



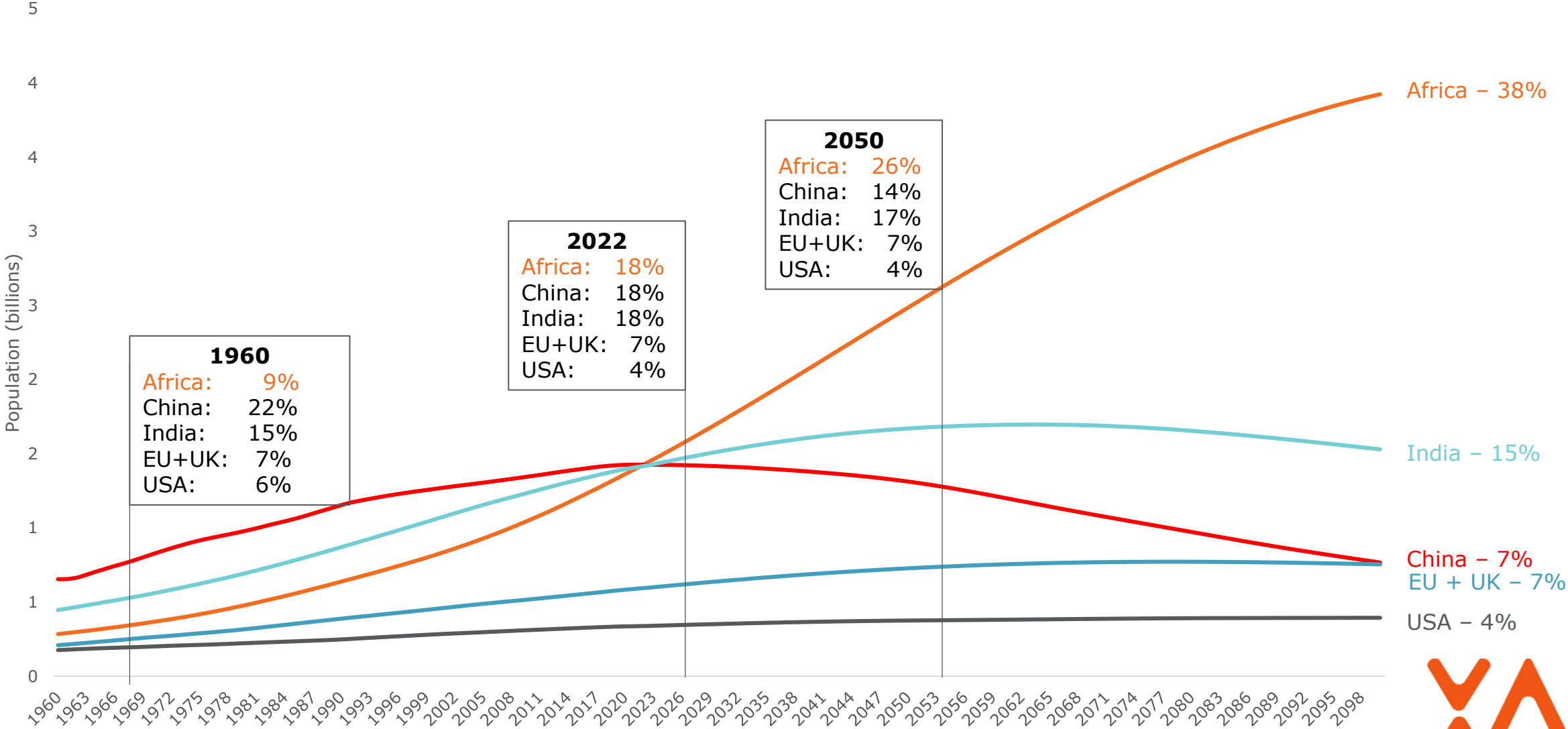
What on earth is going on with trade in Africa?

Donald MacKay, CEO
XA Global Trade Advisors

Demography is destiny

The number of 25-year-olds in 2050 is determined by the number of births in 2025

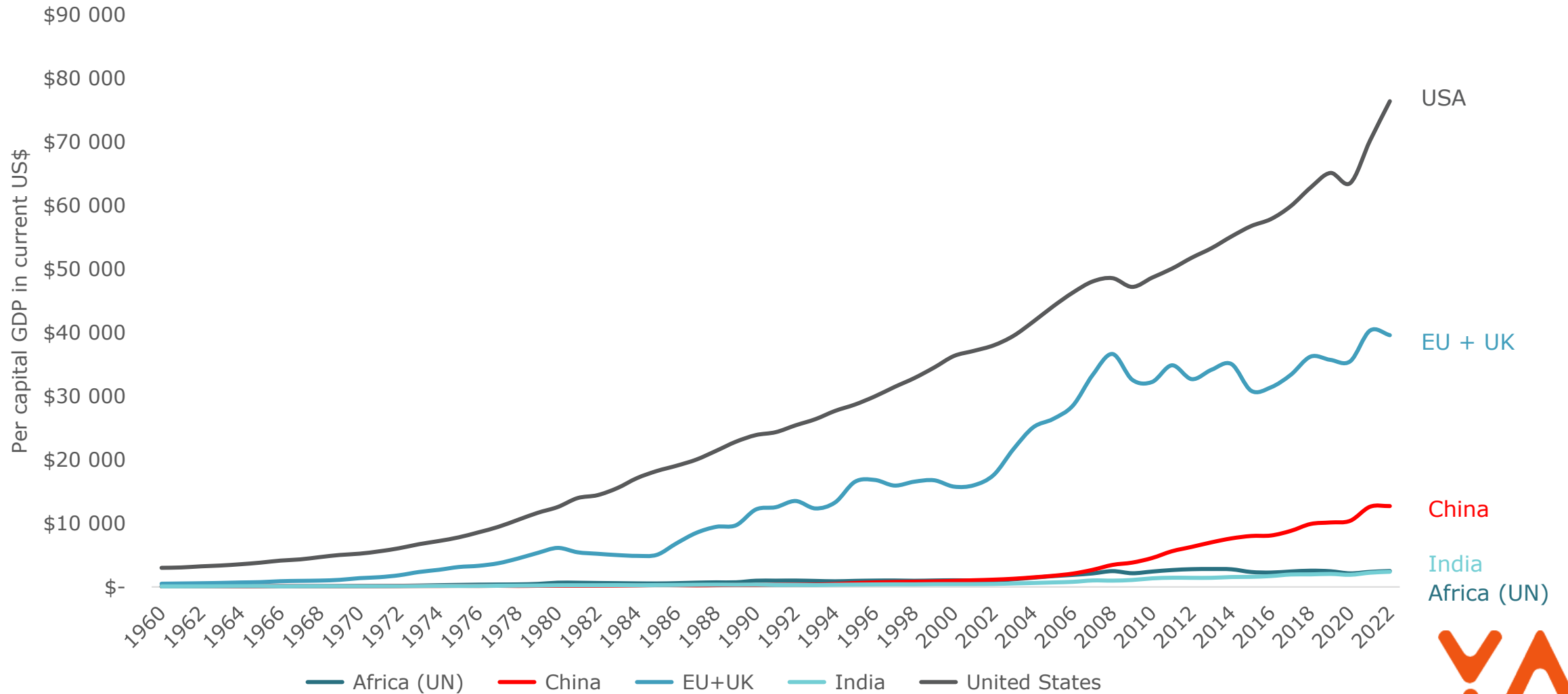
By 2050, Africa will hold 26% of the world's population. By 2100, this will rise to 38%



Source: Our world in data



Africa's per capita income makes it the poorest region of the world, with medieval levels of income



Source: World Bank

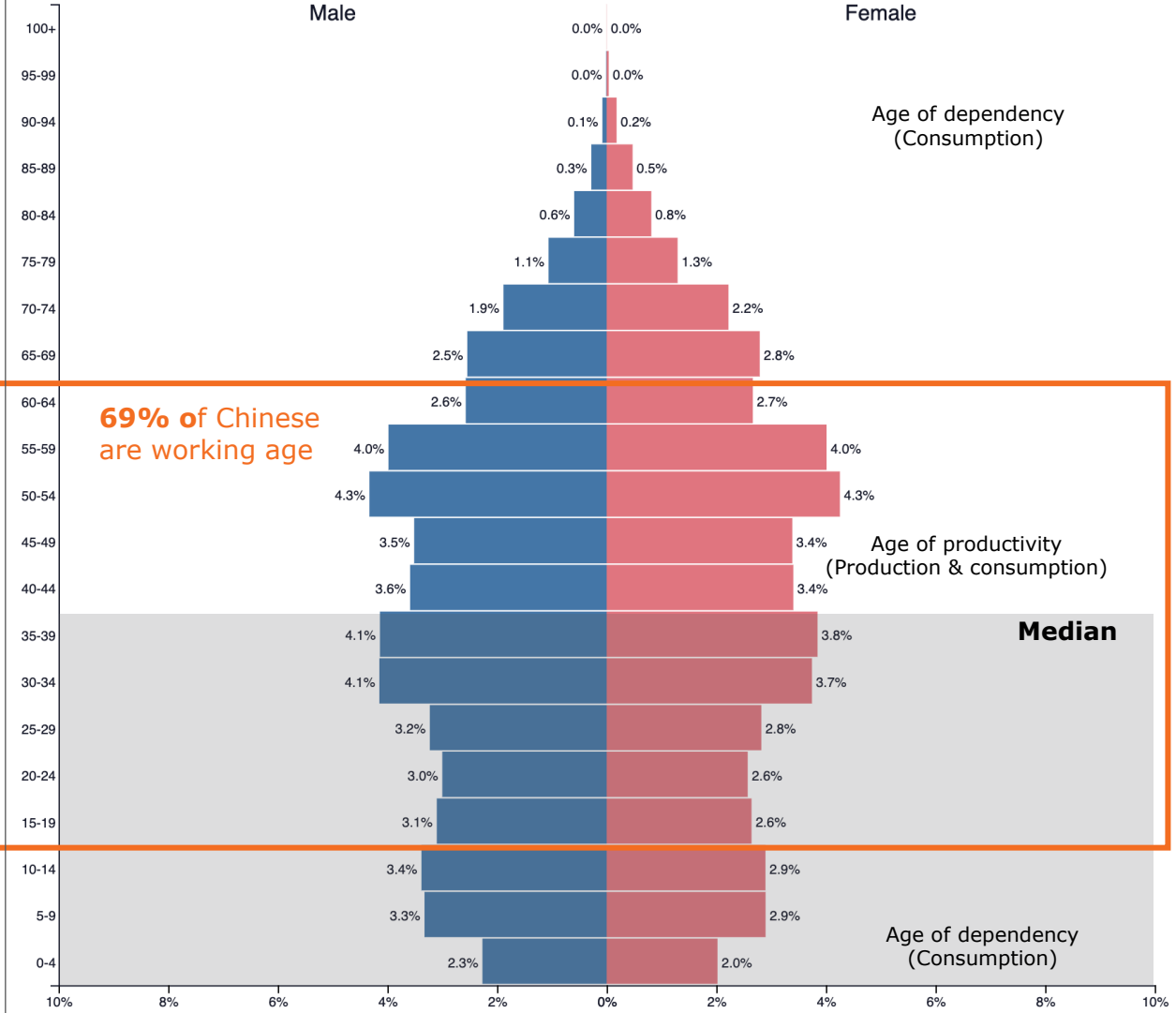
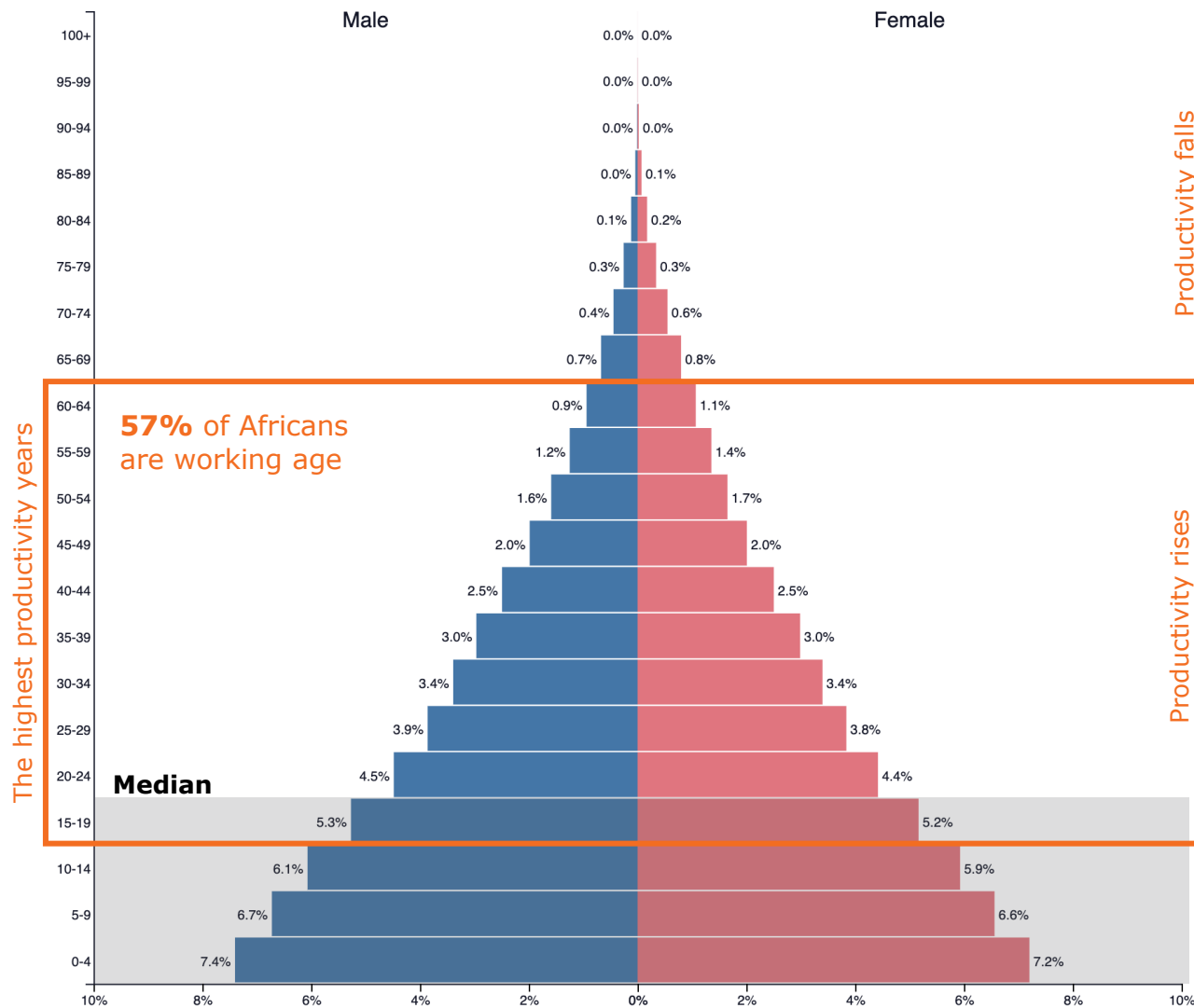


Africa's population is growing much faster than its productivity

The developed world's population is falling faster than its productivity is rising

The median age in Africa is 19 years old

The median age in China is 39 years old



Source: United National World Population prospects, 2022



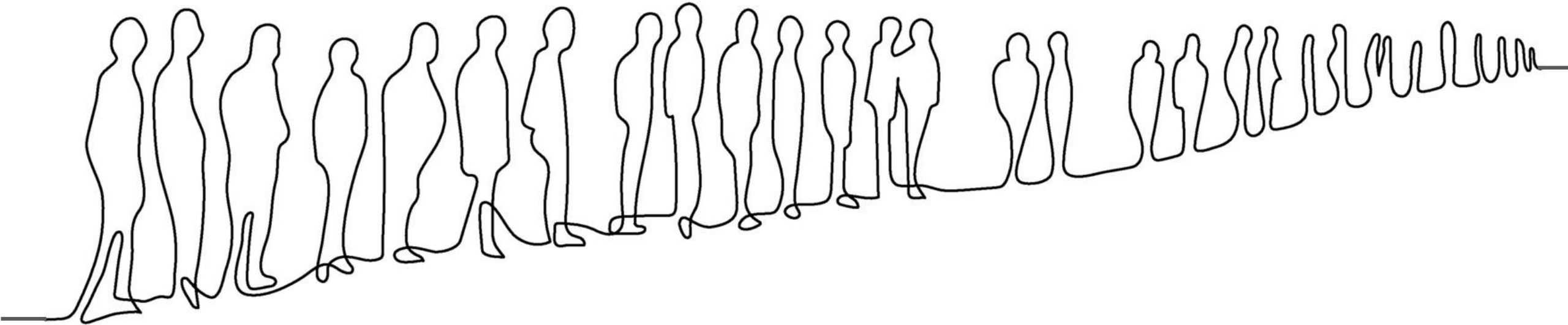
Economic growth is an outcome of **more people creating more things the world wants to buy.**

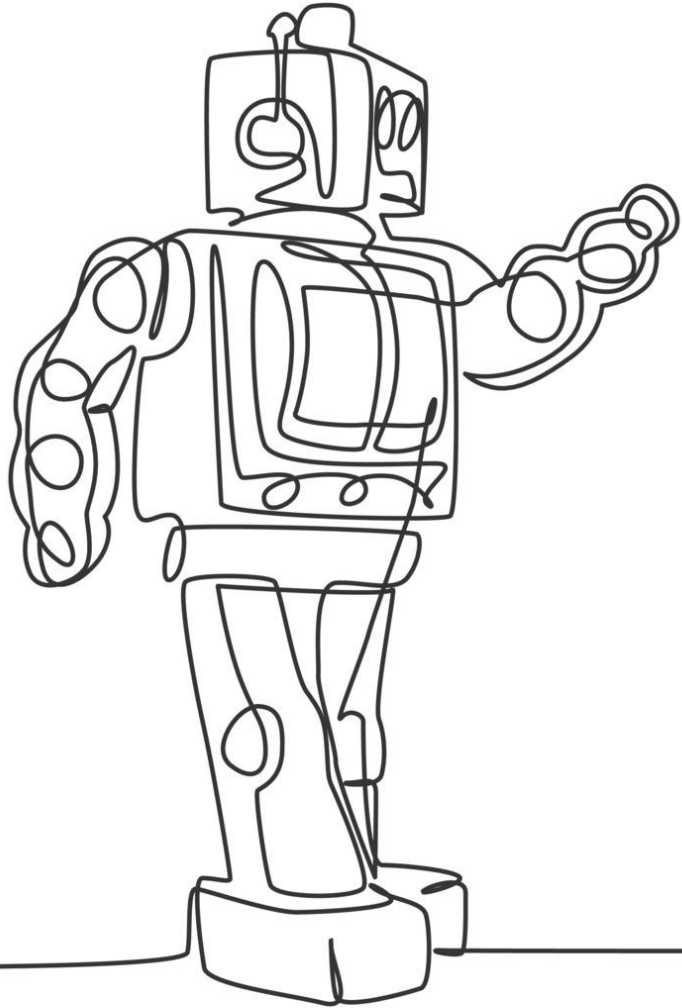
The more productive they are (same work using fewer people, or more work with the same people), **the faster the wealth of the country grows.**

Productivity growth is wealth creation.

Ageing countries have 3 choices

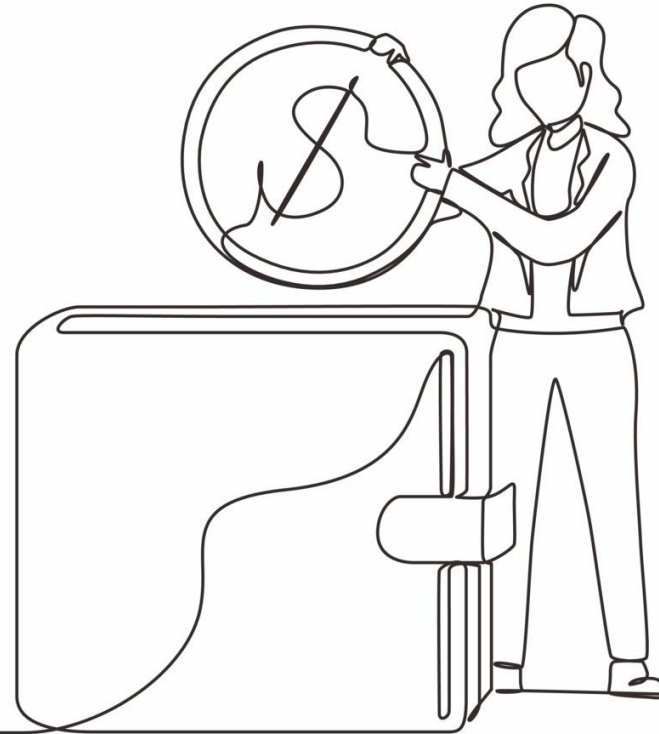
Immigration (Germany)





Technology (Japan)

Export capital

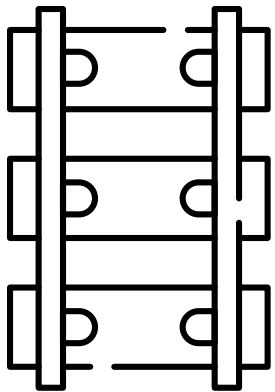


Africa needs to attract the capital
of the ageing world, or we will
lose our best to emigration

Making Africa investable

Africa has

- the largest number of landlocked countries in the world
- no navigable rivers
- Poor roads and rail infrastructure



Rail is five times as expensive as transporting by water, but still half the price of road freight

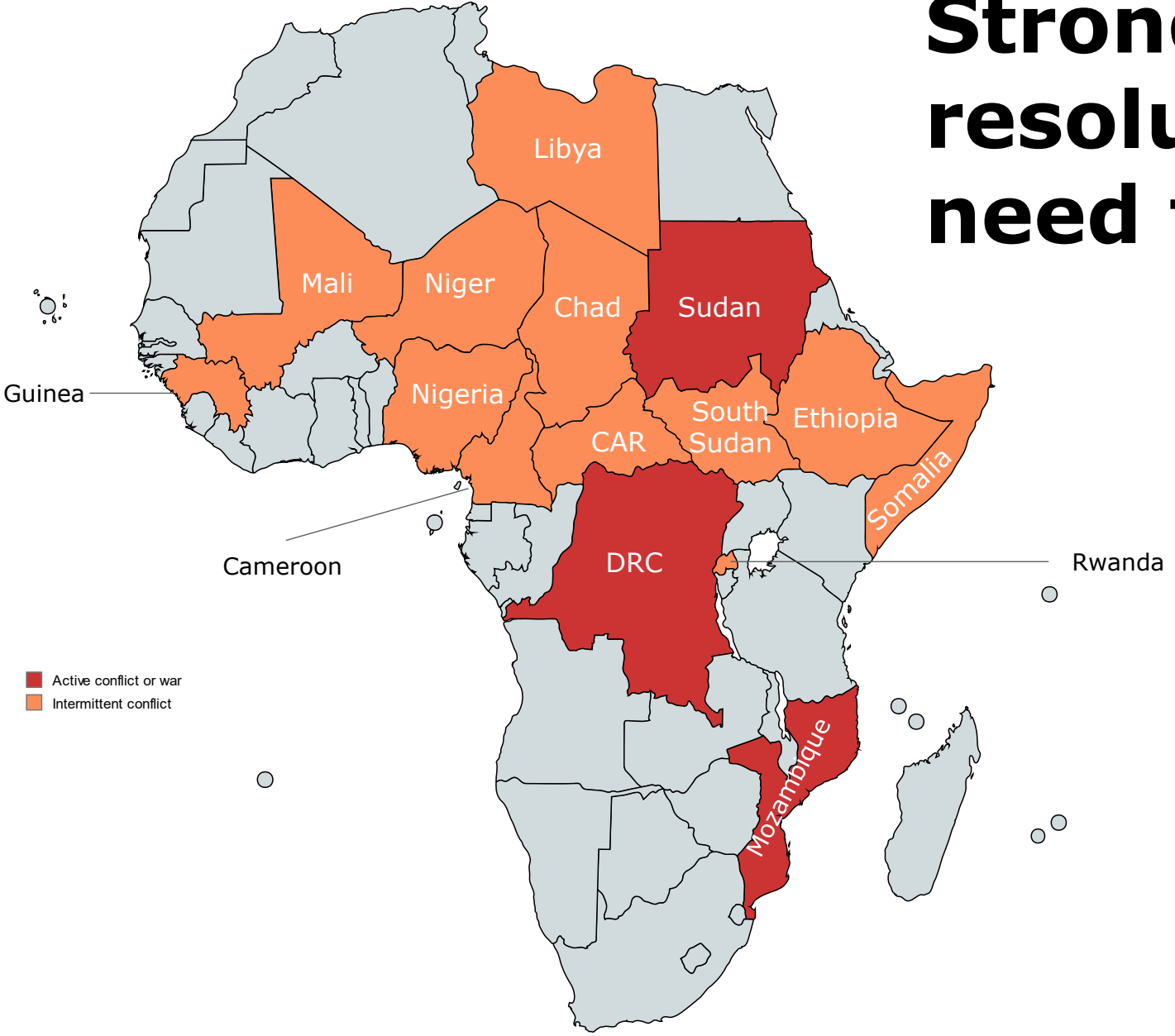
Africa must invest in significant rail infrastructure

Chongqing is a seaport in China, 1 000 km inland

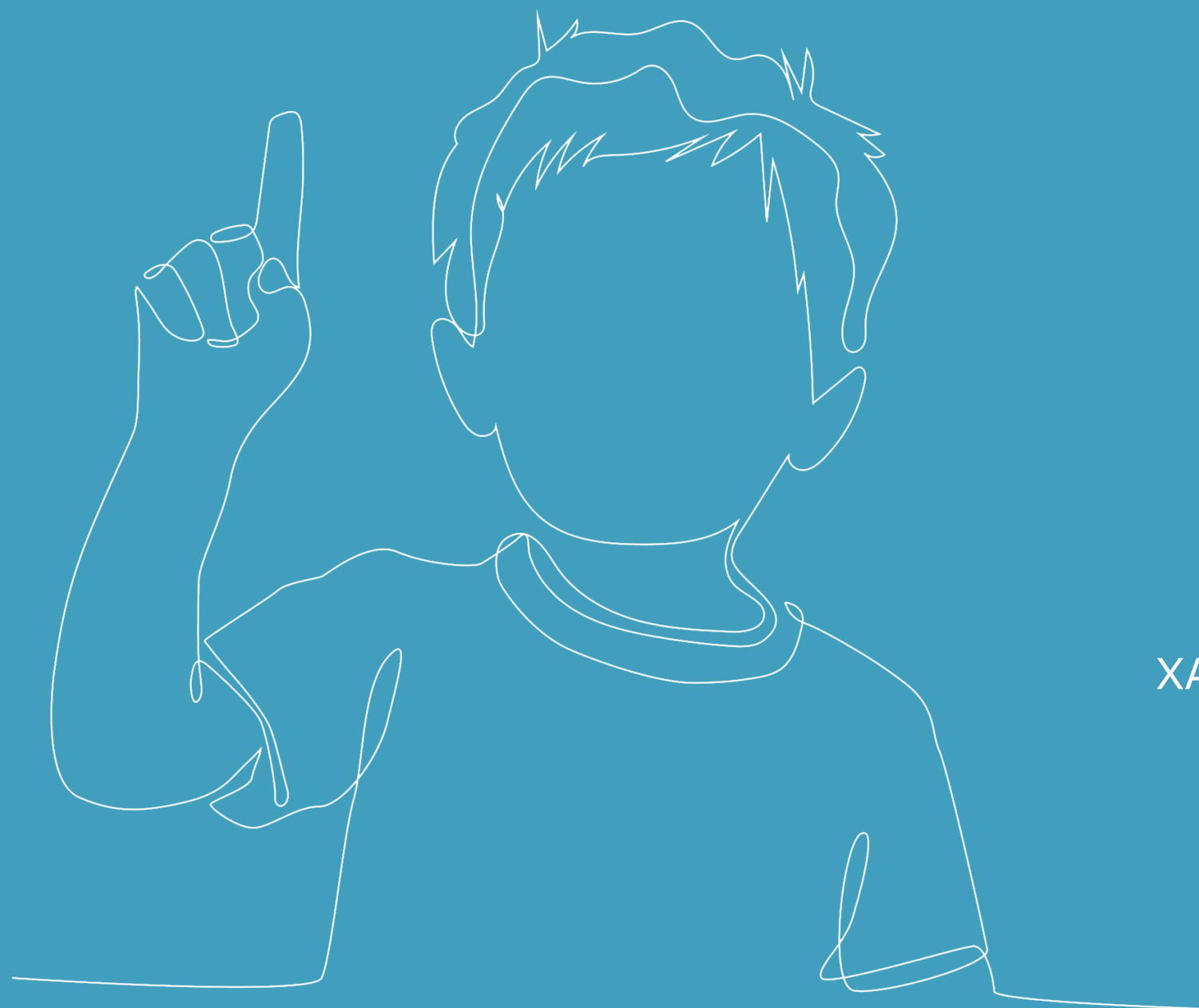


**Chongqing is a seaport,
1 000km's inland**

Strong, credible dispute resolution mechanisms need to be developed



If you want to sell cars in Africa in the next few decades, there need to be enough Africans who can afford cars, which requires Africa's economy to grow faster than its population.



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