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SELECTED ASPECTS OF GDP VALUE AND STRUCTURE DEVELOPMENT IN SUB-SAHARAN AFRICA

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Abstract

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Africa belongs to the poorest regions of the world. This statement may be applied especially to its sub-Saharan part. The paper analyses some basic structural characteristics related to the economic development of sub-Saharan region. The article reveals existing differences between countries and regions of sub-Saharan Africa and analyses key problems which influence economic development of individual states. An emphasis is placed on analysing an unsuitable GDP structure and on external economic relations which affect this structure. Results of an investigation show that the GDP of sub-Saharan countries is to a large extend generated by the primary sector of their economies, which is dominant in the total GDP value and its position is continuously strengthening due to a high dynamics of its growth. Having regard to the external environment, there can be stated that the foreign trade has contributed to the GDP growth of the whole region only to a limited degree (this does not apply to all countries seen as individuals). The integration process in sub-Saharan Africa may be characterized as questionable. Many integration groupings are operating in the region, but their influence on economic growth is limited due a low potential for mutual cooperation based on specialisation and use of comparative advantages. The economies of sub-Saharan countries are very sensitive to changes in their external economic environment. In this regard, there is important to highlight the very strong sensitivity of the GDP in the sub-Saharan region in relation to the World GDP (mainly to European and US GDP because both regions belong to the most important trading partners of Africa as a whole).

sub-Saharan Africa, analysis, development, structure, value, GDP, external environment, factors, influence

1 INTRODUCTION

Distinguishing between developing and developed countries is an essential element in assessing countries within the World economy. “Developing country” is a term generally used to describe a nation with a low level of material well-being (Sullivan, A., Sheffrin, S. M., 2003). Kofi Annan, former Secretary General of the United Nations, defined a developed country as follows. “A developed country is one that allows all its citizens to enjoy a free and healthy life in a safe environment (UN, 2005). In general, developing countries are those countries which have not achieved a significant degree of industrialization relative to their populations, and which have, in most cases a medium to low standard of living. There is a strong correlation between low income and high population growth (Armitage, 2011). Since the 2nd half of the 20th century, when the colonial empire had become to dissolve definitely, developing countries became an independent segment of the World economy. Their share in the natural as well as human resources of the planet changed in time, as well as their share in the World economy (Jeníček, 2011). In developing countries – more than ¾ of the total World population has been living. Their total population amounts more than 5 billion people (76% of the World economically active population) (Jeníček, 2011; Svatoš, 2009). One of the most specific developing regions is Africa – especially its Sub-Saharan part. At present (2008), developing countries create in total cca 30% (Kuna, 2010) of the World GDP. Its total volume represents 17 billion USD (World Bank, 2010).

Sub-Saharan Africa is a specific region both from the perspective of the World and within Africa as a continent. With a billion people (2009) Africa accounts for about 15% of the World's human population, which means, Africa is also the second most populous continent. The annual figures of the UN Population Fund shows the continent's population had doubled in the last 27 years (BBC, 2009).

Sub-Saharan Africa represents a very heterogeneous group of countries. Its area is very large and includes a variety of heterogeneous cultures. The states have undergone divergent historical, cultural and economic evolution (Pokorná, 2009). In addition, there are huge differences in natural resources availability. All these factors are the cause of different economic development of sub-Saharan states and their connection with the World. In addition, a lack of democracy in many sub-Saharan countries may be mentioned as serious problem as well (Jeníček, Foltýn, 1998).

The situation of sub-Saharan Africa is substantially determined by the level, structure and generation of the GDP. Countries of the region belong to the poorest ones in the World, measured both in relative and absolute terms. The GDP (in constant prices, 2000) in sub-Saharan Africa has grown from USD 95 billion in 1993 to nearly USD 222 billion in 2008. But the proportion of sub-Saharan countries represents only 58% of the total African GDP and this share is continuously falling (in 1993, it was still 62 %). In a global comparison, sub-Saharan Africa generates 1.62% of the World GDP while it shares 12.22% of the World population. The average annual GDP growth rate in sub-Saharan countries (4.1%) has been also lower than in North Africa (5.4 %), but this figure is standing above the World average (3.1%) or the average growth rate of OECD countries (2.5 %). The share of sub-Saharan Africa in the World GDP value is not equal. Even compared with the other developing regions, its average share is lower by 2% in the long term (Levy, 1988; Brückner, Antonio 2010).

As well as all over the World, foreign trade plays an important role in Africa's economy. One reason that trade is important for Africa, as for the rest of the World, is that it allows for an efficient allocation of resources. That is, trade allows production on the basis of comparative advantage (Mankiw, 2007). Even though trade may have created many jobs in sub-Saharan Africa during the colonial era, for example, Europeans took land from Africans and, in effect forced them to take jobs from the Europeans at wages far below the market wage. Moreover, most of the profits accrued from trade were siphoned swiftly out of Africa. In the 1970s and 1980s many countries in sub-Saharan Africa implemented interest rate policies and other policies that inadvertently or deliberately discouraged resource mobility by limiting private investment. This meant the gains of these countries from trade were less than they could be (Mshomba, 2000).

Africa's comparative advantage is in the export of resource intensive goods that are produced with relatively cheap, uneducated, and unskilled labor. Such trade patterns, most of which were developed during colonialism, increase the continent's dependence on industrial market economies and impose significant damage on Africa's fragile ecosystems (Kieh, 2008).

In many sub-Saharan countries, trade liberalization coincided with the overall growth take-off in the mid- 1990s. The positive impact of trade openness tends to be more important in countries, in which other conditions are in place, such as high institutional quality, a strong business climate, and adequate infrastructure (Iqbal, Khan, 1998 and IMF, 2010).

2 MATERIALS AND METHODS

The paper analyses an economic development (GDP) of Sub-Saharan countries with respect to the development of key components that influence economic growth. The level and the structure of the GDP are taken into account with this respect. The analysis is focused on the structure of the GDP development, distinguishing between sectors of agriculture, fuels and raw materials, manufacturing as well as services. The analysis deals also with the proportion of foreign trade (especially export) on the total value of the GDP of each country and region.

In terms of geographic, the analysis is purely focused on countries of sub-Saharan region according to the World Bank classification. North African countries are excluded. The article thus evaluates an economic development of following 45 countries.

I: *The selected characteristics of the GDP value development*

(in constant prices, 2000)	1993 USD mill	2008 USD mill	Average annual growth	2008/1993
OECD	20 123 162	28 963 368	1.025	1.439
Sub-Sahara	94 625	221 624	1.041	2.342
Fastest growth: Equatorial Guinea	241	5730	1.235	23.738
Slowest growth: Zimbabwe	6 533	5 618	0.990	0.860

Source: World Bank, 2010

Equatorial Guinea	Comoros	Cameroon	Togo	Angola
Seychelles	Mozambique	Sudan	Central African Rep.	Congo, Rep.
Mauritius	Tanzania	Senegal	Ethiopia	Chad
Botswana	Benin	Cote d'Ivoire	Niger	Burkina Faso
Gabon	Uganda	Lesotho	Malawi	Sierra Leone
South Africa	Ghana	Nigeria	Liberia	Guinea
Namibia	Rwanda	Mauritania	Eritrea	Zambia
Cape Verde	Mali	Kenya	Guinea-Bissau	Congo, Dem. Rep.
Swaziland	Madagascar	Zimbabwe	Burundi	Gambia

The analysis is focused on the period 1993–2008 (this time series has been chosen mainly because the World was no more affected by its bipolar division in that period). Processed data concerning the value and structure of the GDP have been evaluated at two levels. The first one has been focused on macroeconomic aggregates analysis expressed in current prices (USD), the second one in constant prices converted into USD value of 2000. (Values have been converted according to the World Bank methodology).

The main data sources used were UN database (UN Comtrade) and World Bank database (Data-online), further FAO – FAOSTAT and EU – Eurostat. However, available data did not allow analysing the whole spectrum of selected states in some cases. The results are confronted with data which characterize economic development in other chosen World regions: North Africa, North America, Asia, Europe, European Union, OECD countries etc.

The paper is divided into several parts. The first one is dedicated to development of the GDP and GDP per capita in individual countries of sub-Saharan Africa. Individual states are compared also according to the structure of their GDP. The second analytical part is focussed on their foreign trade: export, import, trade balance, trade turnover and territorial structure. This part is also complemented by an analysis of integration processes in sub-Saharan Africa with an emphasis on GDP. Next part is devoted to an analysis of existing links between the countries´ GDP and chosen macroeconomic aggregates (mostly aggregates that are associated with the development of foreign trade activities of sub-Saharan countries). The analysis is based on linear regression describing the relationship between variables, and subsequently enables to evaluate an impact of macroeconomic aggregates on the GDP in sub-Saharan countries by determining elasticities.

Elasticity analysis has been calculated using a construction of series of one-factor regression functions based on the relationship between the GDP of a selected country (endogenous variable) and a selected variable related to the development of national and World economy (exogenous variable). The linear function is expressed as (Tvrdoň, 2006):

$$y = bx + c,$$

where:
y..... endogenous variable
x .... exogenous variable
c..... constant.

Calculation of elasticities:

$$E = \frac{dy}{dx} \times \frac{\bar{x}}{\hat{y}}$$

$\bar{x}$ .... average value
$\hat{y}$..... theoretical value.

The coefficients of elasticities are a crucial and inherent part of the analysis. The quantified power regression model, as well as the microeconomic theory on calculation and interpretation of the individual elasticity coefficients, are the basis for their analysis (Bielik, Šajbidorová, 2009). Elasticity indicates the percentage by which the export value will be changed if any of the parameters will be changed by 1%. The development of macroeconomic indicators is analyzed through a calculation of basic and chain indices. Chain indices are often averaged to determine the average growth rate of variables within analyzed time period (geometric average).

3 RESULTS AND DISCUSSION

3.1 Gross domestic product of sub-Sahara

Sub-Saharan countries generate low GDP per capita, as illustrated in the Tab. II. During the reporting period 1993–2008, their average GDP (in constant prices) has been steadily growing. However, in comparison with other regions, the dynamics of growth didn't reach the level of other World regions. The average GDP growth rate during the reporting period has reached the value 1.5%; the value of the GDP per capita has grown from USD 490 to USD 611 (by USD 121) which represents a total increment of more than 24%. Although a comparison of relative indicators may indicate that Africa achieves results comparable to other World regions, the reality is different. A comparison of the absolute value of the GDP per capita with a World average (USD 6,024 in 2008) or OECD countries (nearly USD 30,000)

II: *GDP per capita development in selected World regions*

GDP per capita (constant prices 2000)	1993 (USD)	2008 (USD)	Absolute increment (USD)	Average annual growth	Percentage increment 1993–2008
Sub-Saharan Africa	490	611	121	1.5%	24.7%
North Africa	1 178	1 954	777	3.4%	66.0%
Africa total	630	861	231	2.1%	36.7%
High income	21 903	28 696	6 793	1.8%	31.0%
High income: non OECD	12 085	17 831	5 747	2.6%	47.6%
High income: OECD	22 734	29 820	7 086	1.8%	31.2%
World	4 631	6 024	1 393	1.8%	30.1%

Source: World Banka database, 2010

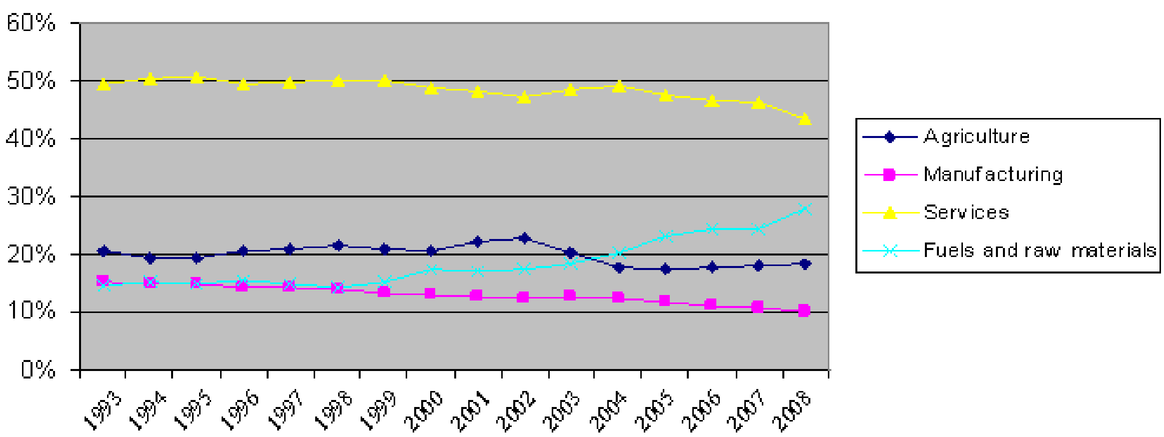
shows that the performance of sub-Saharan Africa's economy is still very low.

There are huge differences in achieved GDP per capita between sub-Saharan countries. That means, individual countries are too specific to allow an easy generalization of analyzed problems. Various economic developments are highlighted by the geographic heterogeneity of the region, which includes more than 40 countries on a surface of around 20 million square kilometres.

The huge differences between sub-Saharan countries can be illustrated on following example: whereas Equatorial Guinea reached an annual GDP per capita at the level of USD 8,700 in 2008, the Democratic Republic Congo just about USD 100. The annual growth rates are thus really variable within the region. Most of sub-Saharan countries reach an annual GDP per capita ranging from USD 200 to USD 700, 21 countries do not achieve the GDP per capita and day at the level of one dollar. Taking in account the poverty line at two dollars per day, the group of the poorest countries will extend to 34 (the analysis is based on conversion to constant prices of the year 2000 according to the World Bank methodology).

Significant differences exist also in terms of generating the GDP. In most states, service as well as mining and quarrying sectors are predominating. But the share of primary sector (agriculture, fuels and raw materials production) in the GDP of sub-Saharan countries is also significant. For many countries, it is the most important part of their GDP which exceeds the share of 50% of their total GDP (for details see Table III).

An analysis shows that the proportion of primary sector in the total GDP in sub-Saharan countries is high above the average of the World and especially of developed countries. This fact indicates generally a low level of economic development and also an insufficient development of production and processing capacities in sub-Saharan countries. Nevertheless it should be noted that the share of tertiary sector is predominant despite of the higher proportion of primary sector in the GDP, taking in account the whole sub-Saharan region. Another specific problem accompanying the GDP structure development in analyzed region is the fact that inter-annual growth rate of service sector is much weaker in comparison with fuel and raw materials sector. This results in declining share of tertiary sector in the total sub-Saharan GDP. The figure 1 illustrates a development of the GDP structure in sub-Saharan region. The chart shows that the share of primary components of sub-Saharan economies is still laying at the level about 40% and tends to a growth because of activities in extraction



1: *The development of individual economy sectors' share in sub-saharan region GDP*
Source: World Bank database, own processing, 2010

III: *Selected Characteristics of Sub-Saharan Countries, 2008*

	GDP (in mil. USD, current prices)	Population (ths.)	GDP/cap. const. prices 2000	GDP inter annual growth rate 1993–2008 (current prices)	Structure of GDP (value added % of the total GDP)			
					Agriculture	Manufactu-ring	Fuels and Raw materials	Services, etc.
Angola	83 383	18 021	1 357	1.202	7.7	3.5	69.1	19.8
Benin	6 680	8 662	359	1.080	32.2	7.5	5.9	54.4
Botswana	12 969	1 905	4 440	1.079	2.0	3.7	50.1	44.2
Burkina Faso	7 948	15 209	263	1.085	34.1	14.6	8.1	43.2
Burundi	1 163	8 074	111	1.014	34.8	8.8	11.2	45.1
Cameroon	23 396	18 898	710	1.037	19.5	17.7	12.7	50.1
Cape Verde	1 730	499	1 632	1.110	9.2	7.5	9.2	74.1
Central African Republic	1 970	4 423	230	1.028	54.4	7.4	6.7	31.4
Chad	8 361	11 067	251	1.123	21.4	4.7	49.1	24.9
Comoros	530	644	370	1.048	51.0	4.4	6.6	38.0
Congo, Dem. Rep.	11 588	64 205	99	1.005	44.7	6.4	20.0	28.9
Congo, Rep.	10 699	3 615	1 214	1.121	4.6	5.3	63.2	26.8
Cote d'Ivoire	23 414	20 591	530	1.051	22.8	19.3	6.6	51.3
Equatorial Guinea	18 525	659	8 692	1.377	2.6	6.2	88.3	3.0
Eritrea	1 654	4 996	147	1.088	22.6	6.8	13.6	56.9
Ethiopia	26 487	80 713	190	1.077	46.7	4.8	8.2	40.3
Gabon	14 435	1 448	4 157	1.083	4.9	4.1	57.2	33.8
Gambia	782	1 660	374	1.052	32.1	5.0	8.3	54.6
Ghana	16 123	23 351	327	1.069	37.5	8.7	16.5	37.4
Guinea	4 266	9 833	417	1.018	20.2	3.8	31.5	44.5
Guinea-Bissau	430	1 575	128	1.040	54.9	11.7	2.6	30.8
Kenya	34 507	38 534	464	1.127	27.2	11.8	7.3	53.7
Lesotho	1 622	2 017	525	1.052	7.9	18.7	13.1	60.2
Liberia	870	3 793	148	1.119	65.8	12.4	3.4	18.4
Madagascar	8 970	19 111	271	1.067	28.3	14.0	1.8	55.9
Malawi	4 269	14 278	165	1.049	32.9	13.9	6.6	46.6
Mali	8 740	12 711	295	1.082	36.6	3.2	21.0	39.3
Mauritania	2 858	3 200	480	1.057	23.7	5.0	24.2	47.0
Mauritius	8 651	1 269	4 929	1.066	6.1	20.2	8.0	65.7
Mozambique	9 735	21 781	365	1.110	27.0	15.5	9.9	47.7
Namibia	8 564	2 114	2 692	1.076	11.3	13.6	15.6	59.5
Niger	5 354	14 669	180	1.084	40.0	6.4	10.9	42.7
Nigeria	212 080	151 319	487	1.165	32.8	2.8	40.7	23.7
Rwanda	4 457	9 721	313	1.056	38.9	6.2	7.8	47.2
Sao Tome and Principe	175	161	xx	1.057	16.8	6.4	14.2	62.7
Senegal	13 209	12 211	530	1.058	16.7	15.2	8.6	59.5
Seychelles	833	86	8 267	1.038	2.5	13.1	8.8	75.6
Sierra Leone	1 953	5 560	262	1.064	45.8	3.7	21.0	29.5
South Africa	276 764	48 687	3 764	1.051	2.7	18.5	12.3	66.5
Sudan	58 443	41 348	532	1.134	32.0	6.9	21.4	39.7
Swaziland	2 618	1 168	1 559	1.045	8.5	40.0	5.6	45.8
Tanzania	20 490	42 484	362	1.110	46.1	6.8	10.0	37.0
Togo	2 823	6 459	245	1.057	43.7	10.1	13.8	32.4
Uganda	14 529	31 657	348	1.106	26.9	7.6	17.4	48.1
Zambia	14 314	12 620	387	1.103	22.1	11.3	18.7	48.0
Zimbabwe	3 418	12 463	450	0.957	19.1	13.5	10.4	57.0
Sub-Saharan Africa	996 781	818 616	611	1.085	19.6	10.2	26.8	43.4
OECD	40 462 273	1 068 525 495	28 696	1.035	1.5	16.9	9.2	72.4
World	61 379 608	6 697 799	xx	xx	3.2	17.7	10.3	68.8

Source: World Bank database, 2010

of raw materials. On the other hand, the share of manufacturing and services in the GDP structure is declining (The graph has been calculated on the base of the GDP structure and value development in the whole analyzed region. Authors have used data characterizing the value of individual sectors in individual sub-Saharan countries. An individual sector share in the total sub-Saharan GDP has been calculated after data summarizing. Basic data are from WB database).

The current level of generated GDP in the sub-Saharan Region stands at nearly USD 1 trillion which represents about one sixtieth of the World GDP value (see Tab. III).

This fact contrasts strongly with the fact that the population of this region reaches about 820 million which is about one eight of the World population. GDP per capita in the region has long been below the World average, despite the fact that the growth rate of the GDP of the region, which reached an annual growth of 8.5% from 1993 to 2008, significantly exceeds the average GDP growth of the World economy. On the other hand, the growth of the GDP per capita in sub-Saharan Africa is reduced by very high population growth rate that exceeds the global average. The annual population growth rate in sub-Saharan countries was reaching during the period in average 2.6%; in some countries, it was much higher (Niger 3.6%, Rwanda 3.4%).

An improvement of the GDP structure cannot be expected due to the fact that the GDP growth from 1998 to 2008 generated by the primary sector exceeded the GDP growth generated by both the secondary and the tertiary sector. An insufficient development of the secondary and tertiary sectors in sub-Saharan economies is the main element braking further progress of the region. If the service sector will not improve its position, no significant general improvement can be expected – with respect to the fact, that the primary sector is the main source of jobs in the region and people cannot leave it because the other ones do not offer enough opportunities.

Changes in the value and structure of the GDP are significantly affected not only by the structure of internal sub-Saharan market, but there exists also a very important relationship to external economic environment. With this respect, foreign trade and economic integration in the region play an important role.

3.2 Foreign trade of sub-Sahara

Foreign trade is a significant determinant of economic development in sub-Saharan countries. The main pillar of the foreign trade exchange is trade of goods, while trade of services is marginal and has only a local character.

The share of foreign trade exchange in the GDP of sub-Saharan countries is continuously increasing and stood at 72% in 2008 (compared to 65% in 2000), where the share of export involved 37% and import 35%. Foreign trade plays various roles in economies of individual sub-Saharan countries both in terms of foreign trade intensity and degree of economic openness. Following countries belong to countries with the highest proportion of foreign trade in their GDP: Seychelles, Equatorial Guinea, Swaziland, Angola, Gabon, Mauritius, Mauritania, Lesotho, Chad, Namibia, Congo, Botswana, Cote d'Ivoire, Zambia, Ghana, Gambia, Gabon, Mozambique, Nigeria, Togo and Guinea. Share of these countries in total export within the region (sample of 45 countries) is close to 60%. On the other hand, the lowest proportion of export in the GDP is characteristic for countries like Eritrea, Rwanda, Burkina Faso, Burundi, Benin, Niger, Comoros, Ethiopia, Central African Republic,

IV: *Development of territorial structure of the sub-Saharan export (current prices)*

	1993 (USD million)	2008 (USD million)	Total 1993–2008 (USD million)	Share in 1993	Share in 2008	Share in 1993-2008	growth -geometric average
EU 27	16 393.1	138 153.9	891 091.0	60.63%	37.51%	43.34%	1.153
Africa	1 835.8	50 394.4	258 489.5	6.79%	13.68%	12.57%	1.247
World (Aggregate)	27 037.9	368 265.3	2 055 844.7	100.00%	100.00%	100.00%	1.190
Europe	16 791.4	147 376.2	940 479.1	62.10%	40.02%	45.75%	1.156
Asia	2 503.7	72 746.5	343 373.1	9.26%	19.75%	16.70%	1.252
North America	4 350.8	74 813.7	379 343.6	16.09%	20.32%	18.45%	1.209
Oceania	64.3	2 789.6	14 532.4	0.24%	0.76%	0.71%	1.286
LAIA	735.1	12 156.5	58 833.7	2.72%	3.30%	2.86%	1.206
Caribbean	25.6	571.3	3 508.8	0.09%	0.16%	0.17%	1.230
CIS	146.8	1 170.1	6 725.9	0.54%	0.32%	0.33%	1.148
EFTA	219.3	7 689.5	40 735.4	0.81%	2.09%	1.98%	1.268
North Africa	836.0	8 524.3	38 471.0	3.09%	2.31%	1.87%	1.167
OECD	21 701.1	243 479.5	1 430 204.3	80.26%	66.12%	69.57%	1.175

Source: UN Comtrade, 2010

Uganda, Tanzania, Cape Verde, Sudan, Sierra Leone, Cameroon, Malawi, Senegal, Kenya, Democratic Republic of Congo and Mali. Although these countries generate about 24% of the GDP within the sub-Saharan region, their average share of export in the GDP slightly exceeds 12%. The share of export in the GDP of these countries was ranging from 6% to 27% in 2007.

The fact, that sub-Saharan countries are not very active in foreign trade, is considered to be one of the main problems of the region. The reason is that individual economies are not able to export competitive products in sufficient amount, and are specializing in export of raw materials and intermediate products – if resources are available (Subramanian, Matthijs, 2007). At the same time, they are not able to purchase goods abroad because of their insolvency. Overall, most of sub-Saharan countries are characterized by low level of openness of their markets to imports. Only ten of analyzed countries reach a proportion of imports in their GDP above 50%.

Low share of foreign trade operations within the sub-Saharan region is another specific feature. Only 14% of the sub-Saharan exports find their destination in Africa. Sub-Saharan Africa is specializing more in trade with other regions like Europe, North America or Asia. The highest dynamics of trade activities is reached with Oceania, Asia and Americas.

3.3 Relations between export and GDP

Economic openness is an important factor contributing to the growth of national product and thus to the wealth of regions, states and individuals. African countries have been participating at a very low level in the World trade (about 3.5% in the World export and 2.8% in the World import). In sub-Saharan Africa, it is even less (2.2% in the World export and 1.8% in the World import). Limited export ability (especially of manufactured products with high share of added value) belongs to essential problems of the region. The same problem can be identified in trade in services which is not fully developed and does not reach its full potential especially at intra-regional level. Sub-Saharan countries have only limited ability to export their services abroad, because quality of their services fails to safeguard competitiveness in comparison with competitors from other parts of the World. Another specific problem which is typical for many sub-Saharan countries is the high proportion of raw materials and agricultural commodities (cash-crops) in their total foreign trade performance. Commodity structure of foreign trade of individual sub-Saharan countries does not support intra-regional cooperation because individual countries are becoming natural competitors (their trade structure is similar). Above mentioned development results in dependency of sub-Saharan countries on inter-regional trade and especially on development of World prices for unprocessed products. Sub-Saharan countries become thus extremely vulnerable if problems on the World market appear. Mentioned statements are fully in compliance with findings of many international organizations (WTO, 2009; IMF 2010 or WB 2011 etc.).

Criticism of the low level of intra-regional trade within individual sub-Saharan countries should be accompanied by highlighting the fact that intra-regional cooperation has been improving during the last few years. Nevertheless, the level of intra-regional trade in analyzed region is still much lower (about 10%) than in Europe (74%) or North America (51%) – for details see WTO Trade Report (WTO, 2010). Relatively high dynamics of foreign trade within the sub-Saharan region is evident in the case of goods exchange both in exports and imports. The value of exports (nominal) has been increasing by 12.2% a year in average from 1993 to 2008, which is above the World average increase (about 10 %). The value of imports has been increasing by 11.2% in average in the same period, which is also an above-average growth in a global comparison. The growth of export value exceeds value of imports; the logical result is a growth of an active balance of sub-Saharan countries in foreign trade in goods. It should be noted that an increasing trade performance in analyzed region is supported mostly by two factors. The first one is represented by constantly growing raw materials prices on the World market. Another important factor is a permanent growth of foreign investments coming into sub-Saharan countries from Asia (China), EU and USA.

Despite of positive balance in trade in goods, the total foreign trade balance of sub-Saharan region does not reach a positive value. A positive development in trade in goods is reduced by a negative trade balance in services. Above mentioned statement is a generalization which may be applied only for the analyzed sub-Saharan region as a whole. The situation in individual countries, their participation in exports and imports, is very different. Some countries contribute essentially to the total value of sub-Saharan foreign trade, some are almost not involved.

As mentioned above, the balance of foreign trade in goods is positive; it reached a value of USD 55.6 billion in 2008. But the positive trade balance is achieved only by 9 countries from 45. A positive balance of these nine states reaches the value about USD 122 billion. The balance of the other 36 countries was at a level of about USD –66.6 billion in 2008. The share of foreign trade balance value in the foreign trade turnover value is significant for the most analyzed countries. This share has been fluctuating from 20 to 92% in case of 35 countries (for details – see Tab. V).

Foreign trade (trade in goods) is thus an important contribution to the GDP development in many sub-Saharan countries (Tab. V), which is already the case of most countries all over the World. In sub-Saharan countries, there can be confirmed an existence of positive links between the GDP growth and export

V: *Basic characteristics of sub-Saharan countries foreign trade*

YR2008 (in billion USD)	Exports of goods and services (current US$)	Imports of goods and services (current US$)	Turnover of goods and services (current US$)	Trade balance	GDP (current US$)	Turnover / GDP	Export / GDP	Import / GDP
Angola	43.81	23.94	67.75	19.87	59.26	114.3%	73.9%	40.4%
Benin	0.58	1.12	1.70	-0.54	5.43	31.3%	10.6%	20.6%
Botswana	5.80	4.51	10.31	1.28	12.32	83.7%	47.0%	36.6%
Burkina Faso	0.67	1.55	2.21	-0.88	6.77	32.7%	9.8%	22.9%
Burundi	0.10	0.43	0.53	-0.33	0.98	54.1%	10.1%	44.1%
Cameroon	4.56	4.39	8.96	0.17	20.69	43.3%	22.1%	21.2%
Cape Verde	0.29	0.79	1.08	-0.51	1.45	74.4%	19.7%	54.7%
Central African Republic	0.25	0.38	0.64	-0.13	1.71	37.1%	14.8%	22.3%
Chad	3.48	2.40	5.88	1.08	7.01	83.9%	49.6%	34.3%
Comoros	0.06	0.17	0.23	-0.12	0.46	49.5%	12.2%	37.3%
Congo, Dem. Rep.	2.71	3.78	6.48	-1.07	9.95	65.2%	27.2%	38.0%
Congo, Rep.	5.58	3.28	8.86	2.30	7.65	115.9%	73.0%	42.9%
Cote d'Ivoire	9.22	8.11	17.33	1.12	19.80	87.5%	46.6%	40.9%
Equatorial Guinea	10.30	3.81	14.11	6.49	12.58	112.2%	81.9%	30.3%
Eritrea	0.09	0.47	0.56	-0.39	1.37	40.7%	6.3%	34.5%
Ethiopia	2.49	6.25	8.74	-3.77	19.39	45.1%	12.8%	32.2%
Gabon	7.49	4.15	11.64	3.33	11.57	100.6%	64.7%	35.9%
Gambia, The	0.21	0.32	0.53	-0.11	0.64	83.1%	33.3%	49.8%
Ghana	5.06	9.02	14.08	-3.96	14.99	93.9%	33.7%	60.2%
Guinea	1.70	1.80	3.50	-0.10	4.56	76.7%	37.2%	39.5%
Guinea-Bissau	0.11	0.17	0.28	-0.06	0.38	72.5%	28.0%	44.6%
Kenya	7.04	10.06	17.11	-3.02	26.95	63.5%	26.1%	37.3%
Lesotho	0.88	1.71	2.59	-0.83	1.67	155.3%	52.7%	102.6%
Liberia	0.24	0.62	0.86	-0.37	0.73	117.0%	33.3%	83.8%
Madagascar	2.23	3.44	5.67	-1.21	7.35	77.2%	30.4%	46.8%
Malawi	0.84	1.60	2.44	-0.75	3.59	68.1%	23.6%	44.5%
Mali	1.87	2.54	4.41	-0.67	6.85	64.4%	27.3%	37.1%
Mauritania	1.52	1.71	3.24	-0.19	2.64	122.5%	57.7%	64.9%
Mauritius	4.19	4.82	9.02	-0.63	6.79	132.9%	61.8%	71.1%
Mayotte	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mozambique	3.01	3.55	6.56	-0.54	8.01	81.9%	37.6%	44.3%
Namibia	4.17	4.34	8.51	-0.16	8.72	97.6%	47.9%	49.7%
Niger	0.51	0.82	1.34	-0.31	4.25	31.5%	12.1%	19.4%
Nigeria	66.62	49.19	115.81	17.42	165.92	69.8%	40.1%	29.6%
Rwanda	0.33	0.94	1.28	-0.61	3.41	37.4%	9.7%	27.7%
Sao Tome and Principe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Senegal	2.88	5.41	8.28	-2.53	11.30	73.3%	25.4%	47.9%
Seychelles	0.99	1.31	2.31	-0.32	0.91	252.7%	108.8%	143.9%
Sierra Leone	0.35	0.47	0.82	-0.12	1.66	49.3%	20.9%	28.3%
Somalia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Africa	89.57	98.33	187.90	-8.77	283.74	66.2%	31.6%	34.7%
Sudan	9.29	11.04	20.33	-1.75	46.23	44.0%	20.1%	23.9%
Swaziland	2.31	2.35	4.66	-0.04	2.89	161.1%	79.9%	81.2%
Tanzania	3.11	3.94	7.05	-0.83	16.83	41.9%	18.5%	23.4%
Togo	1.05	1.56	2.61	-0.51	2.50	104.4%	41.9%	62.5%
Uganda	1.99	3.64	5.63	-1.65	11.89	47.3%	16.7%	30.6%
Zambia	4.80	4.07	8.87	0.73	11.41	77.7%	42.1%	35.6%
Zimbabwe	1.94	2.35	4.29	-0.40	3.42	125.4%	56.8%	68.6%
Sub-saharan Africa	316.28	300.68	616.96	15.59	858.62	71.9%	36.8%	35.0%
Africa total	474.54	438.94	913.48	35.60	1 292.69	70.7%	36.7%	34.0%
High income	10 843.41	11 080.87	21 924.28	-237.47	40 462.27	54.2%	26.8%	27.4%
World	17 420.51	17 329.76	34 750.27	90.75	54 891.06	63.3%	31.7%	31.6%

Source: World Banka database

development. However these links are very variable in terms of intensity for each analyzed country. The results of the analysis show, only 12 from 45 countries reach very strong correlation between the development of export value and the GDP. In the case of the rest of the sub-Saharan countries, a correlation exists too, but the contribution of export value to their GDP is relatively small. Five countries report a negative correlation between their GDP and export development.

3.4 Process of African Integration

An inability of mutual cooperation and integration is a paradox phenomenon which influences economic development in Africa. Although there are many economic groupings and initiatives in the region including most of the sub-Saharan countries, their effectiveness is very low and they are not comparable with integration processes in Europe, America or Asia. The reason consists in low specialization, lack of money to support economic development, missing suitable infrastructure, low qualification of labour and other. The result of these problems is the low share of intra-regional trade in sub-Saharan region. This problem was already mentioned in the past by many authors (Foroutan and Pritchett, 1993; Radelet, 1999).

Cooperation of sub-Saharan states is based primarily on contacts with developed countries, which are interested in Africa mainly due to raw materials base and low labour cost. Such kind of cooperation (which is accompanied by tax escalation and which is typical for mutual foreign trade development) results in only little progress in sub-Saharan economic growth. In addition, the high population growths, political and economic instability in many countries and regions, as well as social decay, highlight all these problems.

The Tab. VI presents basic overview about development of integration in Africa and about consequences resulting from such integration activities. However, it is important to note that in recent years, the GDP growth rate in African countries exceeded the average World GDP growth. This growth in terms of quality is eliminated by the growth rate of Africa's population which is the highest in the World (Prášilová, Hošková, 2010). Sub-Saharan Africa stays under the World average both in terms of achieved GDP per capita and average growth rate (in absolute values).

An analysis of mutual relation of both variables based on linear regression calculations has shown a positive correlation between the GDP of individual sub-Saharan countries and the GDP World development. A positive correlation was evidenced also between the GDP development in sub-Saharan countries and the region as a whole on the one hand, and foreign trade of these countries (and the whole region) on the other hand. This result was also confirmed by other independent authors (Ghura, Hadjimichael, 1996; Tiffen, 2003). Some doubts about the veracity of the above sated results have arisen only in case of following countries: Comoros, Eritrea, Somalia, Liberia, Sao Tome and Principle, and Zimbabwe.

VI: *Development of selected indicators in Africa and World (1970–2007)*

1970-2007	average GDP growth in %	average population growth in %	average growth of GDP per capita in %
ECOWAS	3.4	2.8	0.5
ECCAS	2.7	2.8	-0.1
SACU	2.7	2.2	0.5
IGAD	4.1	2.9	1.2
EAC	3.8	3.3	0.5
IOC	3.0	2.7	0.2
AMU	3.5	2.3	1.2
AFRICA	3.3	2.7	0.6
WORLD	3.1	1.6	1.5
1970-2007	**average GDP growth in billion**	**average population growth in million**	**average growth of GDP per capita in USD**
ECOWAS	3.5	4.9	3.0
ECCAS	1.3	2.4	-1.2
SACU	3.1	0.8	14.2
IGAD	2.0	3.6	3.9
EAC	0.3	0.7	2.0
IOC	0.2	0.4	0.9
AMU	4.3	1.3	24.1
AFRICA	17.0	16.1	5.3
WORLD	644.2	80.4	59.8

Source: UN Comtrade, 2010

VII: *Average change of the GDP value in sub-Saharan Africa corresponding to one-percentage change of selected variables (current prices)*

	World GDP	Europe GDP	USA GDP	Africa GDP	African countries export	Whole Africa total Export	Africa intra trade	World trade
Angola	3.3	3.14	3.9	2.39	0.96	1.65	0.82	2
Benin	1.31	1.25	1.54	0.95	1.15	0.65	0.32	0.79
Botswana	1.29	1.23	1.52	0.93	1.1	0.64	0.32	0.78
Burkina Faso	1.39	1.33	1.64	1.01	0.54	0.7	0.34	0.84
Burundi	0.23	0.22	0.28	0.17	1.15	0.12	0.06	0.14
Cameroon	0.61	0.58	0.72	0.44	0.65	0.3	0.15	0.37
Cape Verde	1.79	1.71	2.12	1.3	0.74	0.9	0.44	1.09
Central African Republic	0.46	0.44	0.54	0.33	0.8	0.23	0.11	0.28
Comoros	0.78	0.74	0.92	0.56	1.89	0.39	0.19	0.47
Congo, Dem. Rep.	0.09	0.08	0.1	0.06	0.06	0.04	0.02	0.05
Congo, Rep.	1.98	1.89	2.34	1.44	0.79	0.99	0.49	1.2
Cote d'Ivoire	0.84	0.8	0.99	0.61	0.53	0.42	0.21	0.51
Equatorial Guinea	6.16	5.88	7.28	4.47	0.85	3.09	1.53	3.74
Eritrea	1.43	1.37	1.69	1.04	1.82	0.72	0.36	0.87
Ethiopia	1.25	1.19	1.48	0.91	0.53	0.63	0.31	0.76
Gabon	1.35	1.29	1.6	0.98	0.92	0.68	0.33	0.82
Gambia, The	0.85	0.81	1	0.61	0.52	0.42	0.21	0.51
Ghana	1.12	1.07	1.32	0.81	0.55	0.56	0.28	0.68
Guinea	0.29	0.28	0.34	0.21	0.31	0.14	0.07	0.18
Guinea-Bissau	0.66	0.63	0.78	0.48	0.46	0.33	0.16	0.4
Chad	2.01	1.92	2.38	1.46	0.45	1.01	0.5	1.22
Kenya	2.07	1.98	2.45	1.5	1.42	1.04	0.51	1.26
Lesotho	0.85	0.81	1	0.61	0.38	0.43	0.21	0.52
Liberia	1.95	1.86	2.3	1.41	3.51	0.98	0.48	1.18
Madagascar	1.1	1.05	1.3	0.8	0.69	0.55	0.27	0.67
Malawi	0.81	0.77	0.95	0.58	0.8	0.4	0.2	0.49
Mali	1.34	1.28	1.58	0.97	0.95	0.67	0.33	0.81
Mauritania	0.93	0.88	1.09	0.67	0.57	0.46	0.23	0.56
Mauritius	1.08	1.03	1.28	0.78	1.64	0.54	0.27	0.66
Mozambique	1.8	1.72	2.13	1.31	0.5	0.9	0.45	1.09
Namibia	1.24	1.19	1.47	0.9	1.28	0.62	0.31	0.76
Niger	1.36	1.3	1.61	0.99	1.15	0.68	0.34	0.83
Nigeria	2.7	2.58	3.19	1.96	1.09	1.35	0.67	1.64
Rwanda	0.91	0.87	1.08	0.66	0.6	0.46	0.23	0.55
Senegal	0.94	0.9	1.12	0.69	0.68	0.47	0.23	0.57
Seychelles	0.63	0.6	0.74	0.45	0.27	0.31	0.16	0.38
Sierra Leone	1.05	1	1.24	0.76	1.51	0.52	0.26	0.64
South Africa	0.84	0.8	0.99	0.61	0.62	0.42	0.21	0.51
Sudan	2.18	2.08	2.58	1.58	0.53	1.1	0.54	1.33
Swaziland	0.73	0.7	0.86	0.53	0.67	0.37	0.18	0.44
Tanzania	1.8	1.72	2.13	1.31	0.84	0.9	0.45	1.1
Togo	0.93	0.88	1.09	0.67	0.46	0.46	0.23	0.56
Uganda	1.72	1.65	2.04	1.25	0.58	0.86	0.43	1.05
Zambia	1.69	1.61	1.99	1.22	0.8	0.85	0.42	1.02
Zimbabwe	0.69	0.66	0.82	0.5	2	0.35	0.17	0.42

Source: World Bank database, 2010

GDP development in majority of analyzed countries is linked to economic development (GDP) mainly in Europe and North America (USA). But considerable differences exist between individual countries in terms of sensitivity of their GDP changes in relation to GDP changes in the World economy (mainly in Europe and North America), as well as to changes in their inter- and intraregional foreign trade. The relationship between the GDP of sub-Saharan countries and selected variables can be established on sensitivity analysis based on calculation of elasticities resulting from individual regression functions. The results coming from the analysis are fully in compliance with findings of many authors and world economy authorities (Arieff, Weiss, Jones, 2010; Bosker, Garretsen, 2008; Harry, UN 2009; AfBD 2009; IMF 2010).

An evaluation of individual sub-Saharan states concerning the intensity of changes between their GDP and value of above mentioned variables (where an existence of relations is proved by a regression analysis) leads to conclusions that considerable differences exist among analyzed states in terms of relation to changes in internal and external environment which influences their GDP development. For example, Equatorial Guinea is responding very intensively to changes in the World GDP development, on the other hand, the lowest sensitivity was proved in Democratic Republic Congo. Similar correlation can be noticed also in case of GDP changes in relation to changes in World foreign trade (as presented in the Tab. VII).

The sensitivity to changes in selected variables, which relates to the GDP of individual analyzed states, can become a basis for a classification of sub-Saharan states into three main groups.

The final classification shows, sub-Saharan Africa can hardly be regarded as a coherent region. Differences between countries are really significant; each group of countries is characterized by different problems resulting from their specific economic, political, social, cultural and historical development.

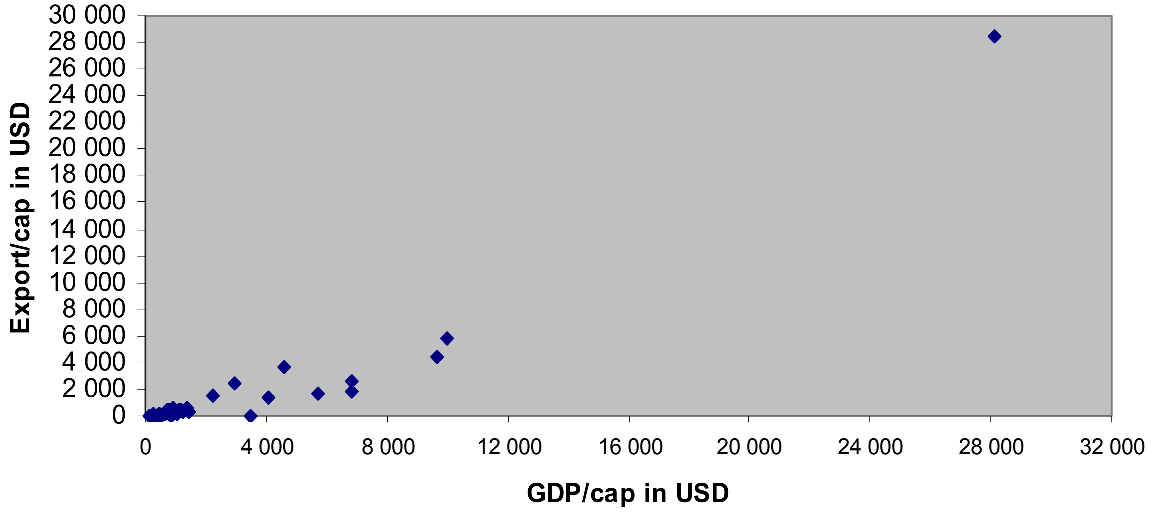
4 CONCLUSIONS

A poor economic situation in sub-Saharan countries has been researched in many papers and projects for example: (Collier, 2007; UN ECA, 2009; IMF 2009). An analysis provided in this paper tries to describe several failings which exist in this poorest region of the World. The analysis discovers not only problems concerning the economic development of the region as a whole, but it shows also its heterogeneity (see Fig. 2). The chart illustrates clearly huge differences existing within the region. However, the chart also shows that many countries of the sub-Saharan region are facing similar economic problems. Their GDP per capita and export value per capita have been reaching very low values. A lot of countries culminate around average values, which can be represented by USD 1,213 (GDP per capita) and USD 434 (export value per capita). The results also show that the GDP and export value are increasing fast in many countries of the region and more than a half of the analyzed states are characterized by a higher GDP and export value growth compared to the World average (see Fig. 3). Nevertheless, a high population growth degrades these positive results and both indicators expressed on a per capita basis present another view. The only exception may be observed in case of states which essentially exceed values of analyzed indicators: Equatorial Guinea, Gabon, Seychelles, Botswana, Mauritius, South Africa, Angola, Namibia, Cape Verde, Congo a Swaziland.

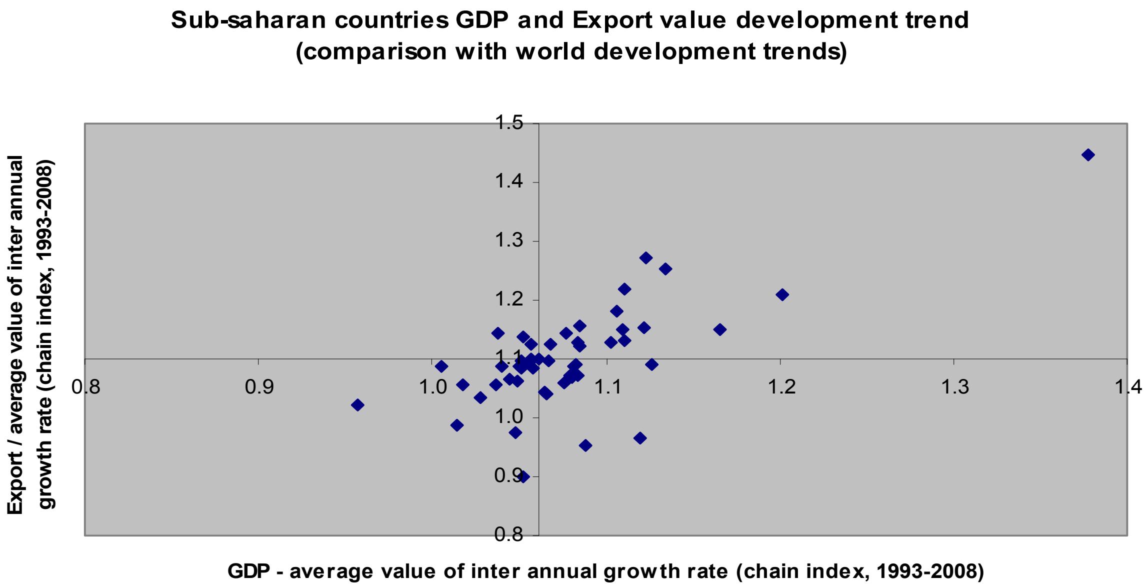
Group I high sensitivity	Equatorial Guinea, Angola, Nigeria, Kenya, Liberia, Sudan, Congo, Tanzania, Chad and Eritrea
Group II medium sensitivity	Zambia, Mozambique, Uganda, Niger, Gabon, Benin, Mali, Burkina Faso, Botswana, Cape Verde, Namibia, Mauritius, Sierra Leone, Ethiopia, Madagascar, Ghana, Senegal, Mauritania, Rwanda, Togo, Comoros, Zimbabwe, South Africa Lesotho, Malawi, Côte d'Ivoire, Gambia, Swaziland
Group III low sensitivity	Central African Republic, Cameroon, Guinea Bissau, Seychelles, Guinea, Burundi, Democratic Republic of Congo, Somalia

Calculations analyzing sensitive reactions on changes in selected indicators include only a percentage change in the GDP in one percentage change of a chosen variable which is related to the GDP of an individual country. The result is thus a real percentage change occurred during the analyzed period. A direction, in which the change has an effect, is not taken into consideration. For this reason, there is not possible to determine if the change has lead to a positive or negative increment. The analysis may just indicate how sensitive the GDP of individual countries is to changes in selected economic indicators.

Economic development of the other countries of the region meets many problems. The group of states facing problems includes: Burundi, Democratic Republic Congo, Liberia, Guinea-Bissau, Zimbabwe, Malawi, Ethiopia, Somalia, Eritrea, Sierra Leone, Niger, Gambia, Tanzania, Madagascar, Uganda, Rwanda, Mozambique, Central African Republic, Togo and Guinea. Economic results of these countries are not given only by economic factors; their development is more influenced by political and military factors. Many



2: *Individual sub-Saharan countries export/cap and GDP/cap values, 2008*
Source: UN Comtrade, own processing, 2010



3: *Individual sub-Saharan countries export value and GDP value development, 1993–2008*
Source: UN Comtrade, own processing, 2010

of these countries have gone throw armed conflicts and civil wars which have damaged their economies.

The analysis has been focused on understanding problems of countries in sub-Saharan Africa. The main part is devoted to exploitation of GDP and foreign trade (mainly export) development within economies of individual sub-Saharan countries. The analysis points out differences between countries and specifies the role of external economic relations. The results confirm, sub-Saharan Africa has been the least developed region of the World. A level of its GDP, foreign trade, structure of its economy as well as its foreign trade structure do not correspond to current trends in a global economic development.

Economic development of sub-Saharan countries has been highly dynamic (In period 1993–2008, the average inter-annual growth rate of GDP reached in current USD prices 8.5%.). Most economic indicators keep an over-average growth in the World comparison. But sub-Saharan Africa cannot be perceived as only one region. It consists of several sub-regions with more or less similar problems. For this reason, the analysis of sub-Saharan Africa must be based on segregation of sub-Sahara into groups according to chosen items. The main problems of sub-Saharan Africa may be recapitulated in conclusions below.

An improper sector structure within national economies is still prevailing in sub-Saharan countries. The primary sector is predominating in many analyzed states (22 analyzed countries). Foreign trade plays an important but limited role.

The problem of foreign trade consists in specific territorial structure. Sub-Saharan countries focus their trading activities mostly out of the African region; more than 80% of their trade is carried out with Europe, Asia or America. An improper territorial and commodity structure of foreign trade is given by an unsuccessful effort to integrate the African market according to European Union, and also by an inability to export goods of higher added value. In addition, a tariff escalation applied by developed countries makes the situation for sub-Saharan countries more difficult. A low level of specialisation and diversification in sub-Saharan do not enable to find an easy solution of the above described problems.

The low level of diversification is a barrier for cooperation between sub-Saharan countries which eliminates building up mutual economic relations based on the idea of comparative advantage. The states dispose of similar production structure based on production and export of primary production (raw materials and agrarian products). For this reason, the countries are not able to cooperate and are not interested in developing mutual trade contacts because they do not have complementary products. Contrary, their relations are much more competitive.

The commodity structure in sub-Saharan countries has been adjusted to support an ability to succeed on markets of developed countries (high share of cash-crops in the commodity structure and agrarian export can be mentioned as a typical example). Such approach results in limited participation within the African market, which is characterized by other requirements compared to markets of developed countries. Foreign trade will bring only a limited contribution to the economic growth, as long as the sub-Saharan intra-regional trade will not be developed.

The main barrier of the economic prosperity of the region is an unsuitable structure of national economies in the most countries. Whereas tertiary sector has gained a higher position in some economies, the share of secondary sector (mainly the processing industry) is keeping at very low level in sub-Saharan Africa. On the contrary, primary sector (agriculture and raw materials) still plays a very important role (much more important than it is usual in many developed and also developing countries in the world) of sub-Saharan economies; it is characterized by low development potential and low added value. An importance of the primary sector is stressed by the fact that it offers jobs for the most population. Modernization of this sector is limited by insufficient developed secondary and tertiary sectors which are not able to absorb labour leaving the primary sector.

In relation to GDP value development, the positive correlation between individual sub-Saharan countries' GDP and world GDP value was proved (1.34 %). The positive correlation was also proved among individual sub-Saharan countries' GDP development on the one side, and the whole African region GDP development (1.05 %). In relation to GDP value development and individual countries foreign trade, the analysis discovered that the growth of export value has only limited impact on GDP value growth (the value of GDP elasticity in relation to export value change reached about 0.67 %). It was also proved that many analyzed countries are linked with economic development, especially in Europe (EU15) and North America (USA). The elasticity value of sub-Saharan GDP reached 1.28% respectively 1.59% in relation to one percentage GDP change in Europe and USA. It is necessary to highlight the fact, that among individual sub-Saharan countries exist significant differences in area of their own GDP development. Differences also exist in individual countries GDP sensitivity in relation to changes in external economy environment – for details see Tab. VI.

An improvement of the current situation of sub-Saharan Africa may be done through an inflow of capital investments which have to be distributed adequate among all economic sectors. Just such approach may ensure an even development and enable continuous shift of labour from primary to secondary and tertiary sectors. Beyond all doubts, the whole process of reconstruction of sub-Saharan economies will need a long-time horizon for a realisation.

SUMMARY

The article detects differences among individual countries and sub-regions of sub-Saharan Africa and analyzes basic problems crucial for development of those states and regions. The aim of the paper is both qualitative and quantitative analysis of the GDP in sub-Saharan region to identify the main development trends of the region and to discover differences related to GDP developments which exist among individual countries and sub-regions. Sub-Saharan Africa is a specific region. It belongs to the most populated regions of the World; approximately one eight of the World population lives in sub-Sahara, but the region generates only one sixtieth of the World GDP. Although such basic characteristic can be drawn, Sub-Saharan Africa represents a very heterogeneous group of countries. Its area is very large and includes a variety of heterogeneous cultures. The states have undergone divergent historical, cultural and economic evolution; in addition, there huge differences exist in

natural resources availability. All these factors have resulted in different economic development of sub-Saharan states and their connection with the World. There are several specifics in economic development of sub-Saharan countries. The countries reach generally an over average GDP growth, which exceeds the growth of developed countries. But on a per capita basis, the GDP is very low and fast growth is eliminated through population increase. The structure of the GDP of sub-Saharan countries is unsuitable as well. For many countries, primary sector is the most important part of their total GDP. Foreign trade is a significant determinant of economic development in sub-Saharan countries. The main pillar of the foreign trade exchange is trade of goods, while trade of services is marginal. Sub-Saharan countries focus their trading activities mostly out of the African region, intra-regional trade is not developed. It results in specialisation of domestic production in goods which may be sold on the World market, low level of diversification and more competitive relations within sub-Saharan states. Because export of sub-Saharan countries is focused on goods of primary sector, which are characterized by low added value, foreign trade contributes to the GDP growth of the whole region only to a limited degree. The article points out that a restructuring of sub-Saharan economies, encouraged by foreign investments, will be necessary to improve the current situation.

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