Africa and its Emerging Partners
4 received notions this report calls into question

Emerging partners are perceived

1. to be bringing down governance standards;

2. to be helping the re-indebtment;

3. to be contributing to the de-industrialization;

4. and to specialization into resource extraction of African countries
Africa’s shifting role in globalization: the 90s
Africa’s shifting role in globalization: the 2000s
Who are Africa’s “Emerging Partners”?

- Countries outside OECD DAC in 2000 whose economic relations with Africa have risen fast over the decade
- China (incl. HK), India, Korea, Brazil and Turkey are leading the pack

Africa Trade Volume, 2009 % of total (US$ billion)
The rise of Emerging Partners

Share of Traditional (TPs) and Emerging Partners (EPs) in Africa’s total trade

- Africa’s total trade doubled between 2000 and 2009
- Share of trade with non-traditional partners increased from 23% in 2000 to 39% in 2009
- China’s share tripled
... and it’s much more than all about China

Africa's total trade with emerging partners (2009)

- China: 38.5%
- India: 14.1%
- Korea: 7.2%
- Brazil: 7.1%
- Turkey: 6.5%
- Other Emerging Partners: 26.7%
Diversifying trade partners

- EU27
- China
- United States
- Intra-African
- India
- Japan
- Korea, Rep. *
- Brazil
- Turkey *
- Canada
- Thailand
- Russian Federation
- Switzerland
- Taiwan, China
- United Arab Emirates
- Singapore
- Malaysia

Trade with Africa (billion USD, 2009)
Trade volume 2009 / 2000
Traditional Partners remain key…”

Africa’s Total Trade Volume

Billion USD

[Graph showing the increase in Africa’s total trade volume from 1992 to 2009, with Traditional Partners and Emerging Partners distinguished by color.]
Traditional Partners remain key… (continued)

African FDI inflows 1995-2008

<table>
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<th>Year</th>
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<th>Latin America</th>
<th>Asia</th>
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<td>2000-2008</td>
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Traditional Partners remain key… (continued)

African Development Bank Group, OECD, UNDP, Economic Commission for Africa, ECA.
Scope for synergies

DAC Official Development Assistance to Africa, by sectors (05-09)
- Social sectors, 65%
- Infrastructure, 17%
- Productive sectors, 10%
- Multisectoral, 8%

Concessional Loans from China by sectors (end of 2009)
- Economic Infrastructure, 61%
- Industry, 16.1%
- Energy and resource devlpt, 8.9%
- Public facilities, 3.2%
- Others, 6.5%
- Agriculture, 4.3%
Industrialization: more opportunities than threats?

Africa’s exports of manufactured products

- EU25
- USA
- Other Traditional Partners
- Other Emerging Partners
- China

Billion USD
Managing a widening policy space

Who among the following partners are typically most effective at meeting the development objectives of the country?

- 1 Emerging partners
- 2 Multilaterals
- 3 None of them
- 4 Not relevant
- 5 Traditional partners
Re-indebtment: the case for transparency

Debt as a % of GDP

- Burkina Faso
- Cameroon
- Ethiopia
- Ghana
- Mali
- Niger
- Senegal
- Tanzania
- Uganda


African Economic Outlook 15
Emerging Partners have become a major driver of Africa’s growth – although Traditional Partners are still very significant and will remain so in the years to come.

The patterns of engagement of Emerging and Traditional Partners tend to be complementary, to the benefit of African countries.

There are outstanding risks especially for the weakest African states, but so far, more fear than harm.
Policy implications

- Enshrine engagement strategies into national development plans
- Search for a virtuous circle of regional integration and coordination
- Raise the scale of investment to attract emerging investors, including Sovereign Wealth Funds
- More transparency to put an end to unconstructive myths
Outlook

The 2010 African Economic Outlook finds the continent reeling from the effects of the world’s deepest and most widespread recession in half a century. Many countries are at risk of falling far off track to achieving the Millennium Development Goal of halving extreme poverty and hunger by 2015. Just how hard was the region hit? What are the prospects for recovery? Insights and answers in this edition including an in-depth study of Taxation and Aid in Africa.

Global conditions are expected to improve in 2010

Since the trough of the recession in the first half of 2009, the global recovery has made significant progress. Global output is on the rise and business sentiment is improving worldwide. But towards the end of 2009 global industrial production and world trade levels were still much lower than before the crisis.

An exception is the development in emerging countries where — boosted by China — industrial production already exceeds pre-crisis levels.