

## **Market Country Profile: Sub-Saharan Africa**

### **Market Overview**

In July 2023 Euromonitor International released an in-depth study of the region. The report is titled “Sub-Saharan Africa: A Rising Economic Frontier?” In it they reported that Sub-Saharan Africa is a rising frontier, but economic growth will remain uneven across the region as countries will remain at varying stages of development. While Gross Domestic Product (GDP) is forecast to more than double in real terms over 2022-2040 in Sub-Saharan Africa, most of the progress will arise from East Africa which is set to become one of the fastest-growing regions in the world.

Sub-Saharan Africa remains a small economy despite its large population. In 2022, Sub-Saharan Africa accounted for 15% of the global population, yet its economic footprint was lower, generating just 2% of GDP. An overly large dependence on less productive sectors of the economy, especially agriculture, inhibits their economic growth. Sub-Saharan Africa is home to one of the youngest populations, with 62% being under the age of 25 years — considerably more than in the US (31%), China (29%) or Europe (27%). It gives the region an unequivocal advantage in benefiting from its demographic dividend if economic opportunities can be realized. It is also one of the most rapidly urbanizing regions with eight of the 10 fastest-growing urban populations being in Sub-Saharan Africa between 2010 and 2022.

Sub-Saharan Africa faces corruption issues, macroeconomic instability, and poor infrastructure, among other challenges. This greatly reduces the region’s ability to progress and improve the standard of living of its population. In 2022, more than half of the urban population was living in slums, while poverty remains rife.

Sub-Saharan Africa presents numerous opportunities which include the region’s digital economy, green economy, natural resources, consumption potential and improving value chains. Its large, young, and growing urban population will supplement the region’s labor force and will help it capitalize on its large demographic dividend. Sub-Saharan Africa remains a heterogeneous economy with countries at different stages of development. Yet a uniting factor is that many are endowed with relatively weak economic environments. Sub-Saharan Africa remains well-positioned to take advantage of its landscape, climate, and natural resources due to the green transition. Mining companies have been allocating significant investment into the extraction of metals, to spearhead carbon-neutral developments in sectors such as clean transportation and renewable energy. Sub-Saharan Africa can leverage its favorable climate to boost renewable energy generation for domestic purposes and export needs.

U.S. exports of processed foods totaled US\$577 million in 2022, which was growth of 8% over the previous year and an all-time record high. In fiscal year (FY) November 2023 U.S. processed food exports to Sub-Saharan Africa have grown 6% to US\$545 million. Top destinations in the region for U.S. processed foods included South Africa,

Nigeria, Ethiopia, Democratic Republic of Congo (DRC), Cameroon, Ghana, Kenya, and Togo.

Top U.S. processed food exports to Sub-Saharan Africa in 2023 included:

- Food Preparations and Ingredients – up 32%.
- Fats and Oils – up 4%.
- Alcoholic Beverages – down 44%.
- Pasta and Processed Cereals – down 42%.
- Condiments, Sauces, Jams and Jellies – down 38%.
- Syrups and Sweeteners – down 32%.

According to Euromonitor, retail sales in the packaged food market in the markets selected above for assessments reached US\$46.9 billion in 2023. That represents a growth rate of 65.2% or US\$18.5 billion since 2019. By the year 2028 the retail sales in the packaged food market in these Sub-Saharan markets is expected to reach US\$89.5 billion, a growth rate of 66.9% and US\$35.9 billion from 2024.

High growth products in the forecast include:

- Edible Oils
- Rice, Pasta, and Noodles
- Sweet Spreads
- Sweet Biscuits, Snack Bars and Fruit Snacks
- Baked Goods
- Sauces, Dips and Condiments
- Baby Food