

## Three key trends for African economic growth in 2018

Digital innovation in Sub-Saharan Africa is being driven by the explosion in mobile phone usage, enabling Africa consumers to leapfrog existing business models and technologies. Ecobank Group Research reveals three key emerging trends for Africa which it believes are strong evidence that Africa is on track for improved growth in 2018.



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The three trends that have demonstrated that Africa has weathered the economic storms of late are:

1. Rebounding economy after a trying year.
2. Gas is West Africa's new oil.
3. Africa's evolving role in FinTech leadership.

The 2017 version of Ecobank Research's *Fixed Income, Currency and Commodities* (FICC) guidebook, which provides expert knowledge and analysis on African markets for investors and businesses, was launched this week at AfricaFICC. Indicating a positive outlook for the continent, the three key trends are forecast to take hold during the next 12 months.

### Economic rebound

The first indicates an [economic rebound in sub-Saharan Africa](#) driven by a recovery in the region's economic heavyweights Nigeria and South Africa, and ongoing growth in the top performers, Ethiopia, Côte d'Ivoire and (more recently) Ghana.

Growth will be driven by a rise in oil production (notably in Ghana, Republic of Congo, Nigeria and Angola), strengthening infrastructure investment across West and East Africa, and improved weather conditions which bode well for crops.

Strengthening economic activity, plus a moderate improvement in oil and mineral prices, will help narrow the current account deficit, but pressure on SSA currencies will remain.

### Developments in gas

The second emerging trend points to [West Africa's gas sector becoming a hive of activity in 2018](#) from Senegal to Angola with the development of gas pipelines, floating liquefied natural gas (FLNG) platforms and major gas field projects.

Governments in the Gulf of Guinea and across West Africa have ramped up efforts to secure gas supply in order to boost

domestic power generation and diversify their revenues away from crude oil.

Deregulating the gas market and allowing market-driven gas prices will be key to unlocking further gas infrastructure investment across the region.

## Digital natives

The third trend suggests [Fintech innovation in Africa picking up speed in 2018](#) buoyed by a new generation of Africans who are 'digital natives'. The proliferation of tech hubs across Africa (notably in South Africa, Kenya, Rwanda, Nigeria, Ghana and Côte d'Ivoire) will nurture the next wave of African start-ups and help connect them with investors.

Digital innovation in SSA is being driven by the explosion in mobile phone usage, enabling African consumers to leapfrog existing business models and technologies.

African Fintech firms are increasingly driving this innovation, deploying digital tools to build credit profiles for the previously 'unbankable', providing electricity to rural households that were previously off the grid, even using artificial intelligence to diagnose health problems remotely.

Edward George, head of Ecobank Group Research, said: "We think these three trends are strong evidence that Africa has weathered the storms of late and is very much on track for improved growth in 2018.

"The digital world moves apace, and so must we. The AfricaFICC website is a key way that we can deliver our regional market analysis and expert local knowledge of 41 African markets – which is often hard to access – to a much wider audience."

The Ecobank Research Centre is dedicated to providing the highest quality research for clients to help them navigate the complex African marketplace. Areas covered include; Economics, Banking and Financial services, Oil, Gas & Power, Soft Commodities, Trade and Digital Innovation.

*\*As part of the FICC digital launch, Ecobank Research invites you to join them on November 16, for a series of online Africa Chats, where the three emerging trends will be debated in greater detail:*

- Chat 1 [@10am](#) GMT: Africa's rebounding economy.
- Chat 2 [@12pm](#) GMT: Why gas is West Africa's new oil.
- Chat 3 [@2pm](#) GMT: Africa's growing FinTech leadership.

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