

Africa can be world's next economic hub

With the right policies and linkages, Africa can become an indispensable global economic hub, Singapore's Senior Minister Tharman Shanmugaratnam said at the Kofi A Annan Eminent Speakers' Lecture series in Abidjan.



Singapore's Senior Minister, Tharman Shanmugaratnam

The minister outlined five strategies which must underpin the continent's transformation drive and efforts to build inclusive growth.

Africa must spread its economic openness by strongly showcasing specialisation along the production value chain and invest more boldly in social foundations. The continent must also maximise policy coherence and effectiveness, think in the long-term and maximise the benefits of global financial system, he said.

"There are challenges, but there are also opportunities. There is much more to be done," said Shanmugaratnam who is also Singapore's coordinating minister for social policies.

He noted that there is a significant interest by Singapore businesses in Africa which needs to be scaled up. "We need to take practical steps to spur this collaboration with more bilateral investment treaties that provide some assurance to investors."

Singapore is the eighth largest foreign investor in Africa. It invested around \$90bn in the continent in 2018.

Youth bulge

In order to build economic resilience and create job opportunities for their bulging youth population, there must be stronger connectivity and economic interaction among developing regions, especially between Africa and Asia which share demographic similarities.

“We are in an unusual time globally - a time of unusual challenge where some of the basic beliefs of how the world prospect together are being challenged. But it's also a time of immense opportunities... in the international economy, in international finance and in international cooperation,” the minister said.

It is projected that in the next decade, Africa will have the largest working age population in the world, larger than China and India with about 1.1-billion people of working age population of between 15 and 64 years.

Shanmugaratnam said African leaders must prepare to take advantage of the strong bulging workforce, coupled with the high mobile technology penetration to drive innovation for growth.

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