The curious case of Equatorial Guinea: an outlier in outliers

For example, oil-dependent economies like Equatorial Guinea and Angola have seen a significant drop in GDP growth due to the decline in oil prices. However, some countries have managed to perform better than expected despite their natural resources. Singapore, for instance, has consistently performed well in the GDP growth index due to its strong economy and effective government policies.

Abundant oil reserves are not always beneficial for economic growth. While oil-rich countries like the UAE and Qatar have seen high GDP growth in the past, recent oil price drops have led to a decline in their economic performance. But the reality paints a different picture- some countries like Bhutan and Equatorial Guinea have performed well despite the presence of natural resources.

High Dependency by Oil

Abundant oil reserves do not always translate into economic growth. For example, the UAE, Qatar, and Kuwait have large oil reserves, but their GDP growth has been inconsistent. However, this pattern is not followed by some countries like Bhutan and Equatorial Guinea, which have managed to perform well despite their natural resources.

In contrast, some countries have managed to break the norm by diversifying their economies and focusing on other sectors. These countries include Singapore, which has a diverse economy with a strong focus on education, healthcare, and technology.

Power abuse, widespread corruption, and poor human rights records have been common in some oil-rich countries. Under an apparent dictatorship for four decades, there is a lack of accountability and transparency, leading to widespread corruption and human rights abuses. Equatorial Guinea has often been cited as an example of resource curse, where abundant natural resources have led to a decline in economic performance.

Historical data suggests that this pattern was not the case in Equatorial Guinea. It was only in 1996 when oil was discovered in the country that the economy saw a significant boost. Under an apparent dictatorship for four decades, there is a lack of accountability and transparency, leading to widespread corruption and human rights abuses.

Obiang took over as the President and tried to bring peace and stability to the country, but the problems persisted. The GDP growth rate of Equatorial Guinea has been negative in recent years, indicating a decline in economic performance.

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