

# African Economic Outlook 2017

25 May 2017



## Industrialisation and Entrepreneurship in Africa

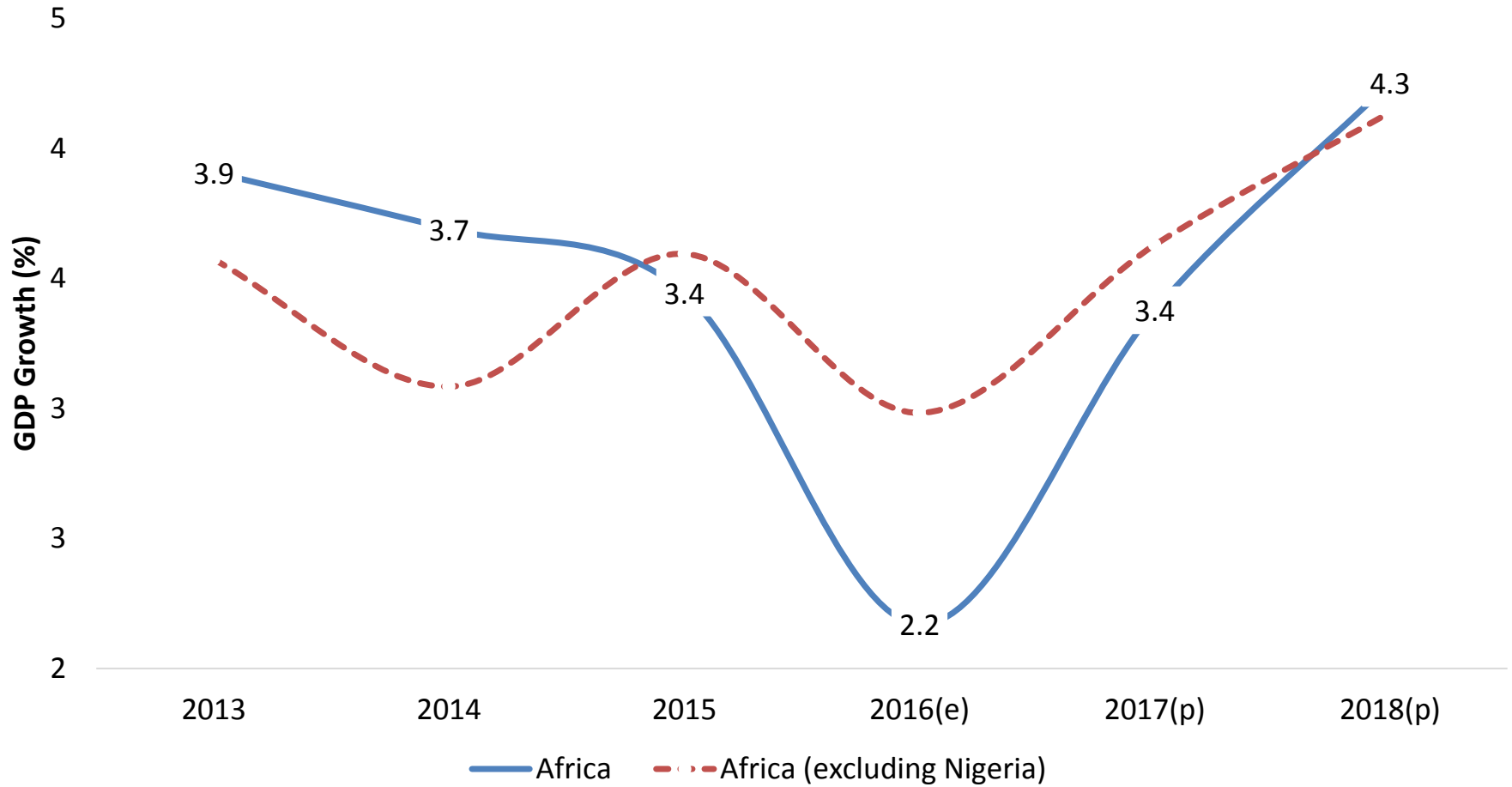
# Outline

- 1. Africa in the XXI Century: Key challenges**
- 2. The Outlook for 2017-2018**
- 3. Some persisting challenges**

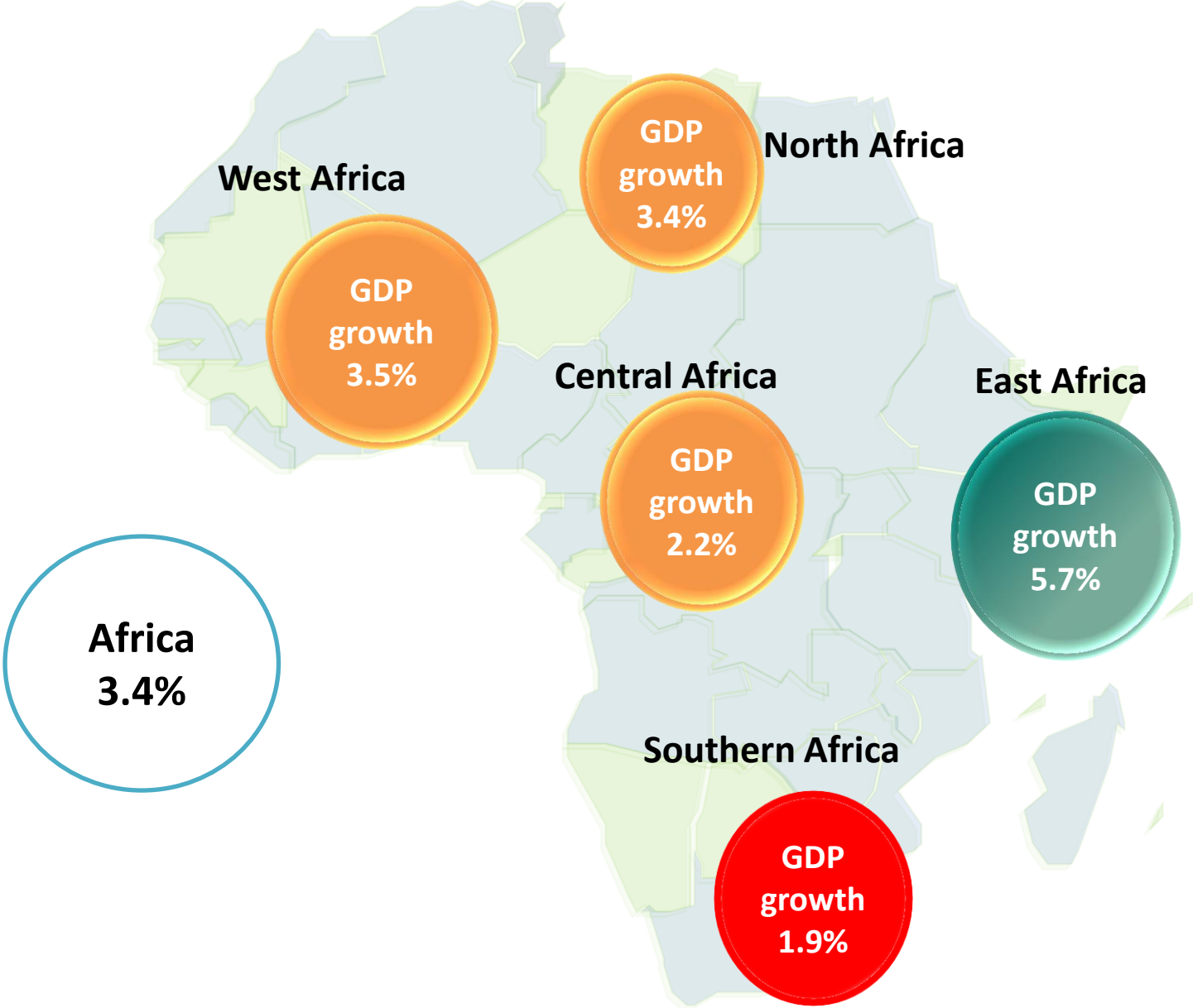
## Africa in the XXI Century: Key challenges

- **Deteriorating external context:** End of lax monetary policy and rising interest rates + slowing trade & investment
  - **The end of natural resources super-cycle:** new growth engines? What impact of new production revolution on Africa?
  - **Structural transformation:** low and heterogeneous productivity + growth is not enough for development + impact of climate change
  - **Fast demographic growth:** how to create 29M jobs per year over 2015-2030
- **Policies & territories** will play an important role in making a difference

# Africa's Growth Performance, 2013-2018

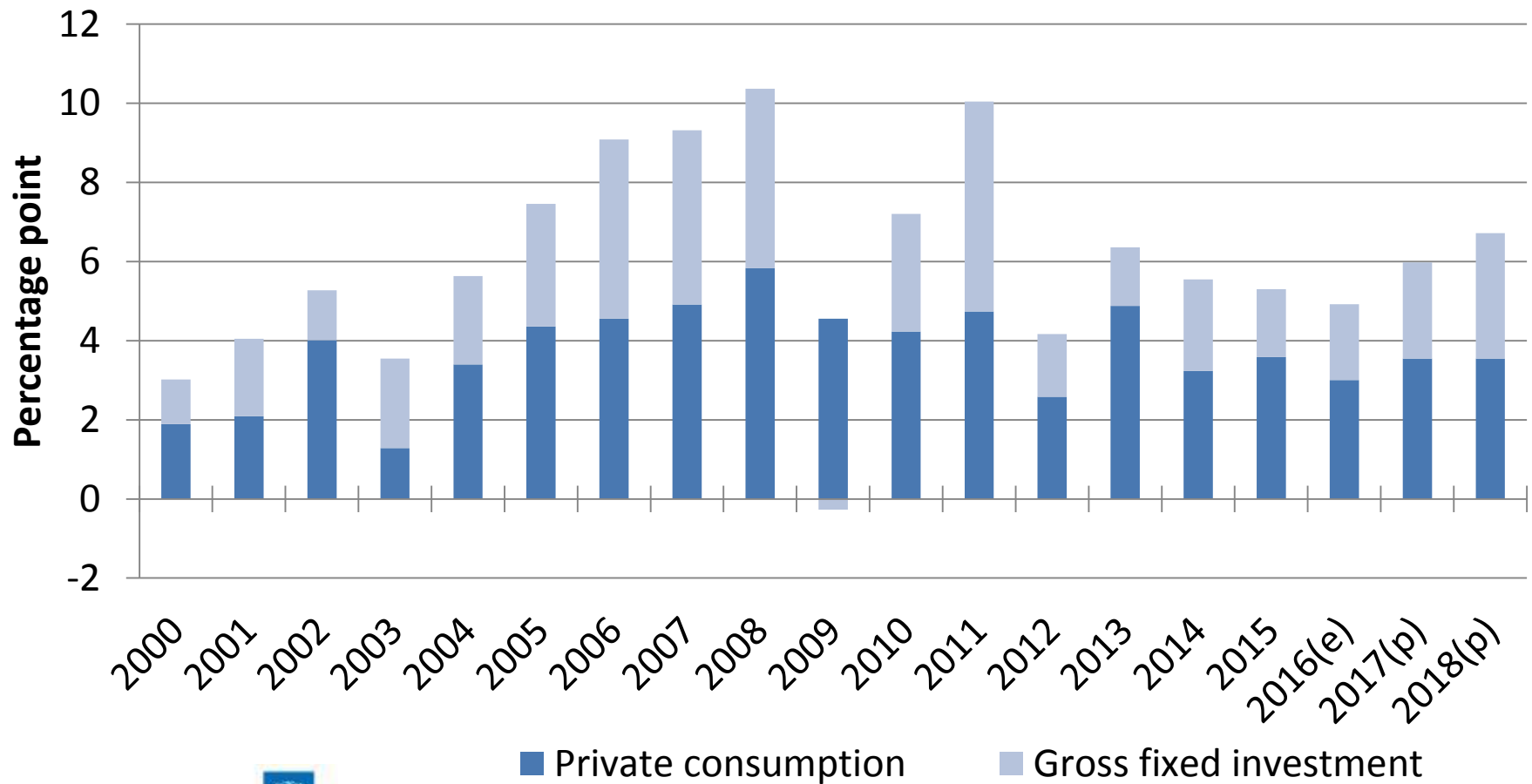


# More diversified regions will be more resilient in 2017



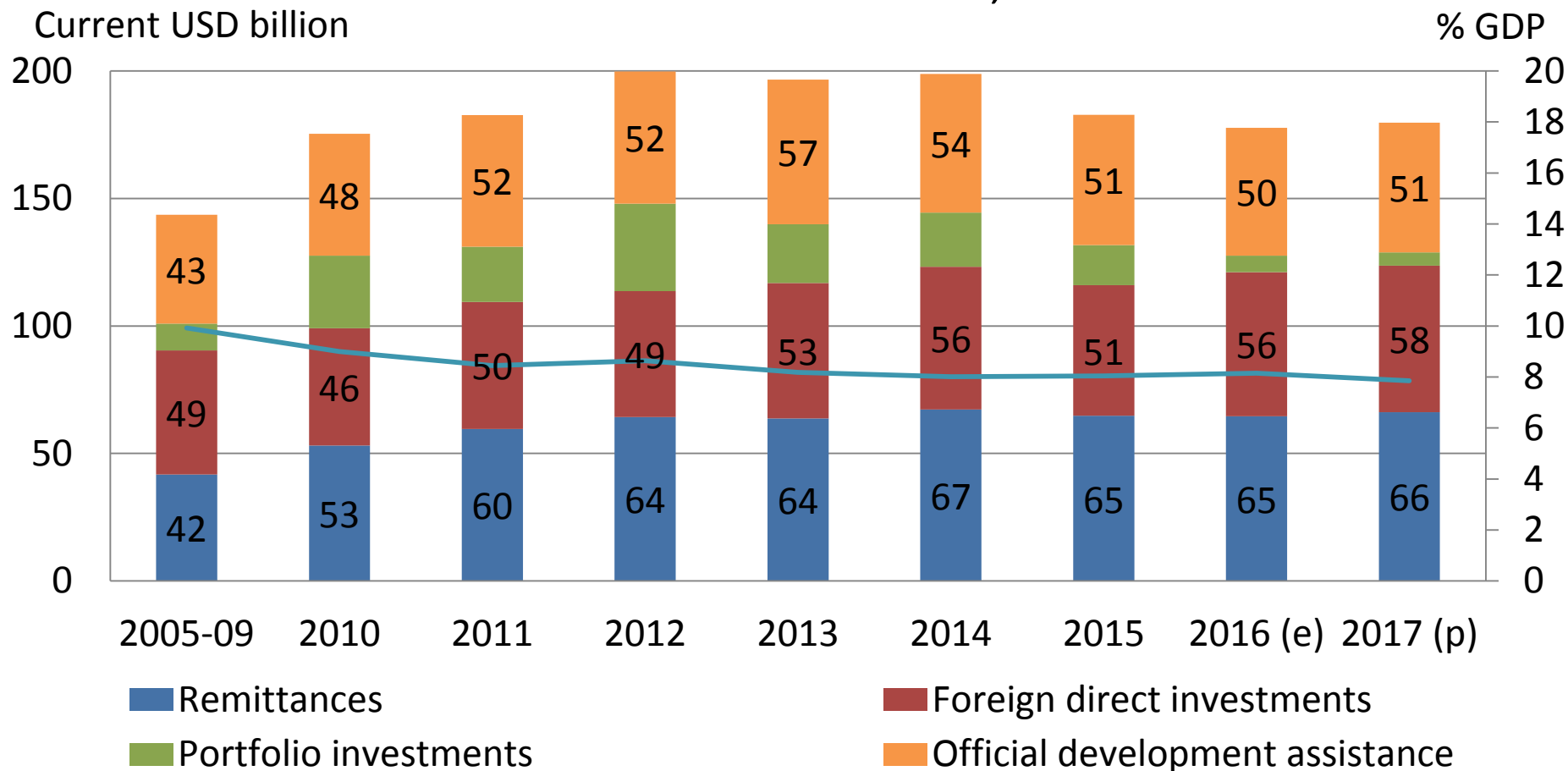
# Private consumption is driving growth

## Drivers of growth in Africa, 2000-18



# Remittances and FDI make 68% of financial flows, but aid decreases

## External inflows to Africa, 2005-17



■ Remittances

■ Foreign direct investments

■ Portfolio investments

■ Official development assistance

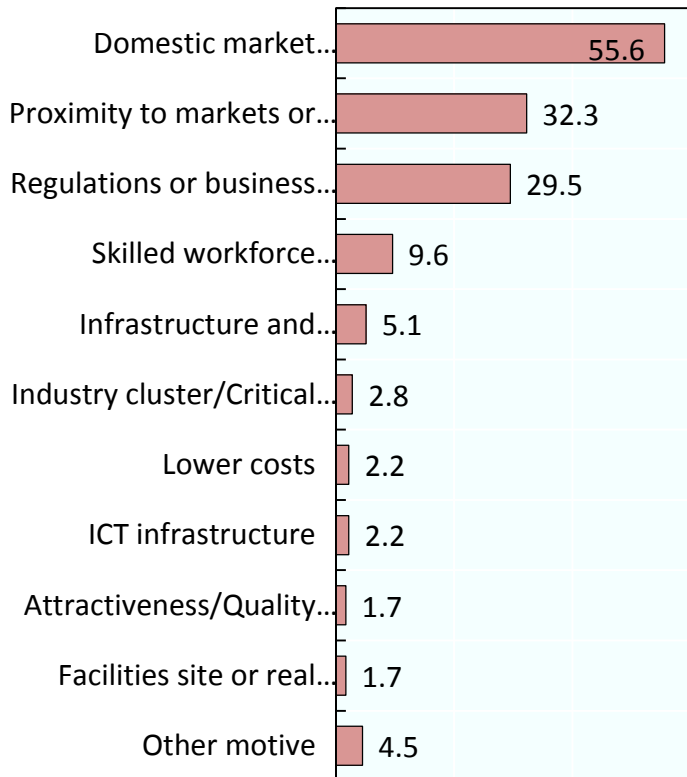
— % GDP



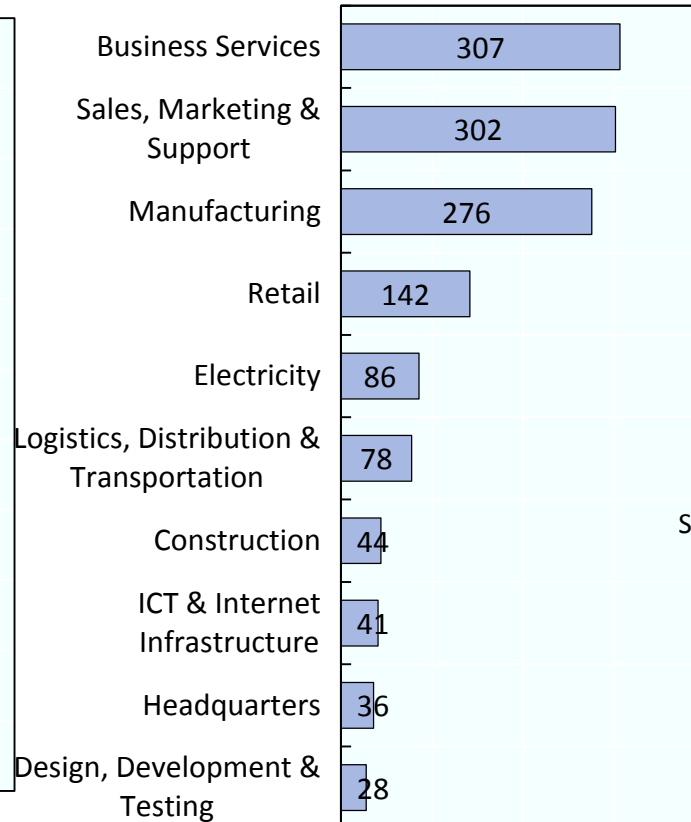
Sources: Adapted from *African Economic Outlook* data, IMF (2016a), OECD (2016) and World Bank (2016b).

# Focus on FDI: Domestic markets attract new projects

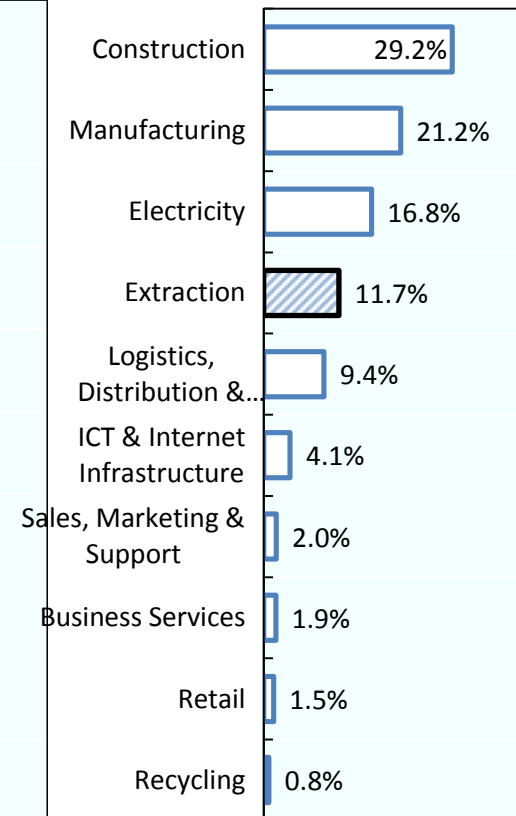
Top **motivations** for investing companies, 2015-2016



Top10 sectors (Nb of projects), 2015-2016



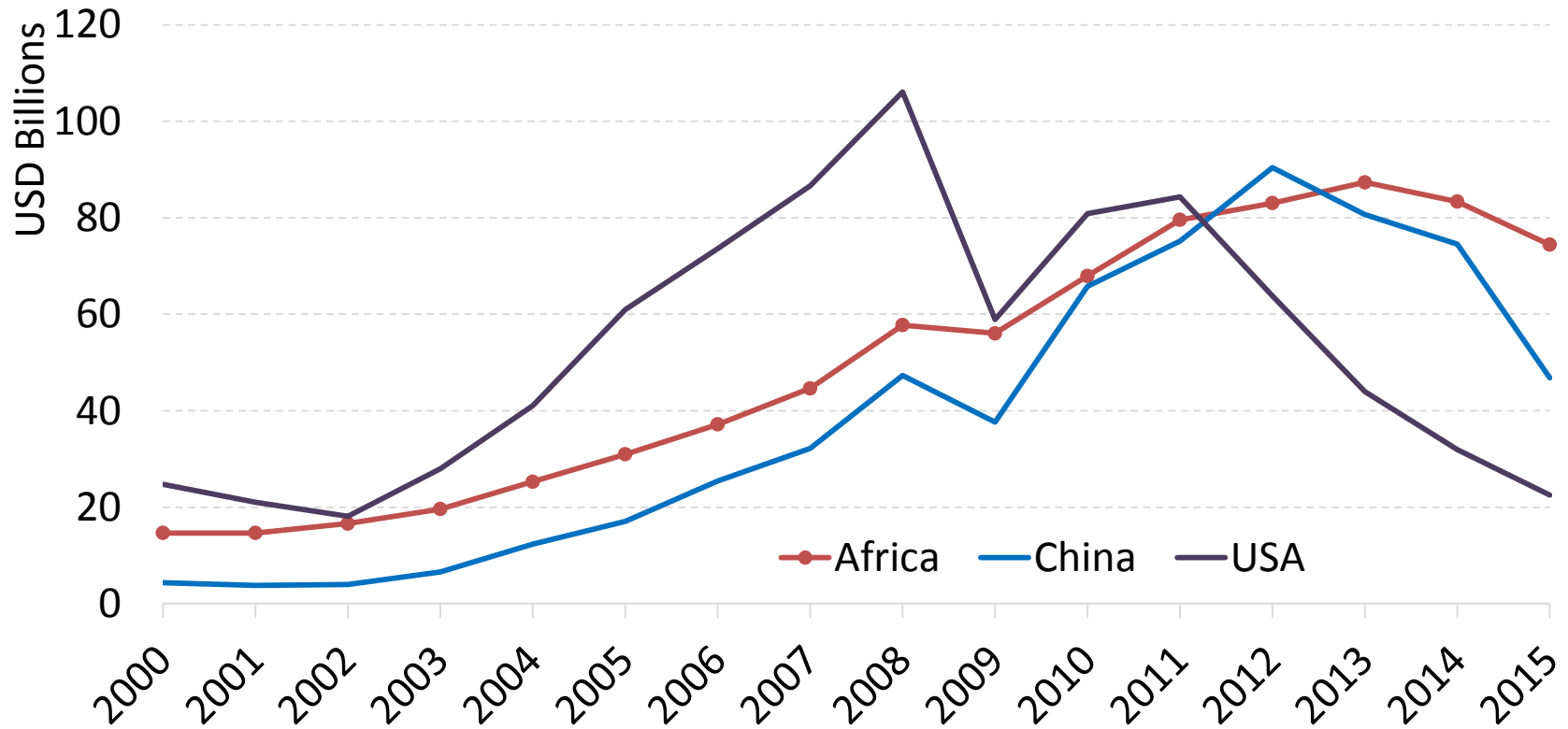
% of Capex





# Intra-African trade is more resilient than trade with the rest of the world.

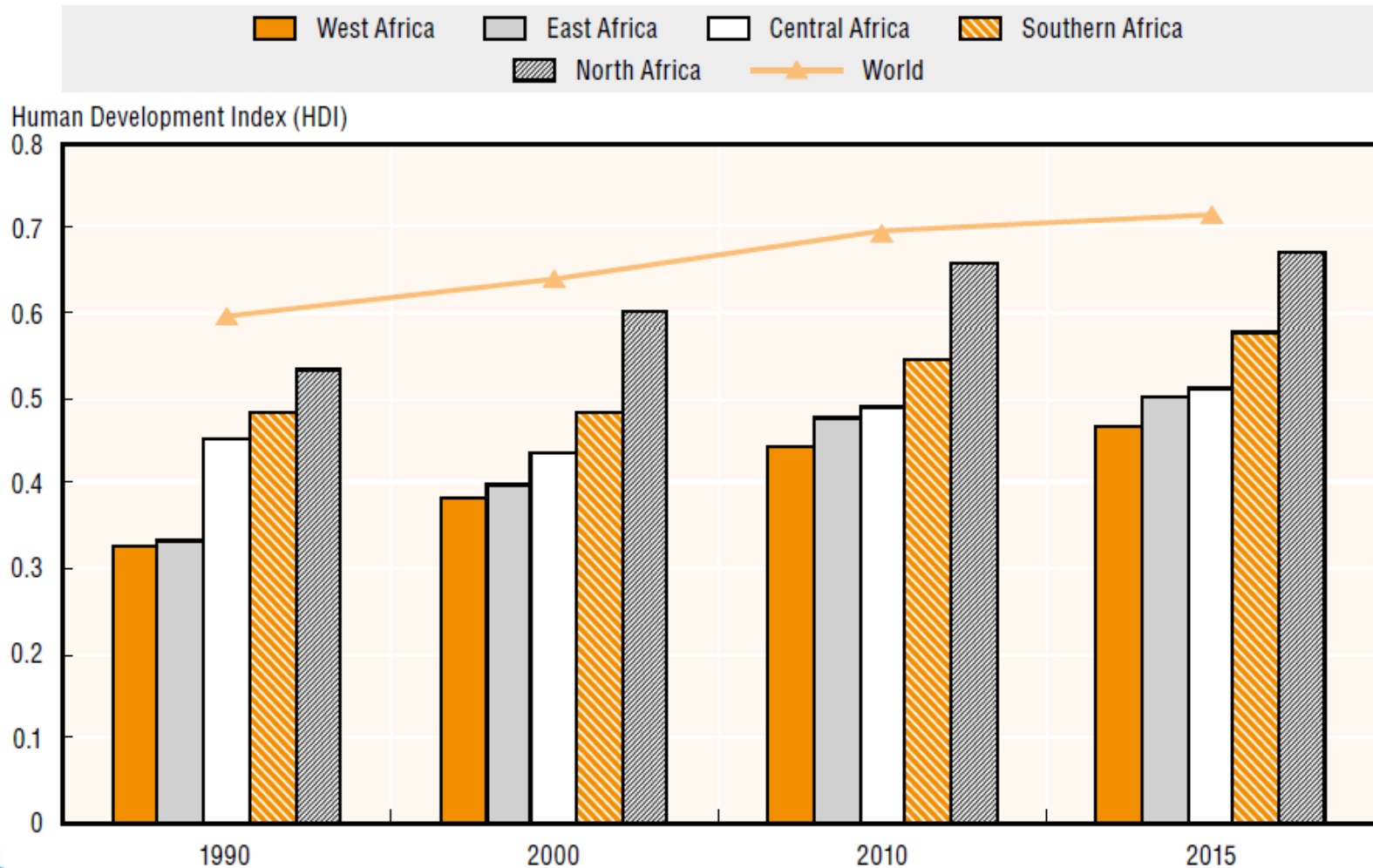
Merchandise exports from Africa, to Africa, China and United States, 2000-15



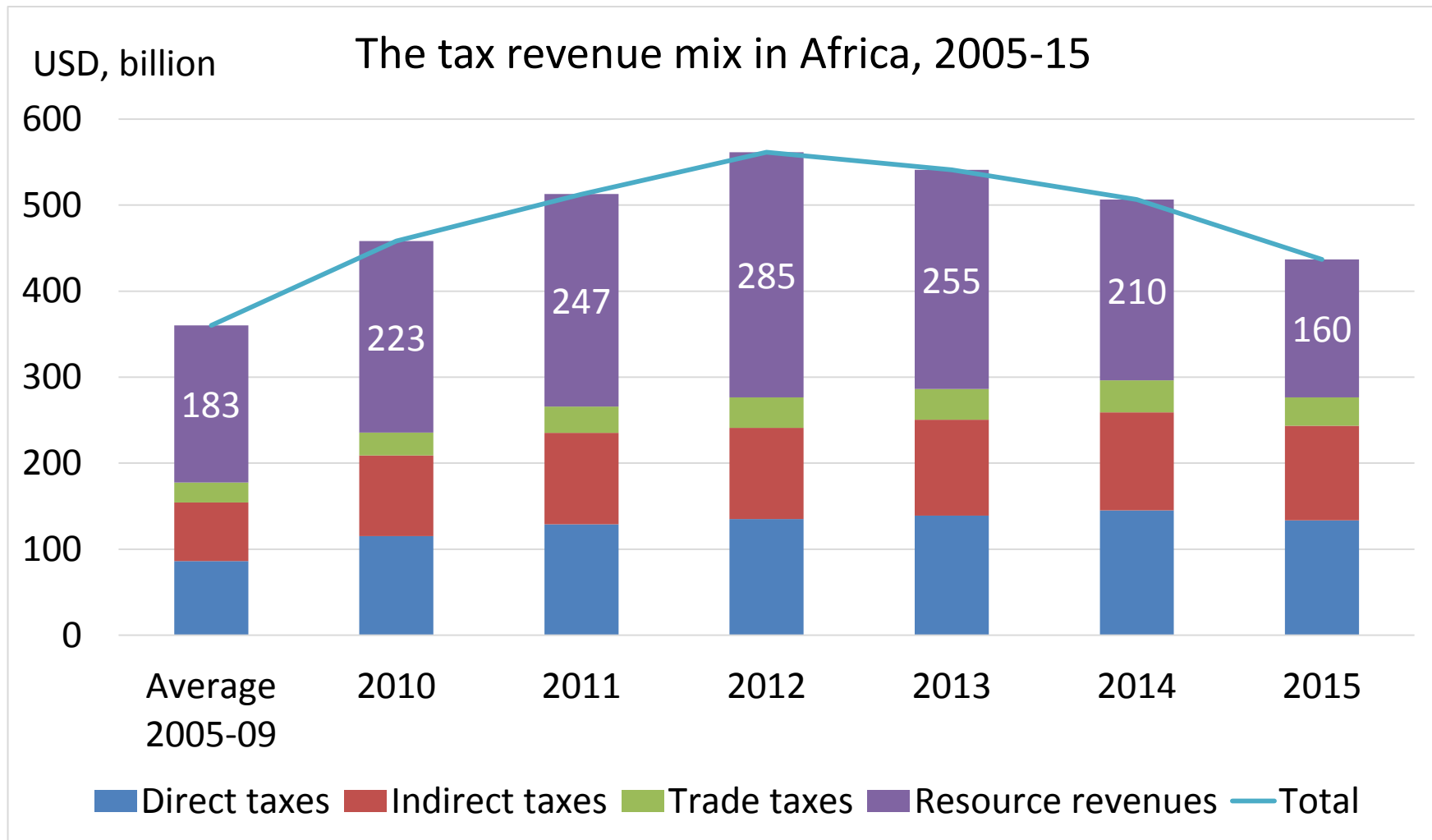
**Some challenges remain**

# Human development is improving, yet poverty is still high

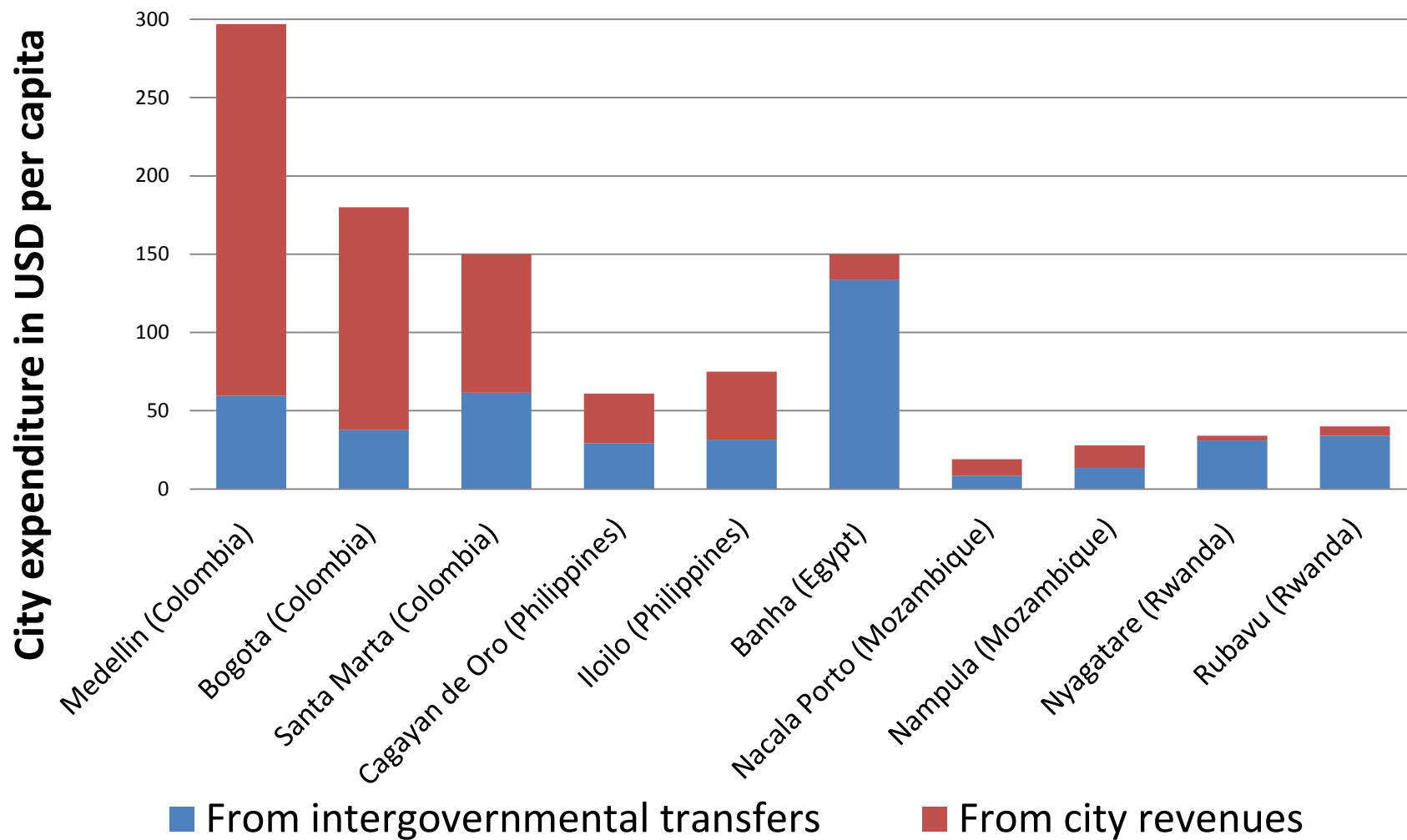
## Human development levels by region of Africa, 1990-2015



# Domestic revenue mobilisation still falls short of needs



# The local revenue challenge



■ From intergovernmental transfers

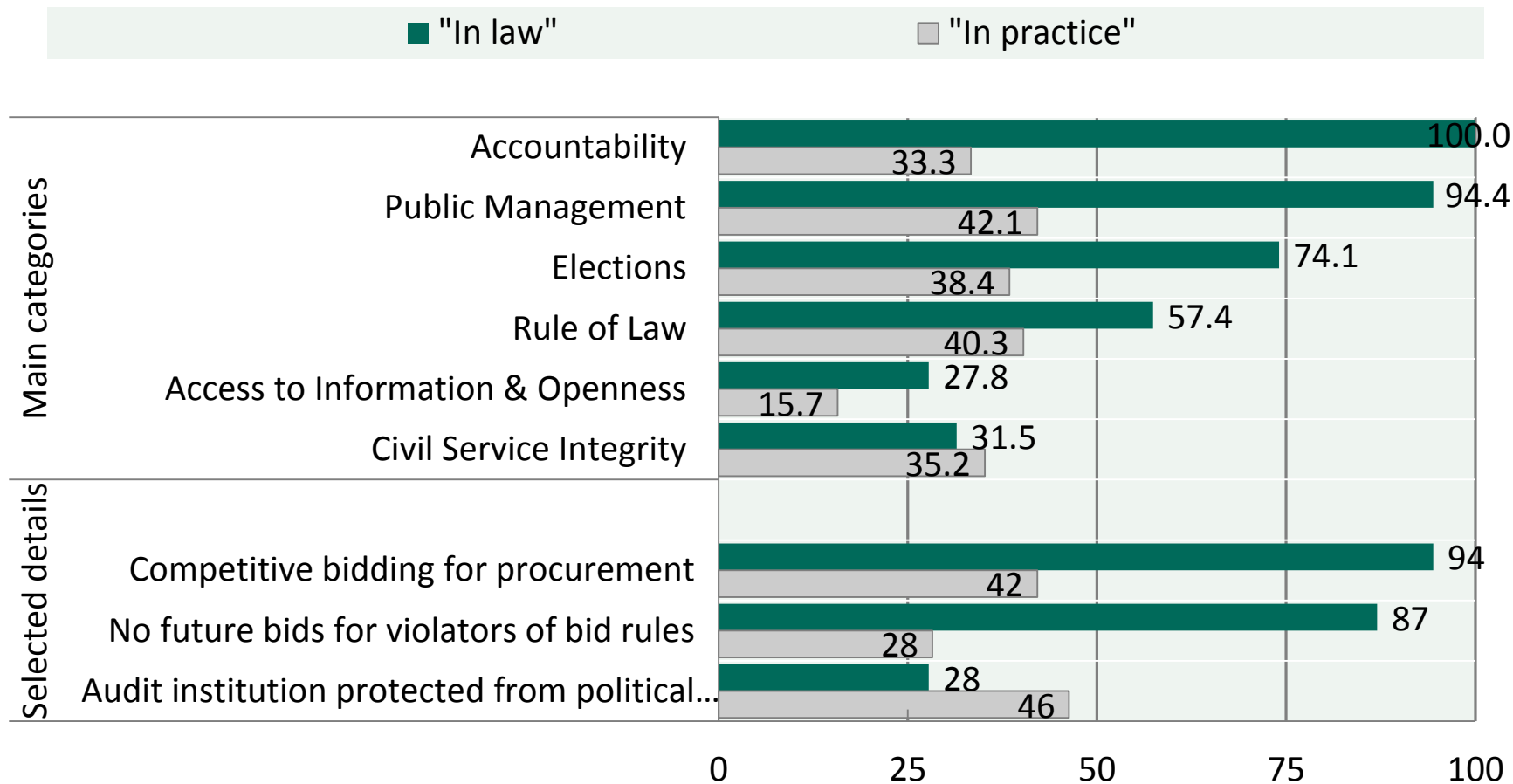
■ From city revenues

# Thank you!



*Empowered lives.  
Resilient nations.*

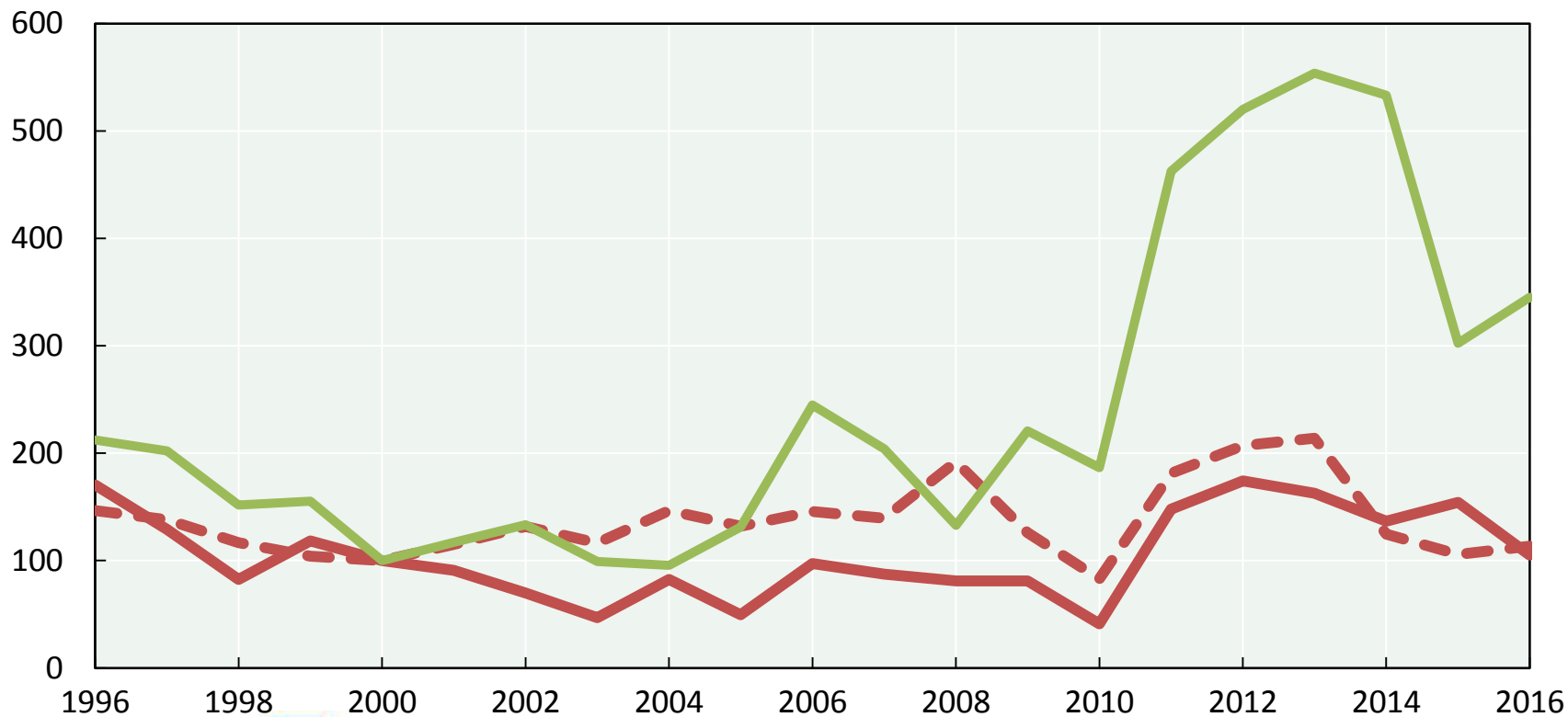
# The gap between the legal framework and practice must be bridged



# Despite uncertainties, political stability is improving

— Civil violence    
 - - - Political hardening    
 — Public protest (base 100 = 2000)

Index (year 2000 = 100)





# Policy and digital innovations are improving public service delivery

Ease or difficulty accessing public services according to African citizens, 2005 and 2015

■ in 2004 (Ratio difficult over easy)    ■ in 2015 (Ratio difficult over easy)

