ISS | AFRICAN FUTURES

SADC
SADC: Current Path

Alize le Roux

Table of contents

SADC: Current Path

SADC: Current Path forecast

Chart 1: Political map of SADC
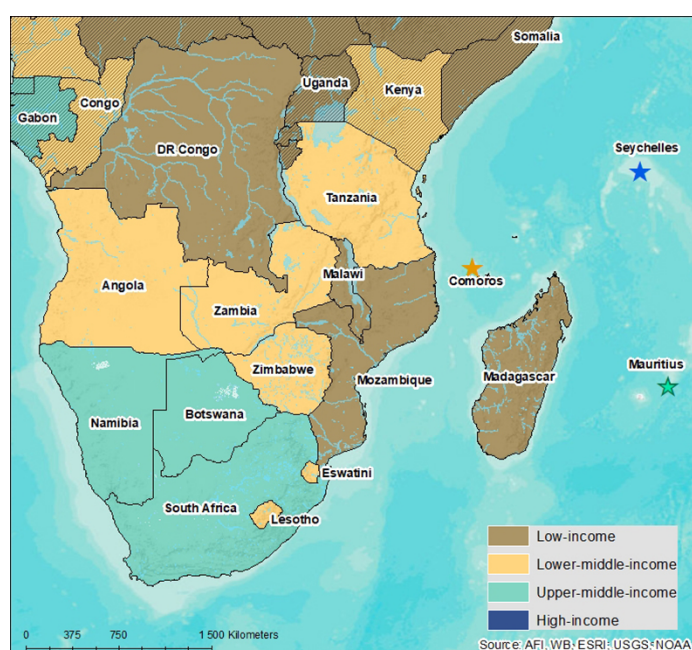
This page provides an overview of the key characteristics of SADC along its likely (or Current Path) development trajectory. The Current Path forecast from the International Futures forecasting (IFs) platform is a dynamic scenario that imitates the continuation of current policies and environmental conditions. The Current Path is therefore in congruence with historical patterns and produces a series of dynamic forecasts endogenised in relationships across crucial global systems. We use 2019 as a standard reference year and the forecasts generally extend to 2043 to coincide with the end of the third ten-year implementation plan of the African Union's Agenda 2063 long-term development vision.

The Southern African Development Community (SADC) is a regional intergovernmental organisation and regional economic community (REC) with 16 member states: Angola, Botswana, Comoros, the Democratic Republic of the Congo (DR Congo), eSwatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, and Zimbabwe (Chart 1).

SADC was established in 1980 as the Southern African Development Coordination Conference (SADCC) and became SADC in 1992. Its main objectives are to achieve 'development, peace and security, and economic growth, to alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through regional integration, built on democratic principles and equitable and sustainable development.'

SADC includes Africa's only high-income country (Seychelles), four upper middle-income countries (Botswana, Namibia, Mauritius and South Africa), seven lower middle-income countries (Angola, Comoros, eSwatini, Lesotho, Tanzania, Zambia and Zimbabwe), while the remaining four (DR Congo, Madagascar, Malawi and Mozambique) are low-income countries, according to the World Bank's income classification. SADC thus represents an extremely diverse set of countries in terms of wealth, geographic and population sizes, systems of government and energy endowments, as will be explored in the various sections.
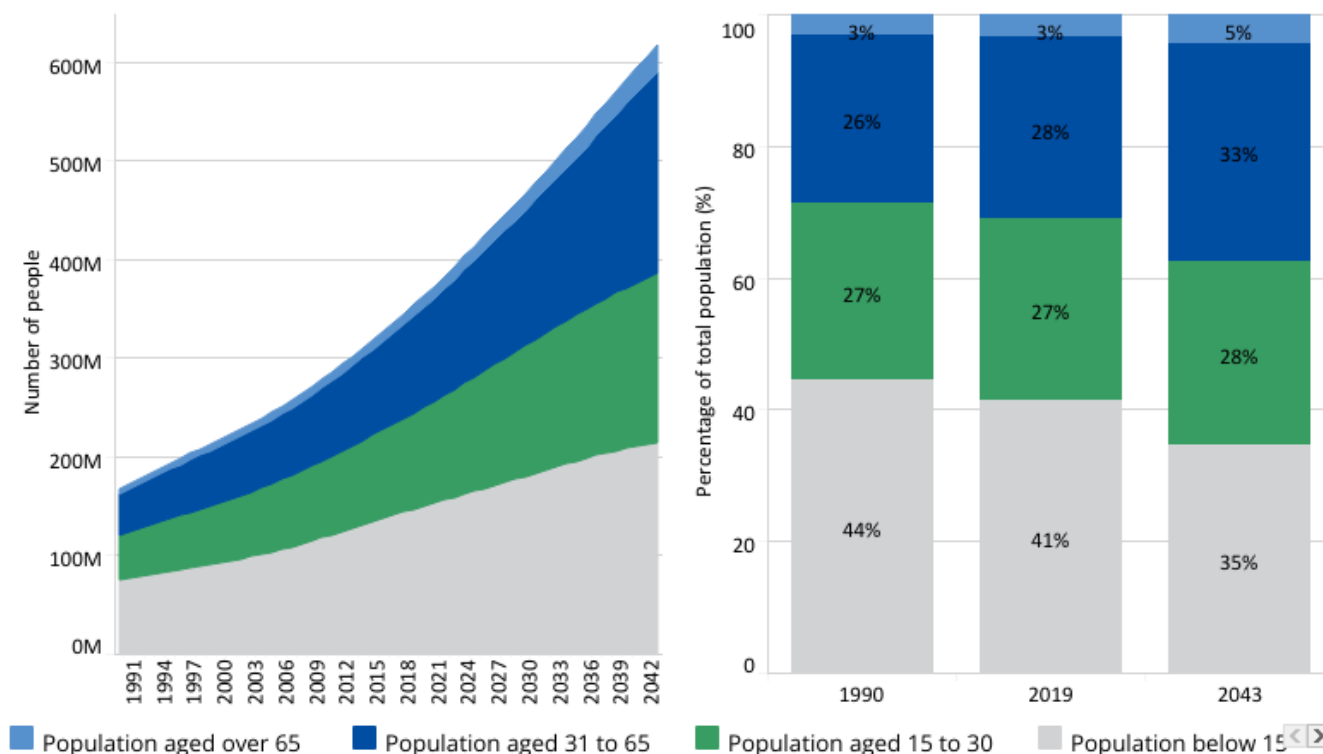
Chart 2: Population structure in CP, 1990–2043
By cohort and % of population

ISS|AFI

SADC ▼

■ Population aged over 65   ■ Population aged 31 to 65   ■ Population aged 15 to 30   ■ Population below 15 ‹ ›

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate and World Development Indicators population data

⁜ View on Tableau Public ↶ ↷ ↺ ↻ ▾ | ⬇▾ ⬛ ⋘ Share

In 2019, SADC's aggregate population was 354 million people (Chart 2). The DR Congo had the single largest population among member states at 87 million people, while South Africa and Tanzania had approximately 58 million each. Seven of the 16 member states have populations below three million, including Namibia, Botswana, Lesotho, Mauritius, eSwatini, Comoros and Seychelles. In the Current Path forecast, relatively aggressive population growth in the region is expected to continue in the future, with the population nearly doubling to 618 million people by 2043. This growth is likely to be led by the DR Congo, which will more than double its population to 173 million. Tanzania will overtake South Africa as the second most populous country in SADC with 106 million people by 2043. South Africa will remain in third place at almost 70 million, followed closely by Angola with 67 million (up from only 32 million in 2019). SADC's seven smallest countries will all remain below 4 million people by 2043, with Seychelles experiencing little growth. SADC's working-age population (people aged between 15- and 64 years) made up 55% of the population in 2019, implying that 45% of the population are dependants, mostly children under 15 who made up 41% of the population. This translates to a ratio of 1.2 working-age persons to dependant, far from the coveted ratio of 1.7 working-age persons to dependant that has the potential to reap a demographic dividend.

This aggregate figure belies the diversity of the region on this variable. The percentage of SADC's working-age population is far higher for high-income countries (average of 70%) and upper middle-income countries (average of 62%) than lower middle-income (average of 58%) and low-income countries (average of 54%). The DR Congo has the smallest proportion of working-age persons at only 51% of the country's population, and with the largest population in the region, the DR Congo drags the regional weighted average down considerably.

Only South Africa, Seychelles and Mauritius are currently experiencing a demographic dividend of more than 1.7, while the DR Congo has a very low ratio of 1 (implying a nearly 1-to-1 ratio of workers to dependants).

Even in the Current Path forecast, the demographic structure is likely to improve for most countries across SADC, with eSwatini, Lesotho, Botswana, South Africa, Namibia, Zimbabwe and Malawi reaching, exceeding or remaining within the demographic sweet spot by 2043. This creates a window of opportunity for development in these countries.

As is typical for high-income countries, Seychelles will in fact leave the demographic sweet spot with a demographic dividend of just under 1.7 in 2043 as its population begins to age and the elderly live longer. Mauritius will remain above the demographic dividend sweet spot threshold, but this dividend will reduce to 1.8 by 2043.

By 2043, SADC will reach an aggregate demographic dividend of 1.55 on an upward trend, with approximately 61% of its population of working age. While this represents an improvement from the 2019 figure, this demographic structure suggests a challenge for development in the region without intervention for the foreseeable future, particularly for the DR Congo and Angola, which will languish behind in the Current Path forecast with demographic ratios of only 1.4 and 1.3 respectively.

Chart 3: Urban and rural population in CP, 1990–2043
% of population

SADC, Rural   SADC, Urban
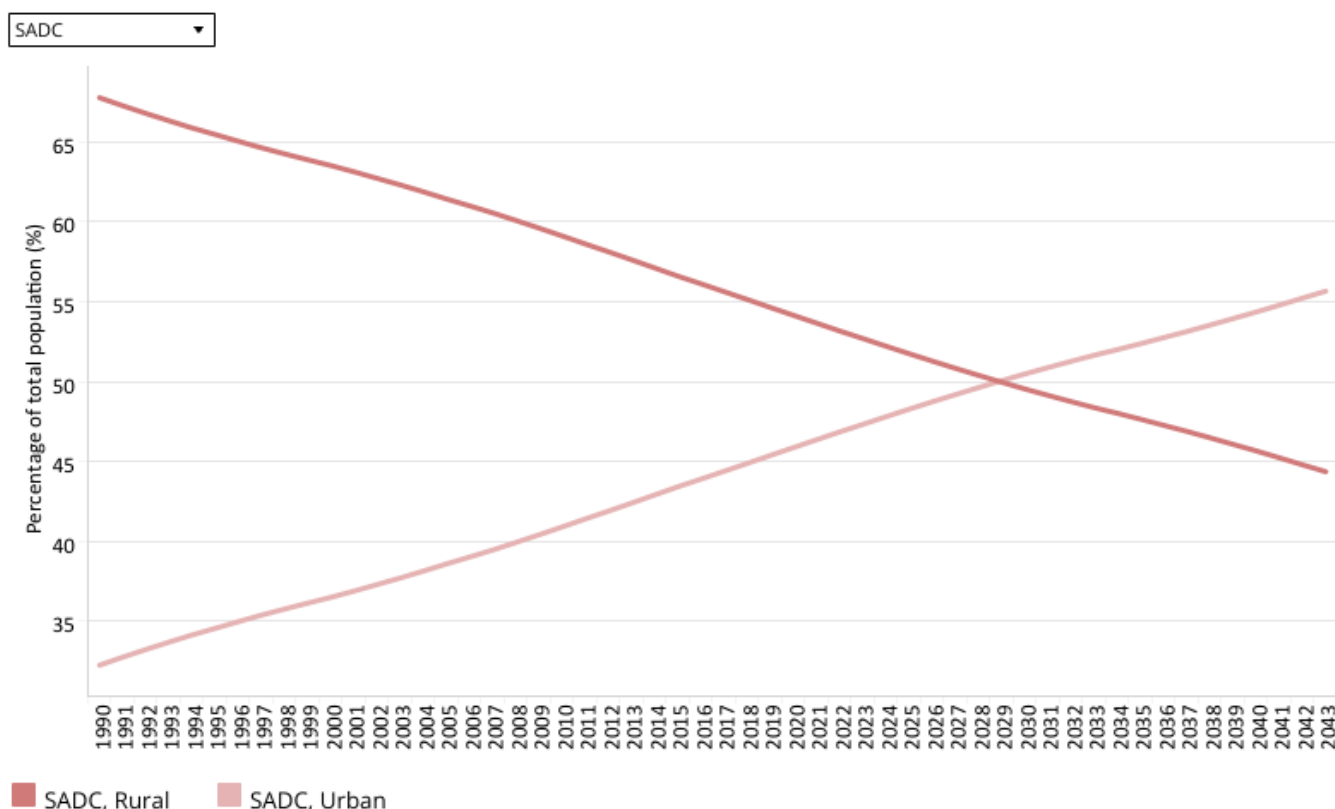
Source: IFs 7.63 initialising from UN World Urbanization Prospects estimate

⊹ View on Tableau Public   ⤓▾ ▭ ⊗ Share

SADC, a predominantly rural region at 55%, is swiftly urbanising and by 2030 the scale will have shifted to 50.5% urban; by

2043, this figure will be 56% (Chart 3). SADC's rural population on average will continue to grow steadily, although in Mauritius, Seychelles and South Africa, a decline in rural population numbers is likely to occur throughout the next two decades to 2043.

In 2019, Botswana, South Africa and Angola were SADC's most urbanised countries, each with more than 66% of their population living in cities. Low-income Malawi was the least urbanised country in SADC at only 17%, most likely a result of many years of an aggressive rural investment strategy. South Africa will be the most urban country with 77% of its citizens living in urban areas, while Malawi will remain the least urbanised, though urbanising only 5 percentage points more to 23% by 2043.

**Chart 4: Population density map for 2019**
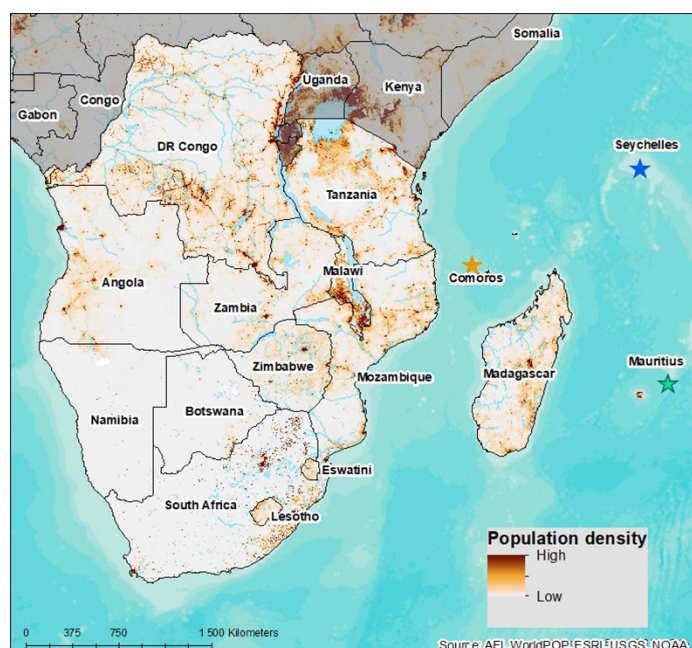
SADC is diverse in population density, ranging from highs in 2019 of 6.3 people per hectare in Mauritius to lows of 0.031 in Namibia. The six highest population densities can be found in the six smallest countries within SADC, namely Mauritius, Comoros, Seychelles, Malawi, Lesotho and eSwatini. The four most populous countries in 2019, namely the DR Congo, South Africa, Tanzania and Angola all have densities below 0.66 people per hectare due to their large geographical size. The Kalahari Desert and its harsh climate dominates much of Namibia and Botswana explaining both relatively low population sizes and densities despite relatively large landmasses (Chart 4).

Chart 5: GDP in CP, 1990–2043
Market exchange rates
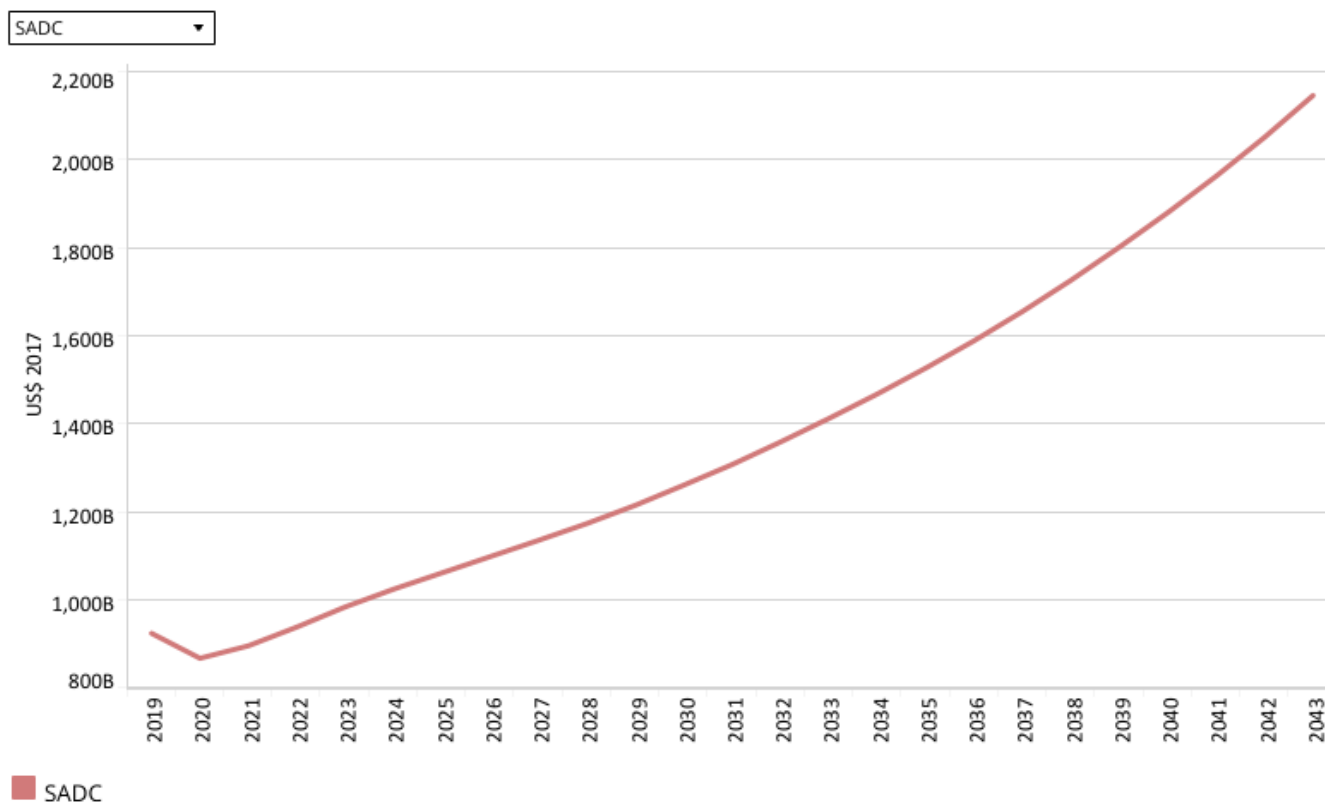
SADC ▾

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

View on Tableau Public   Share

SADC's aggregate economy was worth US$413.11 billion in 1990, faltering somewhat in the early 1990s in the wake of the global recession and as South Africa transitioned from minority rule and international sanctions into democracy. Growth stagnated in the wake of the 2007 financial crisis but continued slowly in the years leading up to the COVID-19 pandemic at a rate of 1.4% per annum on average (Chart 5).

These relatively low growth rates were impacted by a variety of member states' internal issues. The region's largest economy, South Africa, had a strong negative impact on the regional average. South Africa's very disappointing economic growth came on the back of pervasive state corruption under the presidency of Jacob Zuma, regulatory uncertainty and the decline of key infrastructure (particularly electricity generation) and public utilities. Angola's oil-dependent economy also suffered prior to 2019, recording economic contractions since 2016 as a result of low oil prices and related issues with debt.

Other SADC states have had better economic fortunes. Tanzania has led the region in economic growth with growth rates of over 5% between 2015 and 2019. Madagascar, Malawi, Seychelles, the DR Congo, Mauritius and Botswana all grew at over 3% in 2019.

In 2019, South Africa and Angola, while faltering, maintained the largest regional economies at US$503.7 billion and US$138.8 billion respectively, while Tanzania, the DR Congo, Zambia, Mozambique and Botswana followed in size with

GDPs ranging between US$60 billion and US$23 billion. Comoros had the smallest economy in the region with a GDP of only US$1.4 billion, and, while much wealthier per capita, Seychelles had the second smallest economy in the region at only US$1.6 billion.

When the COVID-19 pandemic hit in 2020, all SADC countries except Tanzania and Malawi saw a contraction in their economies. More advanced, wealthier countries were hit harder than others. Mauritius and Seychelles saw the biggest proportional contractions, at 14% each, with Zimbabwe, Botswana and South Africa contracting at 10%, 9% and 8% respectively. South Africa's large economy saw the single biggest aggregate drop in value from US$503.7 billion to US$463.4 billion, a US$40 billion drop in value year-on-year. This resulted in an aggregate economy for SADC standing at US$924.3 billion in 2019. The COVID-19 pandemic impacted the aggregate economy of SADC, retracting it to US$867.6 billion in 2020. It is expected that in the Current Path forecast the aggregate SADC economy will likely be US$2146.2 billion by 2043. South Africa will continue to be the largest economy in SADC well into 2043 and beyond, with a value of approximately US$733.7 billion.

Chart 6: GDP per capita in CP, 1990–2043
Purchasing power parity

ISS|AFI

SADC ▼

■ SADC
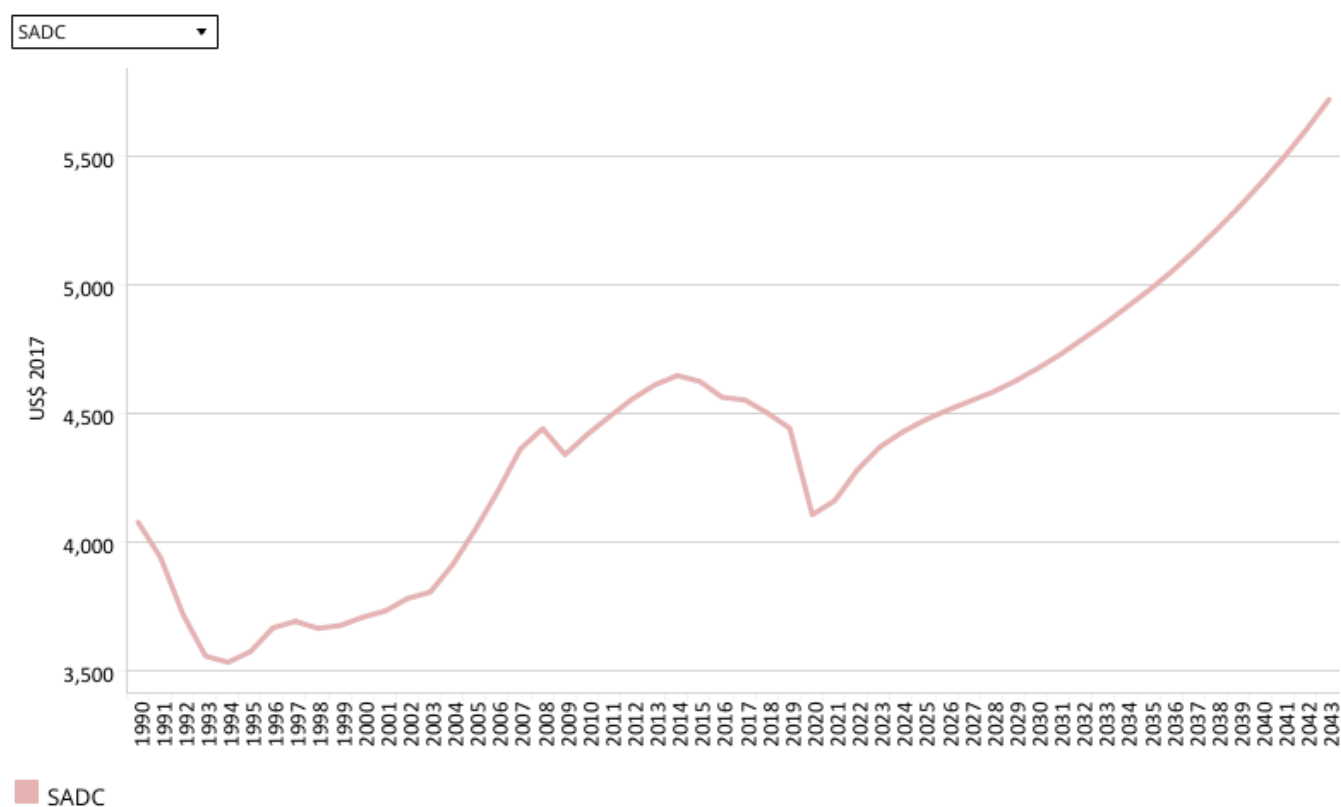
Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

⁙ View on Tableau Public   ↶ ↷ ↶ ↷ ▼ | 🖵▼ 🗗 ⤳ Share

Although many of the charts in the sectoral scenarios also include GDP per capita, this overview is an essential point of departure for interpreting the general economic outlook of SADC.

GDP per capita in the region has followed a similar path to GDP, impacted by the same financial crises discussed for Chart 5. The average GDP per capita for SADC was above Africa's average in 1990 at US$4 077 compared to US$3 808. By 2019

the average GDP per capita for SADC had fallen below the average for Africa at US$4 660 compared to US$5 289. In the Current Path forecast, it is projected that SADC will continue to fall further behind in average GDP per capita and that by 2043 the gap would have grown, resulting in a GDP per capita of US$5 719 compared to Africa's US$7 157 (Chart 6).

In 2019, high-income Seychelles had a GDP per capita of US$30 673, while Mauritius, recently demoted from high-income to upper middle-income, had an GDP per capita income of approximately US$23 784. The island nations were followed by Botswana, South Africa and Namibia at US$18 138, US$13 080 and US$10 419 respectively. The DR Congo was the poorest of the group with a GDP per capita of less than US$1 000 in 2019, preceded by Malawi, Mozambique and Madagascar at between US$1 288 and US$1867.

In the Current Path forecast, each SADC country will grow with regard to their GDP per capita. South Africa's GDP per capita will grow marginally, reaching US$15 173 by 2043. Botswana, Eswatini and Namibia will overtake the region's largest economy on GDP per capita, with Botswana reaching US$24 056 by 2043. On the lower end of the spectrum, Malawi will see larger improvements relative to its low-income peers but will remain relatively poor with a GDP per capita of US$4 033 by 2043.

Chart 7: Informal sector value in CP, 2015–2043
% of GDP
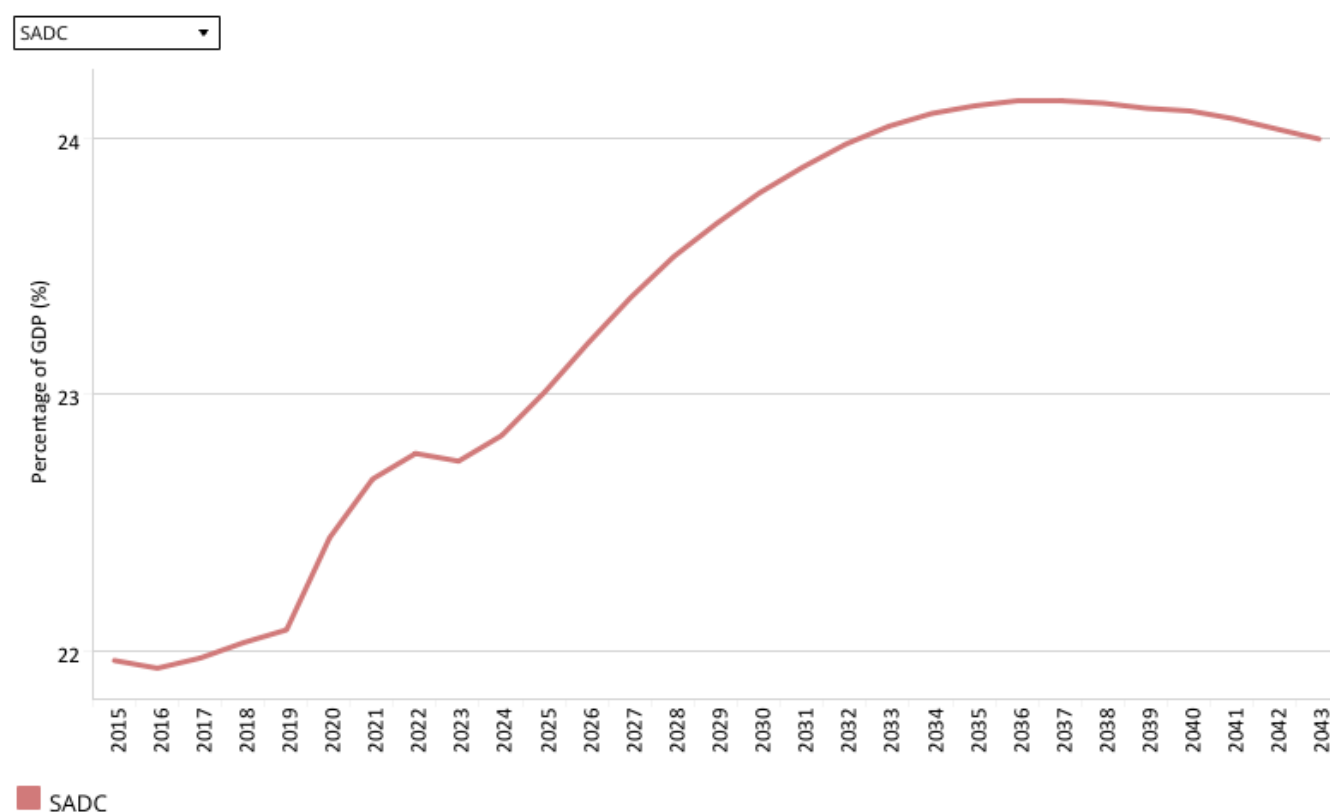
Source: IFs 7.63 initialising from UN Economic Commission for Europe [2008]; Elgin and Oztunali [2012]; Schneider and Enste [2012]

The informal sector in SADC constituted 22.1% of the economy in 2019. In the Current Path forecast it is likely to continue to grow, peaking at 24.2% in 2036 then gradually tapering off to 24% by 2043.

This growth in the informal sector is driven entirely by the growth of South Africa's relatively small informal sector, which will grow from about 13% in 2019 to 21% by 2043. All other countries in the region will shrink the size of their informal

sector over this same time period. Only Mauritius and Seychelles have informal sectors smaller than 10% in the region, while Zimbabwe, Tanzania and the DR Congo have the largest informal sectors at 53%, 45% and 42% of GDP respectively, though these sectors will shrink to 31%, 36% and 34% respectively.

Chart 8: Value added by sector in CP, 2015–2043
Billions US$ 2017 and % of GDP
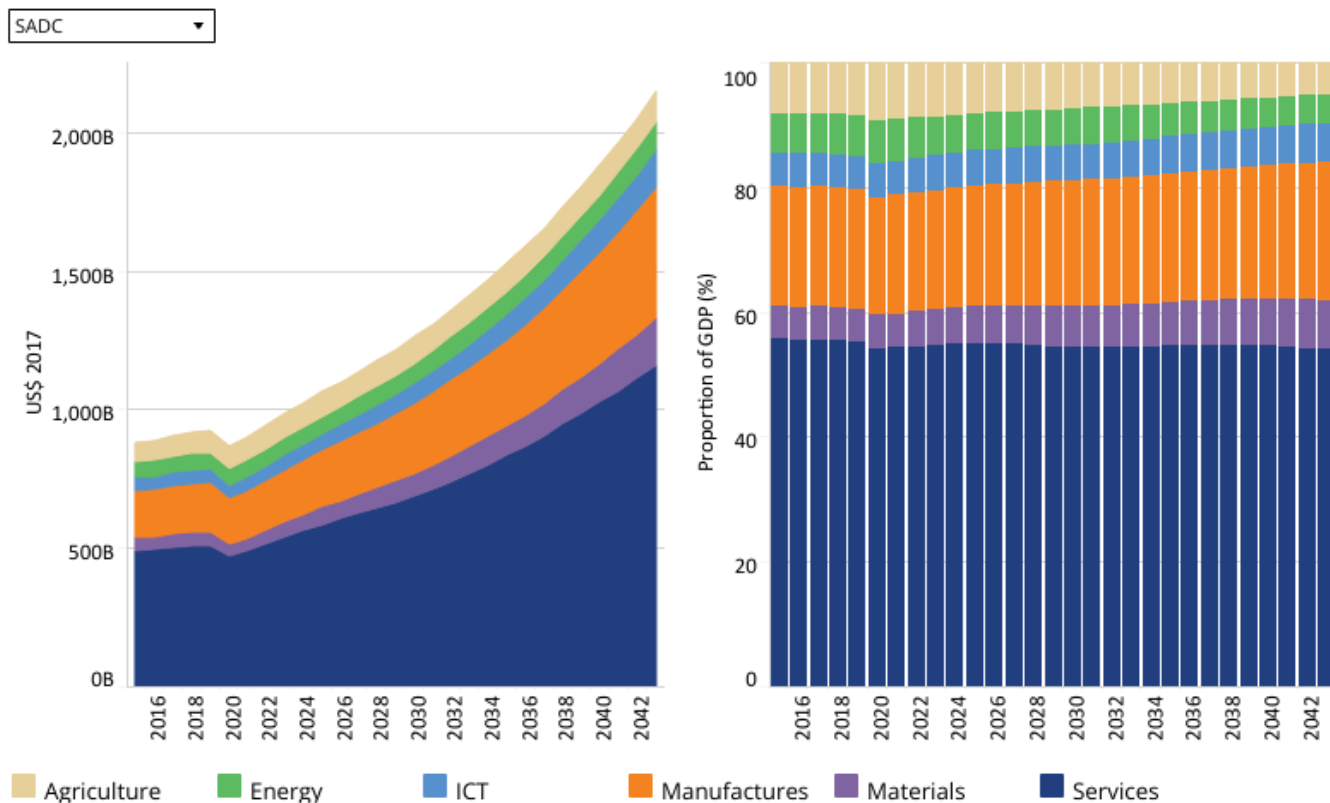
SADC

Agriculture   Energy   ICT   Manufactures   Materials   Services

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

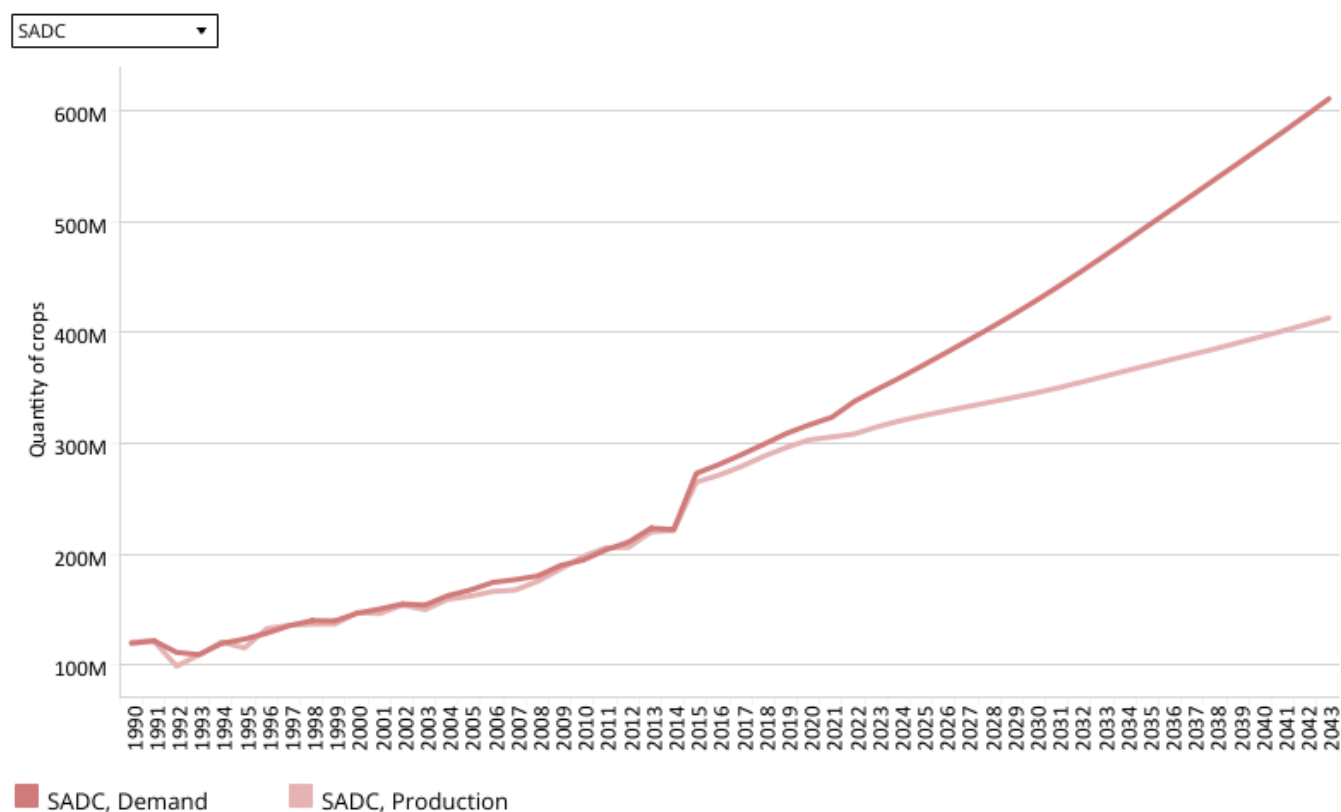View on Tableau Public   Share

The IFs platform uses data from the Global Trade and Analysis Project (GTAP) to classify economic activity into six sectors: agriculture, energy, materials (including mining), manufactures, services and information and communications technology (ICT).

SADC's economy has been, and will continue to be, dominated by the services sectors, constituting 55.2% of GDP in 2019, dropping only slightly to 54% of GDP by 2043. This is a value of US$510 billion in 2019 doubling to a value of US$1 160 billion by 2043. This is driven in a large part by the high value financial, advisory and similar services which dominate the economies of Seychelles, Mauritius, South Africa, Botswana and Namibia (59% and 78% of their economies are contributed to by this sector). However, low-value informal services also constitute a large part of the economy in the above-mentioned countries but also in poorer countries. Comoros, Zimbabwe, Malawi, Lesotho and Madagascar each have services sectors constituting more than 50% of GDP. Even the DR Congo, with the smallest services sector by proportion of GDP in the region, owes 31% of its GDP to this sector.

Manufacturing is the second largest sector in the region at 19.2% in 2019, followed by agriculture at 8.6%, energy at 6.5% and ICT and materials constituting 5.3% of GDP each. This will change only gradually over time, as agriculture and energy drop in value and ICT, materials and marginally also manufacturing grow in their contribution to the economy. By 2043, manufacturing will constitute 22.2% of SADC's aggregate economy, materials 7.9%, ICT 6.2% and agriculture 5.2%.

Chart 9: Agriculture production/demand in CP, 1990–2043
Crops million tons

SADC ▼

SADC, Demand   SADC, Production

Source: IFs 7.63 initialising from Food and Agriculture Organization Food Balance Sheets

⁑ View on Tableau Public

The data on agricultural production and demand in the IFs forecasting platform initializes from data provided on food balances by the Food and Agriculture Organization (FAO). IFs contains data on numerous types of agriculture but aggregates its forecast into crops, meat and fish, presented in million metric tons.

Agricultural demand and supply within SADC has been growing steadily since the early 1990s. Until 2015, domestic agricultural demand and production were more or less equal. From 2015, however, the gap between demand and production in terms of metric tons of agricultural products has been gradually growing with demand outstripping production. In 2019, the agricultural demand in SADC measured at 309 million metric tons while production only measured 296.4 million metric tons, indicating a shortfall of more than 12 million metric tons. Agricultural production was further negatively affected by the COVID-19 pandemic lockdowns in 2020.

In the Current Path forecast, the gap is forecasted to continue to grow over the coming decades as growing populations and per capita incomes lead to higher demand for agricultural products. Agricultural production will remain under pressure in part due to climate change, particularly in water scarce countries such as South Africa, Botswana and Namibia, and yields per hectare will, in the Current Path forecast, grow only marginally, emblematic of Africa's continued failure to pursue an agricultural revolution. By 2043, SADC will produce approximately 413 million metric tons of agricultural products while demanding 610.9 million metric tons, a nearly 200-million (or 33%) deficit, up from the much smaller 13-million metric ton (or 6%) deficit in 2019.

Between 2019 and 2043, yields per hectare will increase somewhat for less developed countries by between 30% and 35% for the DR Congo, Comoros, Madagascar, Mozambique, Seychelles, Malawi and Botswana. However South Africa's already

underperforming agricultural sector is expected to see a drop in agricultural yields per hectare, as will Mauritius's highly productive agricultural sector.

While Zambia, Malawi, South Africa and Eswatini were the region's net food exporters in 2019 (and then only by a small margin), there will not be a single net food exporter in the region by 2043 in the Current Path forecast. The island nations of Mauritius, Seychelles and Comoros will be closest to meeting domestic demand with a marginal deficit in domestic production. Angola and the DR Congo will be the largest food importers in terms of metric tons of product at 37 million metric tons and 51 million metric tons respectively.

Chart 10: Poverty in CP, 2015–2043
Millions of people and % of total population

ISSIAF

| SADC ▼ | $1.90 ▼ |

SADC

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

⁙ View on Tableau Public   ↶ ↷ ↺ ↻ ▼ | ⬇▼ ▣ ⌗ Share

There are numerous methodologies and approaches to defining poverty. We measure income poverty and use GDP per capita as a proxy. In 2015, the World Bank adopted the measure of US$1.90 per person a day (in 2011 international prices), also used to measure progress towards the achievement of Sustainable Development Goal 1 of eradicating extreme poverty. To account for extreme poverty in richer countries occurring at slightly higher levels of income than in poor countries, the World Bank introduced three additional poverty lines in 2017:

- US$3.20 for lower middle-income countries

- US$5.50 for upper middle-income countries

- US$22.70 for high-income countries.

However, for the purposes of assessing SADC as a region, we will adopt the lowest extreme poverty line of US$1.90. For a more detailed analysis of appropriate poverty lines in high- and middle-income countries, please refer to the pages focused on these countries specifically.

In the Current Path forecast, it is likely that SADC will continue to suffer from endemic poverty and high levels of inequality. In 2019, extreme poverty levels (i.e. people living on less than US$1.90 per day) were at 51%. The recession associated with

the COVID-19 pandemic increased this figure to 53.2%, and it is expected that figures will only return to pre-pandemic levels by 2024. The percentage of poor people will continue to decline in the near future reaching 34% by 2043, but the number of extremely poor people will climb from 180.5 million to 209.8 million by 2043, in keeping with the growth in population in the region.

Extreme poverty will drop most rapidly in Malawi, which will decrease rates of poverty on the US$1.90 line by 51.4 percentage points between 2019 and 2043. Mozambique, the DR Congo, Tanzania and Zimbabwe will also see dramatic drops in poverty (of 20 percentage points or more). Nevertheless, the DR Congo will continue to have high rates of poverty (at approximately 47% in the Current Path forecast in 2043). South Africa and Madagascar will see the smallest drops in extreme poverty at only 2.3% and 6.6% respectively. This is deeply concerning for Madagascar, which comes off a low base and should find it relatively easy to bring down extreme poverty with the right policies. While South Africa's rate is lower, it is also an upper middle-income country and the most unequal country in the world on several measures; its meagre drop in poverty rates suggests current social unrest linked in large part to extreme poverty and inequality will likely continue long into the future without a dramatic shift in circumstances.
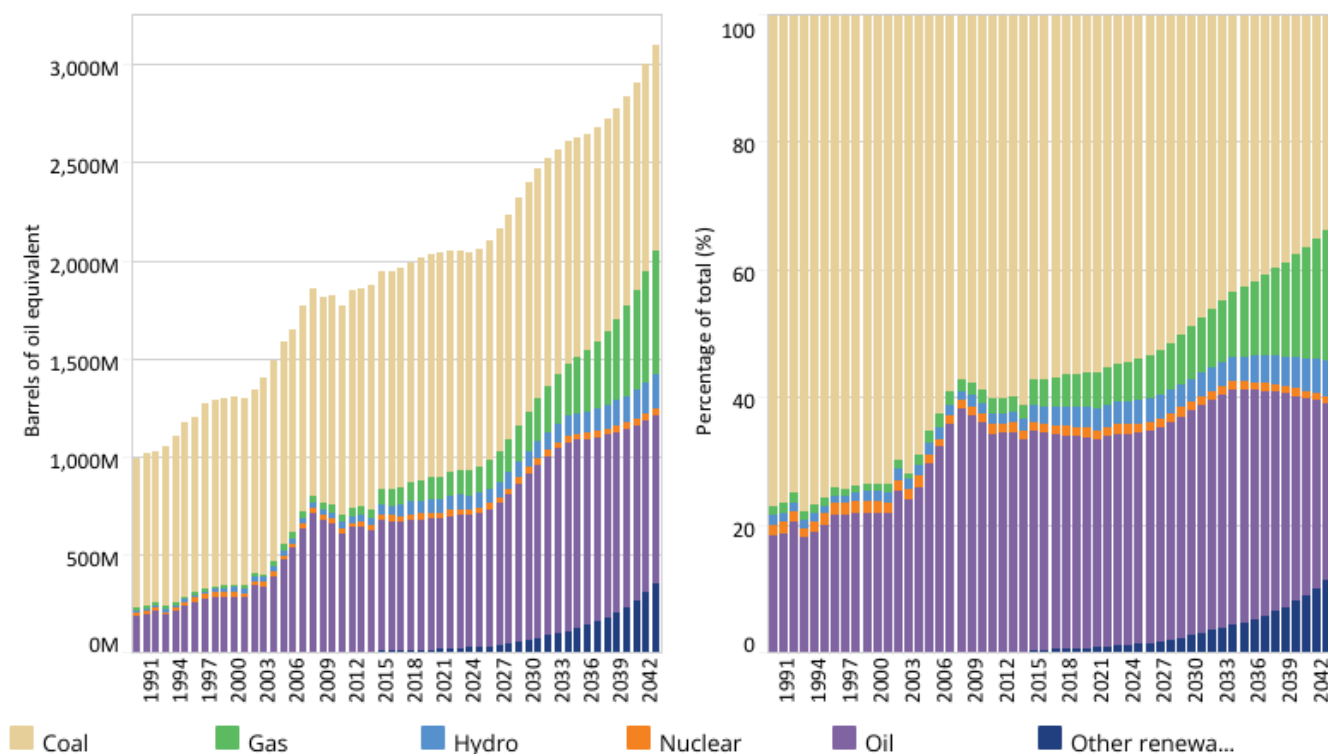
Chart 11: Energy production by type in CP, 1990–2043
Barrels of oil equivalent and % of energy production

Source: IFs 7.63 initialising from World Energy Outlook data

The IFs platform forecasts six types of energy, namely oil, gas, coal, hydro, nuclear, and other renewables. To allow comparisons between different types of energy, the data is converted into billion barrels of oil equivalent. The energy contained in a barrel of oil is approximately 5.8 million British thermal units (MBTUs) or 1 700 kilowatt-hours (kWh) of energy.
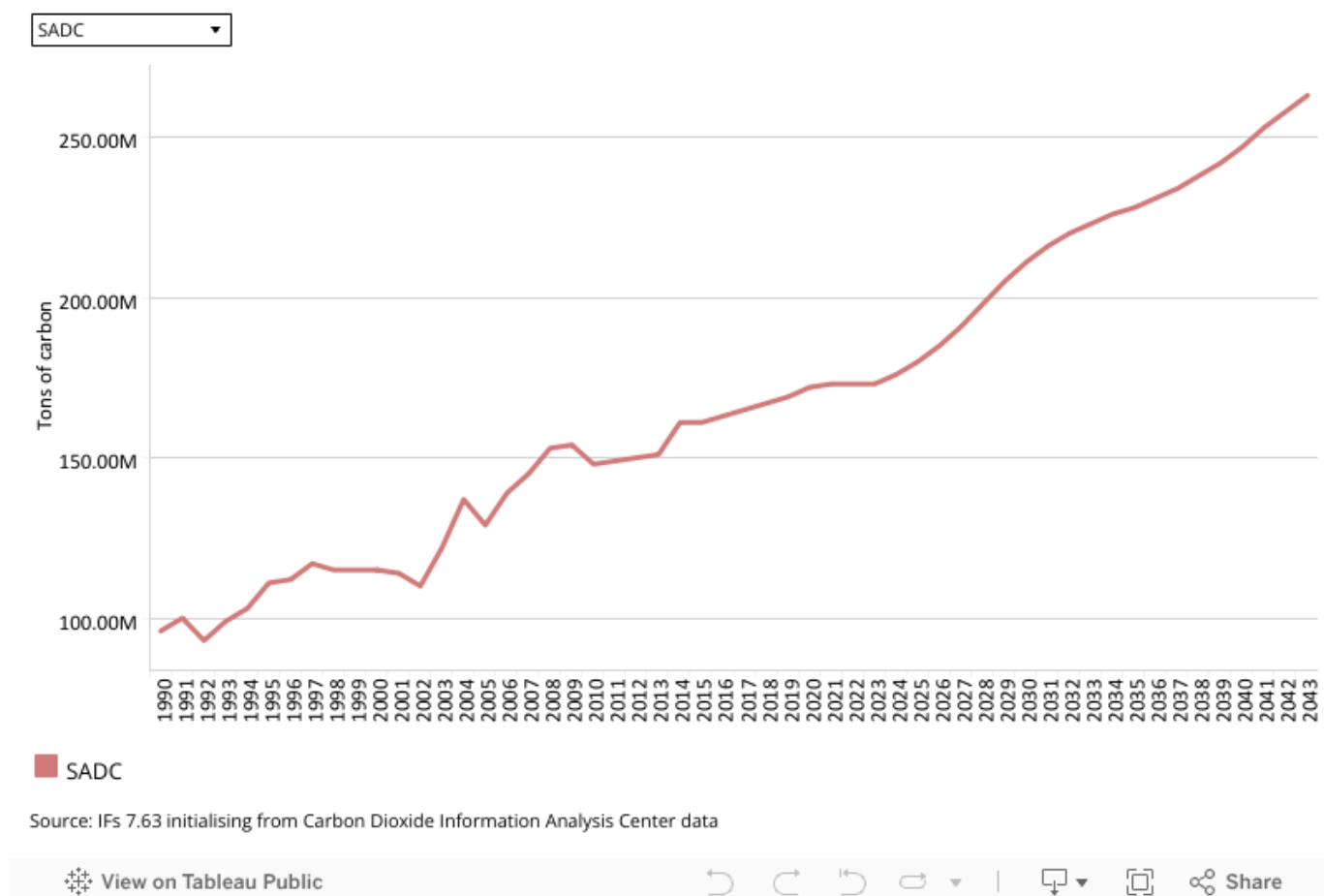
In the Current Path forecast, SADC relies, and will likely continue to rely, on fossil fuels well into the future for the lion's share of its energy needs. As displayed in Chart 11, coal contributed 56.4% to the region's energy mix in 2019, while oil contributed 33.2% and gas 5%. While the composition will change, SADC is likely to remain fossil fuel-dependent in the Current Path forecast with coal contributing 34%, oil 27.7% and gas 20.3% by 2043.

On the back of natural gas discoveries in South Africa and Mozambique in particular, gas will grow to become a substantial contributor to energy production. Renewable energy will also continue to grow, though at a relatively slow rate. SADC has the continent's only nuclear power station in Koeberg, South Africa. In the Current Path forecast, it seems that nuclear will stagnate at a negligible contribution to the region's power needs.

SADC's future energy mix relies heavily on South Africa's ability to break free from its coal dependency and Angola's ability to break free from its oil dependency.

Chart 12: Carbon emissions in CP, 1990–2043
Million tons of carbon (note, not CO₂ equivalent)

ISS|AF

SADC ▼

SADC

Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

⠿ View on Tableau Public   ↩ ↪ ↻ ↷ ▾ | ⬇▾ ⛶ ⋵ Share

Carbon is released in many ways, but the three most important contributors to greenhouse gases are carbon dioxide (CO_2), carbon monoxide (CO) and methane (CH_4). Since each has a different molecular weight, IFs uses carbon. Many other sites and calculations use CO_2 equivalent.

The Current Path forecast implies a growing carbon footprint for the region into 2043, as displayed in Chart 12. SADC's carbon emissions are likely to increase from 169 million tons of carbon to 263 million tons by 2043. The vast majority of SADC's carbon emissions come from Africa's single biggest carbon emitter, South Africa, which contributed 147 million tons of carbon in 2019, compared to the second biggest contributor in the region, Angola, at 12 million tons. South Africa's slow economic growth as well as its increasing investment in renewable energy will see its carbon emissions tapering off from 2030 onwards. By 2043, South Africa, in the Current Path forecast, will be emitting 110 million tons of carbon while Angola is likely to emit 45 million tons of carbon.

While the region contributes very little compared to the developed world (especially excluding South Africa), it faces high risks as a result of the impacts of climate change. Climate change is likely to impact the SADC region through the expansion of the Kalahari Desert, increased water security issues, increased temperatures and wildfires, rising sea levels and increases in storm surges.

Donors and sponsors

Cite this research

Alize le Roux (2025) SADC. Published online at futures.issafrica.org. Retrieved from https://futures.issafrica.org/geographic/recs/sadc/ [Online Resource] Updated 30 June 2024.

ISS | AFRICAN FUTURES

About the authors

Ms Alize le Roux joined the AFI in May 2021 as a senior researcher. Before joining the ISS, she worked as a principal geo-informatics researcher at the CSIR, supporting various local and national policy- and decision-makers with long-term planning support. Alize has 14 years of experience in spatial data analysis, disaster risk reduction and urban and regional modelling. She has a master's degree in geographical sciences from the University of Utrecht, specialising in multi-hazard risk assessments and spatial decision support systems.

About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.