



Africa

-Opportunities for Entrepreneurship

Dr. Jack M. Wilson
Distinguished Professor
of Higher Education, Emerging Technologies, and Innovation

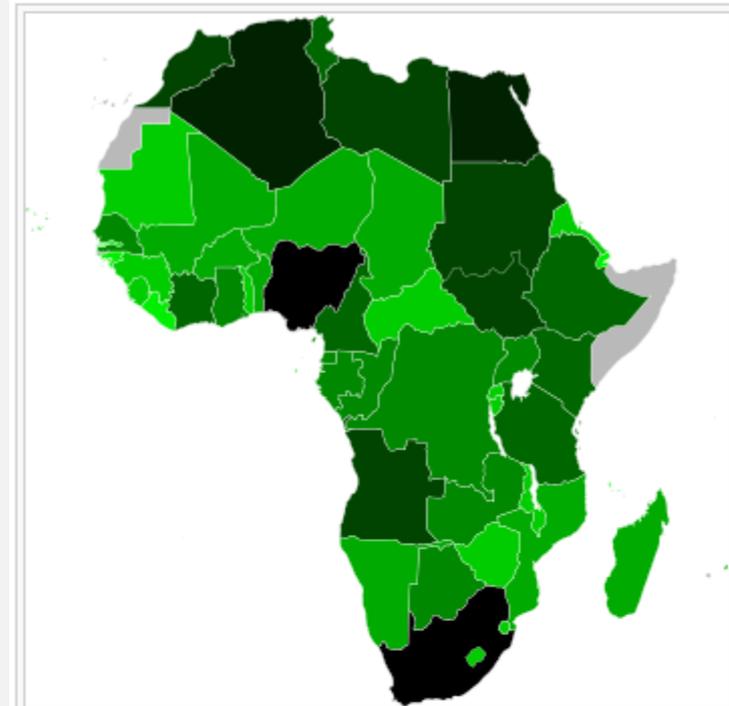


Some of the major changes we have seen

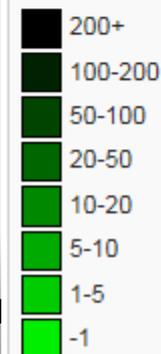
- South Africa has overcome apartheid and grown to lead African Economic Development.
- Egypt experienced what many called “the Arab Spring” as they overthrew the long term government of Hosni Mubarek in 2011. Later elections in 2012 brought Mohammed Morsi to power. After he issued edicts placing himself above the law, he was forced to rescind those edicts and eventually removed from power by the military in July 2013.
- Other North Africa Countries such as Libya and Tunisia (where the Arab spring began in 2010) saw changes in Government and instability.
- Political instability has been a major challenge for economic development throughout Africa -with much of that due to the struggle for power between Islamic and non-Islamic groups.

African Economic Development

- http://en.wikipedia.org/wiki/Economy_of_Africa
- The unevenness of African development and the instability of governments, particularly in the north (the Maghreb), is a major challenge to economic development.



National GDP per capita ranges from wealthier countries the north and south to poorer states in the east. These nominal GDP figures from the World Bank (2008) are converted to billions of US dollars.



Africa –largest GDP

Country	Total GDP (nominal) (billion US\$)	GDP per capita (US\$, PPP)	GDP Growth (%), 2007-2011
Nigeria (2013)	509.9	5,863	6.8
South Africa	408.2	11,035	2.7
Egypt	229.5	6,324	5.2
Algeria	188.7	8,715	2.7
Angola	101.0	5,930	9.1
Morocco	100.2	4,986	4.3
Libya (2009)	62.4	16,855	4.0
Sudan	55.1	2,141	4.1
Tunisia	45.9	9,415	3.0
Ghana	39.2	1,884	8.3
Kenya	33.6	1,718	4.2
Ethiopia	31.7	1,116	9.7
Cameroon	25.5	2,383	3.1
Ivory Coast	24.1	1,803	1.1
Tanzania	23.7	1,521	6.8
Equatorial Guinea	19.8	36,515	8.8
Zambia	19.2	1,623	6.4
Botswana	17.6	14,753	3.0
Gabon	17.1	15,960	3.6
Uganda	16.8	1,354	7.4
Réunion (France)	16.0	8,233	
Democratic Republic of the Congo	15.6	375	5.9
Congo	14.7	4,429	4.9
Senegal	14.3	1,981	3.5
Mozambique	12.8	982	6.9
Namibia	12.3	6,826	3.7
Mauritius	11.3	14,523	4.5
Mali	10.6	1,099	4.5
Burkina Faso	10.2	1,310	4.9
Madagascar	9.9	972	2.3
Zimbabwe	9.9 (N/A)		0.6

Worlds largest markets ([http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)))

List by the International Monetary Fund (2014)

Rank ↕	Country/Region ↕	GDP (Millions of US\$) ↕			
	<i>World</i>	77,301,958 ^[9]			
	 <i>European Union</i> ^[n 1]	18,495,349 ^[9]			
1	 United States	17,418,925	16	 Indonesia	888,648
2	 China	10,380,380 ^[n 2]	17	 Netherlands	866,354
3	 Japan	4,616,335	18	 Turkey	806,108
4	 Germany	3,859,547	19	 Saudi Arabia	752,459
5	 United Kingdom	3,056,499	20	 Switzerland	712,050
6	 France	2,846,889	21	 Nigeria	573,652
7	 Brazil	2,353,025	22	 Sweden	570,137
8	 Italy	2,147,952	23	 Poland	546,644
9	 India	2,049,501	24	 Argentina	540,164
10	 Russia	1,857,461 ^[n 3]	25	 Belgium	534,672
11	 Canada	1,788,717	26	 Taiwan	529,550
12	 Australia	1,444,189	27	 Norway	500,244
13	 South Korea	1,416,949	28	 Austria	437,123
14	 Spain	1,406,855	29	 Iran	404,132
15	 Mexico	1,282,725	30	 United Arab Emirates	401,647



Economy Types

- Stage 1 ‘factor’-driven economies,
 - where countries compete primarily on the use of unskilled labor and natural resources and companies compete on the basis of price as they buy and sell basic products or commodities.
- Stage 2 ‘efficiency’-driven economies,
 - where growth is based on the development of more efficient production processes and increased product quality.
- Stage 3 ‘innovation’-driven economies,
 - where companies compete by producing and delivering new and different products and services by using the most sophisticated processes.

GEM ECONOMIES BY GEOGRAPHIC REGION AND ECONOMIC DEVELOPMENT LEVEL, 2014

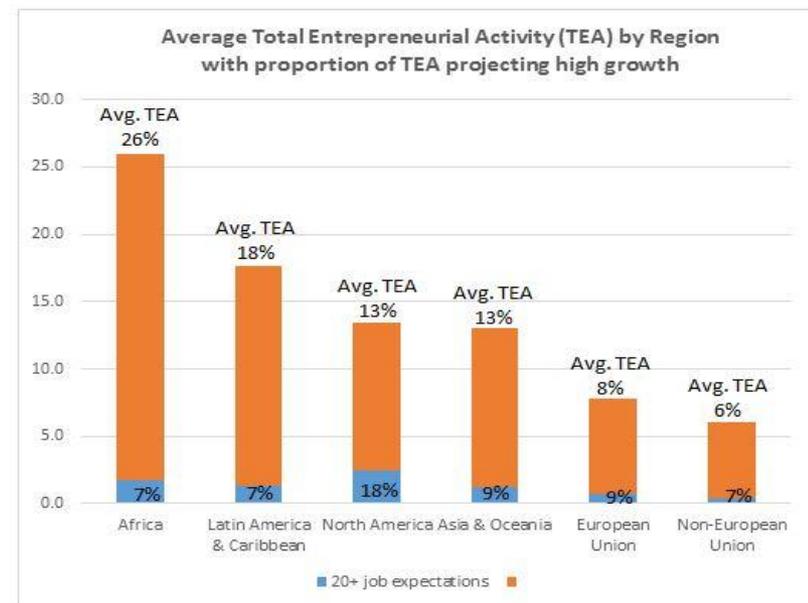
	<i>Factor-driven Economies</i>	<i>Efficiency-driven Economies</i>	<i>Innovation-driven Economies</i>
Africa	Angola ¹⁾ , Botswana ¹⁾ , Burkina Faso, Cameroon, Uganda	South Africa	
Asia & Oceania	India, Iran ¹⁾ , Kuwait ¹⁾ , Philippines ¹⁾ , Vietnam	China, Indonesia, Kazakhstan ²⁾ , Malaysia ²⁾ , Thailand	Australia, Japan, Singapore, Taiwan, Qatar
Latin America & Caribbean	Bolivia ¹⁾	Argentina ²⁾ , Barbados ²⁾ , Belize, Brazil ²⁾ , Chile ²⁾ , Colombia, Costa Rica ²⁾ , Ecuador, El Salvador, Guatemala, Jamaica, Mexico ²⁾ , Panama ²⁾ , Peru, Suriname ²⁾ , Uruguay ²⁾	Puerto Rico, Trinidad and Tobago
European Union		Croatia ²⁾ , Hungary ²⁾ , Lithuania ²⁾ , Poland ²⁾ , Romania	Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Netherlands, Portugal, Slovenia, Slovakia, Spain, Sweden, United Kingdom
Non-European Union		Bosnia and Herzegovina, Georgia, Kosovo, Russian Federation ²⁾ , Turkey ²⁾	Norway, Switzerland
North America			Canada, United States

- 1) In transition to Efficiency-driven economies
 2) In transition to Innovation-driven economies

GEM Results in 2014

– (<http://www.babson.edu/news-events/babson-news/Pages/2015-gem-global-report-shows-ambition-rising.aspx>)

- Entrepreneurs in factor-driven economies are more positive about entrepreneurial opportunities to start a new venture and the belief in their abilities to do so. Factor-driven economies tend to move forward in relationship to their levels of institutional support, infrastructure, macroeconomic stability, and health and primary education. Fear of failure, however, is highest among entrepreneurs in innovation-driven economies where innovation and productivity growth are central to economic development.
- African economies report the highest perception of opportunities and perceived skills to act entrepreneurially with the lowest fear of failure rates.
- European Union economies are less optimistic about entrepreneurial opportunities and expressed the lowest perception globally (19.9 percent - Greece; 18.4 percent in Croatia; 17.2 percent in Slovenia; 22.6 percent in Spain; 22.9 percent in Portugal).
- The social value of entrepreneurs varies globally. Starting a new venture is seen as a good career choice in Africa and North America. High status and high media attention are also associated with entrepreneurship in these regions. European Union economies reported the lowest social value ratings.



“Africa's big cities offer investors hope in hard times”

- Reuters; Joe Brock, February 14, 2016
 - <http://news.yahoo.com/africas-big-cities-offer-investors-hope-hard-times-115329539--sector.html>
- “JOHANNESBURG (Reuters) - Africa's biggest economies have been hammered by the collapse in commodity prices over the past 18 months but there are still investment bright spots to be found.”
- “In cities such as Lagos, Nairobi, Accra, Kinshasa and Johannesburg, growth remains robust and investors are prospering in the retail, financial services, technology and construction sectors.”
- “Nairobi is the most attractive destination for foreign investment, according to a 2015 report by PricewaterhouseCoopers, followed by Accra, with Lagos and Johannesburg equal third.
 - Consumption per capita in Accra is 1.6 times greater than the average in Ghana,
 - 2.3 times bigger in Lagos than the average in Nigeria, and
 - 2.7 times larger in Nairobi than nationally in Kenya,
 - Lagos, one of the world's fastest growing cities and with a population of 20 million, expects economic growth of 7 percent this year, twice the pace of the country as a whole.”
- "MEGA-CITY" By 2025, Mckinsey estimates that more than 80 cities in sub-Saharan Africa will have populations of more than one million, accounting for 58 percent of the region's growth.