AFRICA EMERGING MARKETS FORUM

Imagining Africa 40 Years from Now

Dr. K.Y. Amoako
President, African Center for Economic Transformation
The Africa We Want

“An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena”
– AU Agenda 2063
We have made strides…

• Africa Rising
• 6 countries with highest GDPs
...but we have a long way to go

**GDP per capita growth (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>Emerging market and developing economies</th>
<th>Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-10</td>
<td>2.7%</td>
<td>4.9%</td>
<td></td>
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<tr>
<td>2011-15</td>
<td>2.3%</td>
<td>2.8%</td>
<td>1.6%</td>
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<tr>
<td>2016</td>
<td>2.9%</td>
<td>3.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>2017</td>
<td>2.3%</td>
<td>4.9%</td>
<td>0.8%</td>
</tr>
</tbody>
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We must work harder to catch up

*Share of world GDP—70% higher*

*Per capita GDP—80% higher*
In order to catch up, we must pursue economic transformation
Transformation = Growth + DEPTH

- **D** - Diversification of economic production and exports
- **E** - Export Competitiveness
- **P** - Productivity increases
- **T** - Technological upgrading
- **H** - Human well-being improvements

ACET - African Center for Economic Transformation

www.acetforafrica.org
Transformation and convergence are possible

- Growing labor force
- Abundant natural resources
- Fastest growing middle class
How do we get there?

It is what countries do--the policies of their governments, the responsiveness of their entrepreneurs, the integrity of their institutions—that makes the difference.
Policies Matter

- Accelerate demographic transition
- Reduce vulnerability to commodity prices
- Increase savings and investment
- Accelerate productivity growth
- Reduce conflict and fragility
- Adapt to climate change
- Reduce inequality
Accelerate Demographic Transition

Africa’s transition to low fertility & low infant mortality is proceeding slowly.
(1) Accelerate demographic transition
Reduce our vulnerability to commodity prices

We need to reduce dependence on commodities
And reduce vulnerability with strong macro management and policies to promote export diversification
(2) Reduce vulnerability to commodity prices
Increase Savings and Investment

Compared with Asia, savings and investment rates are low. Africa will not converge with the rest of the world at these rates.
(3) Increase *savings* & *investment*—Unleash private sector
Sustained per capita income increases will increasingly depend on productivity increases, but for 20 years, total factor productivity (TFP) growth has been far below other emerging market and developing countries in Asia.
(4) Accelerate productivity growth
Policies matter…but capable states and transformative leadership matter even more.
What do we mean by capable states?

- Security over sustained period
- Enabling environment for economic growth
- Equitable distribution of growth
- Tackle corruption
The key to a capable state is transformative political leadership

Lessons from Asia

1. A grand sweeping vision that unifies the populace
2. Nurturing businesses and entrepreneurs to compete in global markets
3. Mobilizing all stakeholders to support the vision of a national future
4. Sustaining legitimacy and earning trust
Leadership for the Africa We Want

How do we nurture the visionary leadership essential for Africa’s transformation?
1. Think African
2. More women in political leadership
3. Empower and nurture young people
4. Foster the next layer of leadership
5. Leave a positive legacy
Measuring Progress

NEPAD and the APRM: Missed opportunities?
“We are afraid to speak frankly to one another about the wrong things we are doing, and I think if we don’t do that we will meet again a century later to discuss the same question.

...A real, critical, truthful, self-assessment... would be an important assessment to producing the kind of leadership which Africa wants.
Yes Africa Can!
THANK YOU