

African cities 2035

Rapid urbanisation and
economic expansion



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LONDON

Economist Intelligence
The Adelphi
1-11 John Adam Street, London, WC2N
6HT
United Kingdom
Tel: +44 (0)20 7576 8000
e-mail: london@eiu.com

GURUGRAM

Economist Intelligence
TEG India Pvt Ltd
Skootr Spaces, Unit No. 1,
12th Floor, Tower B, Building No. 9
DLF Cyber City, Phase – III
Gurugram – 122002
Haryana, India
Tel: +91 124 6409486
e-mail: asia@eiu.com

NEW YORK

Economist Intelligence
900 Third Avenue
16th Floor
New York, NY 10022
United States
Tel: + 1 212 541 0500
e-mail: americas@eiu.com

DUBAI

Economist Intelligence
PO Box No - 450056, Office No - 1301A
Aurora Tower Dubai Media City Dubai,
United Arab Emirates
Tel: +971 4 4463 147
e-mail: mea@eiu.com

HONG KONG

Economist Intelligence
1301 Cityplaza Four 12 Taikoo Wan
Road Taikoo Shing, Hong Kong
Tel: + 852 2585 3888
e-mail: asia@eiu.com

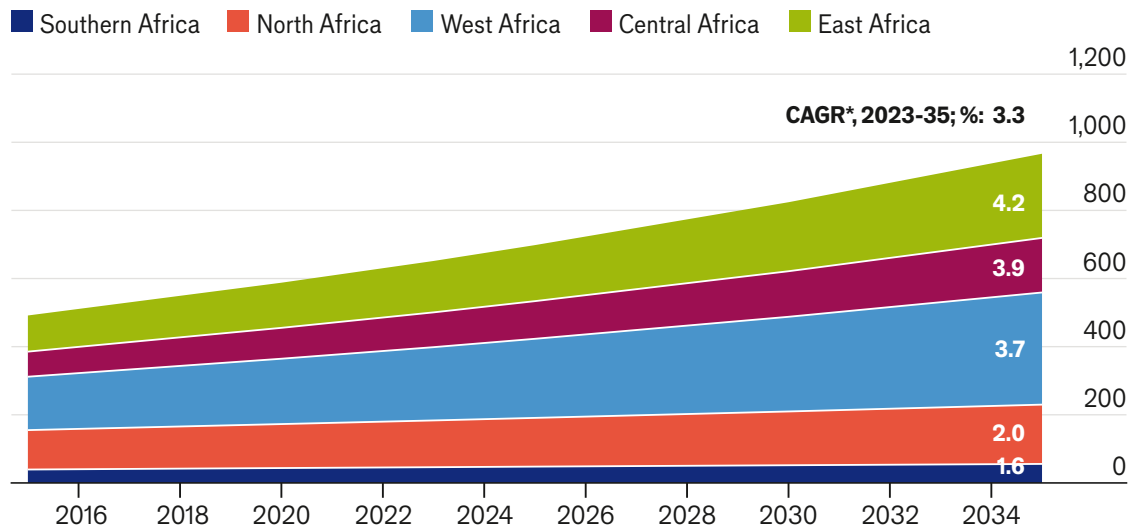
African cities 2035

- African cities are expected to record among the fastest rates of population growth worldwide through to 2035, and the pace of urbanisation will be particularly strong in the region’s largest cities, city clusters and megalopolises. We expect Africa’s top 100 cities—Africa100, incorporating cities with a population greater than 1m in 2035 as well as smaller capitals—to be home to about 21% of the continent’s population yet to generate more than 60% of Africa’s GDP by 2035.
- The continent’s established urban heavyweights and megacities—including Cairo, Lagos and Johannesburg—will still sit at the head of the Africa100 city economies in 2035, but middleweight cities (including Kinshasa, Dar es Salaam, Addis Ababa, Abidjan, Kampala, Dakar and Kumasi) will grow at a much faster pace, supported by infrastructure development, urbanisation and the emergence of megacities.
- We expect rapid urbanisation across Africa to help to create more dynamic and wealthier consumer markets, better connected and more sophisticated commercial and distribution hubs, and larger bases for industrial production and import-export operations. However, overcrowding, informal settlements, high unemployment, poor public services, stretched utility services and exposure to climate change are just some of the major challenges that city planners will have to grapple with in their drive for sustainable urban economic growth in the next decade.

Rapid urban population growth

Africa's urban population growth

Mid-year urban population; m unless otherwise indicated



* Compound annual growth rate.
Source: UN-Habitat, World Cities Report 2022; EIU.

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Africa has and will continue to have the fastest rate of urbanisation of the world's major regions through to 2035. Africa's urban population will rise from about 650m in 2023 to almost 1bn in 2035, which represents a compound annual growth rate (CAGR) of about 3.5% and will take the proportion of Africans living in towns and cities to over 50% in 2035. Africa's urban population will continue to grow rapidly in the 2030s, in contrast to other major regions; urban population growth in Asia is expected to decelerate, and the rate in the Americas and Europe will level off during the 2030s. In Africa, the East, Central and West African subregions will record the fastest rate of urban population growth in 2023-35.

Emergence of megacities, clusters and megalopolises

The emergence of new urban **heavyweights and megacities**, the rapid expansion of city clusters and the rising importance of megalopolises will be a major feature of Africa's demographic and economic future. The continent is projected to have six megacities by 2035—Luanda and Dar es Salaam will join the current giants of Greater Cairo, Kinshasa, Lagos and Greater Johannesburg with a population of more than 10m residents—and a further 17 cities will have a population that exceeds 5m residents and another 100 or so cities will have populations in excess of 1m inhabitants.

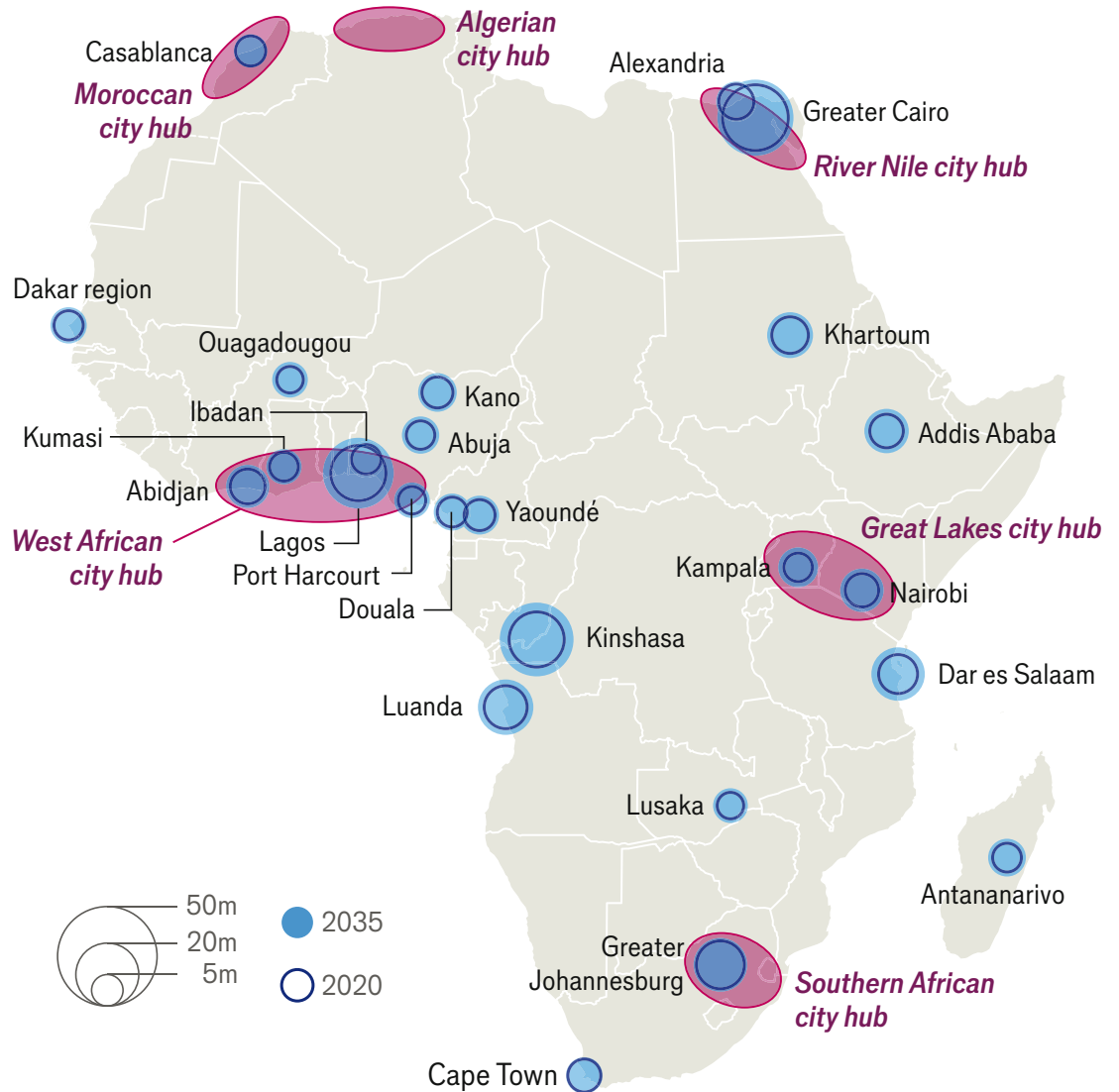
City clusters will bring together tens of millions of inhabitants into fast-growing and reasonably well-connected urban areas. Already, Africa has six "expansive" city clusters with more than 10m urban residents within 250 km by road and about 30 "compact" city clusters with more than 2.5m urban residents within 100 km by road, according to analysis carried out by the OECD in partnership with the UN and the African Development Bank (*Africa's Urbanisation Dynamics 2022: The Economic Power of Africa's Cities*).

Africa's expansive city clusters are the region's **megalopolises in the making**. The West African cluster—the stretch of coastal West Africa that begins in Abidjan in Côte d'Ivoire and extends some 600 km eastwards to Lagos in Nigeria—could become one of the world's largest urban corridors by 2035. At that time, the West African cluster is expected to have more than 50m people living within well-connected towns and cities and a further 35m-40m that reside within 250 km by road. Other megalopolises in the making centre on Cairo and Alexandria in Egypt, the Great Lakes region in East Africa spanning Kenya and Uganda, the southern cluster surrounding Gauteng province in South Africa, and two separate clusters in Morocco and Algeria.

In addition, Africa has more isolated but large and fast-growing pockets of **urban sprawl** found in Kinshasa in the Democratic Republic of Congo, which will have more than 25m inhabitants in 2035 and could receive a boost should connectivity and trading relations improve with Brazzaville—the capital of Congo-Brazzaville on the opposite bank of the Congo River. Dar es Salaam in Tanzania, Addis Ababa in Ethiopia and Luanda in Angola are standout cities that will be key African urban hotspots in the 2030s.

Already, Africa's major urban centres are the bedrock of the continent's economic growth, and its large, major and megacities will become even more important **focal points of economic growth** in the 2030s. Africa's larger cities will expand geographically and demographically, but they also have a range of factors that differentiate them from other parts of the continent and will drive their importance economically. These factors include more skilled and better educated residents; higher productivity levels and wage rates; higher value business activities and penetration of financial services; greater levels of investment, innovation and technology adoption; better utility and transport infrastructure; larger and more complex household consumption patterns; and much higher concentrations of wealthier households.

Africa's largest cities in 2035



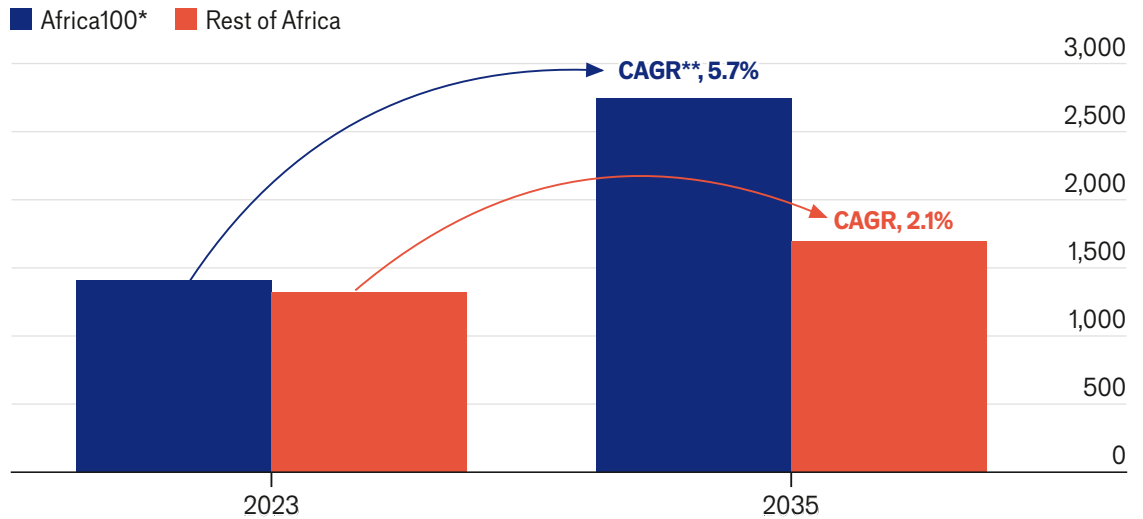
Source: Africapolis, OECD/SWAC (2020); OECD/UN ECA/AfDB (2022);EIU.

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Africa's **top 100 city economies**, which include cities with a projected population greater than 1m in 2035 and smaller capitals—namely Libreville, Cotonou, Bissau, Djibouti, Windhoek, Gaborone and Port Louis—will be home to almost 400m people (21% of Africa's population) yet will generate more than 60% of the continent's GDP by the mid-2030s. The collective nominal GDP measured in current US dollars of **Africa100** is estimated at US\$1.4trn in 2023 and is projected to more than triple to over US\$5trn by 2035. In real terms, the **Africa100** cities are forecast to grow by a CAGR of almost 6% between 2023 and 2035.

Africa's economic expansion

Real GDP; US\$ bn at 2020 prices and exchange rates



*Africa's 100 largest cities. **Compound annual growth rate. Source: EIU.

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Movers and shakers

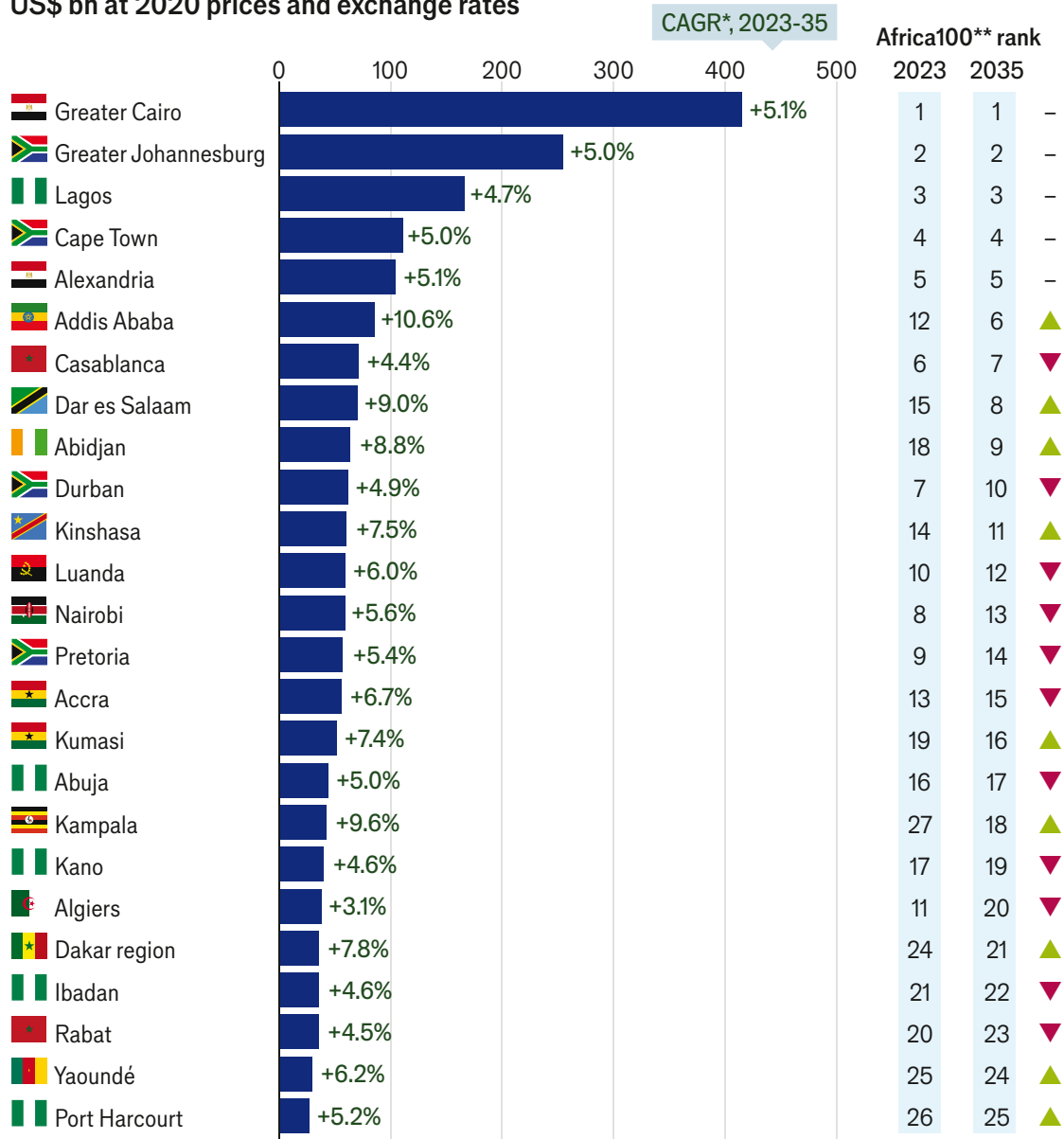
Africa100 itself is dominated by the 20 largest city economies consisting of the region's megacities (populations of over 10m), heavyweights (5m-10m) and fast-moving middleweights. Together, these larger cities will account for almost 70% of **Africa100** GDP (measured in 2020 prices and exchange rates) in 2035. They will be major commercial hubs with the most dynamic and wealthier consumer markets and with better connected and more sophisticated commercial and distribution centres, and they will host large bases for industrial production and import-export operations. The largest of the **Africa100** city economies—namely Cairo, Johannesburg, Lagos, Cape Town and Alexandria—will grow at a reasonable pace (CAGRs of real GDP measured in 2020 prices and exchange rates of 4-5% in 2023-35) and will retain their position at the top of the city economy rankings in 2035. Middleweight city economies—including Kinshasa, Luanda, Nairobi, Yaoundé, Douala, Kano, Abuja, Dakar and Kumasi—will post faster growth (CAGRs of real GDP of 6-8% in 2023-35), but the most dynamic city economies of Dar es Salaam, Addis Ababa, Abidjan and Kampala will post near or above double-digit CAGRs in 2023-35 and rise rapidly up the city economy rankings.

Challenges to overcome

African cities are the region's epicentres of economic activity, but they face major risk factors that could destabilise socioeconomic conditions if left unaddressed. Overcrowding, informal settlements, high unemployment, poor public services, stretched utility services and exposure to climate change impacts are just some of the major challenges that city planners must confront and overcome if they are to fully leverage the economic benefits of the evolving cityscape. African cities will face complex challenges that include accommodating larger numbers of inhabitants, providing better jobs, housing and social services for the masses, and enhancing transport and utilities infrastructure.

African city GDP, 2035

US\$ bn at 2020 prices and exchange rates



*Compound annual growth rate. **Africa's 100 largest cities.

Source: EIU.

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Climate change is a major long-term concern for Africa's largest cities. Many are in low-lying coastal areas that expose them to rising sea levels and storm surges; many suffer from intense rainfall and flooding, and some experience prolonged periods of drought and severe water shortages. These climate risks will weigh heavily on the future dynamism and prosperity of African cities, especially as national preparedness and climate resilience are weak, and they must be confronted by local policymakers, businesses and households. The threats from climate change are enormous but they will bring opportunity for businesses that seek to build African infrastructure in a way that protects these economic hubs from the worst of climate change and helps to ensure their sustainable growth.

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