



[Image](#)

## Who Owns Africa: Deep Dive Below the Surface

By [Dr. Diana Rangaves](#), PharmD, RPh

More than fifty nations make up the African continent, but only a few account for more than half of its total income. Despite recent losses in Africa's largest economies, wealth creation has remained strong in various areas, and [total private wealth](#) is now projected to reach US\$2.1 trillion. **Twenty-one billionaires exist in Africa today.** Africa's economies are becoming less reliant on the extractive sector, and economic conditions are generally improving.

Additionally, the future of private wealth on the continent seems promising. By 2031, total private wealth in Africa is projected to increase by about 40%, reaching US\$3 trillion.

### Africa's' economic system.

When it comes to ownership, the economy plays a significant role. Most of Africa has a mixed economy; this system has elements of capitalism and socialism. A diverse economy protects private property and permits some economic freedom in the use of capital, but it also allows government intervention in the economy to further social objectives.

During the five decades of post-colonial governance, the State controlled many African economies. During this time, the State formed big government-owned companies, enacted trade

restrictions, began industrializing import substitution, created agricultural [marketing](#) boards to regulate prices, and built a sizable public sector.

The private sector was damaged and hindered by these policies. Most African countries liberalized their economies during the 1970s and 1990s by implementing structural adjustment programs because state-led planning failed to produce many results. The reforms that they implemented gave the private sector considerable room to grow. The private sector's role in the development agenda is to stimulate economic activity because it produces goods and services that contribute to national income and finance development. **The private sector is now universally acknowledged as Africa's primary driver of growth and progress.**

You can categorize industries as public, private, or joint sectors depending on who owns them. In contrast to private [enterprises](#), which are owned and operated by [businesses](#), public sectors are owned and managed by the government. Government and private parties work together to operate joint sectors.

The private sector significantly impacts the continent's GDP and export earnings. According to AfDB (2011), Africa's private sector is responsible for more than 80% of the continent's overall production. This means that the success of the private sector will determine how healthy the African economy is. The gross domestic product of a country, which calculates the value of all products and services generated there in a given year, is a typical way to describe the size of its economy.

## Major source of wealth in Africa.

Africa has various natural resources, including forests, water, oil, natural gas, minerals, and arable land. Many of the world's natural resources, both renewable and non-renewable, are found on this continent.

About 30% of the [mineral](#) reserves, 8% of the natural gas reserves, and 12% of the global oil reserves are found in Africa. Up to 90% of the world's chromium and platinum are found on the continent, along with 40% of the world's gold.

Africa has the world's greatest uranium, cobalt, diamonds, and platinum reserves. It contains 10% of the planet's internal renewable freshwater supply and 66% of the world's arable land. Between 30 and 50 percent of most African nations' overall wealth is natural capital.

Sub-Saharan Africans rely on forests and woods for more than 70% of their daily needs. Land is both a sociocultural resource and a resource for economic growth.

There are over 136,000 high-net-worth persons residing in Africa, although there are only 6,700 of them with assets worth more than \$10 million. **Only 305 Africans have private properties worth at least \$100 million, and there are only 21 [billionaires](#) on the continent.**

The fact that South Africa, Egypt, and Nigeria have experienced negative private wealth growth rates of -12%, -23%, and -27% during the past ten years, contributing to a 7% fall in Africa's wealth growth since 2011, is evidence of how much the top-earning nations affect the continent's overall wealth.

Johannesburg, Cairo, Cape Town, Lagos, and Nairobi are the [top five cities](#) with the most millionaires, with populations of 16,000, 8,200, 6,900, 5,500, and 5,400. Over two times as many millionaires live in South Africa as in any other African nation.

By revenue, South Africa has the continent's largest luxury market, followed by Kenya and Morocco. Over the following ten years, the African wealth management market is anticipated to expand by 60%. The continent has a lot to gain by banding together and using its abundant natural resources to finance development initiatives and advance prosperity. Yet, it must also ensure that natural resource exploitation and growth in the future are goal-oriented, climate resilient, and sustainable.

## **Richest countries in Africa.**

While there are many ways to compare the wealth of different countries, one of the better approaches is to gauge each one's GDP. This is the [total cost](#) of all the commodities and services a country produces in a given year. GDP is frequently first modified for Purchasing Power Parity (PPP), which adjusts each country's GDP relative to local prices and is expressed in a fictitious currency called international dollars to make country-to-country comparisons more accurate.

GDP is a significant indicator, but it also covers a lot of ground. For instance, it ignores the number of citizens contributing to a nation's GDP, so a nation with a large, inefficient workforce can report a greater GDP than a nation with a smaller, effective workforce. Economists frequently use GDP per capita, which divides gross domestic output by the nation's population, to gain a more detailed look at these and other characteristics.

By 2050, it is anticipated that the African economy, driven by its commerce, agricultural, and natural resource sectors, will have a GDP of \$29 trillion. Twenty million job seekers are added to the region's workforce each year, with the population of sub-Saharan Africa alone. In terms of technology, Africans are beginning to catch up with the rest of the world.

## **The wealthiest countries in Africa.**

Unlike "gross domestic product" (GDP), which is a monetary indicator of the market value of all products and services generated in a nation over a certain period, "wealth" measures the value of all the assets of value owned by a person, community, company, or nation.

The wealthiest African nations include South Africa, Egypt, Nigeria, Morocco, and Kenya. The first three nations each have a private wealth of US\$651 billion, US\$307 billion, and US\$228 billion, totaling US\$1.18 trillion, or 56% of Africa's total wealth of US\$2.1 trillion.

With a combined private wealth of \$125 billion and \$91 billion, respectively, Morocco and Kenya round out the top five wealthiest countries on the continent.

## **Wrap up.**

Africa lags well behind Asia and Latin America. Yet, the continent's young population and quickly expanding economies bode well for the luxury sector over the next ten years and beyond. The recent wave of oil and gas found in a few African nations may create prospects for a new generation of millionaires to get rich rapidly, resulting in a booming luxury sector market. However, volatile oil prices, like the recent drop, pose serious risks, particularly for nations like Nigeria, Angola, and South Sudan that rely heavily on a single resource.

Compared to the \$280 billion worldwide market, Africa's \$4 billion luxury sector is still a tiny portion. Nevertheless, over the next ten years, the continent will be the second region after the Middle East to drive growth.

## **Sources.**

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Inbox - dianarangaves@gmail.com | (3) Suzanne Manula, MBA, CPA | Grammarly - Grammarly

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