The resource-rich countries are the driving force of the Sub-Saharan African (SSA) economy, and account for more than 80% of the total GDP of SSA. The export of non-renewable natural resources from SSA has increased from US$56 billion in 2002 to US$288 billion in 2012. In comparison, total official development aid to Sub-Saharan Africa was US$46 billion in 2012. We estimate that 27 SSA countries can be classified as resource-rich in 2014, which is a significant increase since 2010; and four additional countries are likely to become resource-rich in the future.
The International Monetary Fund (IMF) defines a country to be ‘resource-rich’, when exports of non-renewable natural resources such as oil, minerals and metals account for more than 25% of the value of the country’s total exports. IMF has classified 20 countries in Sub-Saharan Africa as being resource-rich. This classification was based on data from 2005-2010, and included Angola, Equatorial Guinea, Congo Dem. Rep., Nigeria, Guinea, Gabon, Congo Rep., Chad, Botswana, Zambia, Sierra Leone, Mali, Namibia, Niger, Cameroon, Zimbabwe, Tanzania, Ghana, Central African Republic and South Africa.

Based on the IMF definition, our analysis of data from 2012 and 2013 demonstrates that seven new countries can be classified as resource-rich countries today. The additional countries are the Ivory Coast (Côte d’Ivoire), Mauritania, Liberia, Burkina Faso, Sudan, South Sudan and Mozambique.

In addition, four SSA countries have prospects of becoming resource-rich in the nearby future. Whereas Uganda recently has begun exploration of oil, Kenya and Madagascar are still in the exploration phase. Malawi is expanding their extractive industries rapidly with exploration of oil, uranium and coal.

The updated mapping of resource-rich SSA countries illustrates the increasing importance of and dependency on the extractive industry. However, many SSA resource-rich countries have been unable to translate the resource wealth into inclusive social development. Potential tax revenues tend to evaporate as a result of generous tax breaks granted by governments and aggressive tax planning by multinational corporations. Moreover, corruption, ineffective governance systems and the existence of a global web of tax havens are additional barriers preventing revenues from natural resources from benefitting the vast population in SSA.

Governments, civil society and the private sector should jointly work towards (i) improved policies and enforcement of legal frameworks governing the extractive industries, (ii) more transparent and accountable management of revenues, and (iii) efficient and democratic redistribution of revenues benefitting all parts of society. These three steps could assist SSA countries in turning natural resource wealth into inclusive social development, which would benefit all stakeholders.

NOTES

5 IMF 2013: “Boom, bust, or prosperity? Managing Sub-Saharan Africa’s natural resource wealth” p 6
6 UN Comtrade statistical yearbook 2013 for Ivory Coast, EITI Mauritania, EITI Liberia, EITI Burkin Faso, World Bank country profiles for Sudan and Southern Sudan, National Bank of Mozambique annual report 2012
7 KPMG 2013: “Oil and gas in Africa” and US Energy Information Administration 2013: “Emerging East Africa Energy”

ABOUT THE AFRICA AGAINST POVERTY PROGRAMME

Africa Against Poverty (AAP) is a regional advocacy programme focusing on extractive industries, fair taxation and other emerging development challenges in Sub-Saharan Africa. The programme was launched in 2004 with the objective of linking community concerns and voices with national and global policy responses. AAP supports a number of civil society organizations in Mozambique, Ghana and Sierra Leone, and collaborates with pan-African and European organizations and networks. The programme is an important contribution to IBIS’ overall work for a just world in which all people have equal access to education, influence and resources.