

Sub-Saharan Africa: A Rising Economic Frontier?

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INTRODUCTION

Scope

Key findings

Why focus on Sub-Saharan Africa?

Sub-Saharan Africa in 2022 and 2040

STATE OF PLAY IN SUB-SAHARAN AFRICA

Economic progress of the 2000s undone by a myriad of adverse factors since the mid-2010s

Sub-Saharan Africa could have been USD700 billion richer based on growth trends pre-2015

Nonetheless, some countries have continued to deliver strong economic growth since 2015

Regional economic balance has been shifting from South to East and West Africa

Low wealth has curbed Sub-Saharan Africa's progress in raising living standards

Business registrations have surged in Sub-Saharan Africa, but business density remains low

Sub-Saharan Africa has been the fastest urbanising region but remains largely rural

ADDRESSING REGIONAL CHALLENGES

Economic : Diversification is needed to improve macroeconomic stability

Political: Sub-Saharan Africa remains entrenched in corruption despite improvements

Environmental: Food insecurity needs to be addressed in the face of climate change

Social: Poverty and inequality remain bottlenecks to future growth in Sub-Saharan Africa

Other key challenges

LEVERAGING OPPORTUNITIES FOR GROWTH

Areas of opportunity in Sub-Saharan Africa

Digital economy: Sub-Saharan Africa is accelerating its digital transformation

Digital economy: High proportion of the unbanked offers opportunities for fintech providers

Case study: Raxio to build seven data centres in Sub-Saharan Africa to boost digitalisation

Green economy: Focus on green energy can be a driver and enabler of economic growth

Green economy: Green Bonds can provide financing for climate-related projects

Green bonds finance Angola's largest ever solar power project

Natural resources: Sustainability shift can offer opportunities to tap natural resources

Case study: MMG to expand mining operations in Democratic Republic of the Congo

Case study: BHP Group invests USD100 million in Tanzania's nickel mining industry

Consumer spending: Large opportunities to grow modern and informal retailing

Case study: Carrefour opens its first hypermarket in Cameroon

Case study: Wasoko provides more efficient access for small informal retailers

Value chains: AfCFTA can promote regional trade integration in Sub-Saharan Africa

Value chains: Sub-Saharan Africa can be a key intermediary in manufacturing value chains

Case study: Stellantis reaches a preliminary agreement for a production site in South Africa

Case study: Atlantic Group seeks to build a cocoa processing plant worth USD108 million

SUB-SAHARAN AFRICA IN 2040

By 2040, Sub-Saharan Africa is to more than double its GDP but will remain a fringe economy

South Africa and Nigeria are to see their influence fade amid growth in other economies

East Africa is expected to overtake southern Africa as the second largest regional economy

Sub-Saharan Africa is expected to account for one third of global urban population growth

Sub-Saharan Africa spending to grow, but will remain low relative to other global markets

CONCLUSION

Top five recommendations for commercial success in Sub-Saharan Africa

Sub-Saharan Africa is a rising economic frontier, but has several obstacles to overcome

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