

Global Value Chains: Where are You?

The Missing Link in sub-Saharan Africa's Trade Integration

Regional Economic Outlook for Sub-Saharan

Africa
African Department

International Monetary Fund

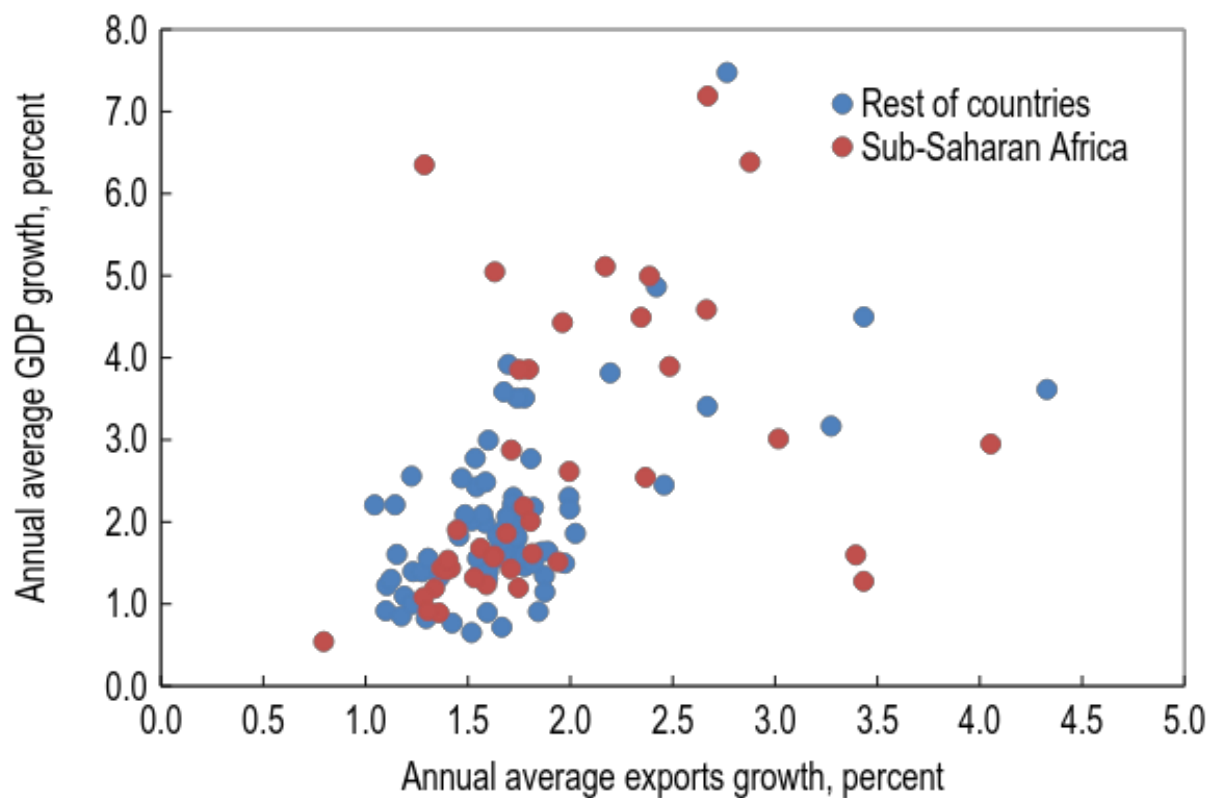
April 2015



Context



Emerging and Developing Countries: Annual Average Growth of GDP and Exports, 2000–13



Note: Sample includes emerging and developing countries with 2013 GDP per capita below US\$ 20,000.

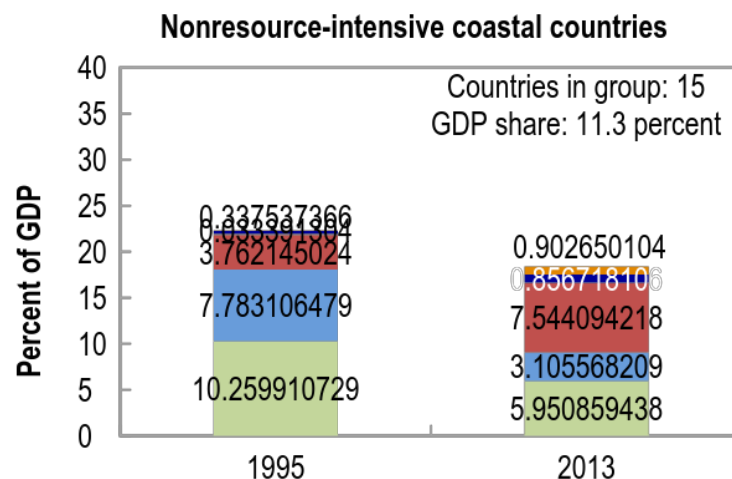
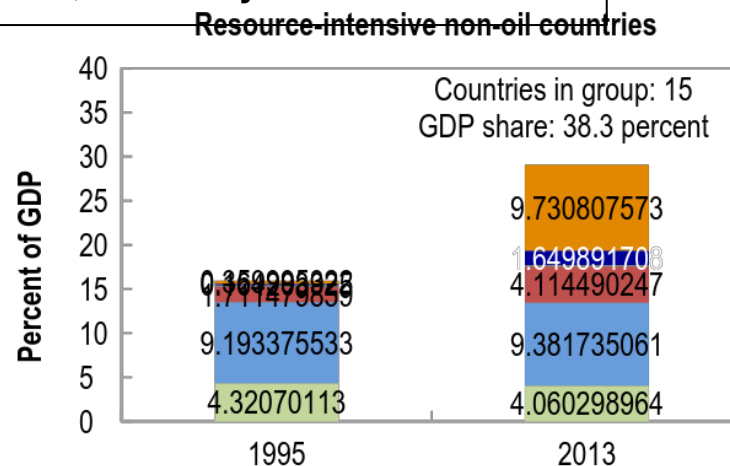
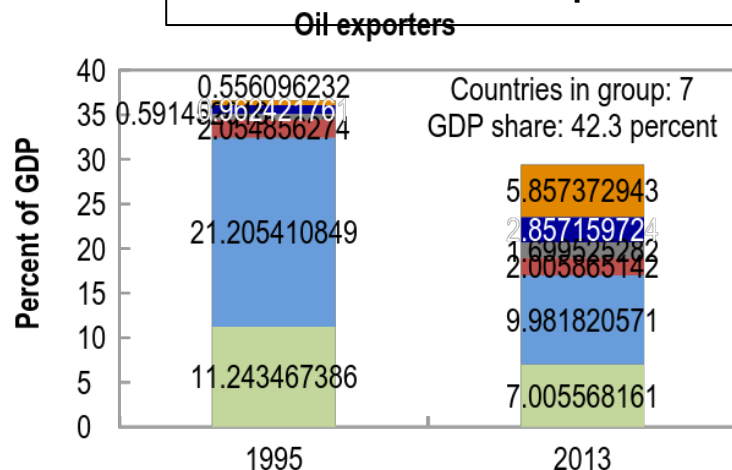


- **Sub-Saharan Africa in the Global Trade Network**
- Trade and Macroeconomic Performance
- Policy Options to Integrate into Global Value Chains

A rapid expansion in the last 20 years, marked by new partnerships ...



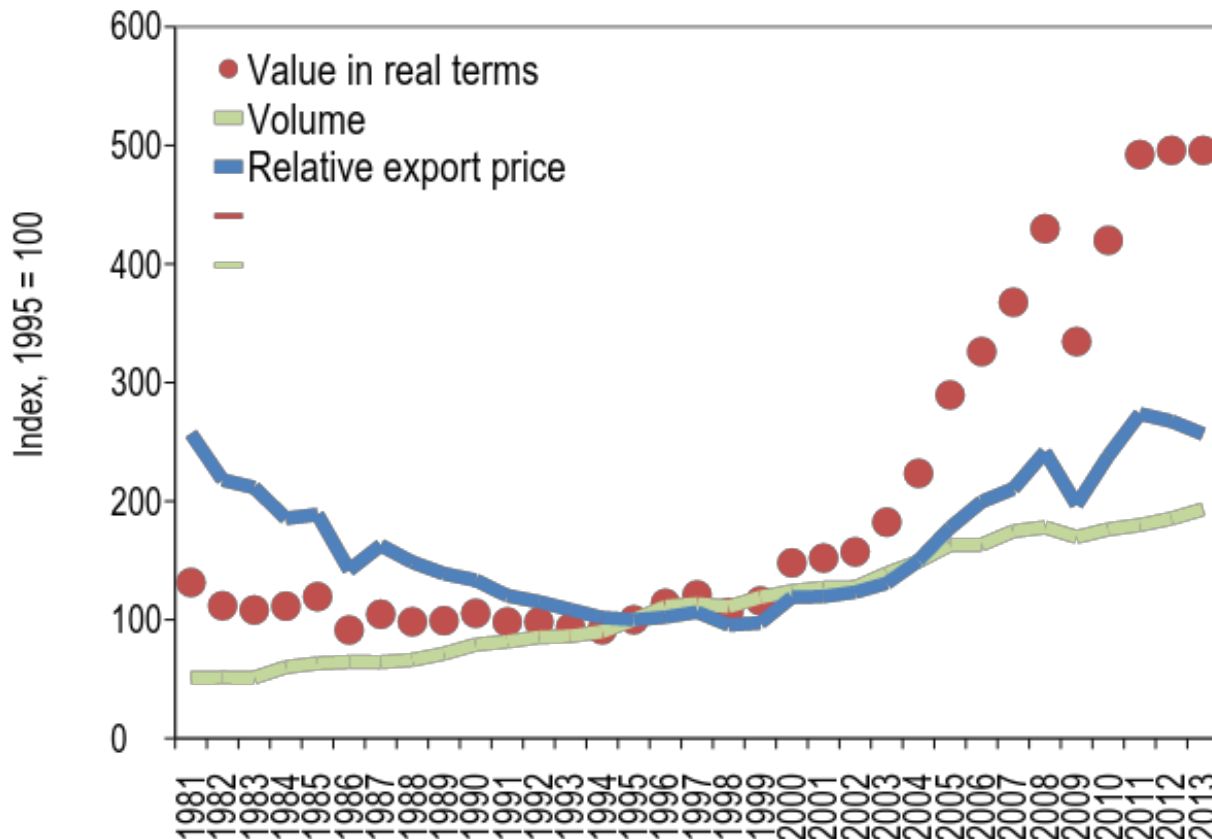
Sub-Saharan Africa: Exports of Goods, Shares by Partner 1995-2013



Developments in prices and volumes of exports provided a boost for the expansion of trade ...



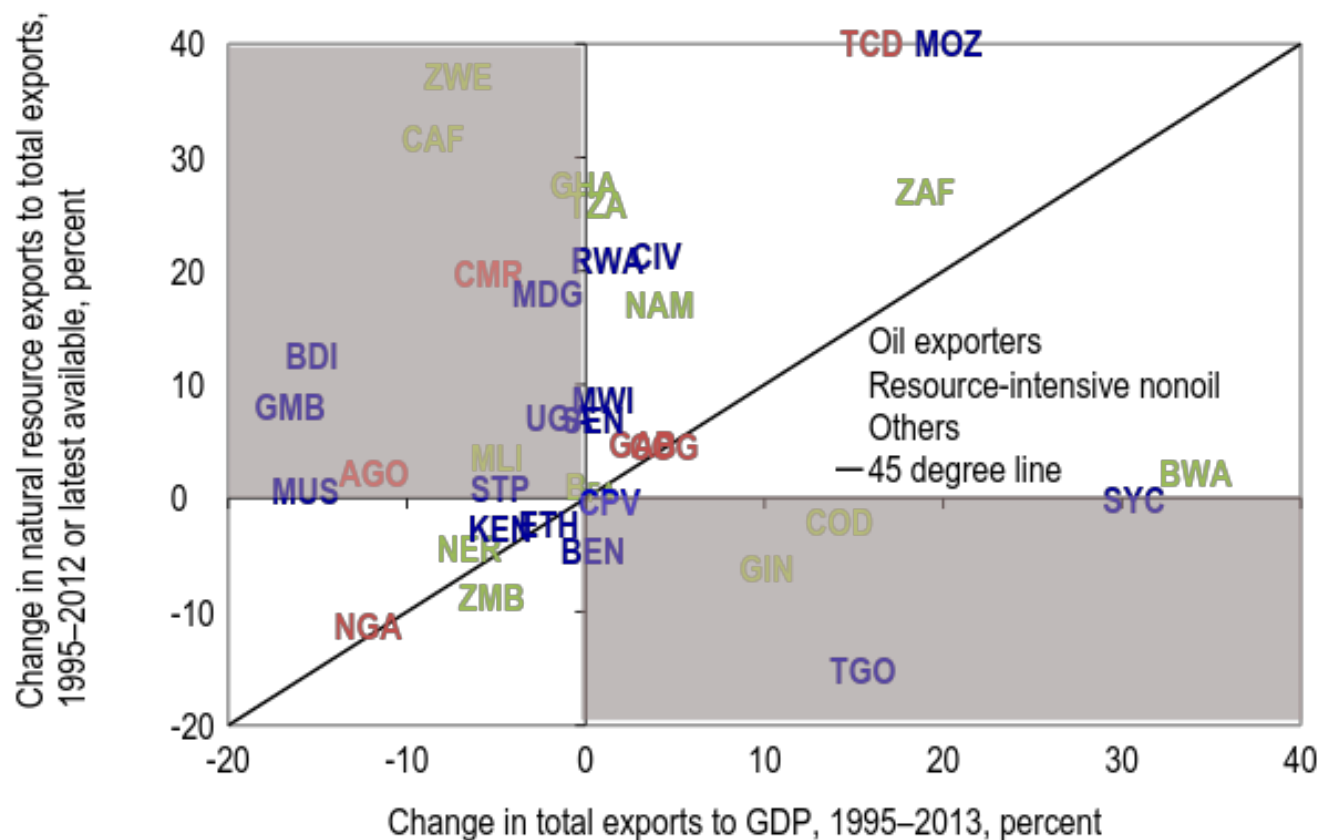
Sub-Saharan Africa: Real Export Value Decomposition, 1981–2013



... but it is not all about commodities



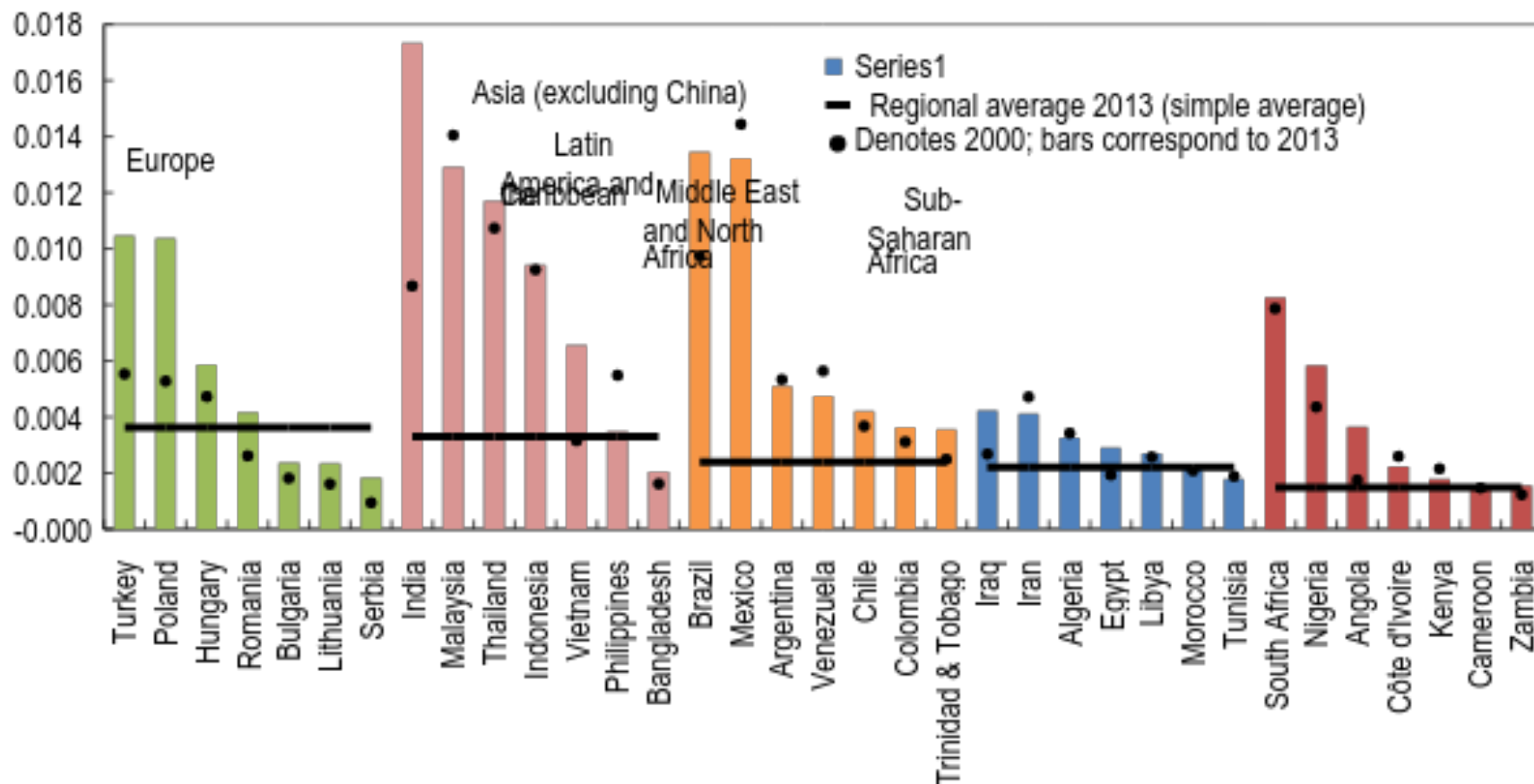
Sub-Saharan Africa: Change in Exports Shares



The rapid expansion of SSA's trade, however, has barely matched the rapid growth of global trade flows



World: Trade Centrality per Region, 2000-13



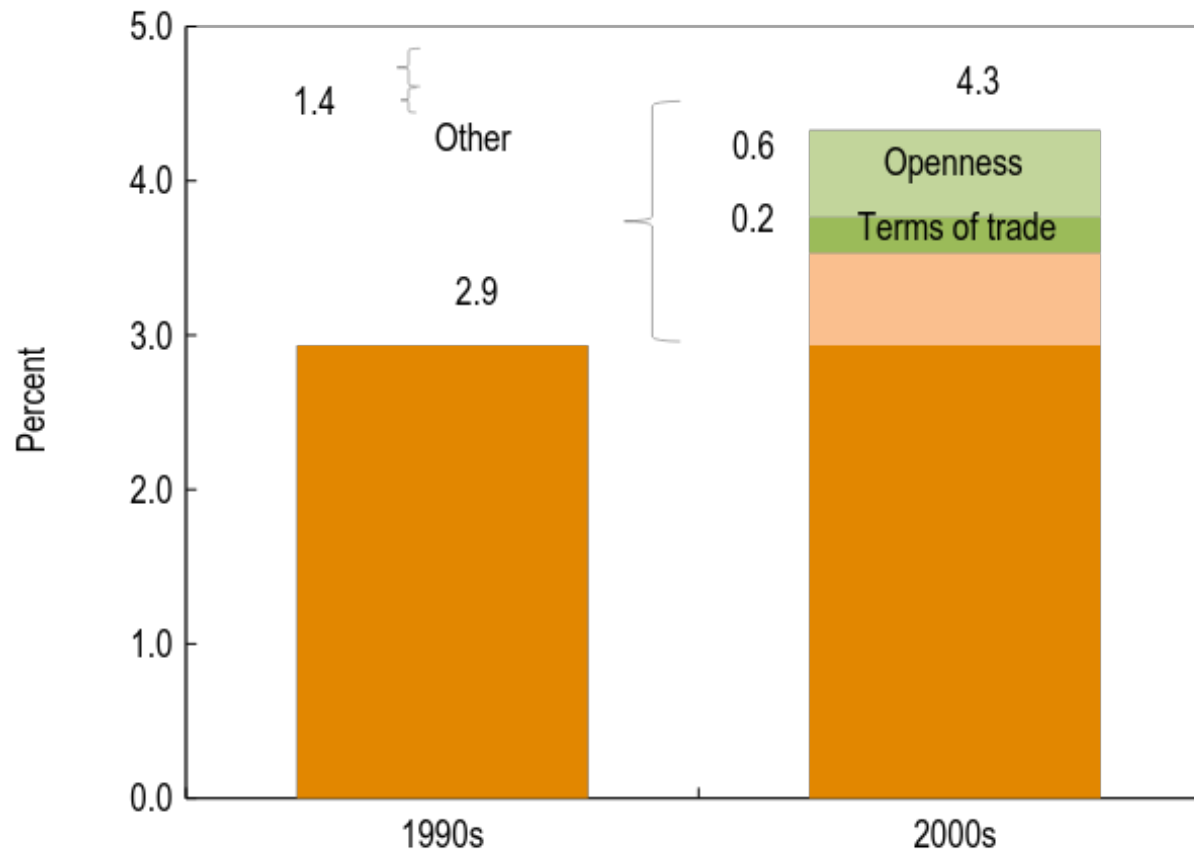


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Expanded trade has been a boon for growth...



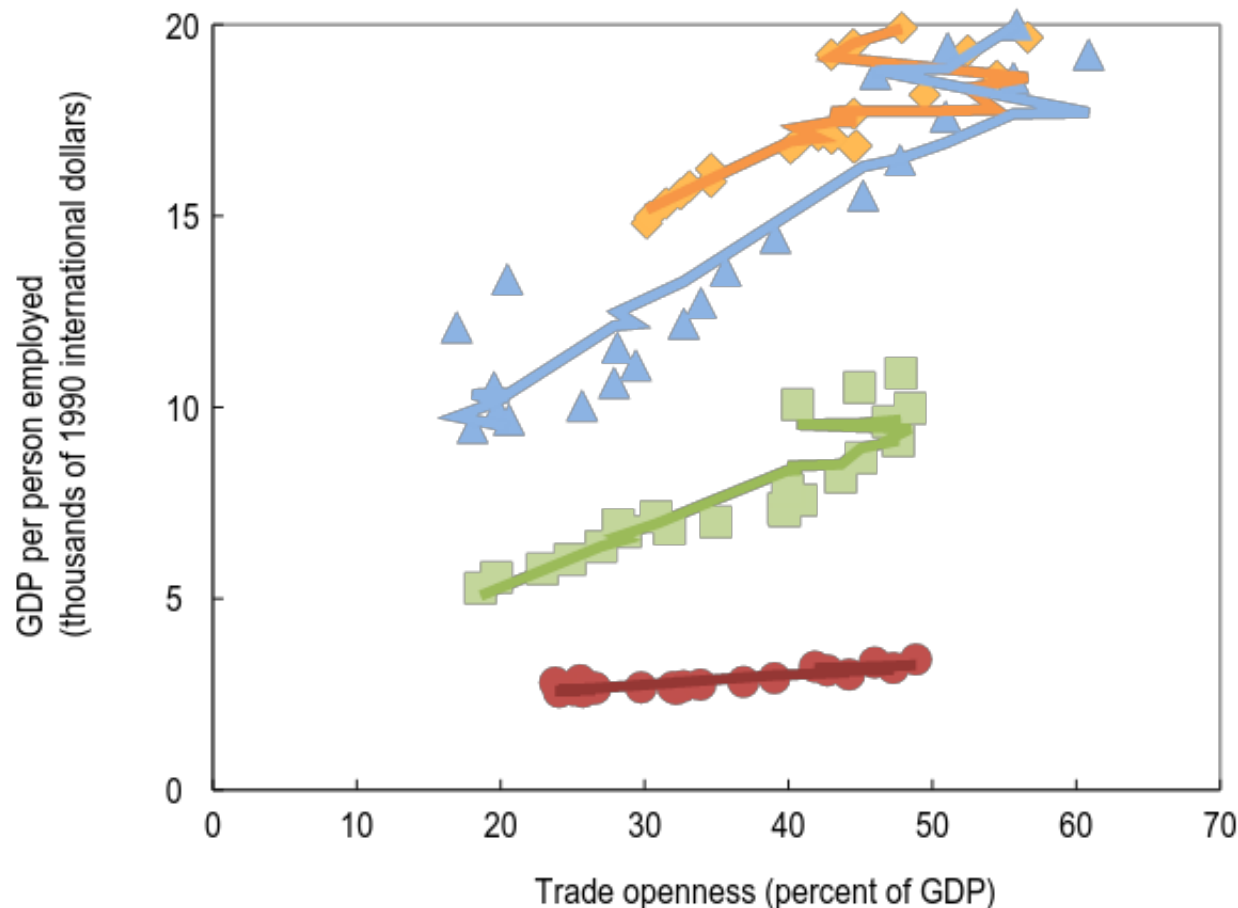
Sub-Saharan Africa: Annual per Capita GDP Growth



...but has not translated into as much productivity gains as in other regions



Sub-Saharan Africa: Trade Openness and GDP per Person Employed, 1990-2011



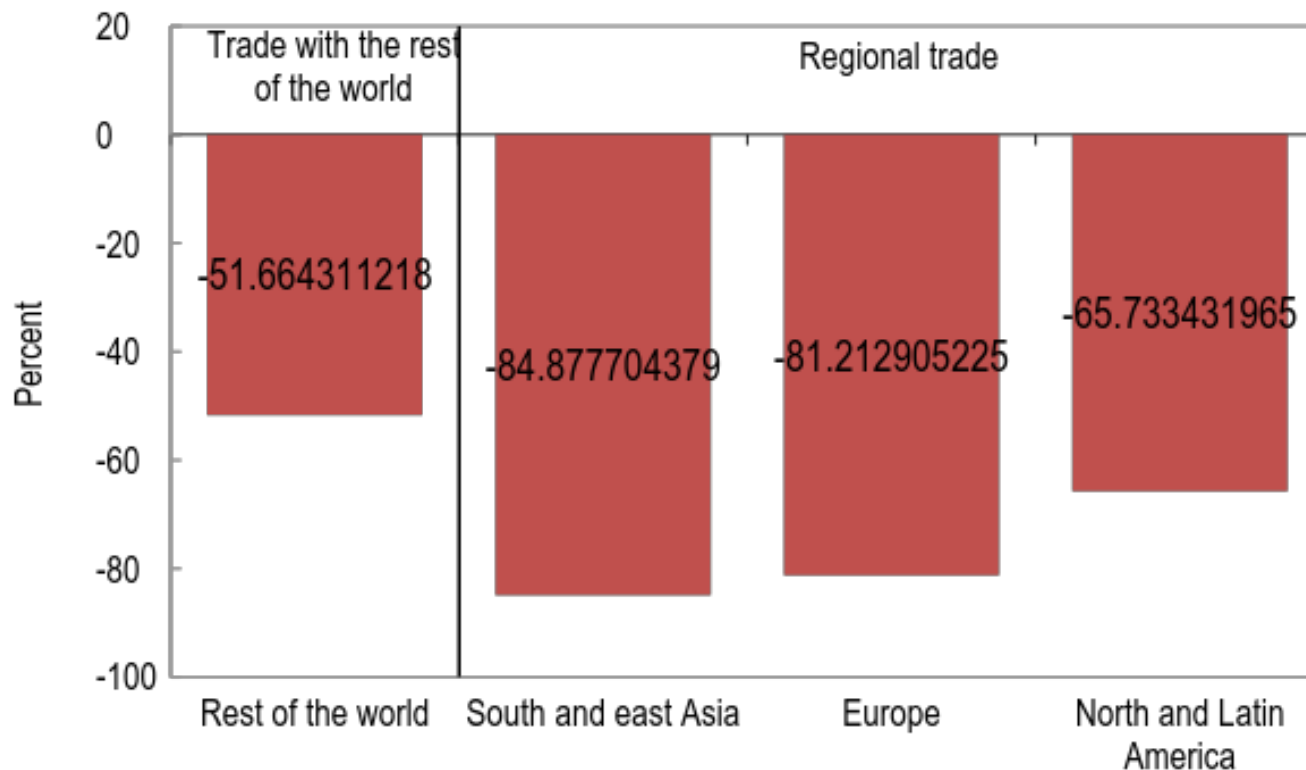


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Still substantial potential for further trade integration...



Sub-Saharan Africa: Trade Flows Compared with Other Regions

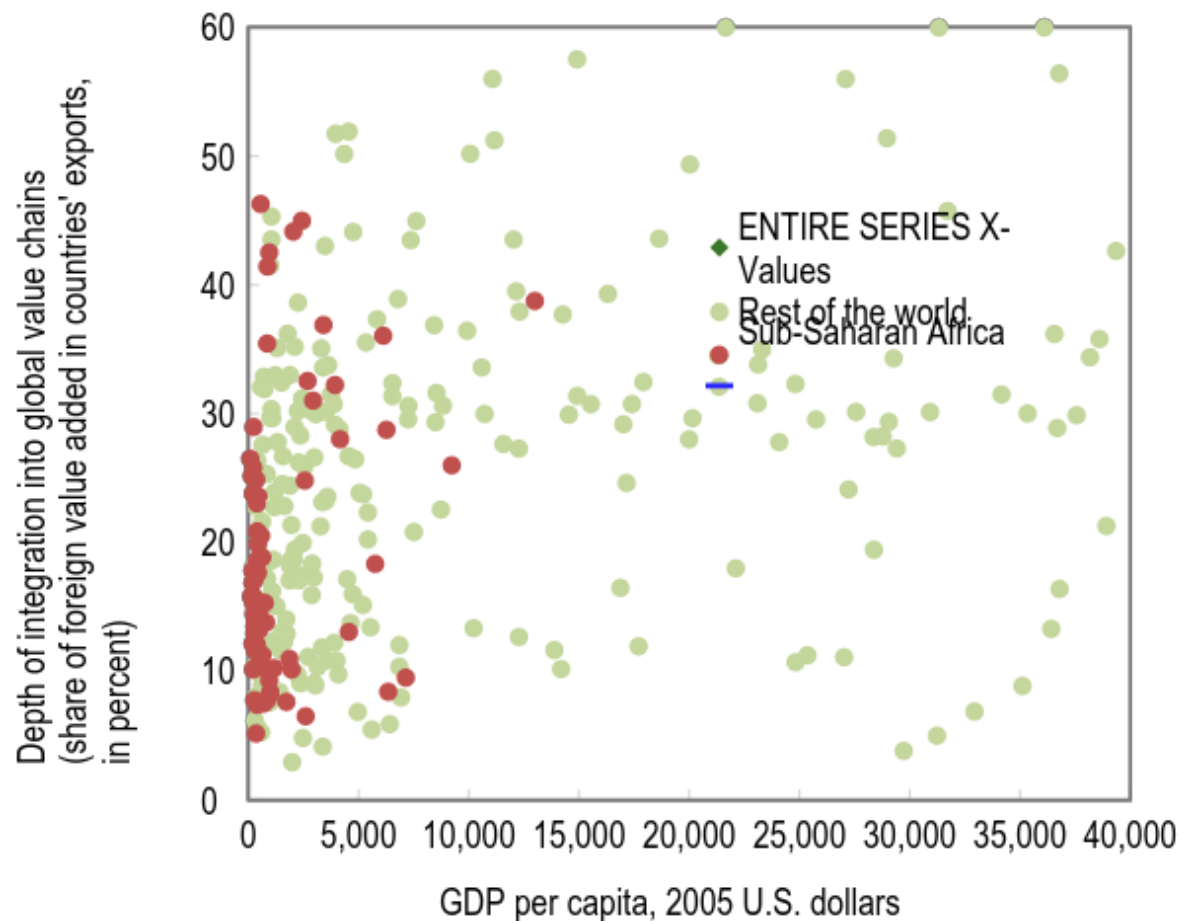


Note: Sub-Saharan Africa trade compared with trade of other regions, after controlling for size, level of development, cultural ties, and geographical conditions.

...and integration in Global Value Chains (GVC)



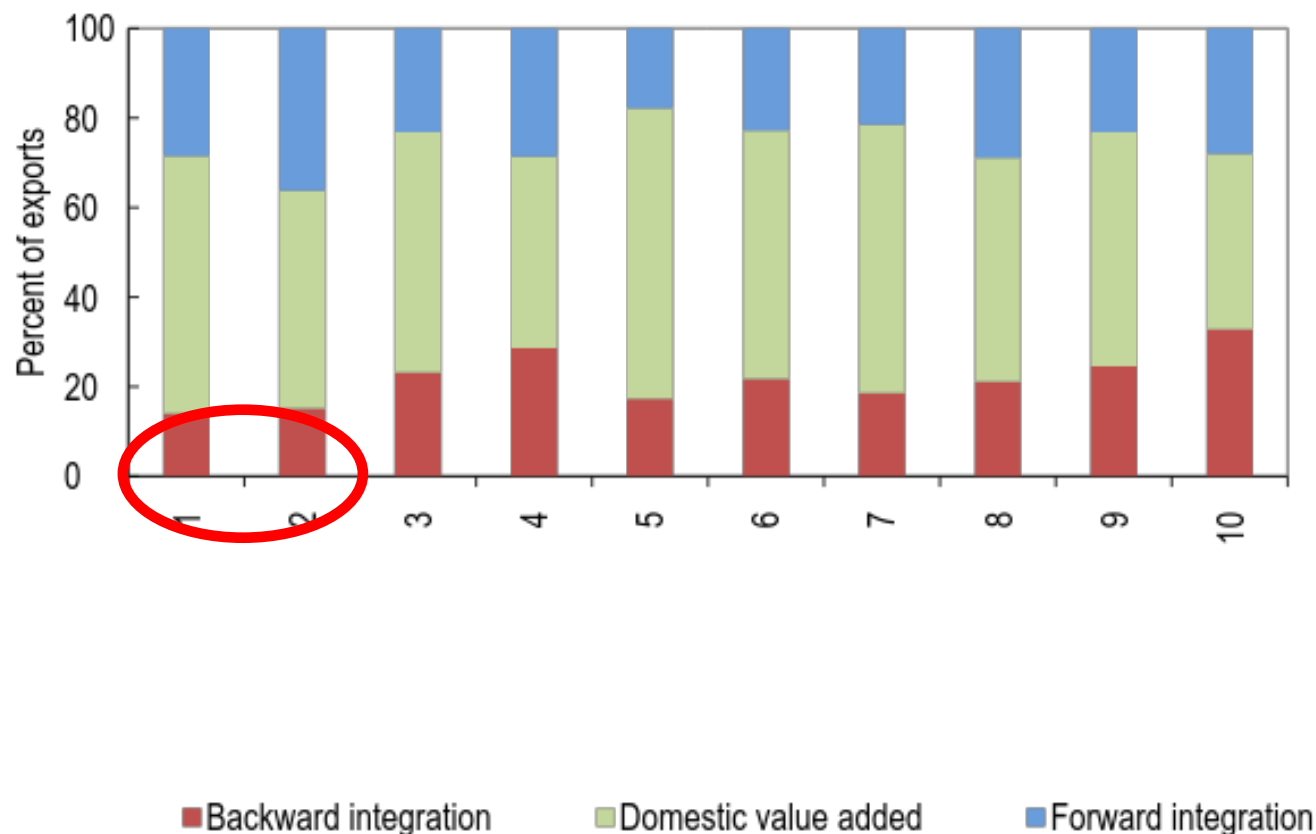
Depth of Integration in Global Value Chains and Real GDP per Capita,
Average 1991–95 and 2008–12



Sub-Saharan Africa as a whole still has some way to go to integrate in GVCs...



Sub-Saharan Africa: Global Value Chains Participation, Average 1991–95 and 2008–12

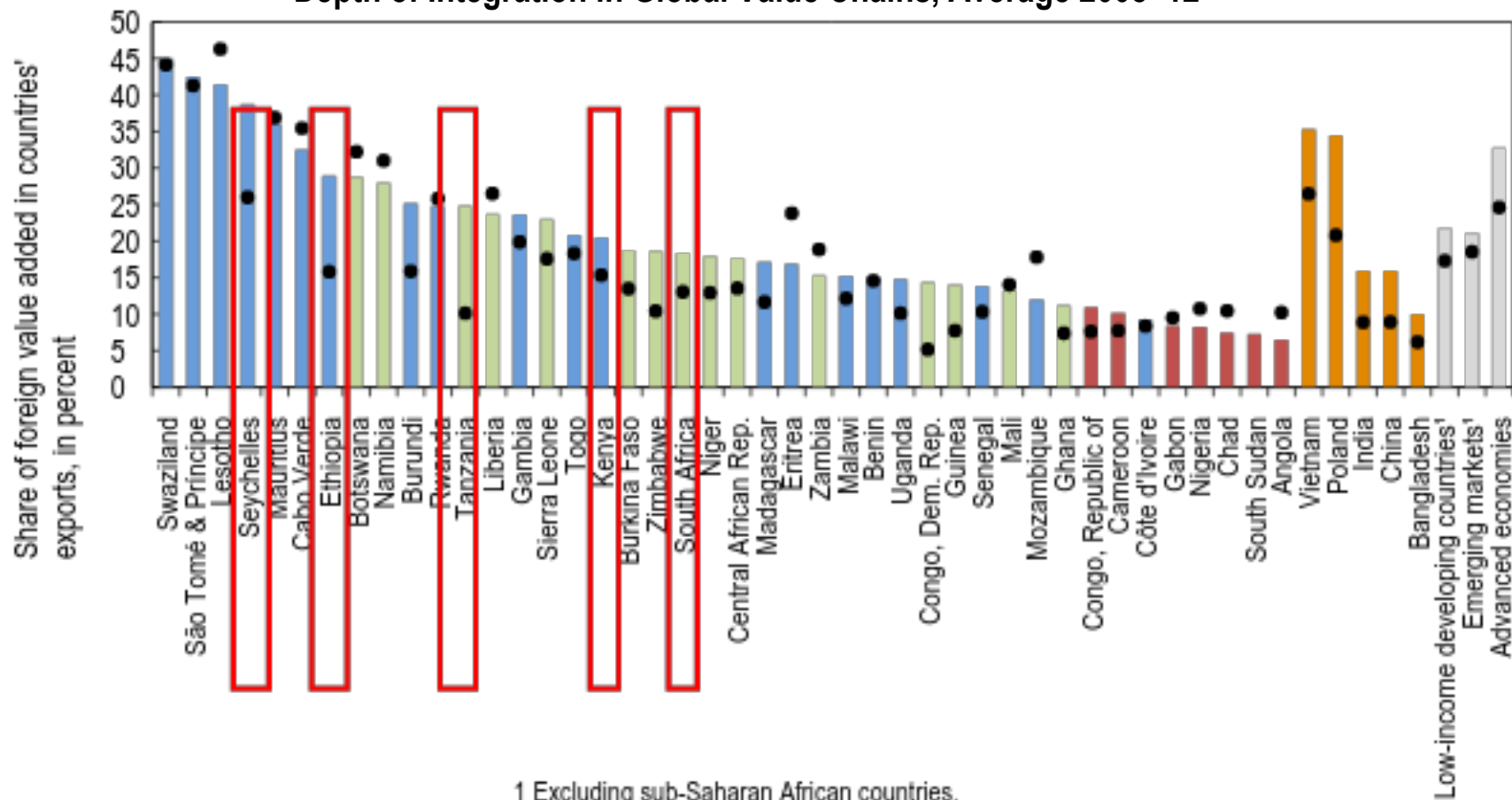


¹ Excluding sub-Saharan African countries.

...but there is heterogeneity across the region



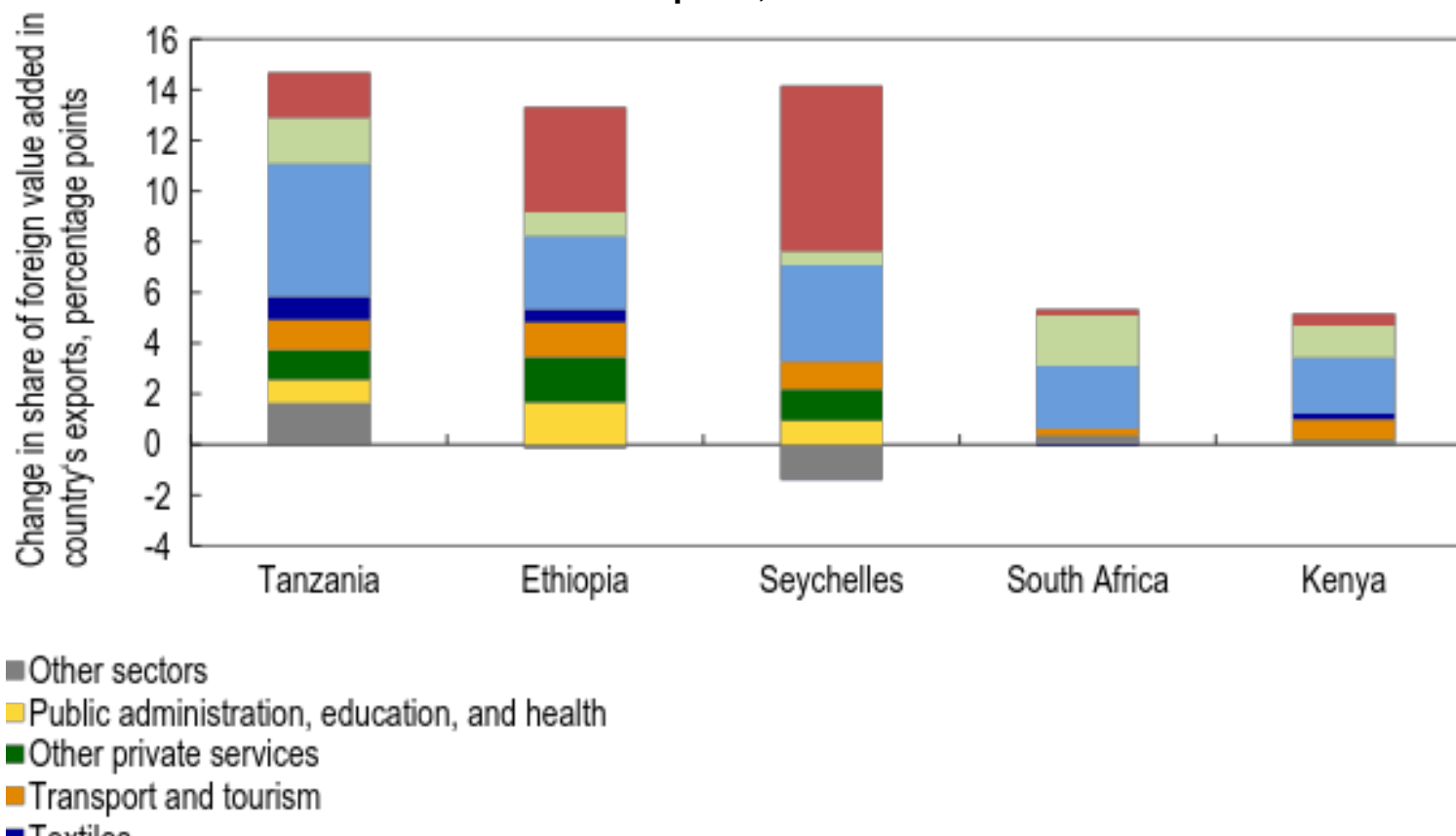
**Sub-Saharan Africa and Comparator Countries:
Depth of Integration in Global Value Chains, Average 2008–12**



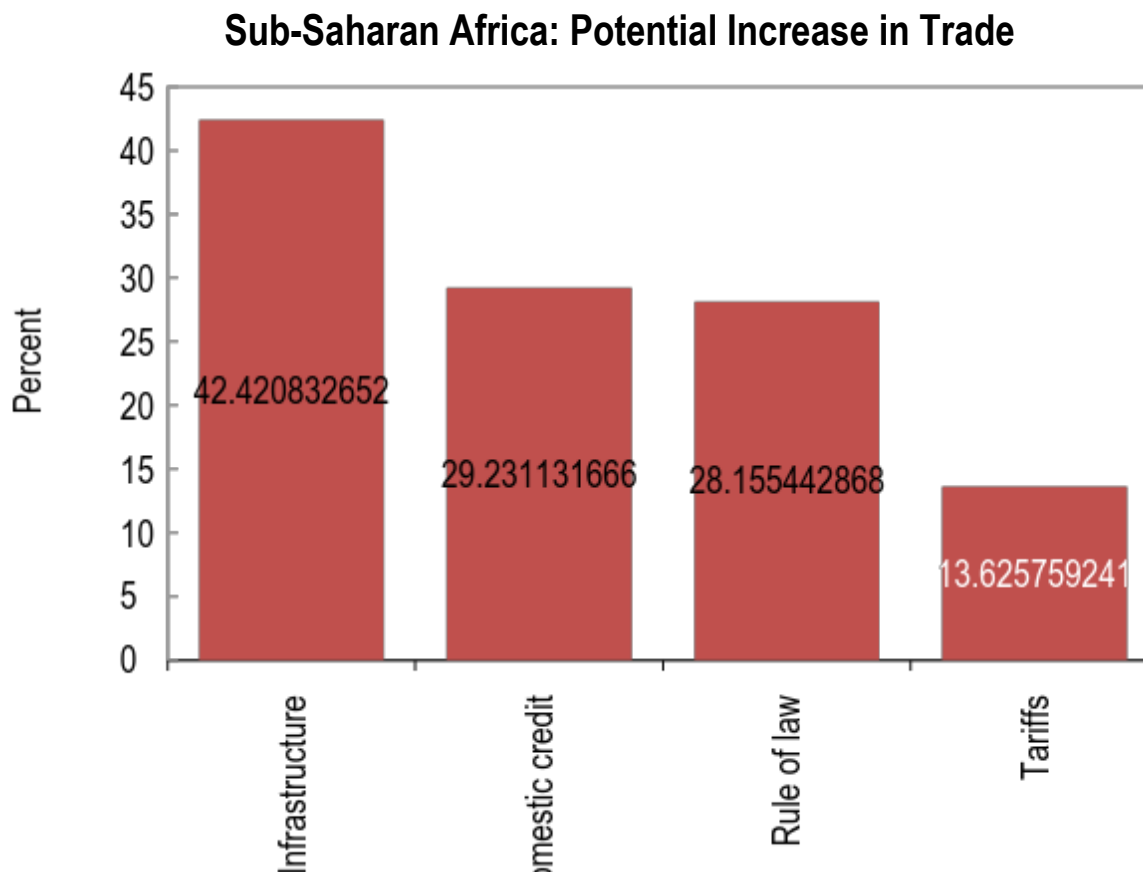
Some countries have made substantial progress



**Selected Sub-Saharan African Countries:
Sectoral Contributions to Change in Share of Foreign Value in Exports
Added in Exports, 1991–95 to 2008–12**



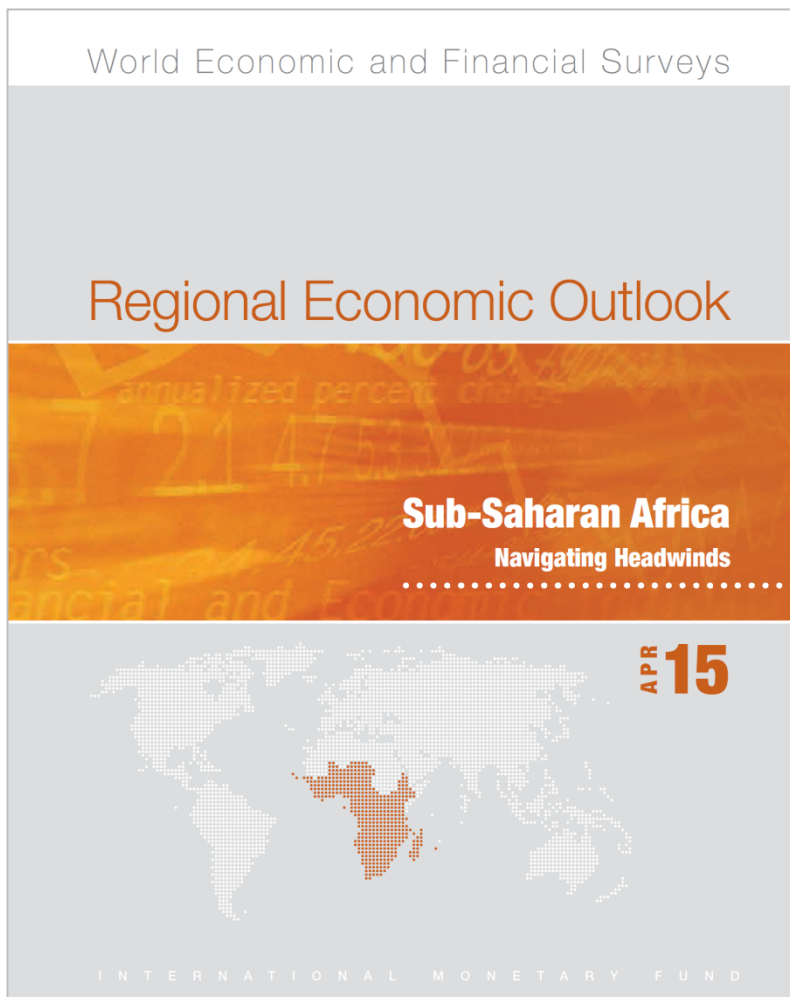
Policy levers to facilitate further trade integration



Note: Percent increase in sub-Saharan Africa's trade if the variable moves from the average for sub-Saharan Africa to the average for the rest of the world.



- A formidable expansion in SSA's trade over the last 20 years, but still significant potential for further trade integration.
- Integration in Global Value Chains can provide that opportunity, and support economic diversification and structural transformation.
- Better infrastructure, lower tariffs and nontariff barriers, and improved access to credit, business climate and education outcomes key to that process.



Thank You!

The online edition of the
Regional Economic Outlook
for sub-Saharan Africa
is now available at
www.imf.org