

Measuring the Pulse of Africa

African Economic Outlook 2010

Africa 2009-11

Positive signs after the crisis

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Overview

1

Macroeconomic Outlook

2

Drivers of Growth

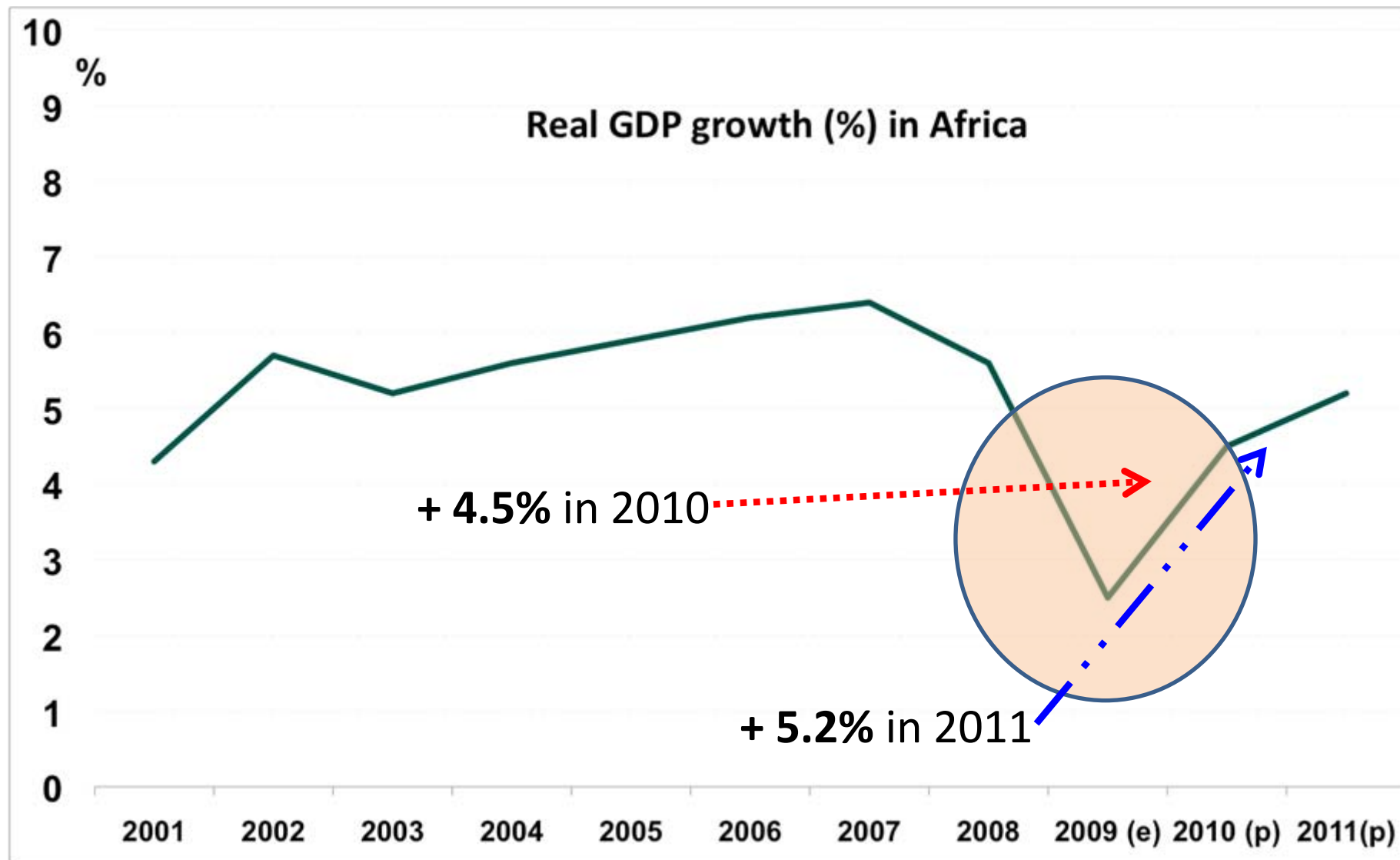
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The Global Crisis and Africa's Resilience

4

Challenges and Risks Ahead

The outlook is generally positive...

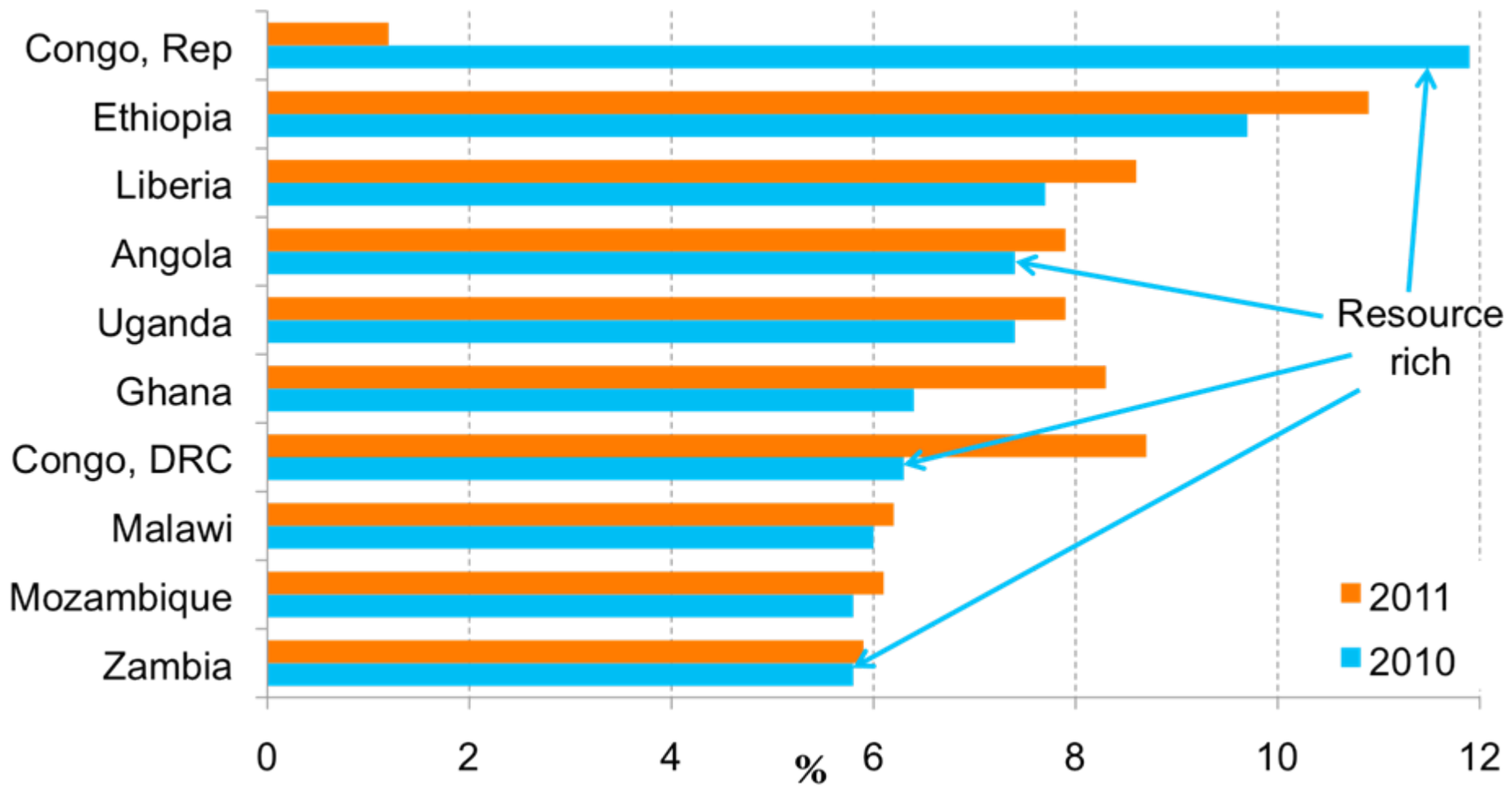


Differentiated performance across the continent

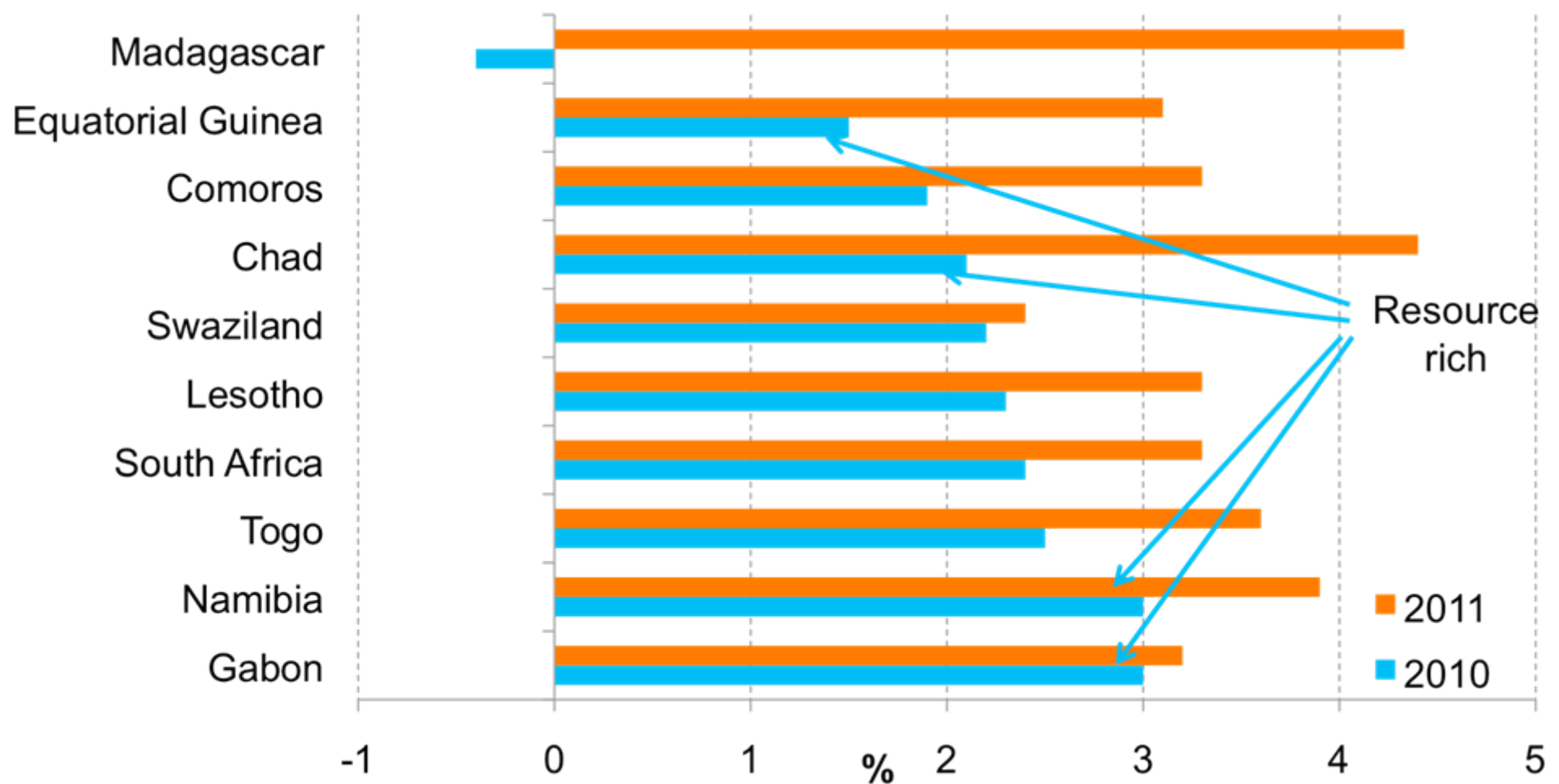
Real GDP Growth

	March 2010 estimates			
	2008	2009(e)	2010(p)	2011(p)
	<i>Real GDP Growth (%)</i>			
Central Africa	4.8	1.7	4.4	4.4
Eastern Africa	7.2	5.8	6.2	6.4
Northern Africa	5.3	3.8	4.8	5.4
Southern Africa	5.4	-1.1	3.4	4.3
Western Africa	5.5	3.0	4.4	5.5
Africa	5.6	2.5	4.5	5.2
<i>Additional Areas of Differentiation</i>				
<i>North Africa (including Sudan)</i>	5.4	3.8	4.8	5.3
<i>Sub-Saharan Africa</i>	5.7	1.6	4.3	5.2
<i>Oil-exporting countries</i>	6.0	3.1	4.9	5.5
<i>Oil importing countries</i>	5.0	1.8	4.0	4.8

Projected 10 fastest growing countries in 2010



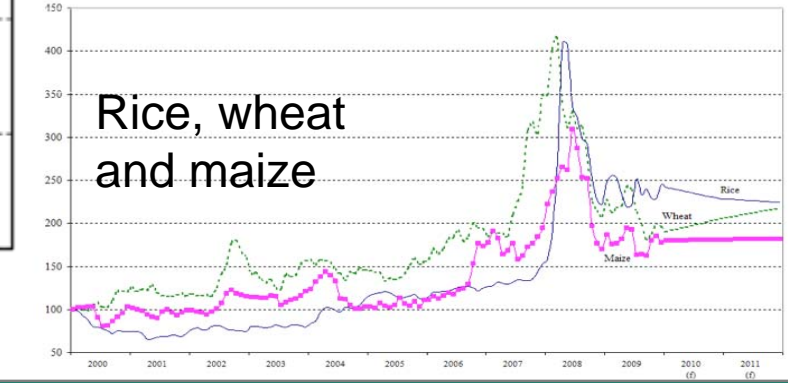
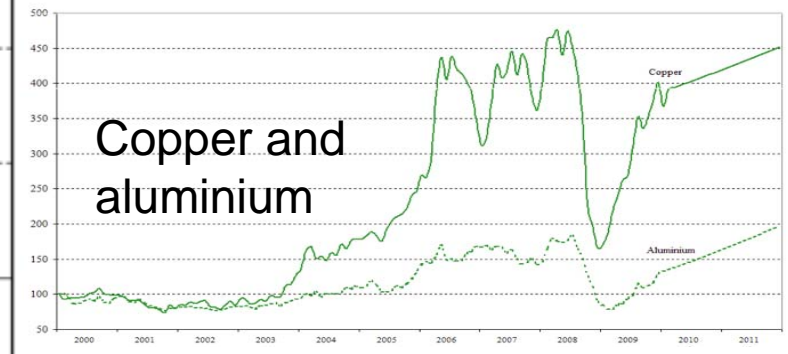
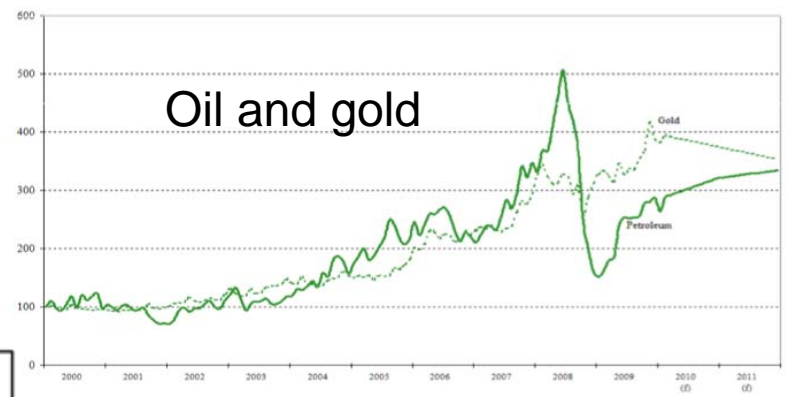
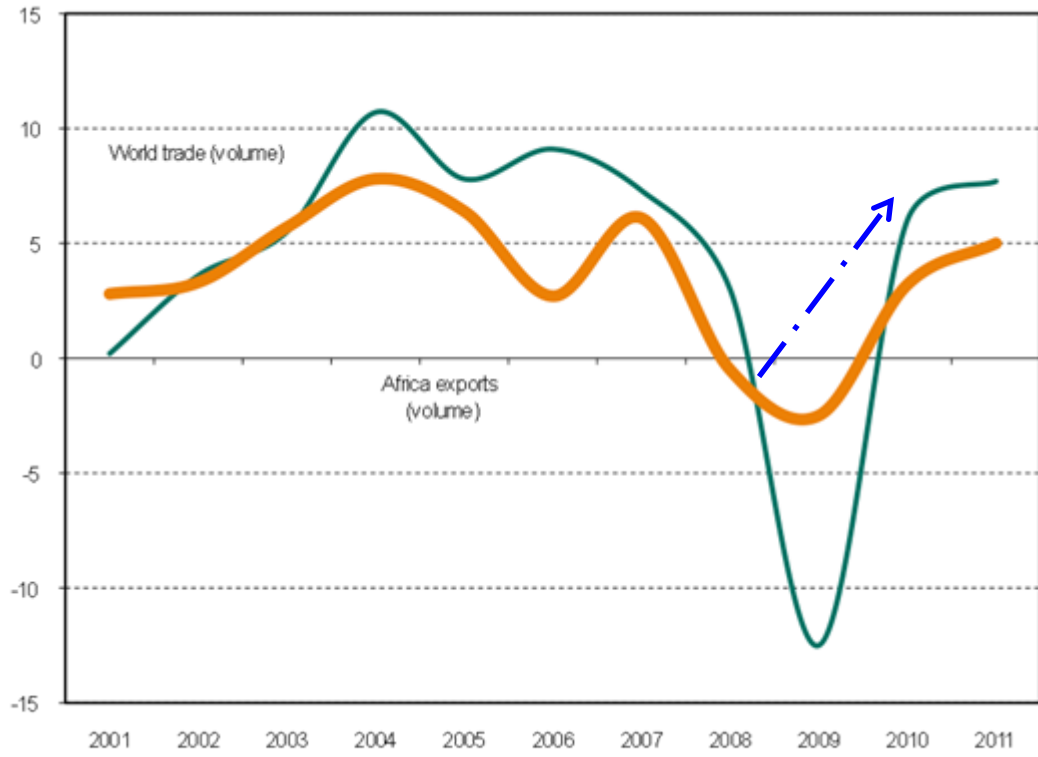
Projected 10 slowest growing countries in 2010



The drivers of growth still largely trade related...

Improving commodity prices and volumes

Growth rates

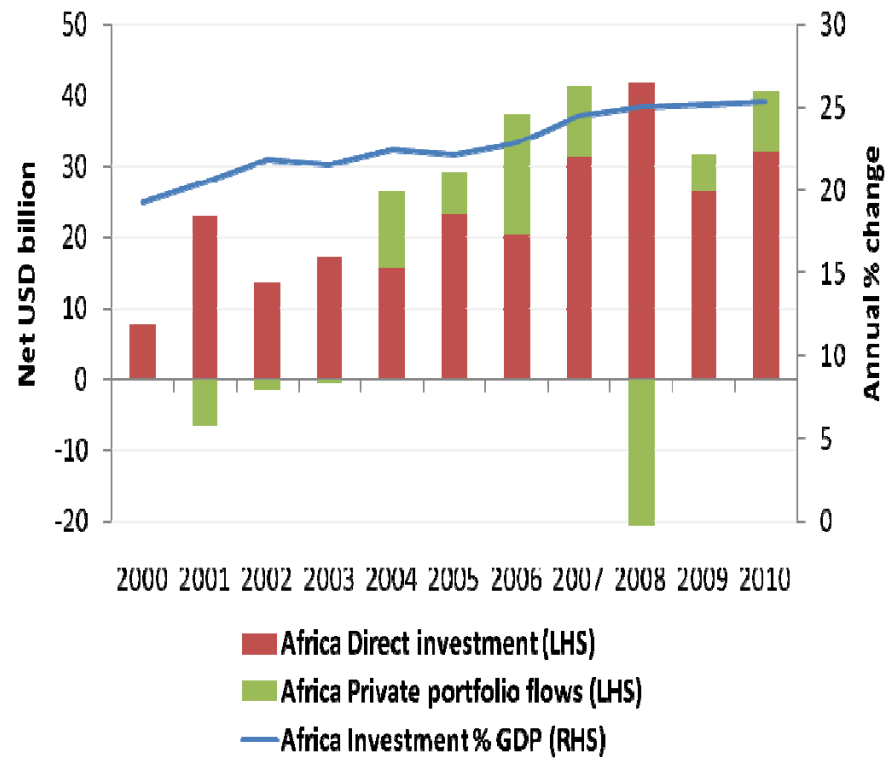


Private financial flows are to rebound...

FDI flows to Africa 2000-2009

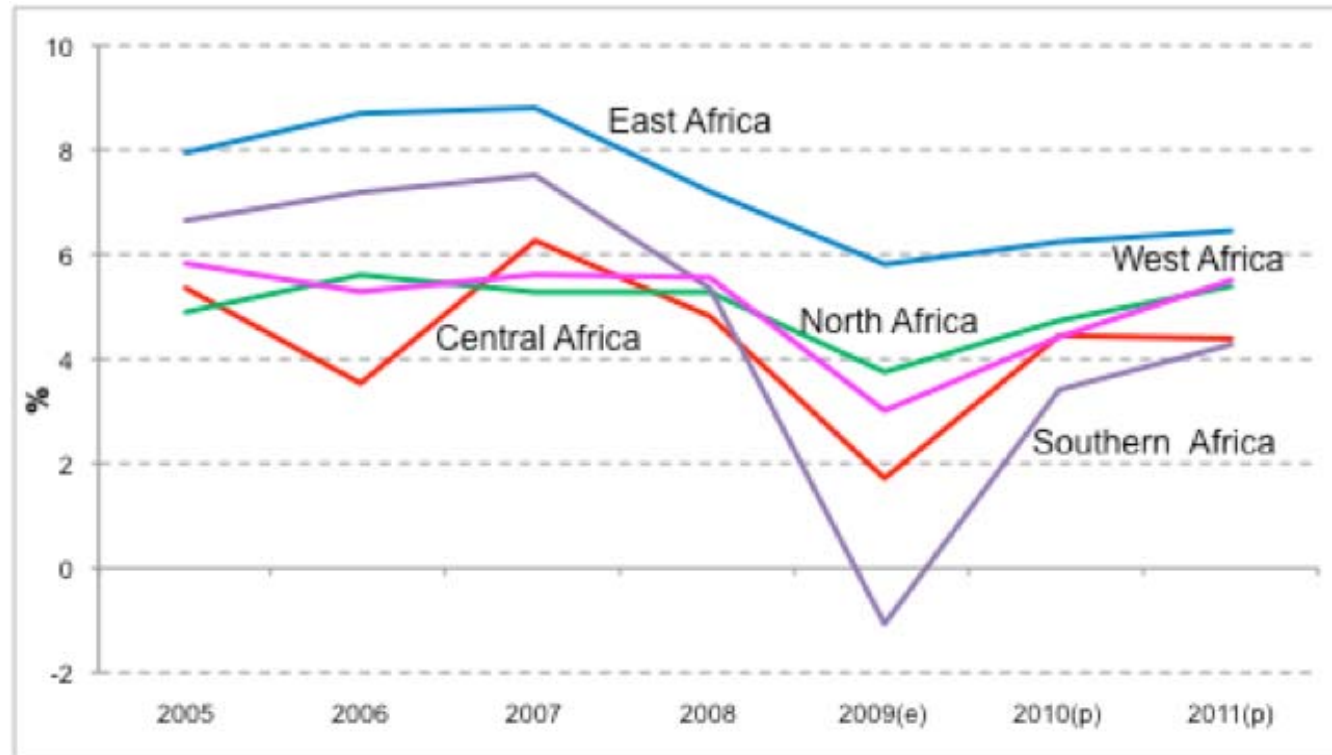


Investment in Africa



In 2009, the crisis slashed economic growth ...

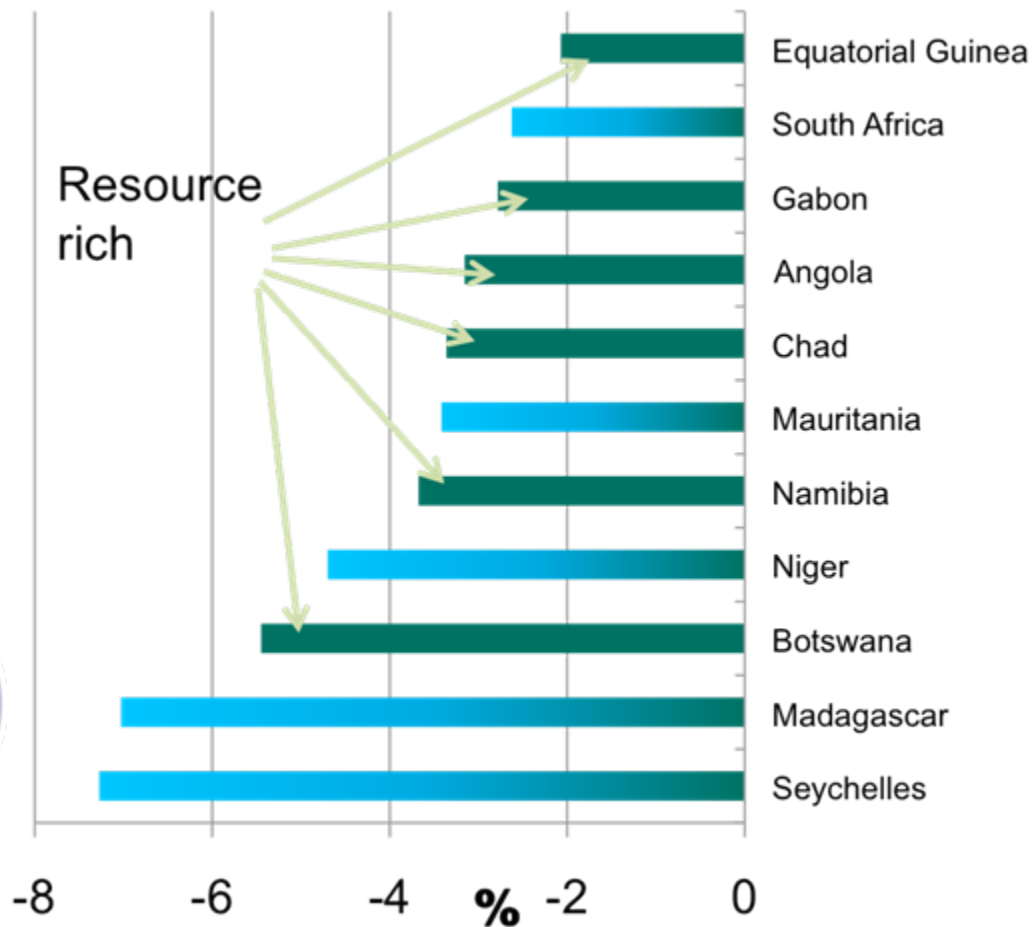
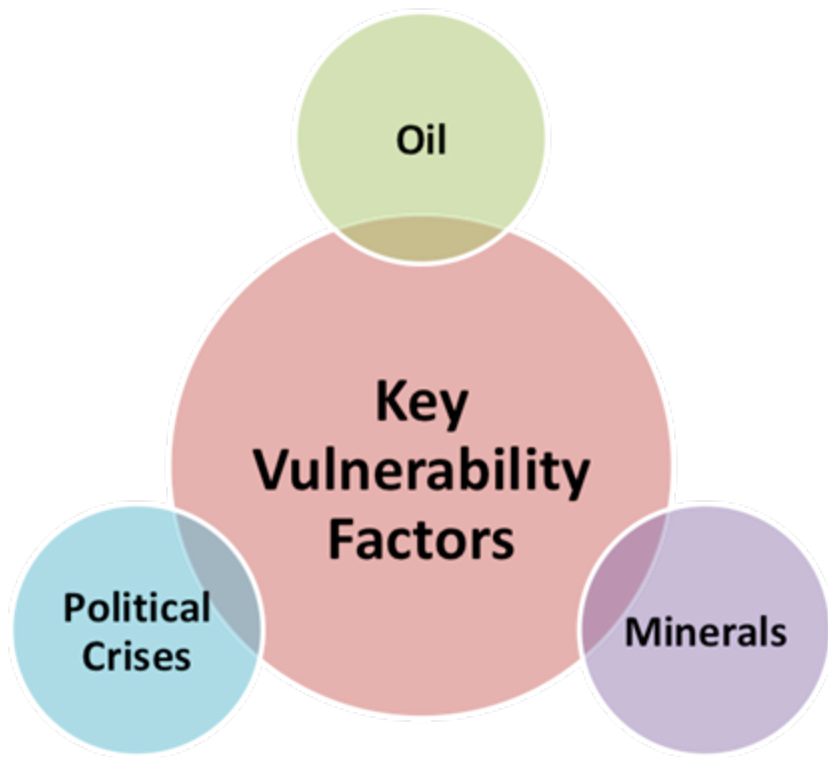
Real GDP Growth



... however, the continent continued growing and the impact was unequal across regions

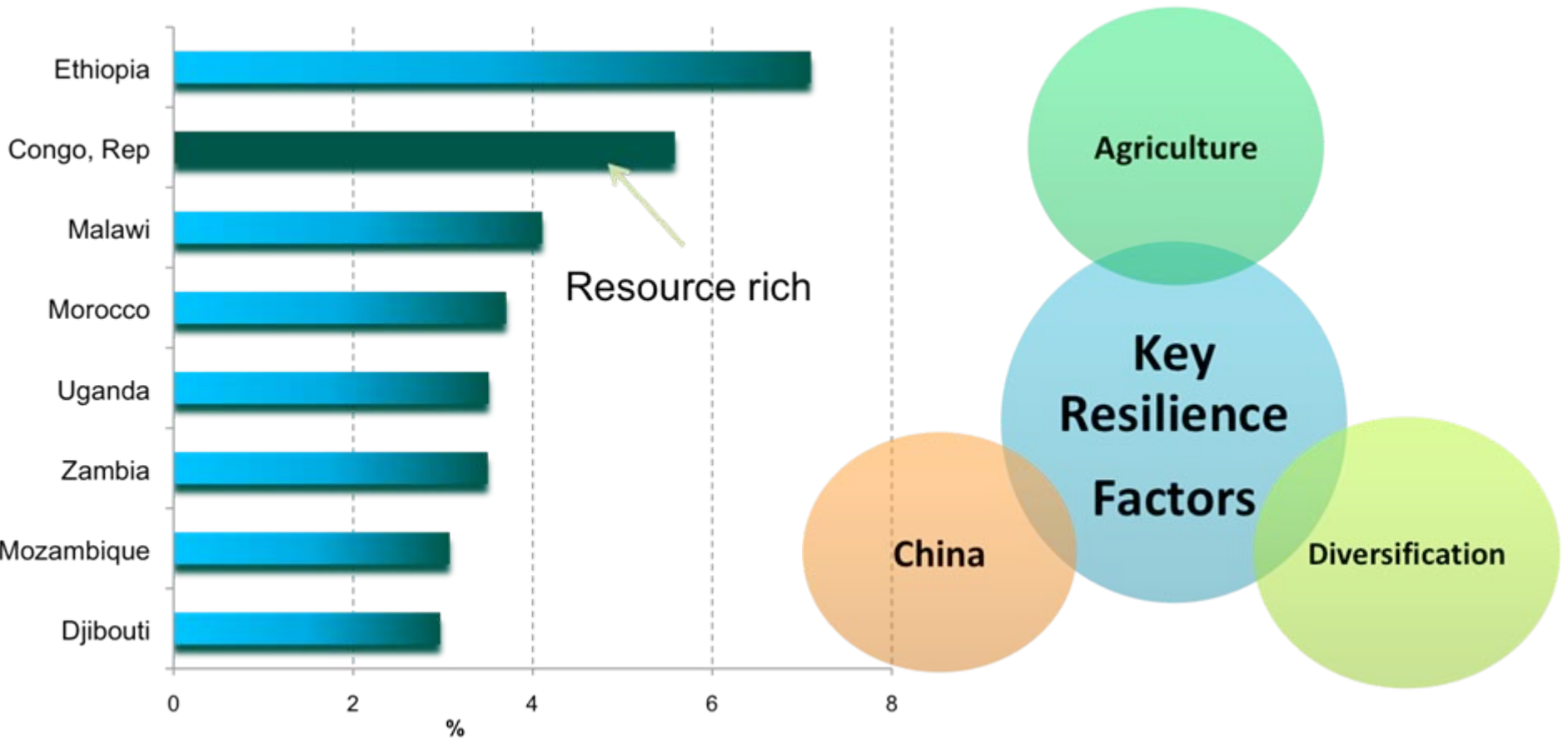
Whereas some countries saw negative growth...

11 countries experienced declines in GDP per capita of 2% or more in 2009

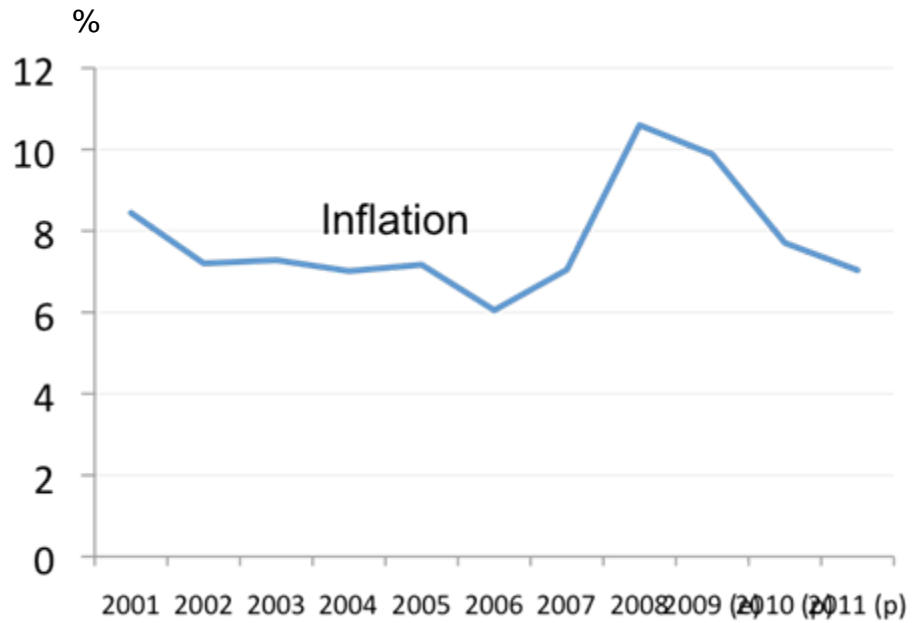
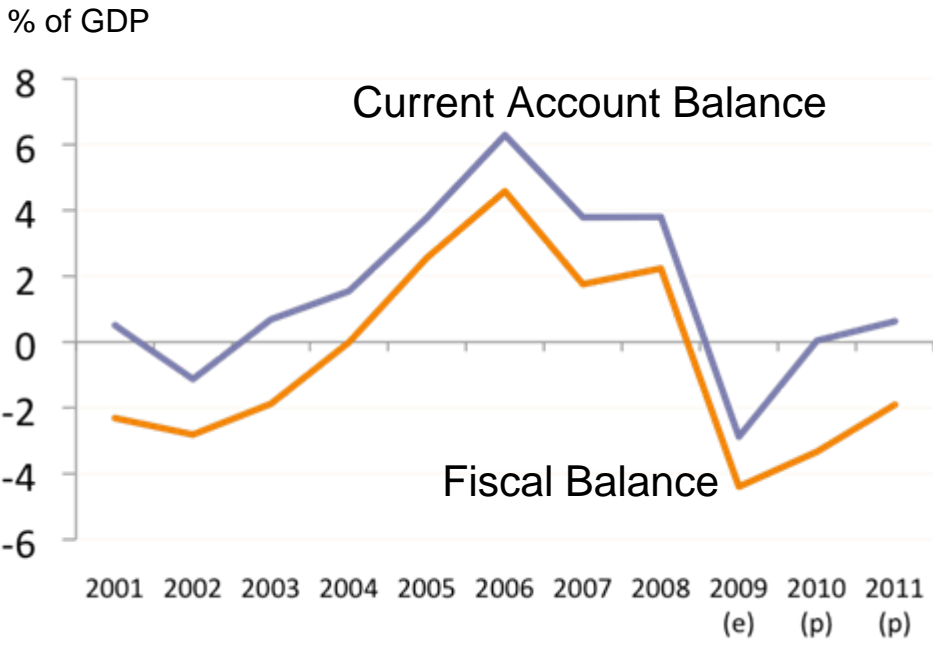


... many others have proved resilient

Several countries saw GDP per capita increase between 3% and 7% in 2009



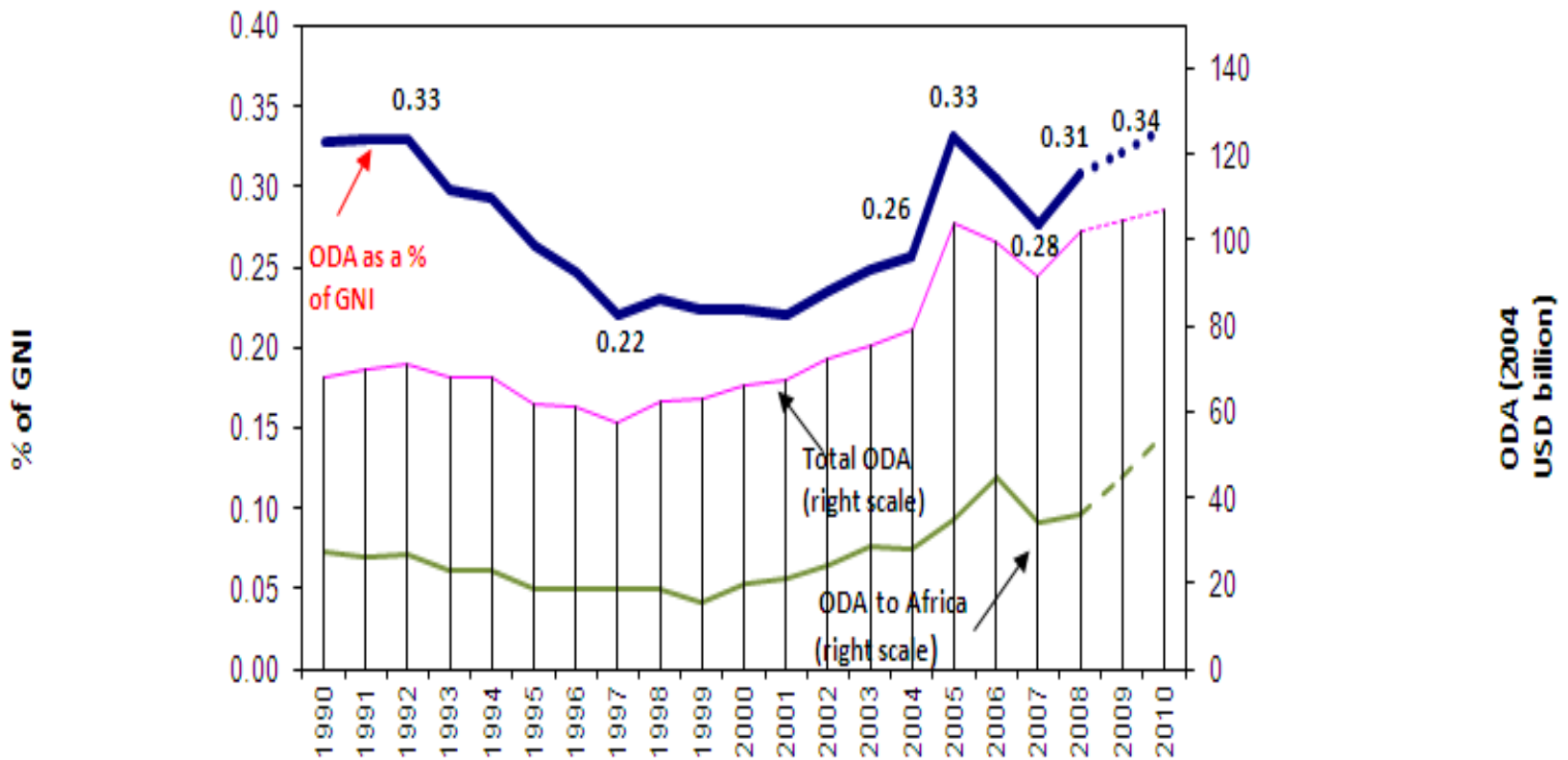
Economic policies key to resilience



Macro balances deteriorated in 2009,
but are expected to improve in the mid-term

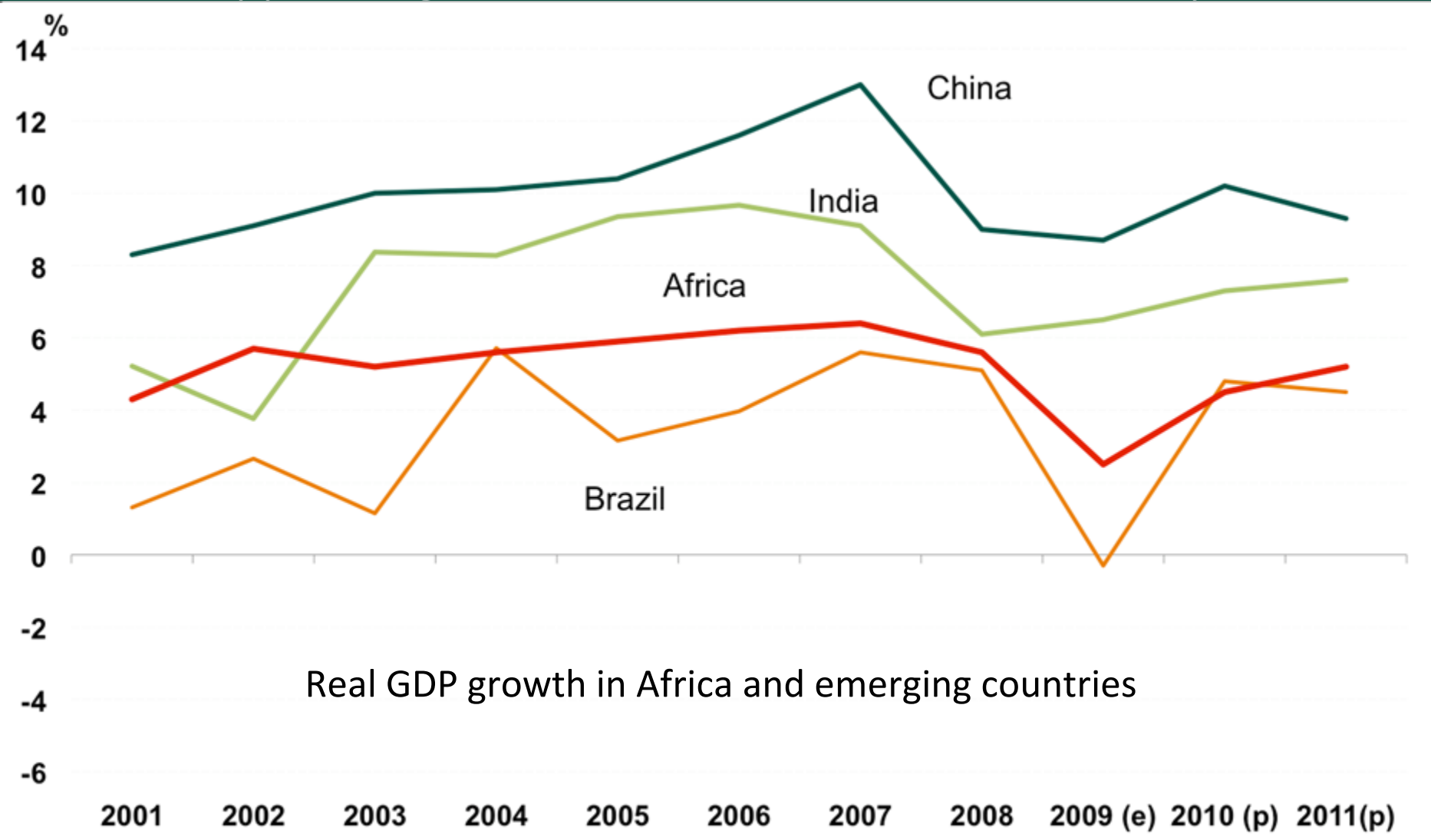
Supportive aid flows

DAC members' net ODA 1990 - 2008 and DAC Secretariat simulations of net ODA to 2009 and 2010

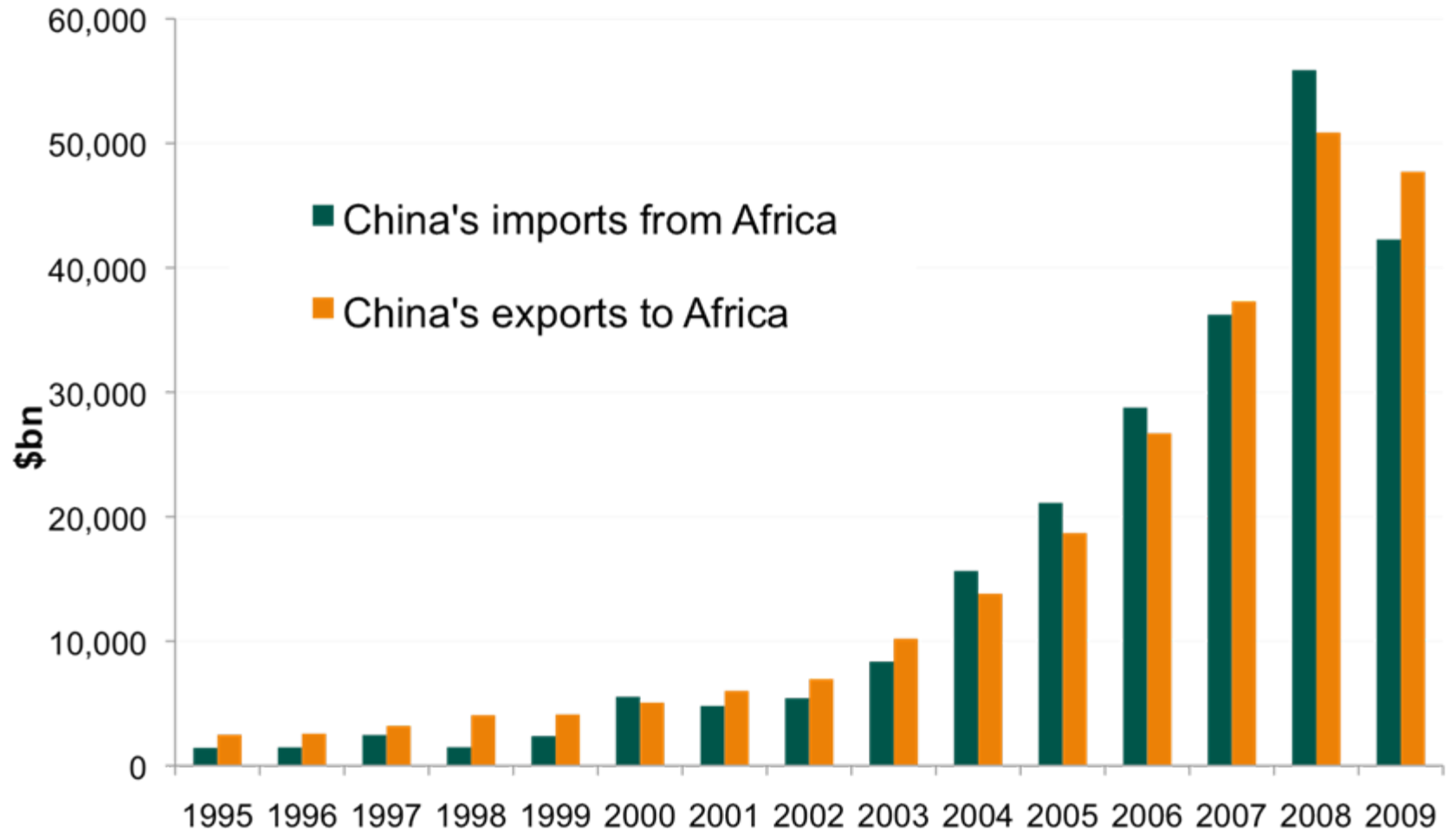


SECTION 3: THE GLOBAL CRISIS AND AFRICA'S RESILIENCE

Dynamic emerging partners have also supported growth and assisted with the recovery

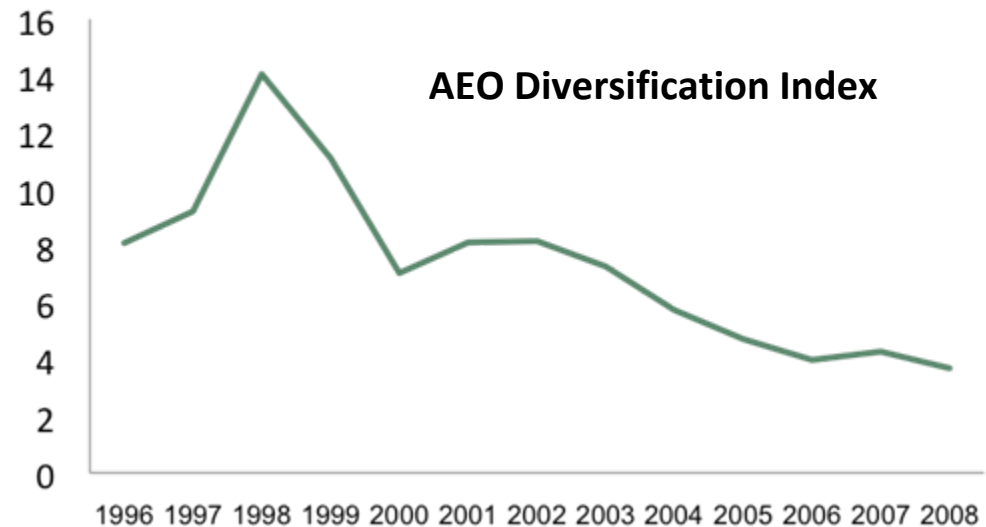
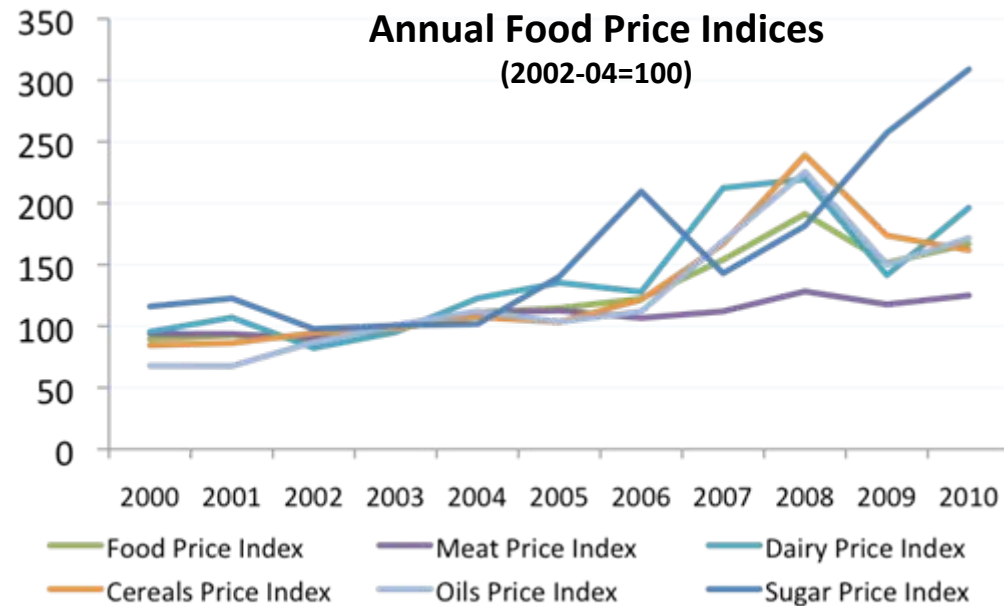


China's role stands out



Key risks

1. Global economy not recovering as expected
2. Exit strategies might be politically difficult and harm fundamentals
3. Expectations of food prices rising again → new social tensions?
4. Commodity driven growth might bring further specialisation and growth volatility



Beyond crisis recovery

Address the structural problems that existed before the global crisis and constrain the potential of sustained endogenous growth, in particular:

- Further improving political and economic governance
- Improving infrastructure
- Reducing barriers for intra-African trade
- Combating inequalities and poverty

... including through improved domestic resource mobilisation

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