



# Why Africa must Shift from Dependence to Diversification, Now

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## Executive Summary

High economic growth rates experienced by most African countries in the last decade have not been sustained, as they were largely commodity driven. The decline in commodity prices has exposed many of these countries, and sharply curtailing growth rates and squeezing fiscal and export revenues. More urgent than ever before, Africa must quickly move to diversify its economies to reduce macroeconomic volatility, avoid the resource curse and sustain higher growth rates, while taking advantage of globalisation and rapid advances in technologies. Yes, it is possible. Some countries, such as Malaysia, Indonesia, Chile and Vietnam, which started with similar natural resource endowments as most African countries have succeeded in diversifying their economies and sustaining higher growth rates for longer periods. Policies that focus on building enabling macroeconomic and business environments, infrastructure, strong institutions, skills and technology development will be critical in building the foundations for economic diversification in Africa.