

Africa's heightened appeal as a trade and export destination

With average annual growth for sub-Saharan Africa forecast at 8% until 2023 - a positive outlook following the downturn between 2015 and 2017 - the continent is looking increasingly attractive as a trade and export destination.



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This is according to Liz Whitehouse, MD of Africa House, who addressed delegates at an Embassy/Consulate breakfast hosted by dmg events in Midrand this week, ahead of [Africa Trade Week](#).

Economic development drivers

Whitehouse pointed out that East Africa is primarily the driving force of growth on the continent, with the regional economy showing no contraction, as opposed to other regions. This is largely because East Africa is not an extractives-dependent region, with mining and oil and gas only now starting to become of some importance. With South Africa and Nigeria excluded from regional data, East Africa emerged as the largest regional economy by 2018, she noted.

On the other hand, Southern Africa – even including South Africa – is the worst performing major region, with Angola, Mozambique, Zambia and DRC all hit by commodity price declines, while Zimbabwe, eSwatini and Malawi were affected by a combination of commodity prices, drought and governance issues.

“West Africa looks relatively good, with the regional GDP growing from \$600 billion to over \$1 trillion and Nigeria expected to rebound in 2019 and beyond,” says Whitehouse. “Central Africa is the smallest regional economy, but ticks along and is expected to maintain growth of around 3.5% a year – much of it driven by regional gateway Cameroon.”

Whitehouse noted that by 2023, the continent will see five economies of over \$100 billion (Nigeria, South Africa, Kenya, Angola and Ethiopia); and five more of over \$50 billion (Tanzania, Ghana, Cote d'Ivoire, DRC and Cameroon).

She points out that in many African countries and regions, key development drivers are inextricably linked to corridors – either by design or fortune. “As such, corridor development and ‘anchor tenants’ or projects are once again becoming critical in Africa’s development story.”

Whitehouse identifies several sectors which are key development drivers on the continent: agriculture, extractives (stranded minerals), urbanisation & rising incomes, industrial, and ICT, telecoms and power.



Africa Trade Week 2019 set for Johannesburg in June

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On the point of urbanisation, Whitehouse points out: “Urban areas in Africa comprise 472 million people. That number will double over the next 25 years as migrants push to cities and due to internal city growth. The largest cities grow as fast as 4% annually.”

She describes the urban “middle class” as not yet a stable entity, but a large “floating class” that hovers just above the poverty line, while the lower-middle consumer group added two million people a year in last decade. The upper-middle class remains a relatively small group, but is growing.

“Wealthier Africans are largely urban and are driving consumption of consumer goods and building materials,” Whitehouse says.

Africa’s top import markets remain South Africa, Nigeria, Kenya, Ghana and Angola, with the key source of supply for all these markets being China. Not surprisingly, China also holds a significant part of the key supplier market share in these countries – 19% in South Africa and Angola and 33% in Nigeria, Kenya and Ghana.

Africa Trade Week

According to Lynn Chamier, event director at dmg events, Africa Trade Week will bring the world to Africa and Africa to the world to source products, discuss issues and trends, and identify opportunities for international trade.

Africa Trade Week will be held from 23 to 25 June 2019 at the Gallagher Convention Centre, in Midrand, and includes the co-location of the South African International Trade Exhibition (SAITEX), The Hotel Show Africa, and Africa’s Big 7.

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