Africa and the OECD: Partnership for competitiveness

Afro-Arab Parliamentary Economic Forum
Rabat, 25 April 2018
The African economy: overview

Real GDP percent change

Sources: Data for SSA, MENA and World 2015-2016 taken from World Bank database and data for SSA, MENA and World 2017-2018 (projections), taken from IMF database. OECD data taken from OECD database. MENA data analysed for Algeria, Egypt, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Qatar, Saudi Arabia, Tunisia, UAE.
The African economy: commodity prices

Commodity price indexes, monthly (2005 = 100)

The African economy: domestic revenue mobilization

Total tax revenue as percentage of GDP

The African economy: sub-regional differences

Real GDP growth distribution in SSA (percent change)

## Competitiveness challenge: TIVA

### Share of trade in value added by region, 1995 and 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>1995</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>57.5%</td>
<td>50.9%</td>
</tr>
<tr>
<td>East Asia</td>
<td>14.4%</td>
<td>16.2%</td>
</tr>
<tr>
<td>North America</td>
<td>13.1%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>6.0%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Latin America</td>
<td>3.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Middle East</td>
<td>2.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Africa</td>
<td>1.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Russia and Central Asia</td>
<td>0.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>South Asia</td>
<td>0.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Oceania</td>
<td>0.9%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Global imports in intermediate goods reflecting the rise of emerging markets as production hubs, 1993-2012

Drivers of GVC participation and upgrading: perceptions of strengths and obstacles

- Attractive endowments
  - Strength: 38%
  - Obstacle: 18%

- Openness
  - Strength: 18%
  - Obstacle: 7%

- Infrastructure and business environment
  - Strength: 38%
  - Obstacle: 63%

- Domestic capacity to respond to external demand
  - Strength: 6%
  - Obstacle: 12%

Financial inclusion in sub-Saharan Africa

Growth of registered mobile money accounts in sub-Saharan Africa, 2006-2016

FDI in Africa and MENA

Foreign direct investment: Inward and outward flows and stock, percentage of GDP

Source: UNCTAD database.
Access to electricity in Africa

Source: IEA, Energy access outlook 2017. From poverty to prosperity.
Productivity-inclusiveness nexus

- There is slow progress towards poverty reduction despite accelerated economic growth. The majority of the poor in Africa are women and youth, indicating that growth is not inclusive.
- Gender inequality in the labour market alone cost sub-Saharan Africa about USD 95 billion annually between 2010 and 2014.
- African population is expected to grow rapidly. Between 2017 and 2050, the populations of 26 African countries are projected to reach at least double their current size and around 60 per cent of Africa’s population is below age 25.
- Africa’s youth is more educated than ever but matching their skills with those required by domestic labour markets remains problematic.
Youth employment

Youth employment status in Africa, 2015

- Unemployed and discouraged (35%)
- Inactive (31%)
- Wage employment (19%)
- Vulnerable (15%)

Africa and the OECD
Africa and the OECD: competitiveness
Africa and the OECD: investment and GVCs
Thank you for your attention

Karim Dahou
Karim.dahou@oecd.org