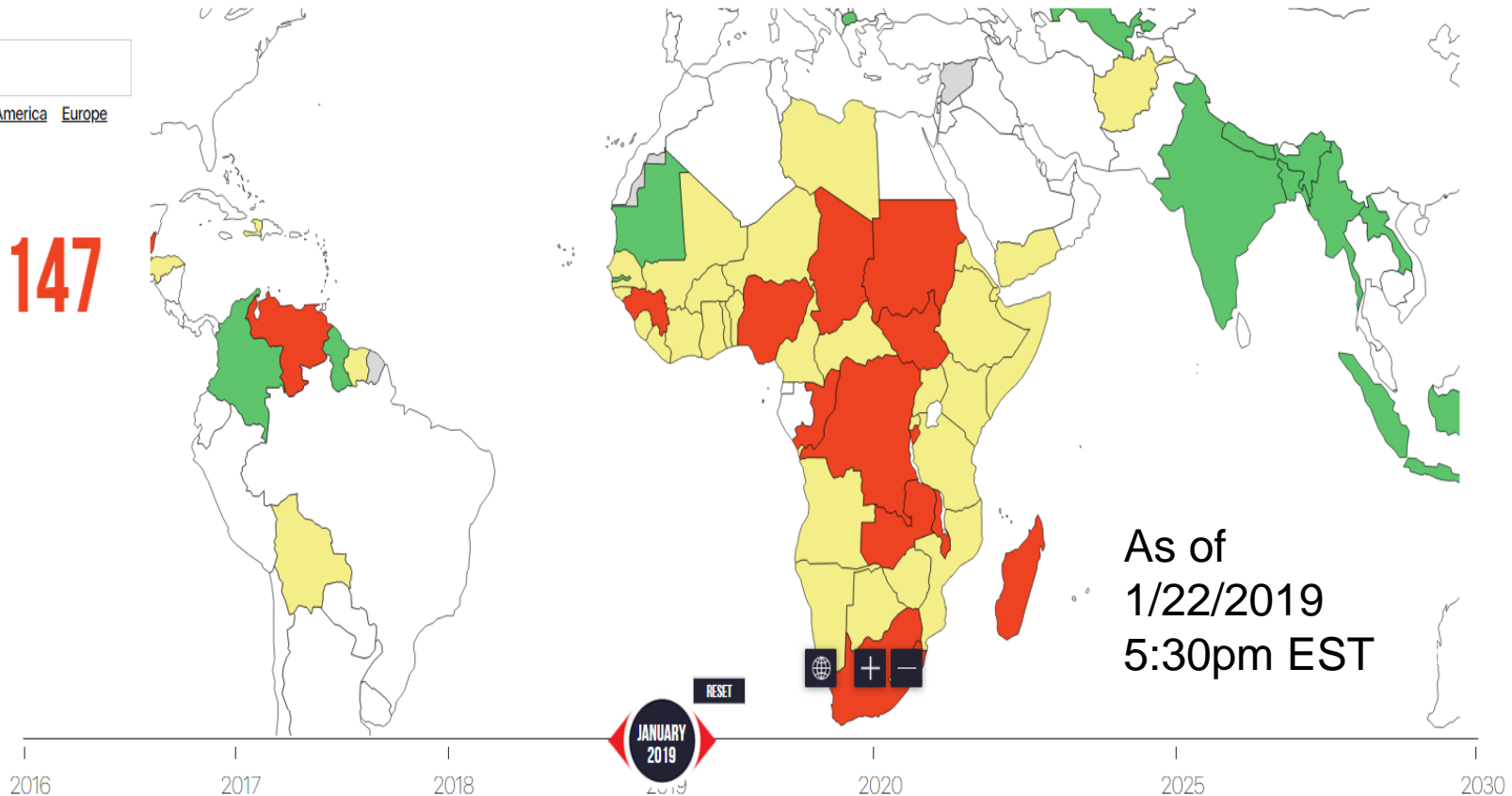
4034.6 **-11.6**

TARGET
ESCAPE
RATE | CURRENT
ESCAPE
RATE

people/hour.

33.6%

of Africa's population
of 1,257,017,799



- On-track for SDG Target
Countries able to escape poverty by 2030
- Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate
- Poverty is rising
- No extreme poverty

Africa Poverty Clock in 2030

MAKING
EVERYONE COUNT

Search Select by country

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[Asia](#) [Africa](#)

In December of 2030 in Africa

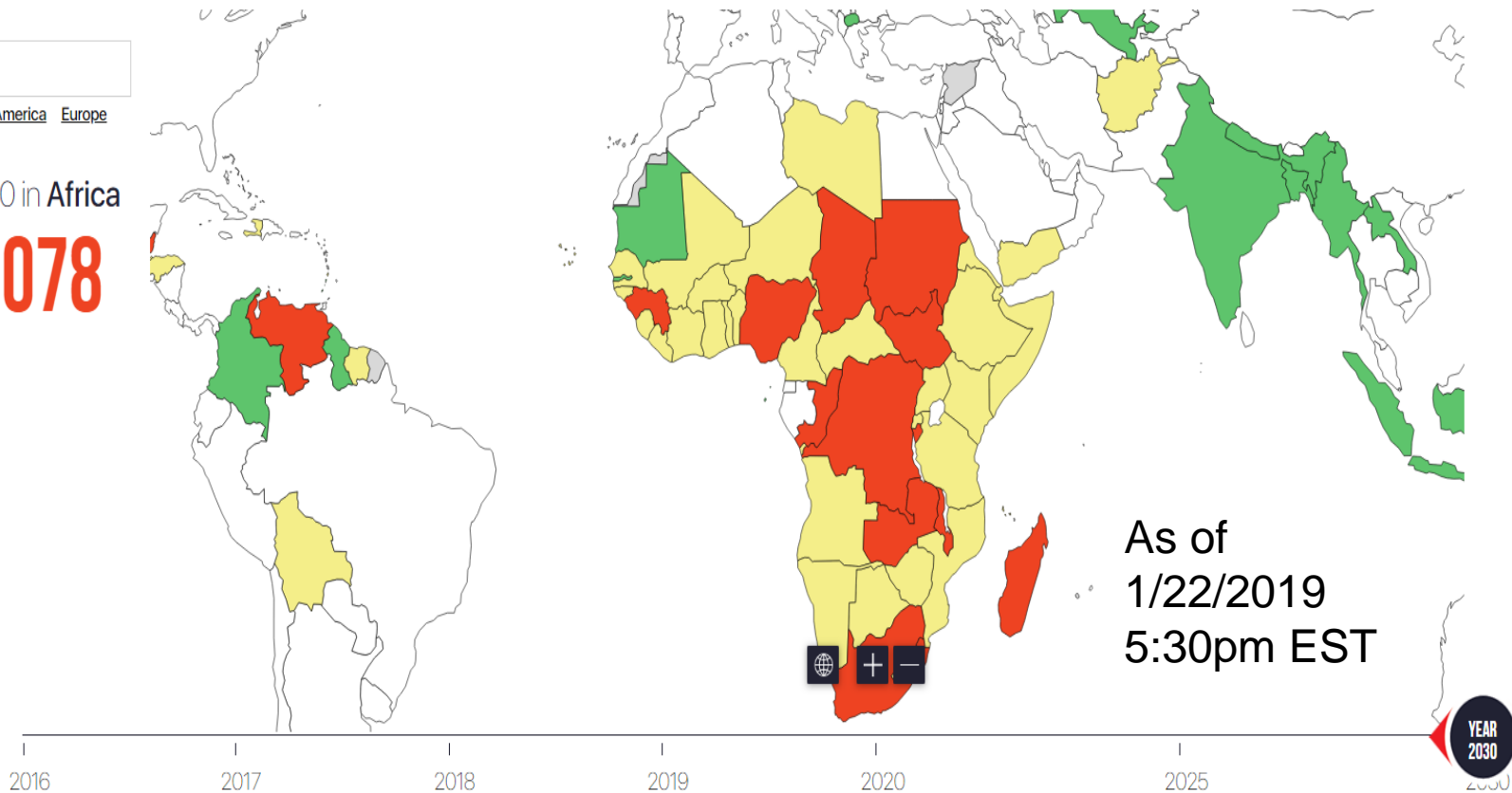
377,258,078

people live in extreme poverty

- **12.2**
TARGET ESCAPE RATE | CURRENT ESCAPE RATE
people/ hour.

23.8%

of Africa's population
of 1,582,267,946



● On-track for SDG Target
Countries able to escape poverty by 2030
 ● Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate
 ● Poverty is rising
 ○ No extreme poverty

South Africa poverty clock

MAKING
EVERYONE COUNT

Search Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

Currently in South Africa

13,691,726

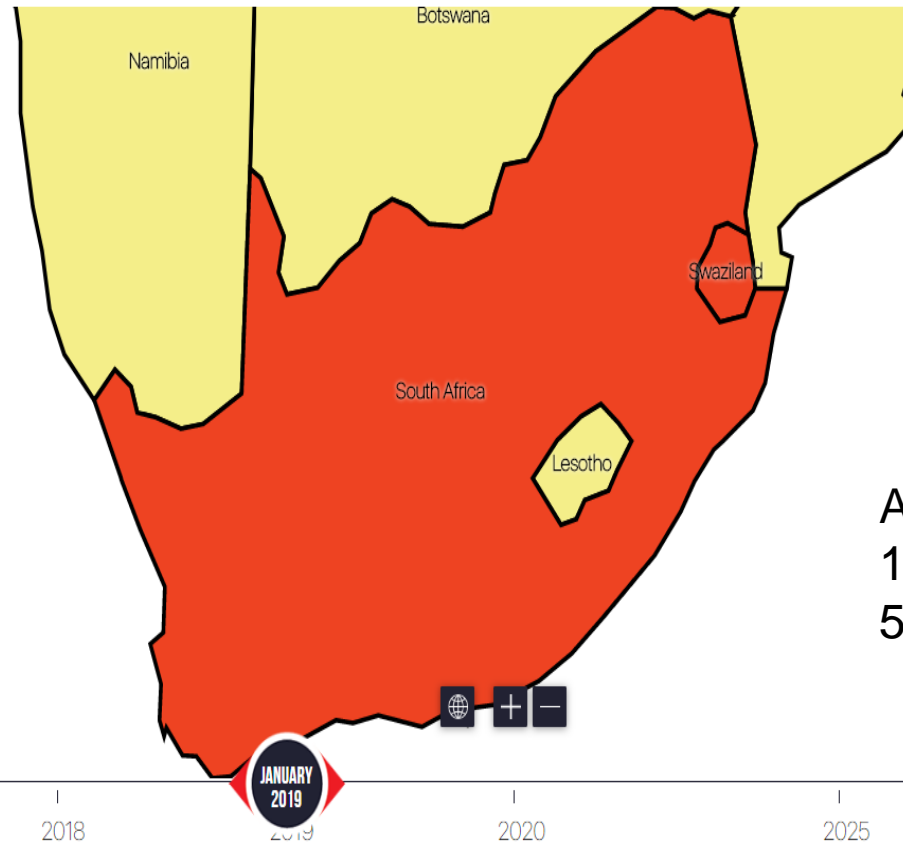
people live in extreme poverty

130.8 **-8.6**
TARGET ESCAPE RATE CURRENT ESCAPE RATE

people/hour.

24.6%

of South Africa's
population
of 55,730,692



As of
1/22/2019
5:30pm EST

● On-track for SDG Target Countries able to escape poverty by 2030
● Off-track for SDG Target Countries not able to reach the SDG Target at the current poverty escape rate
● Poverty is rising
○ No extreme poverty

South Africa poverty clock 2030

MAKING
EVERYONE COUNT

Search Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

In December of 2030 in **South Africa**

13,497,661

people live in extreme poverty

TARGET
ESCAPE
RATE

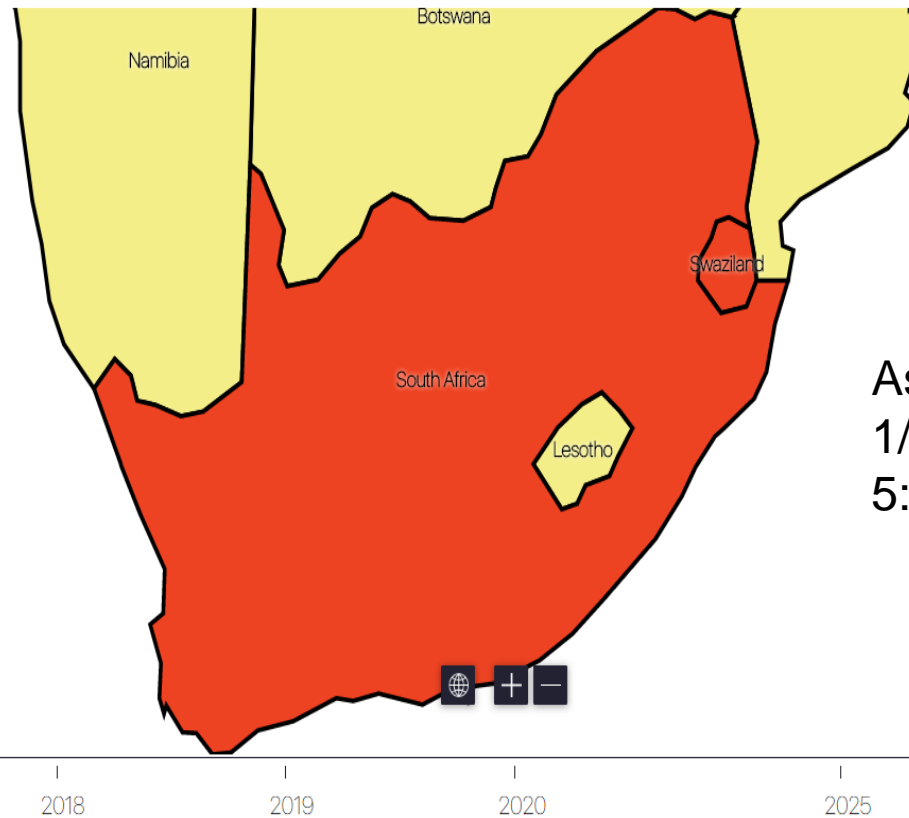
- **8.5**

CURRENT
ESCAPE
RATE

people/hour.

22.3%

of South Africa's
population
of 60,471,041



As of
1/22/2019
5:30pm EST

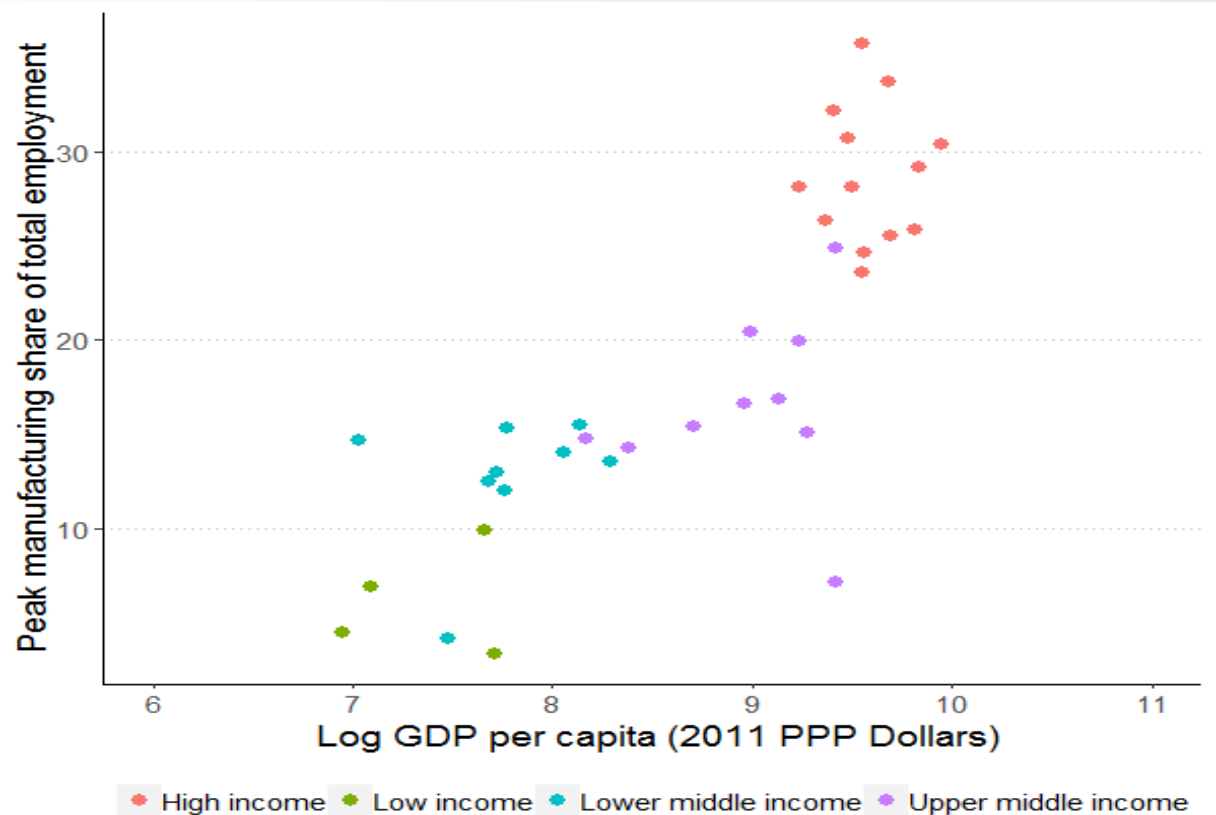
- On-track for SDG Target
Countries able to escape poverty by 2030
- Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate
- Poverty is rising
- No extreme poverty

Harnessing Africa's youth dividend:
A new approach for large-scale job creation

Premature de-industrialization

Peak manufacturing share of total employment by country income level, 1950-2013

- Premature de-industrialization a global phenomenon
- Technological progress, rising capital intensity and skill requirements
- Globalization and competition



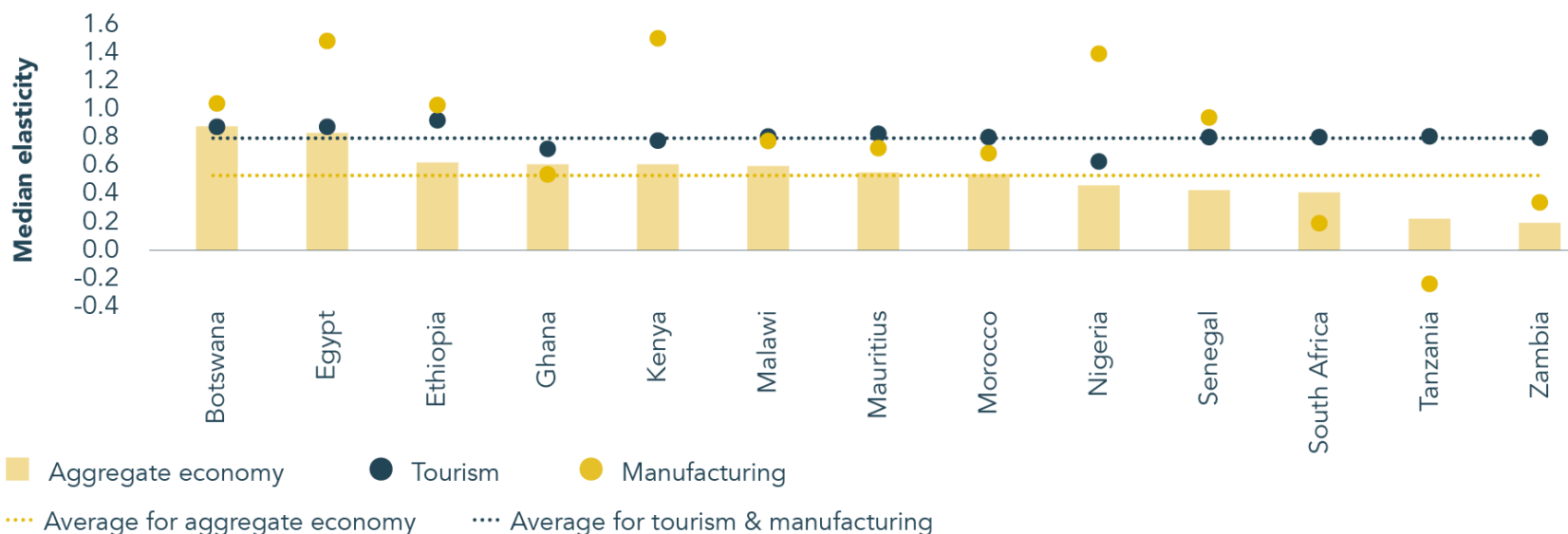
Data source: Groningen Growth and Development Center 10-sector Database and Penn World Tables

Large-scale job creation through ‘industries without smokestacks’

- Ind. w/o smokestacks, incl. horticulture, agro-processing, tourism share same development characteristics as manufacturing
 - » Tradeable
 - » Technological transfers
 - » Importantly, labor-intensive

Figure 3.1 Employment potential of tourism

Growth in tourism is outpacing manufacturing in many African countries. Like manufacturing, it benefits from productivity growth, scale, and agglomeration economies. It has the potential to create some of the millions of formal sector jobs Africa needs each year to employ youth entering the labor force. As the figure shows, tourism has the same average employment elasticity as manufacturing and much higher than that for the aggregate economy, highlighting its job creation potential.



Note: Each country's elasticity measure is the median value of annual elasticities between 2005 & most recently available data. Aggregate Economy Elasticity is the percent change in total employment divided by the percent change in total value added to the economy. Tourism is percent change in tourism employment divided by percent change in direct tourism value added. Manufacturing is percent change in manufacturing employment divided by percent change in manufacturing value added.

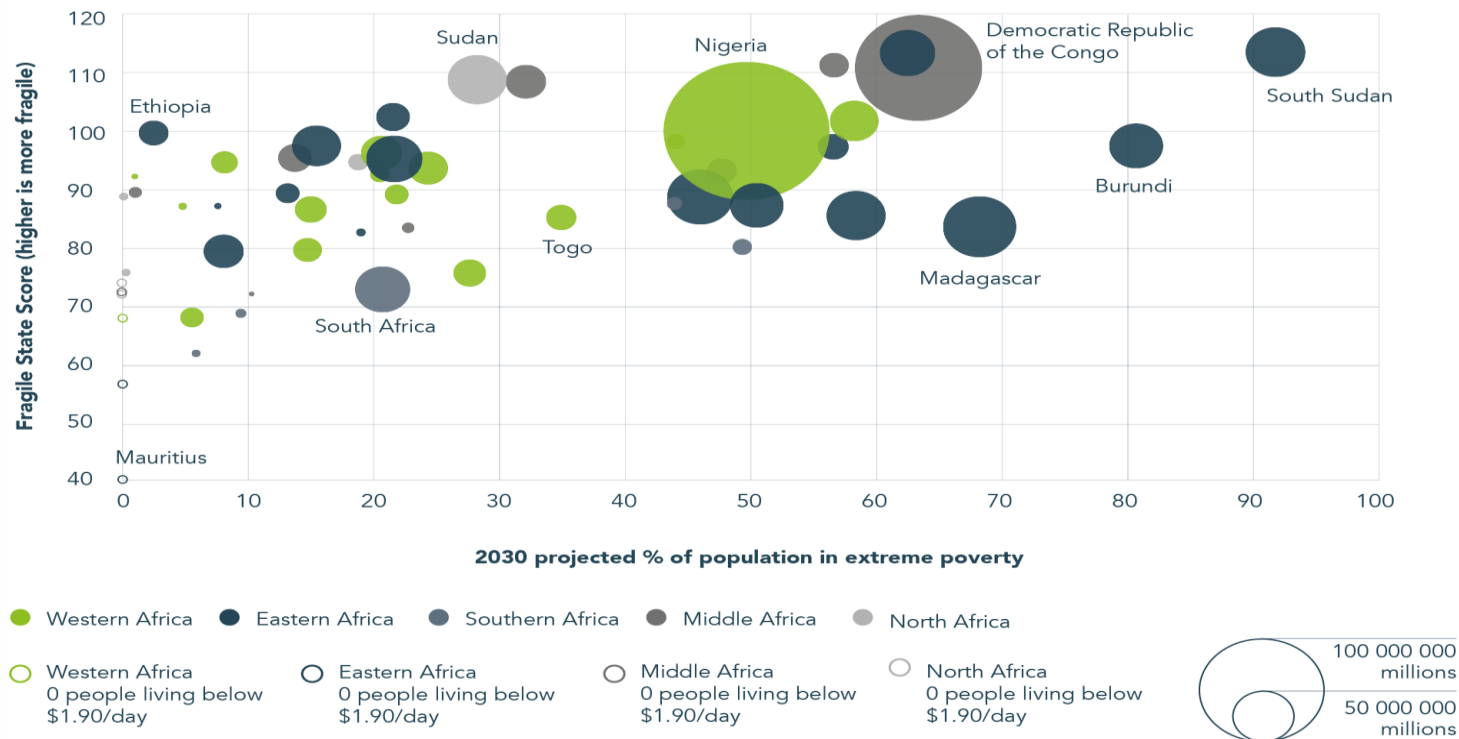
Source: Brookings calculations using World Tourism and Travel Council Data and Groningen Growth and Development Centre 10-Sector Database.

Thank you!

State fragility and poverty rates

Figure 4.5 The relationship between current fragility and projected extreme poverty

The most fragile African states today subsequently risk having among the highest percentage of people living in extreme poverty by 2030.



Note: Extreme poverty is defined as the population living below \$1.90/day in 2011 PPP.

Source: Brookings calculations using Fund for Peace 2018 Fragile States Index

Ghana poverty clock

MAKING
EVERYONE COUNT

Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

Currently in Ghana

3,701,987

people live in extreme poverty

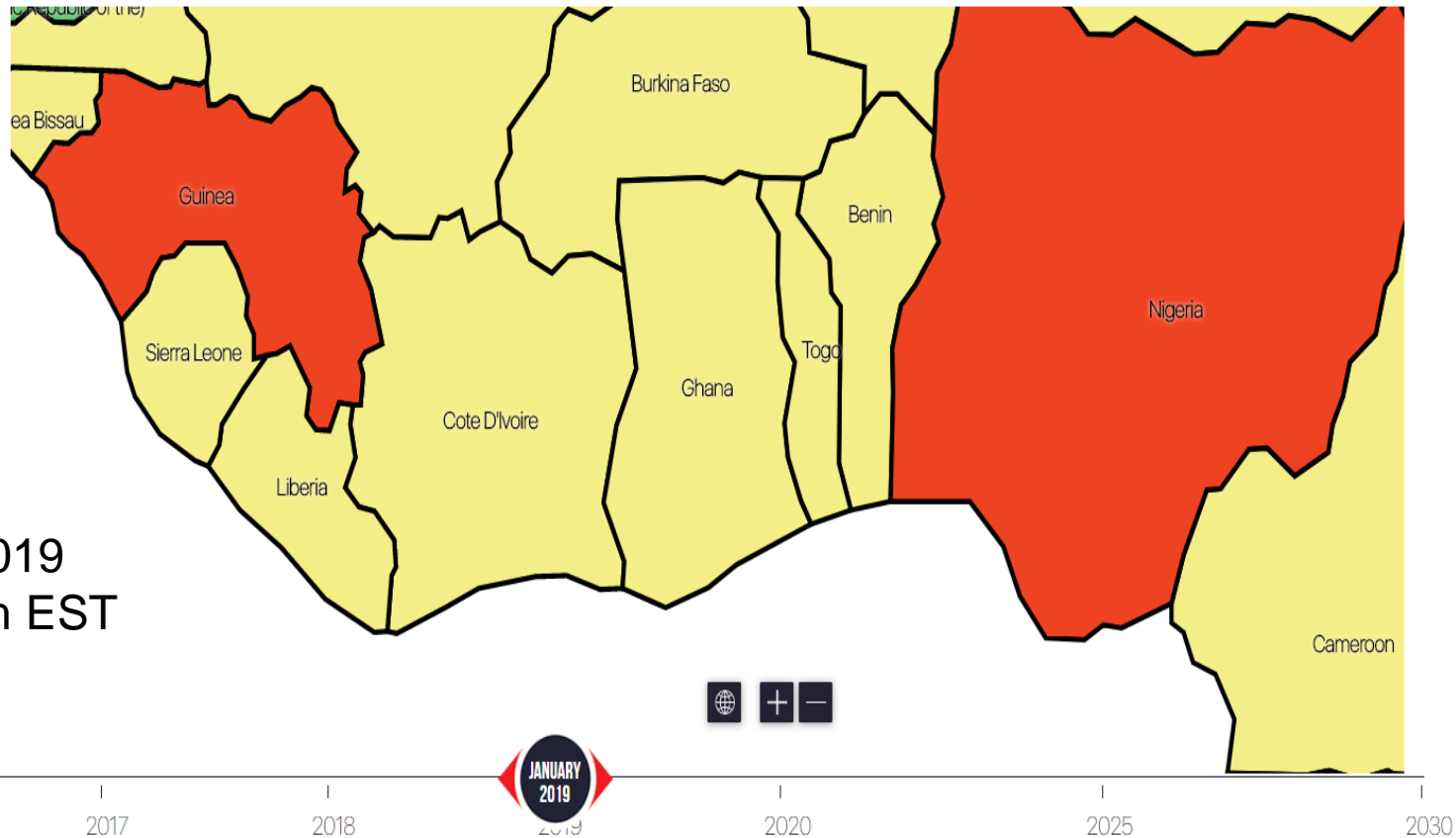
35.4 **28.9**
TARGET ESCAPE RATE CURRENT ESCAPE RATE

people/hour.

12.7%

of Ghana's population
of 29,206,621

As of
1/22/2019
5:30pm EST



● On-track for SDG Target
Countries able to escape poverty by 2030

● Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate

● Poverty is rising

○ No extreme poverty

Ghana poverty clock 2030

MAKING
EVERYONE COUNT

Select by country

[South America](#) [Oceania](#) [North America](#) [Europe](#)
[Asia](#) [Africa](#)

In December of 2030 in Ghana

1,610,693

people live in extreme poverty

TARGET
ESCAPE
RATE

- **20.2**

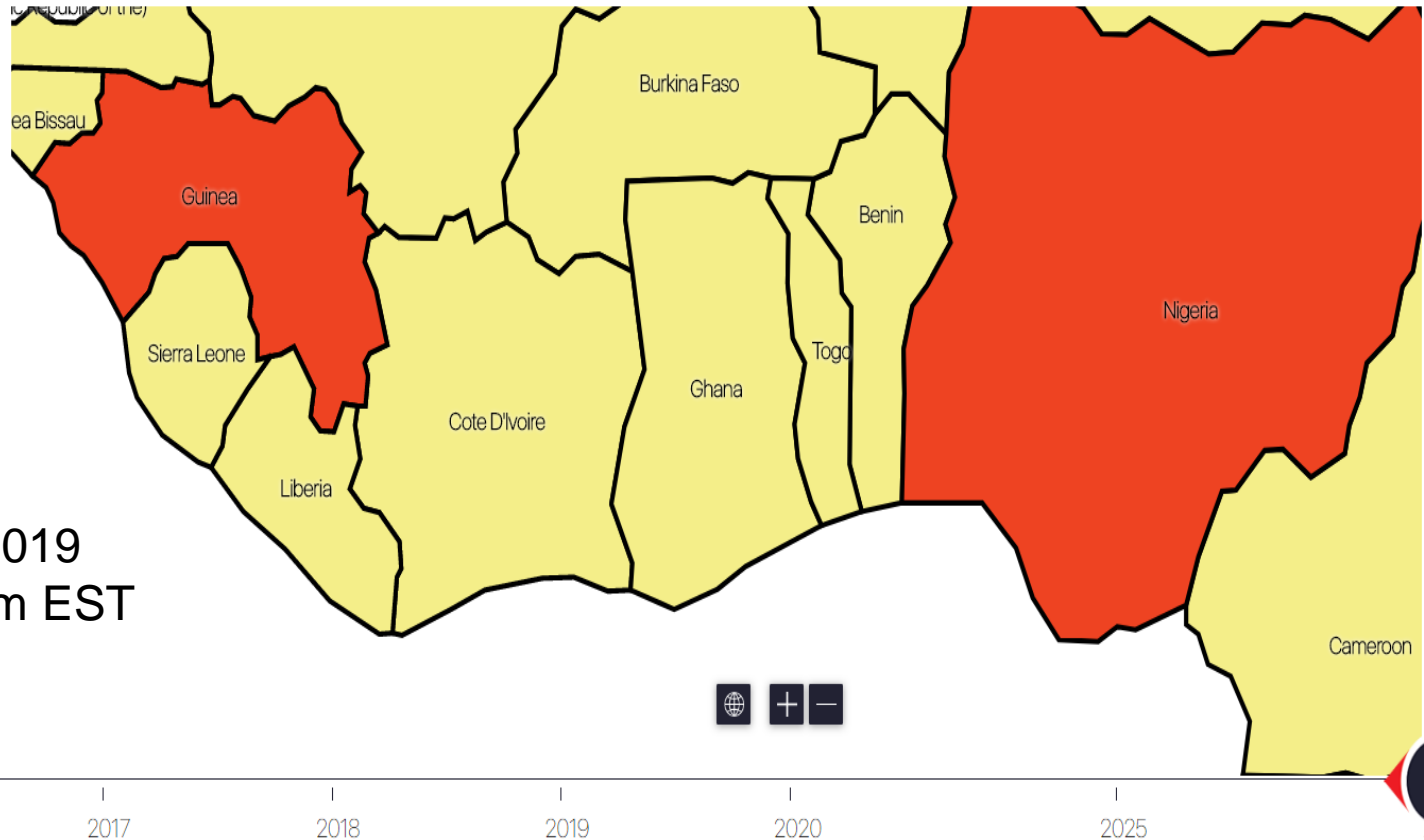
CURRENT
ESCAPE
RATE

people/hour.

As of
1/22/2019
5:30pm EST

4.5%

of Ghana's population
of 36,098,367



- On-track for SDG Target
Countries able to escape poverty by 2030
- Off-track for SDG Target
Countries not able to reach the SDG Target at the current poverty escape rate
- Poverty is rising
- No extreme poverty