

The need to lead: filling the skill gap in Africa

May 5th 2015, Johannesburg, South Africa - 2015 is a crucial year for Africa's economic development. Summits in Nairobi, Addis Ababa, Paris and New York will facilitate international cooperation, with Africa and its partners playing critical roles in shaping the continent's economic future. In September, at the United Nations General Assembly, global leaders are presumed to sanction Sustainable Development Goals (SDGs) to replace the Millennium Development Goals (MDGs). Africa is at the forefront of these modifications and has been pivotal in shaping the new SDGs.

Africa has been pivotal in shaping the new Sustainable Development Goals

Moreover, this year's financial projections are even higher than the 2000 forecasts. According to the African Progress Panel, African economies grew steadily by 6% in 2013, rivalling East Asia. This growth is fuelled by Africa's natural resources, dynamic services sector, increasing investments, expansion of exports, and improved agricultural production.



However, Africa's nascent economic growth has not generated enough well-paid occupations. UNDP states that over the past decade, Africa's labour force grew by 91 million, but only 37 million of these people participated in jobs in wage-paying sectors. This year's agenda is to take advantage of this steady economic growth and focus on structural transformations that lead to jobs which are more productive than informal agriculture. According to the World Bank, Africa's recent growth is heavily powered by the development of a vibrant services sector, mostly in telecommunications, retail, transportation and tourism, which provided 62% of Africa's cumulative GDP growth between 1995 and 2011.

Africa's recent growth is heavily powered by the development of a vibrant services sector

This shift has stimulated demand for a new kind of expertise. Companies in the information, communications and technology sector – such as Google, Microsoft, and Huawei – have already begun to implement educational programs. Naturally, the need to fill leadership positions within these advancing industries is also vital, and is a focal point in creating sustainable corporations throughout the continent.

Ghana, once seen as an example of economic stability in the region, has again sought financial aid from IMF to strengthen its currency. Although Ghana is a major exporter of gold, oil and cocoa, the country has experienced problems with budget deficits over the years, which it hopes to abate by taking these measures. According to Raze Khan of Standard Chartered Bank, "An IMF program is likely to give investors that additional level of confidence that fiscal consolidation might be pursued more seriously." New Patriotic Party spokesman Mark Asibey-Yeboah agreed that this is a step in the right direction.

Looking east to Rwanda, economic growth is projected to increase from 4.6% in 2013 to 7.4% in 2015 due to recovery in the services sector, agricultural development and public investment programs. Programs such as the National Employment Program and investments in improving agricultural productivity are expected to increase employment and bolster growth in the medium term.

Economic growth in South Africa reached 1.9% in 2013, compared to 2.5% throughout 2012. However, projections based on the successful implementation of projects such as the Medupi Power Station suggest that South Africa's growth may in fact increase over the next year. South Africa has proven to be a thriving assembly hub for the automotive industry, and has also found some success in becoming a global automotive product supplier. The Automotive Production Development Plan began in January 2013, and is designed to generate new investments in the industry. Moreover, South Africa's retail sector and financial services industry are the most developed on the entire continent, and both have a dynamic regional presence.

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projected to increase
by 5.2% on average throughout 2015*

In recent years, many North African countries have experienced political and economic instability, but the 2015 economic outlook for North Africa is slightly more encouraging than in 2013-14, when the region's economy grew only 3% per year. According to the World Bank's MENA Economic Monitor, economic growth in North Africa is projected to increase by 5.2% on average throughout 2015, strengthened by increased domestic consumption, the calming of political tensions, a rush of new investments in Egypt and Tunisia, and the complete restoration of oil production in Libya.



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