

Africa IP Forum: Intellectual Property and Economic Growth and Development in Africa

WIPO Development Agenda: What it means for Africa

Considerations on Africa and Development – Past, Present and Future

ANNEX 1

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Pretoria
25-27 February
2013

Considerations on Africa and Development – Past, Present and Future

- ❑ The 80's and 90's lost decades?

- ❑ Volatility of the political environment :
 - Armed conflict and civil war
 - Migration of refugees and internally displaced persons (IDP)
 - Curbing of political liberties
 - Governance

- ❑ Economic performance:
 - Negative growth
 - Structural adjustment program (SAP)
 - Compression fonction publique
 - Public Sector retrenchment
 - Privatisation
 - Cut back on social programs (education, health)

- ❑ Social
 - Malaria, endemic diseases and infectious disease
 - AIDS

❑ Nowadays Africa is confronted with huge challenges:

- Economic growth
- Population growth
- Infant mortality
- Malnutrition
- Food security
- Primary health care
- Access to water

❑ However Africa is gradually witnessing a new economic take-off

□ The continent begins a new take-off:

- Average growth of GDP to :
 - 4,8% (2008)
 - 5 to 6% (2011) i.e. doubling the rate of the 80's and 90's

- With several countries recording double digit growth in particular some countries which are well endowed in hydrocarbons and minerals

- This development stems from the changes currently taking place in Africa's political and socio-economic environment :

- ☐ Improvement of the political situation and of democratic governance – with some exceptions
 - reduction of armed conflicts
 - improvement of democratic process
 - pluralistic elections
 - Consolidation of public liberties/freedoms (press, association, trade unions)

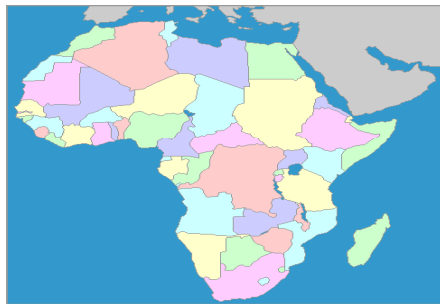
❑ Economic reforms to:

- restore macro-economic stability
- improve micro-economic performance

❑ Emergence of the private sector induced also by the implementation of a set of measures :

- Curbing of inflation
- Reduction of external and internal debt
- Adoption of competition and market oriented policies
- Reduction of tariffs and non-tariff barriers
- Lowering of company tax
- Enhancement of legal and regulatory framework and enforcement of the rule of law

- Africa's GDP in 2008 amounted to 1600 billion, almost equivalent to GDP of Brazil or of Russia



GDP Africa
2008, \$1.600
billion



Africa Tomorrow: Towards Emergence

- ❑ The road towards emergence is filled with hurdles.
- ❑ Risk of weakening or reversal of economic growth
 - Political tensions, armed conflicts, democratic
 - Regressive public policies
 - Natural disasters etc...

- However most experts reckon that Africa is emerging as a pole of economic growth, attractive for foreign investors (states, multinational corporations, SMEs and this is contributing to strengthen the world economy.

Africa Tomorrow: Towards Emergence (cont'd)

Several factors may help explain this view :

1. The global demand for raw materials remain pretty high:

- hydrocarbons (oil, gas, etc...)
- minerals (gold, iron-ore, manganese, copper, cobalt etc...)
- arable land (although « Land grabbing », remains a threat)
- other natural resources



Africa 10 % of world Reserve of hydrocarbons



50% of gold



90% of Platinum Reserve



70% of Coltan

Africa Tomorrow: Towards Emergence (cont'd)

- Africa demographic trends remains dynamic

- population of over 1 billion inhabitants

- In 2040 the active population will reach 1.1 billion and equals that of China or India.



- Emergence of an African middle class (great consumer)

- Emergence of megalopolies (urban centres) such as Cairo, Alexandria, Lagos, Nairobi, Kinshasa, Johannesburg, Cape Town

Africa Tomorrow: Towards Emergence (cont'd)

- The high growth sectors with an immediate impact for consumers:

- Consumery goods, food and beverage, housing, telecommunications, banking

- Agriculture

- Africa has 60% uncultivated arable lands which are ripe for a green revolution, provided that all the barriers are removed

Africa Tomorrow: Towards Emergence (cont'd)

■ Construction of infrastructure,

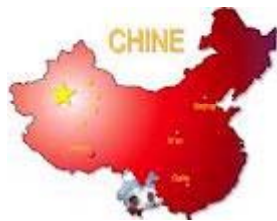
- Africa is in dire need of infrastructure projects (dams, highways, ports, railways) state and private investments are already reaching approximately \$72 billion per year



India

■ The increasing role of new emerging economies

suppliers / providers of infrastructure, financing, expertise and technical assistance



Brazil



Turkey

Africa Tomorrow: Towards Emergence (cont'd)

- Can this drive and momentum be sustained?
- Adoption and implementation of strategic plans and policies to use IP as a power tool for economic development.