African Economic Outlook 2014

Global Value Chains and Africa's Industrialization

6 June 2014

Berlin

1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA

OECD DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

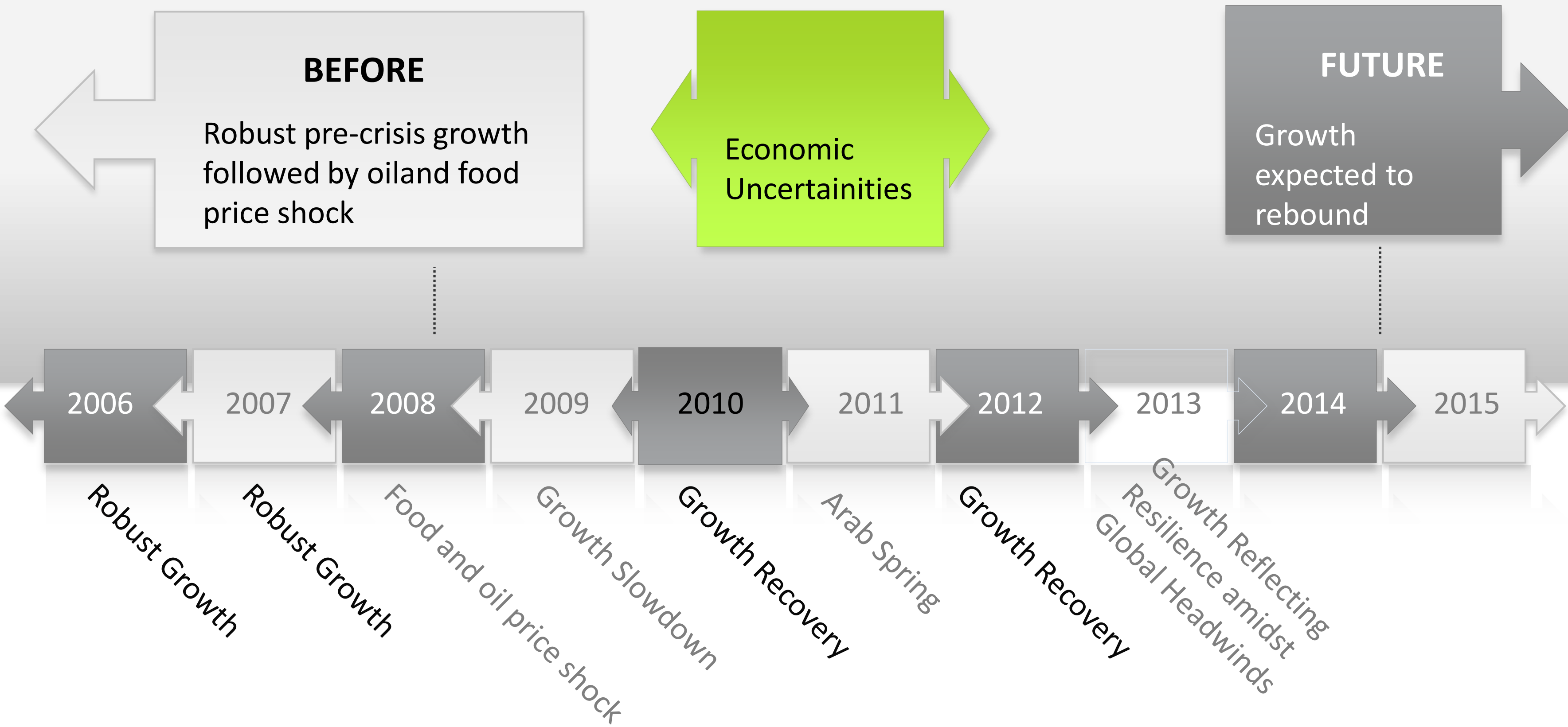
African Economic Outlook 2014

Outline of the Presentation

1. Macroeconomic Prospects: 2014 and 2015
2. Drivers of Growth
3. Risks and Opportunities

1 Macroeconomic Prospects

Africa's Growth in Perspective



Growth Typologies (1)

	2012	2013	2014	2015
Africa	6.4	3.9	4.8	5.7
North Africa	**9.4**	**1.9**	**3.1**	**5.5**
SSA	**4.9**	**5.0**	**5.8**	**5.9**
South Africa	***2.5***	***1.9***	***2.7***	***3.0***
SSA excl. South Africa	***5.8***	***6.1***	***6.8***	***6.9***

- Africa's real GDP growth above global average of **3%**.
- In medium term, growth is expected to accelerate, reverting to pre-2009 crisis levels.

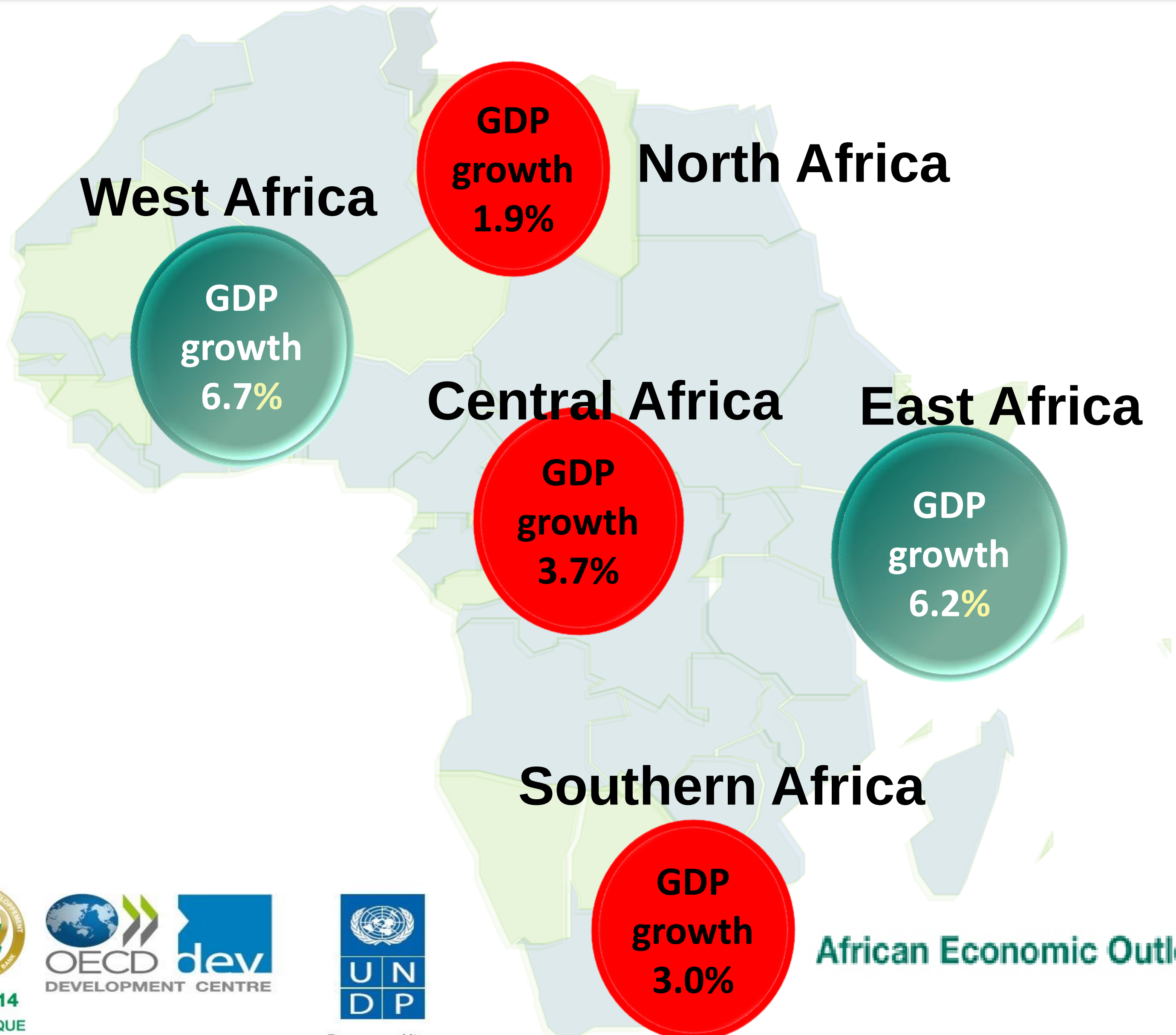
Growth Typologies (2)

	2012	2013 (e)	2014 (p)	2015 (p)
Africa	6.4	3.9	4.8	5.7
Oil exporting countries	8.3	3.4	5.1	6.5
Oil importing countries	4.0	4.0	4.4	4.8

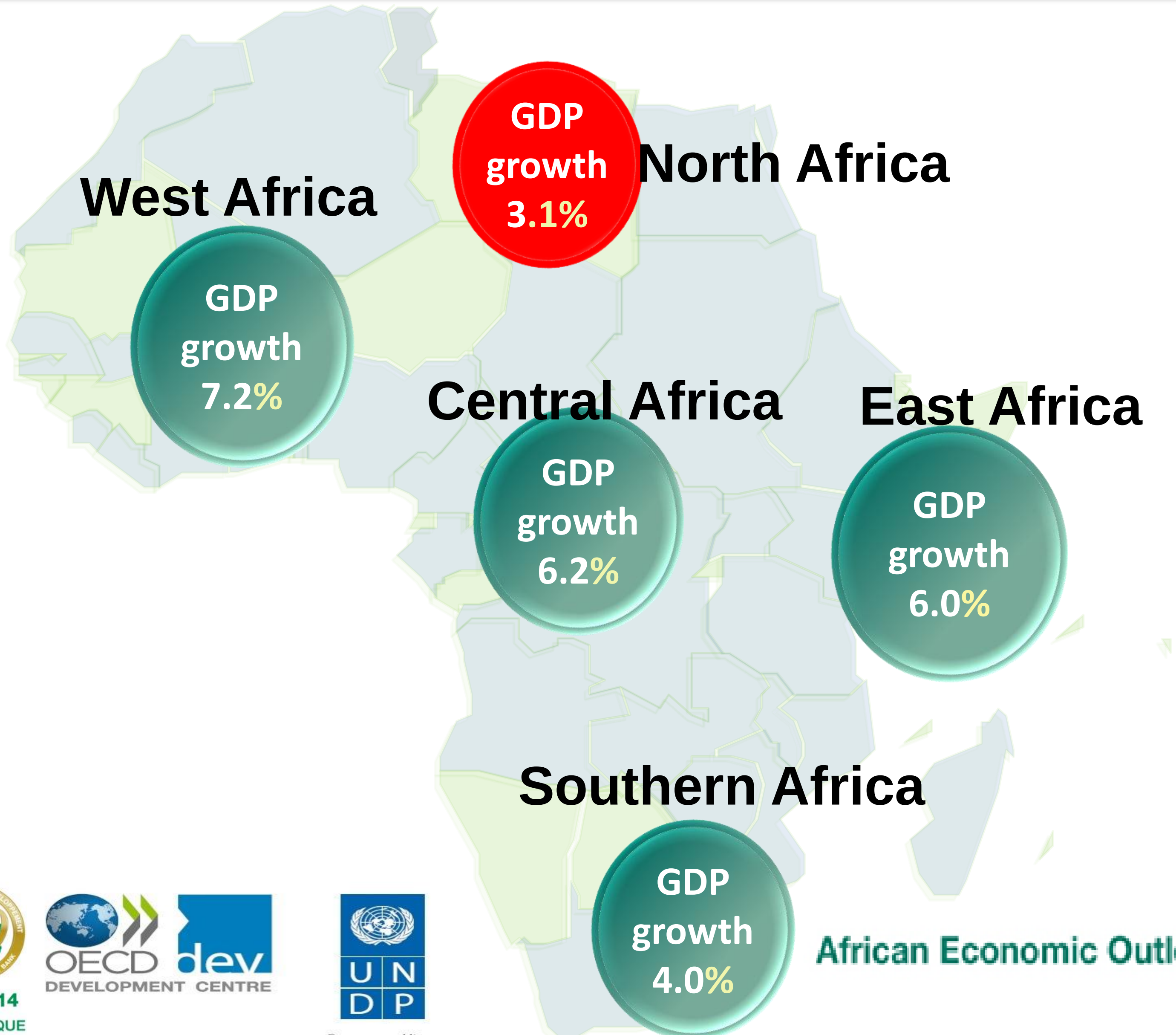
- Growth in oil exporting countries decelerated, largely due to contraction in Libya. It is expected to rebound in 2014 and accelerate in 2015.

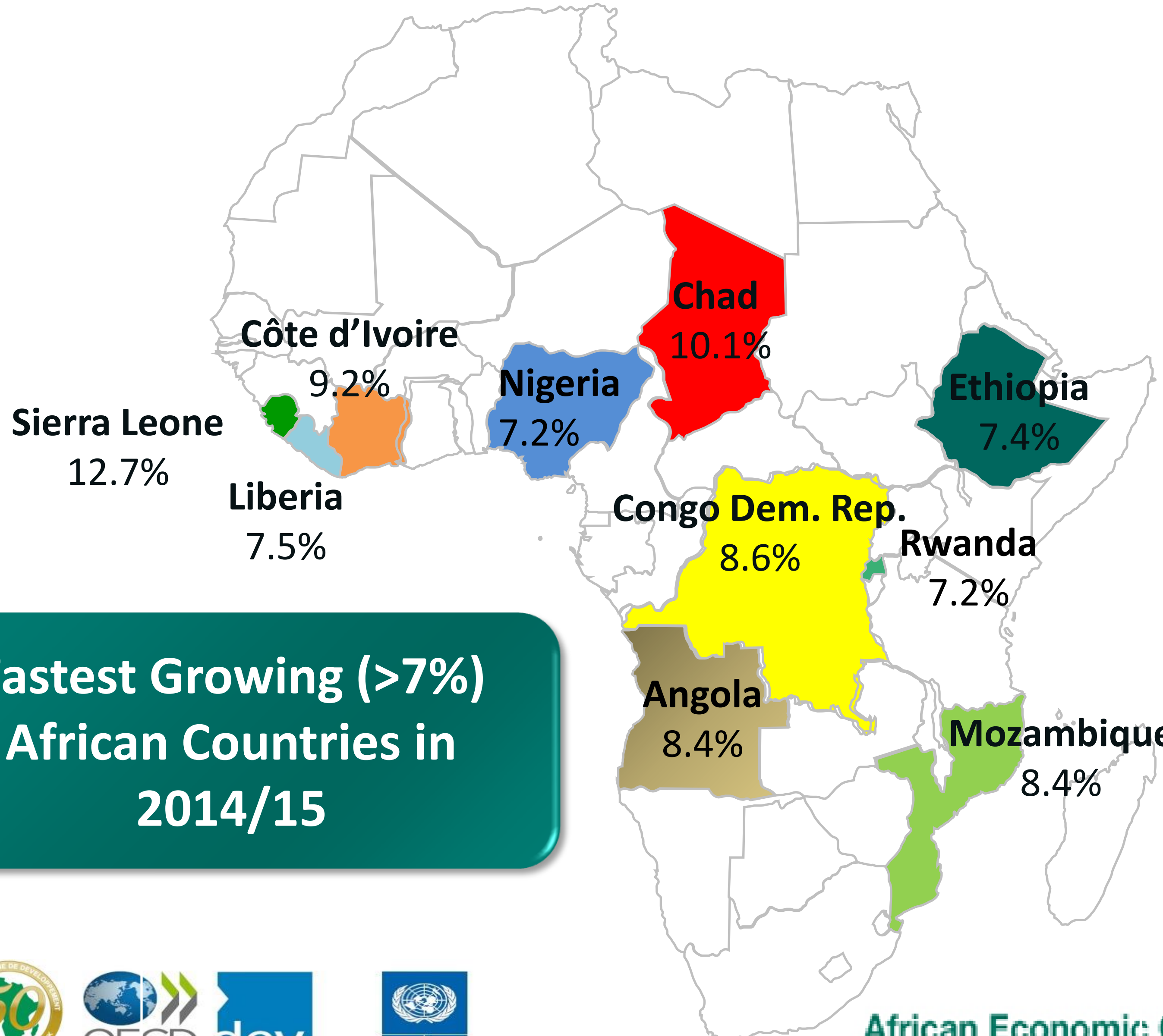
- In oil importing countries, growth is expected to pickup slightly in 2015.

Regional Disparities in Economic Growth,2013



Regional Growth Prospects, 2014





Fastest Growing (>7%) African Countries in 2014/15

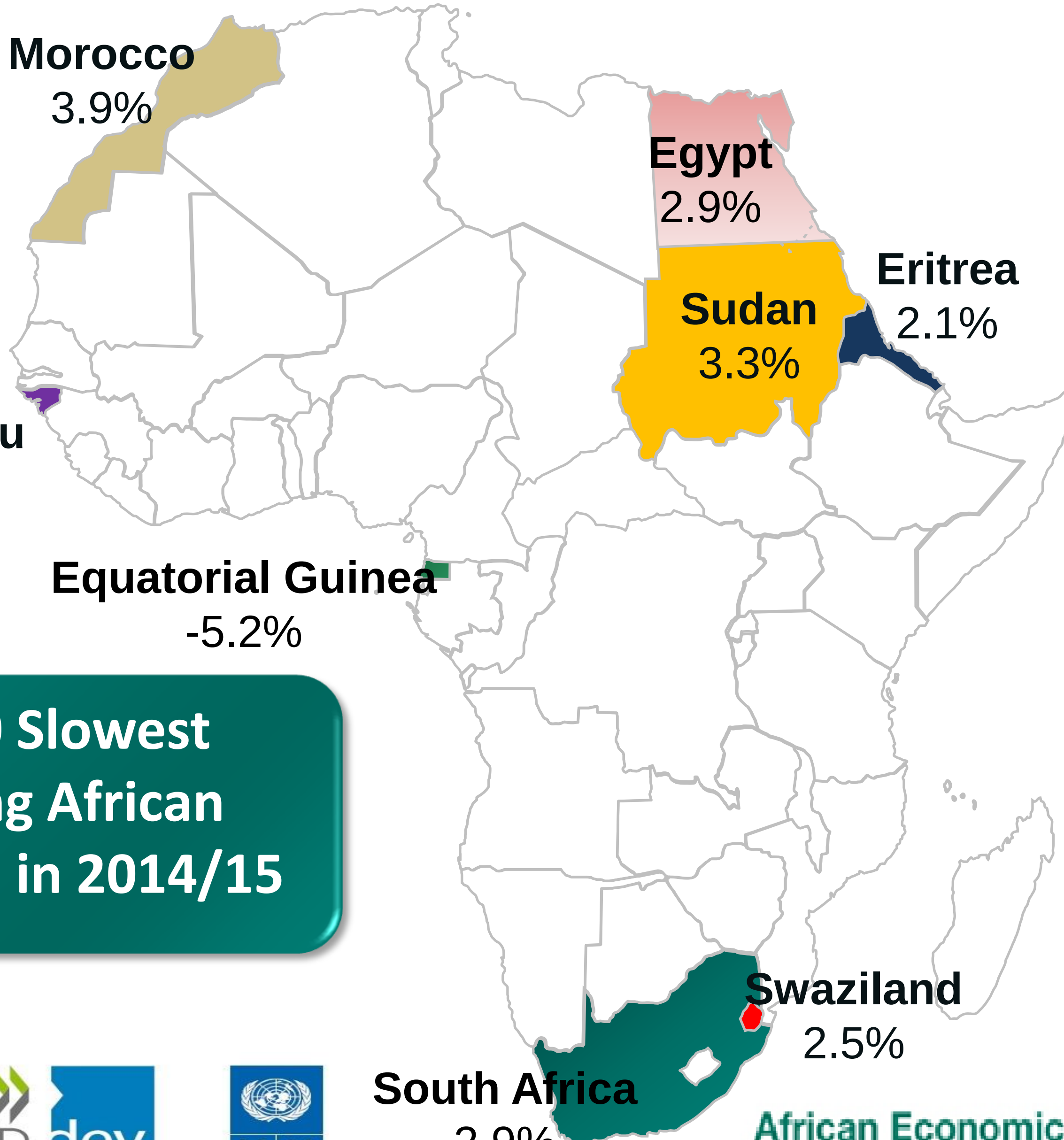
1964 2014
50 ans au service de l'Afrique
50 Years Serving Africa

OECD DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

African Economic Outlook 2014

The 10 Slowest Growing African Countries in 2014/15



1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA

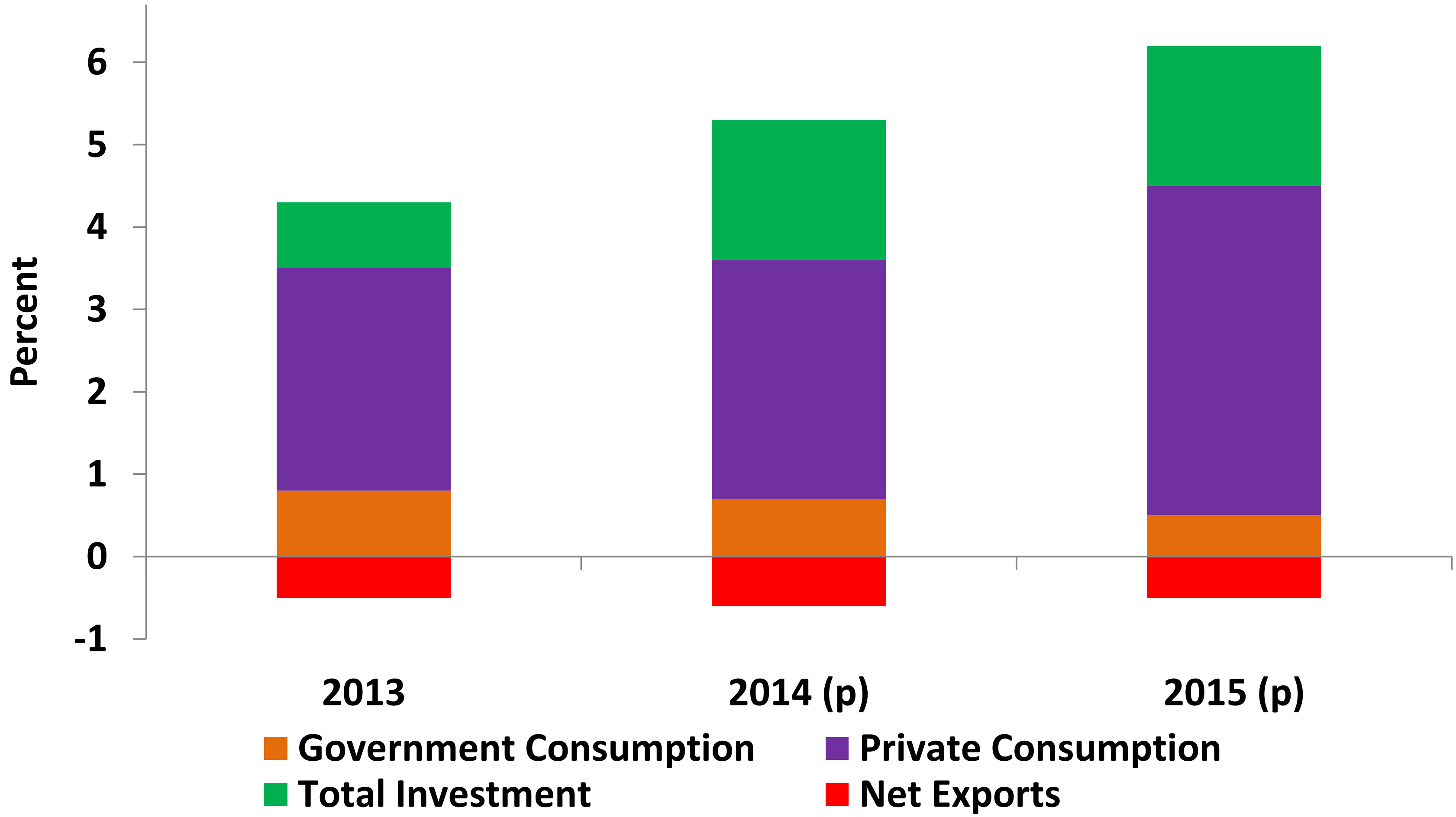
OECD DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

African Economic Outlook 2014

2 Drivers of Growth

Contributions of Demand Components to GDP Growth



1964 2014
50 ans au service de l'Afrique
50 Years Serving Africa

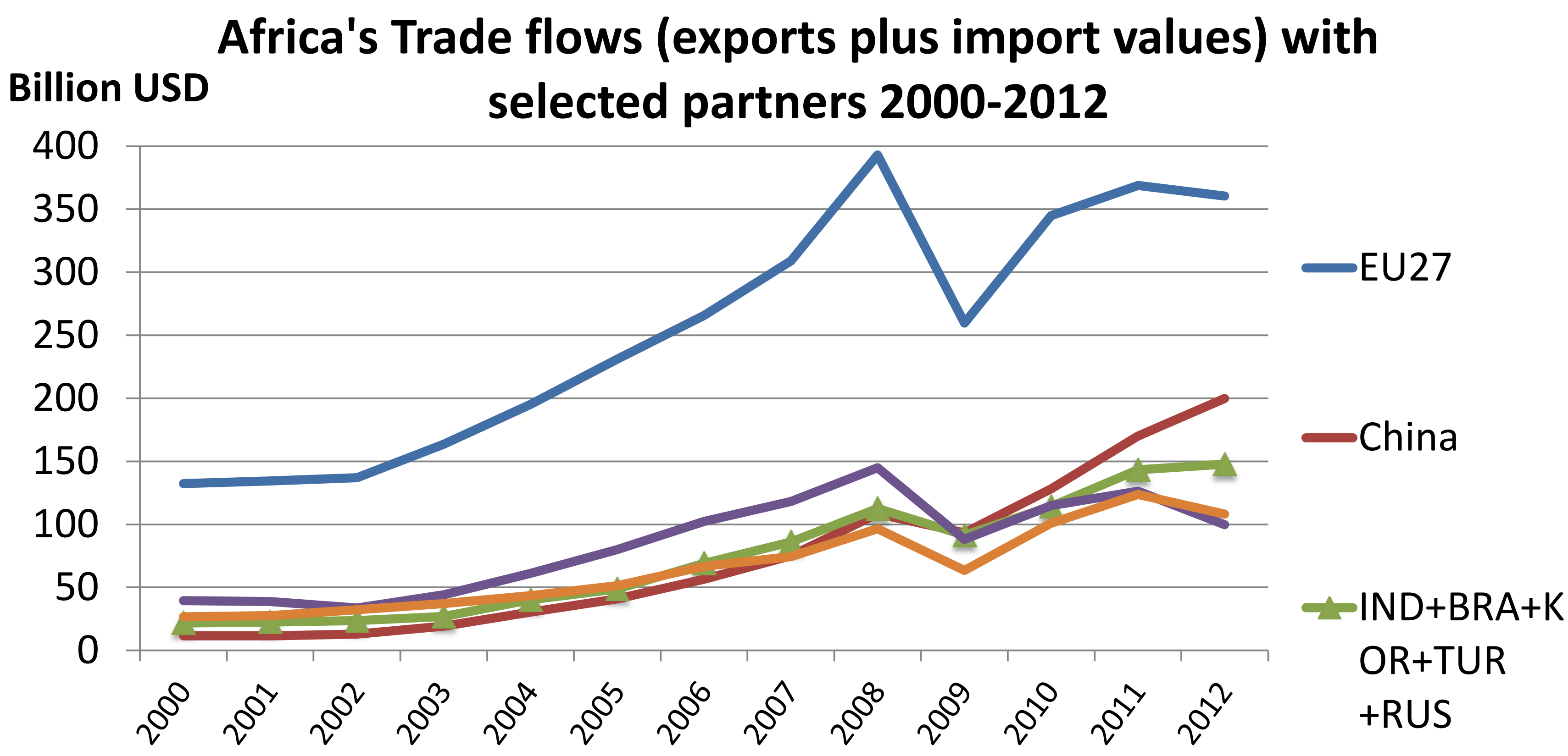
OECD dev
DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

African Economic Outlook 2014

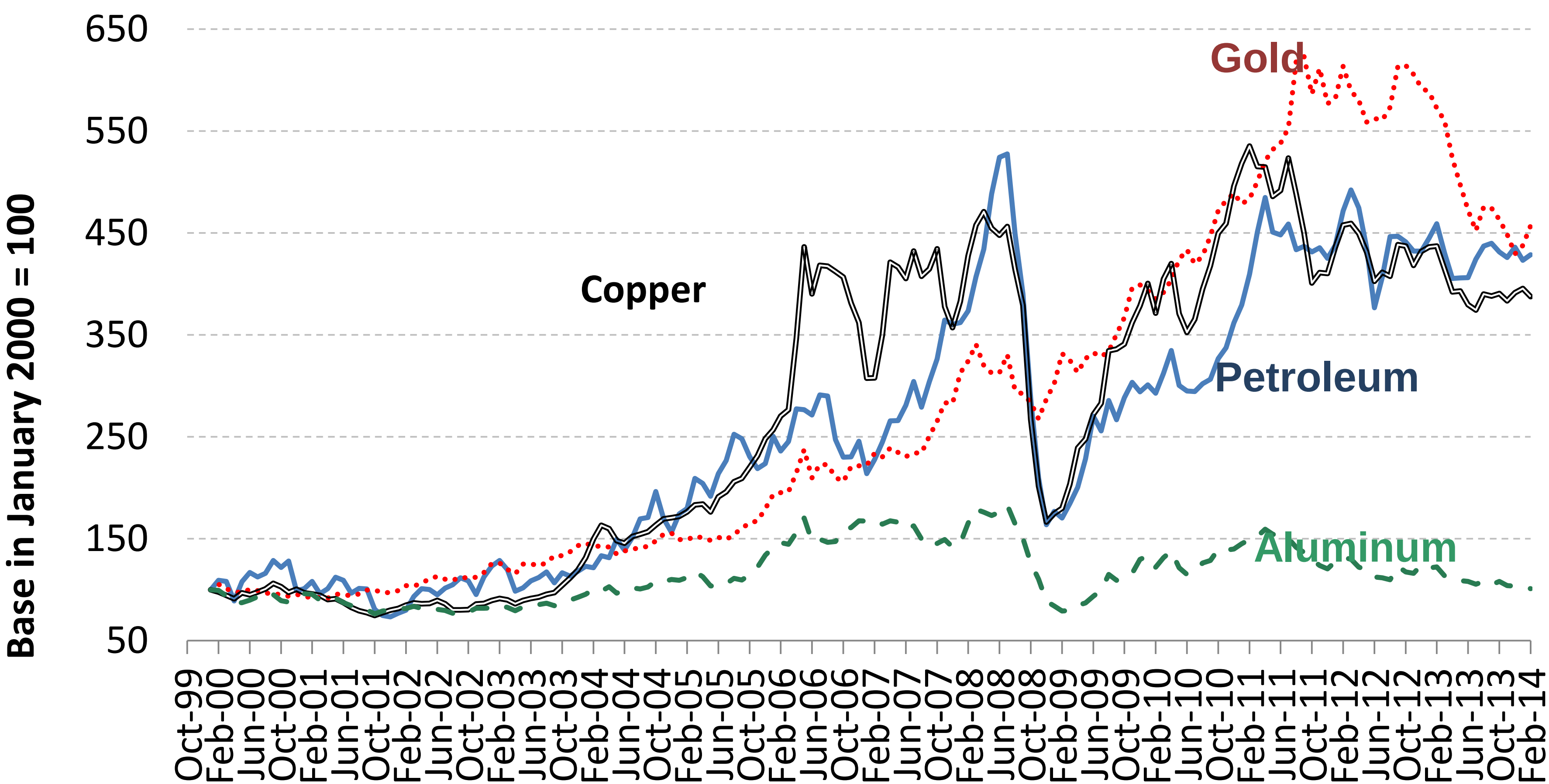
Trade and Regional Integration

Trade: Traditional partners still key



1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA
OECD DEVELOPMENT CENTRE
UNDP
Empowered lives.
Resilient nations.
African Economic Outlook 2014

Export Commodity Prices



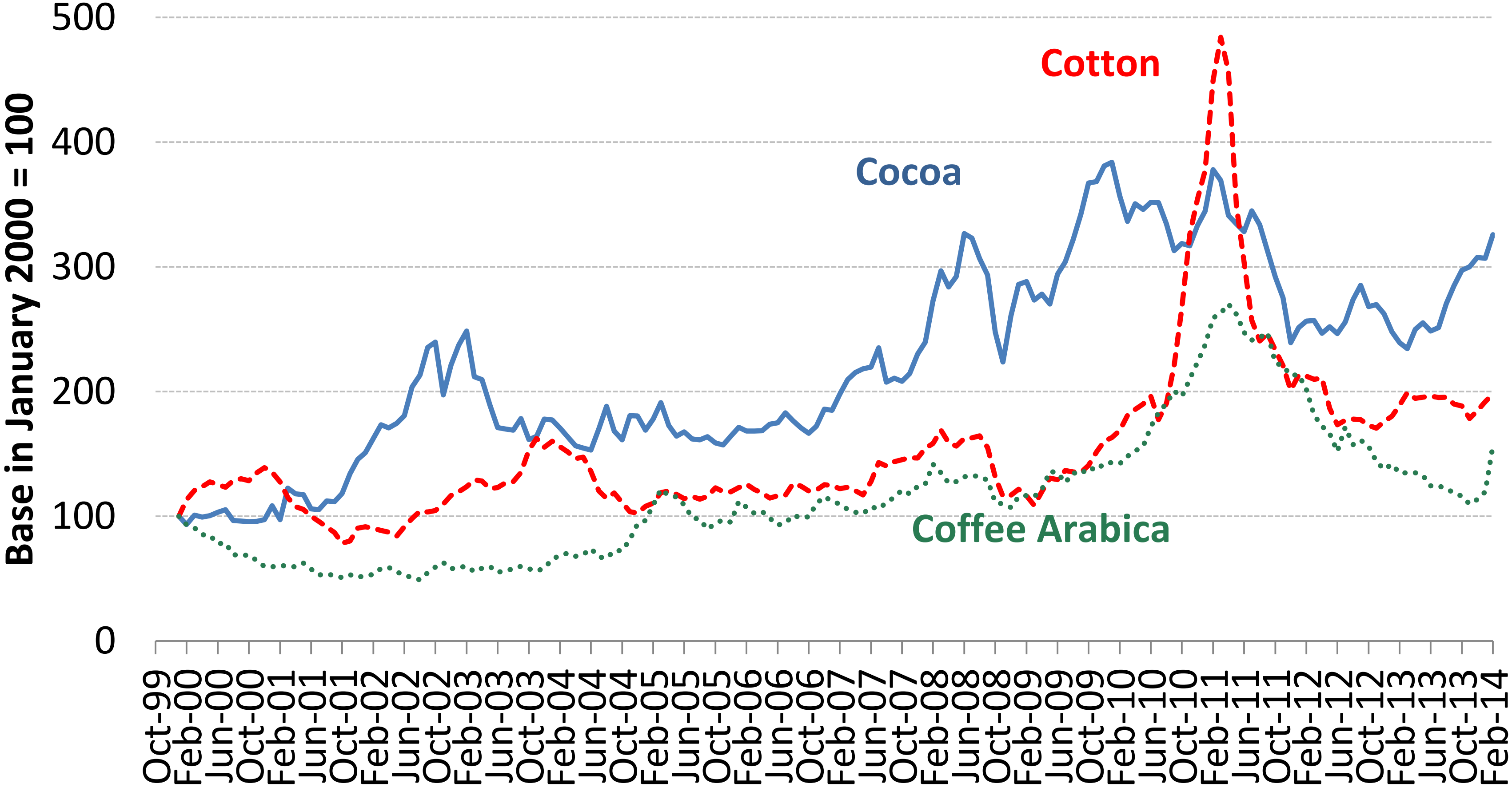
1964 2014
50 ans au service de l'Afrique
50 Years Serving Africa

OECD DEVELOPMENT CENTRE dev

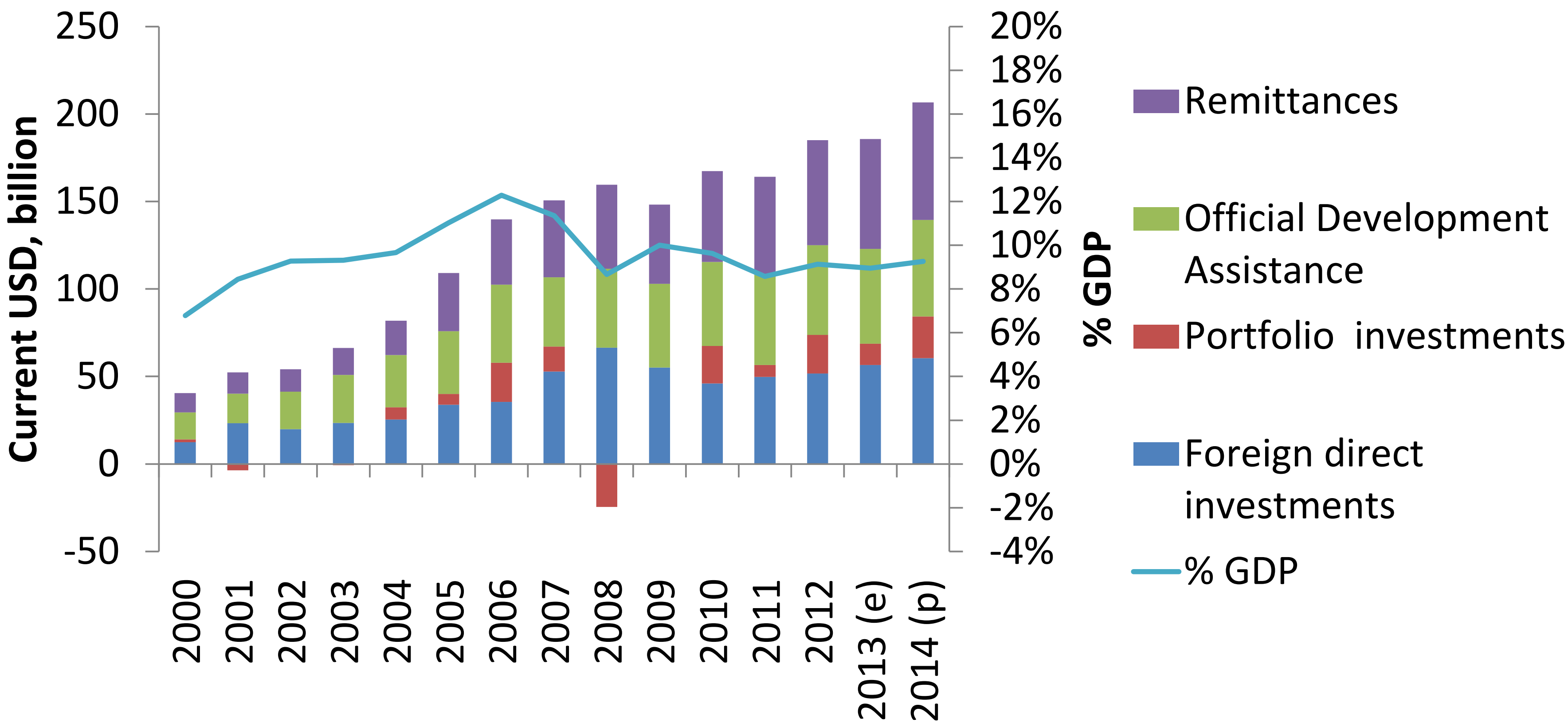
U N D P
Empowered lives.
Resilient nations.

African Economic Outlook 2014

Export Prices of Agricultural Products



Financial Flows to African Countries



1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA

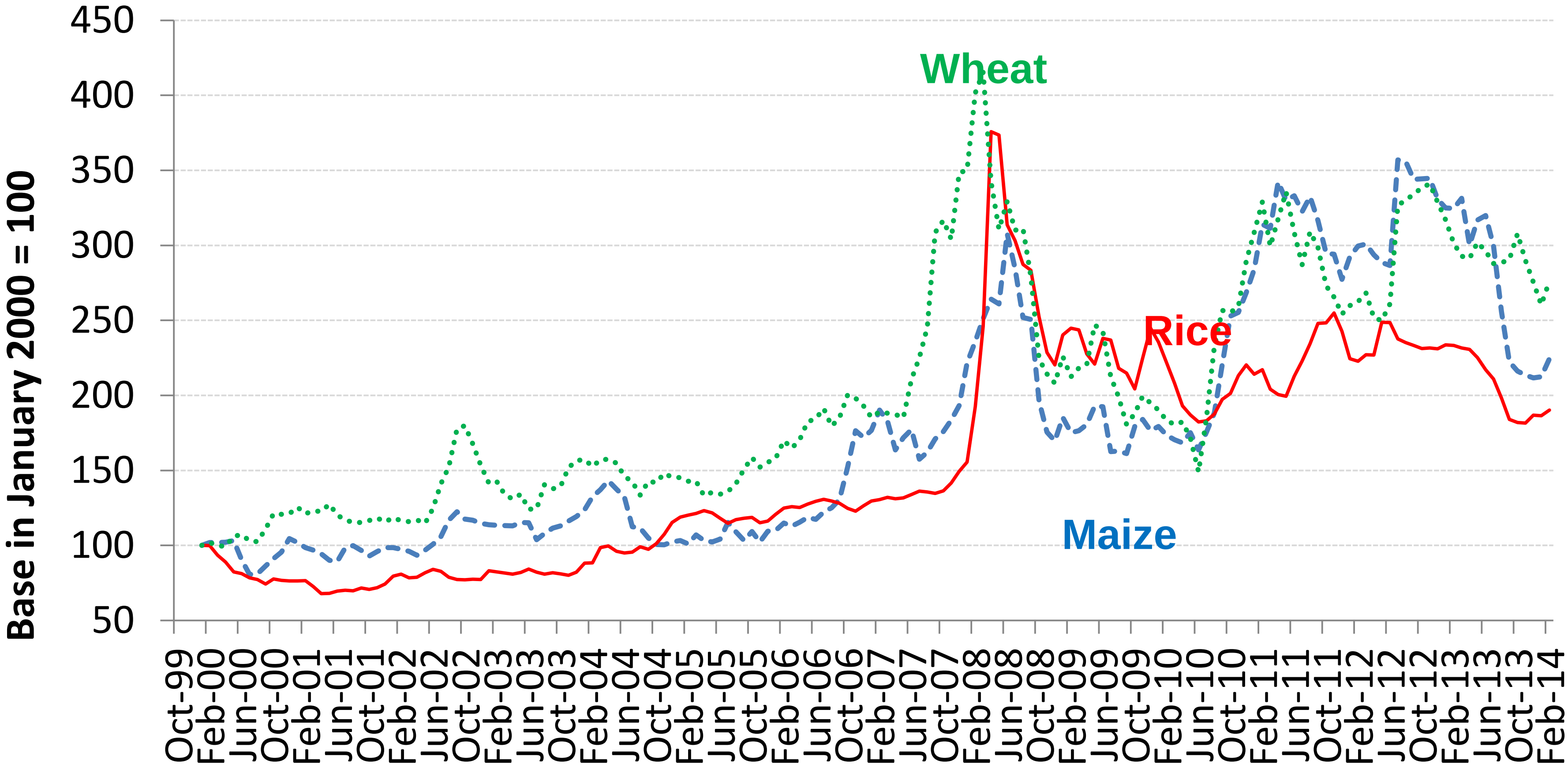
OECD DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

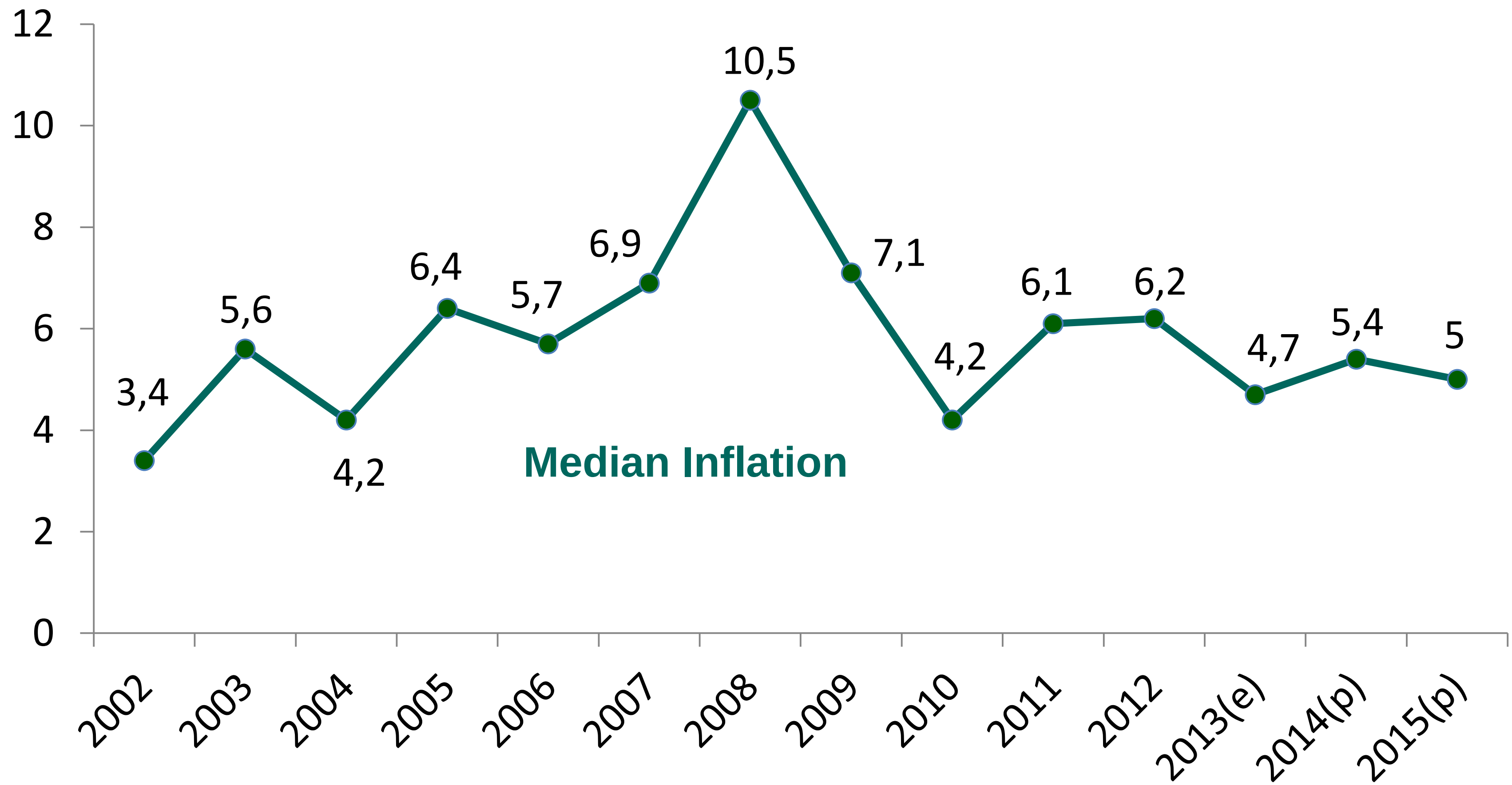
African Economic Outlook 2014

3 Risks/Opportunities

World Cereal Prices



After an uptake, inflationary pressures easing



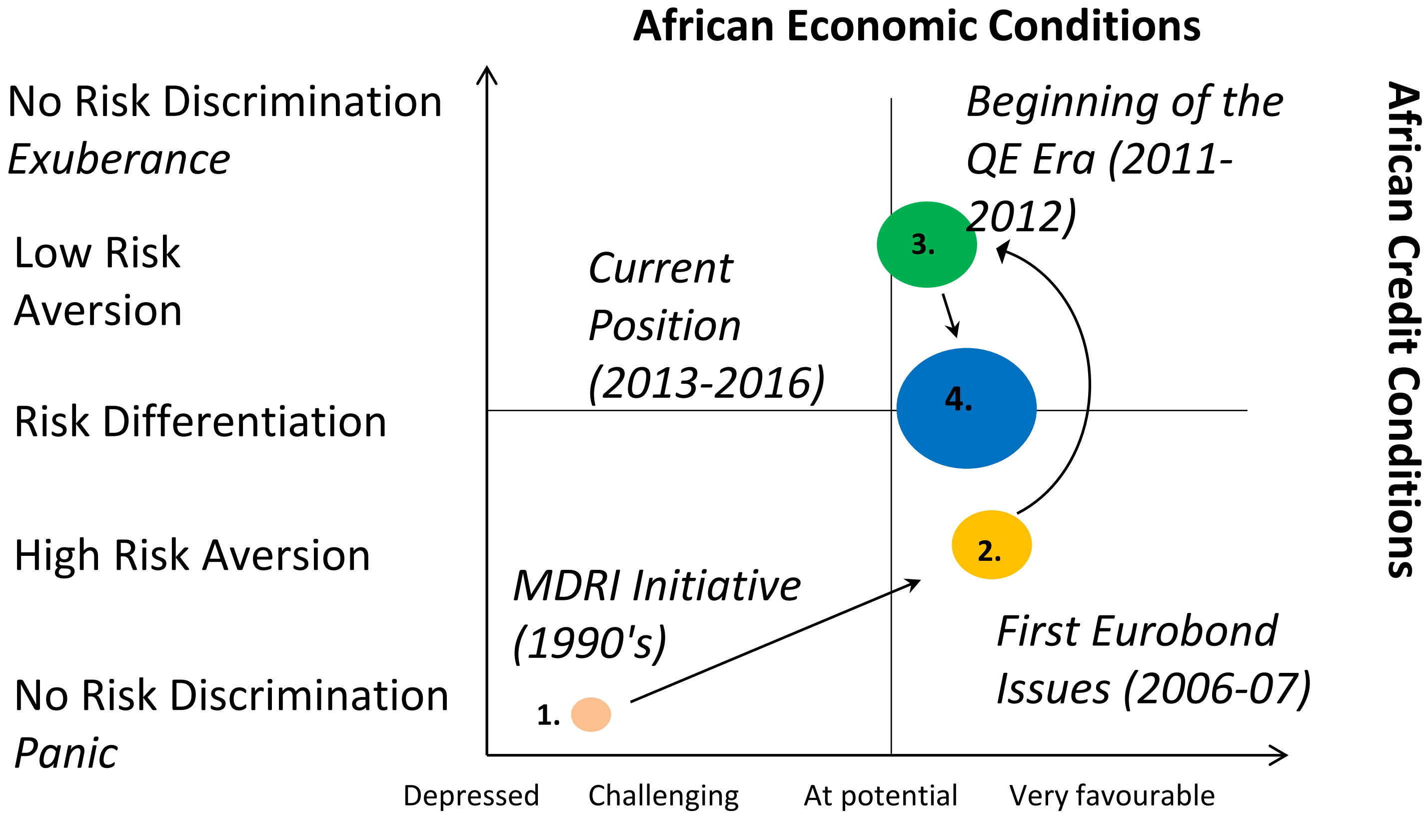
1964 2014
50 ans au service de l'Afrique
50 Years Serving Africa

OECD DEVELOPMENT CENTRE

Empowered lives.
Resilient nations.

African Economic Outlook 2014

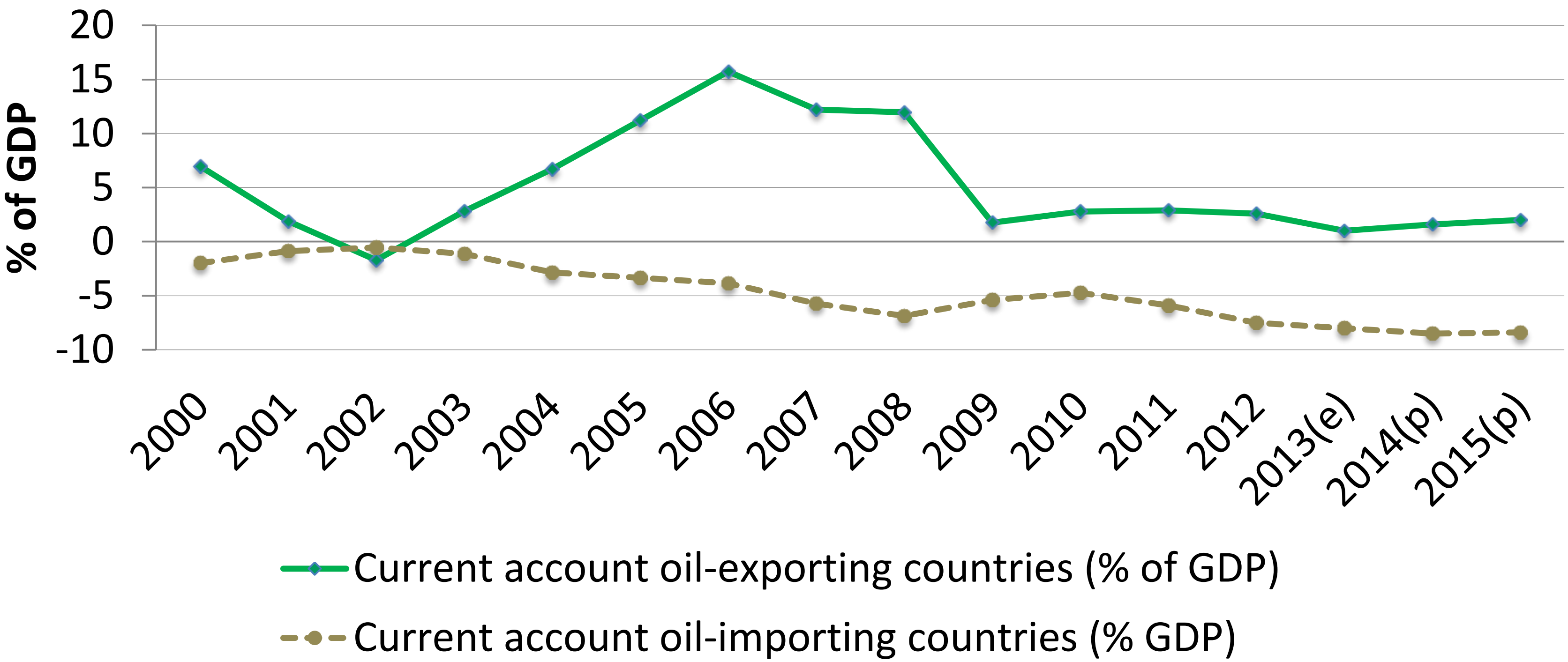
Higher interest rates in Africa: Effect of Tapering of QE in the US



1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA
OECD DEVELOPMENT CENTRE
UNDP
Empowered lives.
Resilient nations.
African Economic Outlook 2014

The Oil Divide

Current account in oil-exporting and oil-importing countries



1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA

OECD DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

African Economic Outlook 2014

Downside risks to Africa's growth

Commodity price shocks

Deteriorating Macroeconomic Conditions

Political Fragility

- **High risk premiums-Effects of QE tapering**
- **Lower financial and FDI inflows**

Africa: still the region for faster growth

Growth in Africa is expanding at faster pace even with infrastructure and other constraints.

Thank you

AEO 2014

www.africaneconomicoutlook.org

1964 2014
50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA

OECD DEVELOPMENT CENTRE

UNDP
Empowered lives.
Resilient nations.

African Economic Outlook 2014