

The Main Trends and Characteristics of African Economic Development

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This paper provides an overview of African economic development in recent years. Following an analysis of macroeconomic circumstances in African countries, we look at the main trends and characteristics of African economic development.

The three important characteristics are as follows: economic growth coexists with severe poverty, with considerable disparities between regions and countries; resource exploitation and economic diversification are both being pursued; and in carrying out development, African nations place equal stress on their own autonomous development and international coordination.

Given these characteristics, the African economy will continue to grow at a moderate rate, and the macroeconomic circumstances of African countries will continue to improve, but there are still obstacles: the dependency of agriculture on the weather, low national savings rates and low domestic investment rates, the large number of poor people, high unemployment, heavy debt burdens and single-product economic structures. Africa's least developed status in the world cannot be changed in the short run. Therefore, both poverty alleviation and development promotion are important tasks that African countries will face in coming two decades. Although the diversification strategy represented by the IT industry has shown initial vigor, resource exploitation remains the leading industry, and the oil industry is particularly noteworthy. FDI in Africa mainly goes into oil and resource mining, and the reform of the single-product economy still faces challenges. NEPAD is a crucial act that aims to overcome different kinds of challenges in a period when the economics of African countries are becoming increasingly globalized. African national leaders stress economic development and international coordination. African countries will cooperate in the areas of capital construction, funding, agriculture, environment, markets, economic diversification, administration and human resources. The plan has won extensive support from the international community. Despite the difficulties involved in realizing its aims, NEPAD brings hope for an African economic renaissance.