

Natural Resource, Value added and Economic Growth: Empirical Analysis from Selected African Countries

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ABSTRACT Africa is considered to have a large proportion of the world's natural resources, yet its balance of trade remains in deficit if compared with other trading partners. Nevertheless, this trend poses a challenge to the economic growth and development of Africa. The present research paper provides analysis on economic growth based on World Bank indices such as export of goods and services, industry value added, gross capital formation, and agriculture value added vis-à-vis gross domestic product (GDP) over a period of 9 years on selected African countries (Algeria, Angola, Botswana, Egypt, Ethiopia, Gabon, Ghana, Kenya, Namibia, Nigeria, Senegal, South Africa, Tanzania, Uganda and Zimbabwe) and provided explanations on their impact on economic value added in relation to economic growth and development. The paper concludes that rather than place a great deal of emphasis about the desirability of export earnings, one way to achieve economic growth and development is in terms of adding value to Africa's natural resources itself by transforming them into the final product.