

Press Release

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Report: Africa is projected to have just one low income country by 2050

Large infrastructure gaps, climate change, high speed of urbanization, and a youthful and rapidly growing population will influence the future pace of growth

September 1, 2015... Addis Ababa, Ethiopia—Most African countries that today are considered low income will transition to middle income within 15 years, and all but one will be middle income by 2050, according to the Annual Trends and Outlook Report (ATOR), released today.

The ATOR, released by the Regional Strategic Analysis and Knowledge Support System ([ReSAKSS](#)), a program facilitated by the International Food Policy Research Institute (IFPRI), examines the current and future trends that are likely to shape the trajectory of African economies. As the second-fastest growing region in the world, Africa has enjoyed robust economic growth in recent years. However, that progress has not been enough to make up for the lost decades of economic stagnation that preceded the recent recovery. And secondly, the benefits of this growth have not trickled down to the wider population. Today too many people experience poverty and food scarcity.

“While the recent growth performance is encouraging, African countries still face major challenges in terms of reducing poverty and eliminating hunger and malnutrition,” said Ousmane Badiane, IFPRI Director for Africa. “This report shows that policymakers need to continue to refine policies, improve institutions and increase investments to sustain and accelerate the pace of growth as well as its inclusivity or broadness—and the outcomes of their decisions can be the difference between persistent poverty and future shared prosperity for many of Africa’s most vulnerable populations.”

The report found:

- Africa south of the Sahara is projected to experience more sustained economic growth in GDP per capita between now and 2030 and 2050.
- By 2050, climate change will result in a 25% increase in cereal prices compared with a no climate change scenario.
- Trends that are likely to influence the trajectory of African economies include:
 - more volatile food and energy prices;
 - rapid urbanization, increasing incomes, and the rise of a middle class;
 - rapid increase in a young population entering the labor force;
 - greater climate variability; and
 - agriculture as the largest source of employment.
- African diets are changing in response to rapid urbanization and the rise of a middle class. Fifty percent of Africa's population is projected to live in urban areas by 2020. Processed food now represents a significant share of food purchases, even for the rural poor. Diets have also diversified beyond grains into horticulture, dairy, livestock, fish, and pulses.
- Structural change in Africa is now contributing to productivity growth. Africa's informal goods and services sector (e.g., home goods and handicraft production, and food staples processing) is emerging steadily, and must play a major role in future growth and industrialization.
- Industrialization in Africa has been weak, and has contributed little to Africa's recent growth. A new industrial strategy needs to focus on investing in infrastructure, especially energy, transport, and water supply.

“As envisaged under the African Union Malabo Declaration, transforming African economies will need ensuring that future growth is broad based and inclusive, especially of women and youth, a critical component of the *Africa We Want* as depicted in the Africa Agenda 2063,” said Her Excellency Tumusiime Rhoda Peace, Commissioner for Rural Economy and Agriculture of the African Union Commission (AUC). “This is a sure way for wealth to be created and jobs to be generated,” she added.

The report was released today at the ReSAKSS conference organized by AUC and IFPRI in Addis Ababa. Read the report on the [ReSAKSS website](#).

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