

Macro Roundup Article

Headline: Exploring the Implications of Sub-Saharan Africa's Demographic Explosion

Article Link: <https://www.bridgewater.com/research-and-insights/exploring-the-implications-of-sub-saharan-africas-demographic-explosion>

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Tweet: Bridgewater forecasts that Sub-Saharan Africa (3% of global GDP) will have working-age population growth of ~3% over the next 10 years plus 2% productivity growth yielding annual GDP growth of 4.5-5.5%, vs. 3.5-4.5% for China and 5.5-6.5% for India.

Summary: Sub-Saharan Africa's population is booming. It is projected to account for a quarter of the world's working-age population within a few decades and have more people of working age than China in about 10 years. This means that even if productivity growth is modest, sub-Saharan Africa is on track to be one of the fastest-growing areas in the world, and its role in the global economy, which is very small today, 3% of global GDP, will likely increase as well. Our base case for long-term productivity growth in the region is positive but low, around 2%. This would be an improvement from the past decade of relative stagnation but will still keep the region in poverty with limited impact on the rest of the world in the coming decades. Combined with working-age population growth of a little under 3%, this yields a future growth estimate of 4.5-5.5%, compared to 3.5-4.5% for China and 5.5-6.5% for India. Even with anemic productivity growth, the demographic baseline means that sub-Saharan Africa will likely grow as a share of global GDP—but it will remain quite small. Related: The World Is Becoming More African and Europe Hopes Barbed Wire Will Keep Migrants Out. It Won't and Saudi Forces Accused of Killing Hundreds of Ethiopian Migrants

Primary Topic: Growth

Topics: Demographics, GDP, Growth, Immigration, Other Source, Workforce

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