These are the '10 emerging markets of the future'

Pakistan will develop as a manufacturing hub over the coming years.
Image: REUTERS/Caren Firouz

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A new report from BMI Research has identified the "10 emerging markets of the future" — the countries that are set to become new drivers of economic growth over the next 10 years.

BMI estimates that these countries will cumulatively add $4.3 trillion to global GDP by 2025 — roughly the equivalent of Japan's current economy.

In general, manufacturing and construction are the sectors that will drive the economies. BMI reports that new manufacturing hubs are set to emerge in Bangladesh, Myanmar, and Pakistan, and that these countries will see particularly strong growth in exporting manufacturing industries. And construction growth is going to be widespread throughout all the countries — partly to facilitate increases in urban populations and partly to help develop the manufacturing sector.

On the other hand, extractive industries — like mining, oil, and gas — are going to play a far smaller role in driving growth than they have the past 15 years.

While it might provide bright spots for some countries, the report states, "the ubiquitous commodity-driven growth model that was derailed by the 2012-2015 collapse in commodity prices is not coming back."

Here are the 10 new emerging markets and the sectors that drive their growth:

Bangladesh

Primary sector: Agribusiness

Key exports: Garments, agricultural products

2015 GDP growth: 6.4%

Unemployment rate: 4.9%

Exchange rate: 77.42 Bangladeshi taka per US dollar

"Bangladesh's export-oriented industrial sector already accounts for more than a quarter of GDP and will continue to develop as a global manufacturing hub in the coming years."

Egypt

Primary sector: Natural gas

Key exports: Oil, fruits and vegetables, cotton

2015 GDP growth: 4.2%

Unemployment rate: 12.8%

Exchange rate: 7.72 Egyptian pounds per dollar

"We expect continued investment across the housing sector in Egypt, given the almost 1 million additional urban residents per year that we forecast over the next 10 years. There will be some investment in Egypt's large manufacturing export base in a continuation of recent investment in the autos and food sectors."

Ethiopia

Primary sector: Agribusiness

Key exports: Coffee, oilseeds, vegetables, gold

2015 GDP growth: 10.2%

Unemployment rate: 16.8%

Exchange rate: 21.55 Ethiopian birr per dollar

"Construction to meet rapid urbanisation and ambitious state infrastructure targets will be the main driver of economic growth in Ethiopia ... Ethiopia's construction industry will record the highest growth in Sub-Saharan Africa, averaging real annual growth of 10.7% between 2016 and 2025."

Indonesia

Primary sector: Agribusiness

Key exports: Mineral fuels, machinery parts

2015 GDP growth: 4.8%

Unemployment rate: 5.5%

Exchange rate: 13,577.6 Indonesian rupiah per dollar

"Growth in Indonesia will be far less commodities-centric than over the past decade, as the mining and oil and gas sectors will stagnate ... The government remains committed to developing a manufacturing-based export economy by boosting infrastructure spending and streamlining bureaucracy."

Kenya

Primary sector: N/A

Key exports: Tea, horticultural products, coffee

2015 GDP growth: 5.6%

Unemployment rate: 40%

Exchange rate: 99.73 Kenyan shillings per dollar

"As Kenya imports almost all of its energy needs, lower average oil prices over the next decade compared to the previous decade will boost both Kenyan consumption and non-energy investment. Growth will be centered in ... infrastructure (including renewable energy), financial services and retail trade."

Myanmar

Primary sector: Mining

Key exports: Natural gas, wood products

2015 GDP growth: 7%

Unemployment rate: 5%

Exchange rate: 1,171.8 Burmese kyat per dollar

"Investment will continue to pour into a range of industries as Myanmar reaps the benefits of substantial political reform enacted since 2010. We believe that the trends of economic liberalisation and political democratisation will remain in place and keep the economy on track for strong growth over the coming years."

Nigeria

Primary sector: N/A

Key exports: Oil, cocoa

2015 GDP growth: 2.7%

Unemployment rate: 23.9%

Exchange rate: 196.9 Nigerian naira per dollar

"The significant growth that we forecast for Nigeria's economy will be principally driven by the secondary and tertiary sectors of the economy. Financial services are a bright spot due to the relatively low penetration of financial services in the country. Retail sales will grow strongly, though mostly in the low value goods segment due to the fact that essentials spending remaining at around three quarters of total household income."

Pakistan

Primary sector: Agribusiness, oil

Key exports: Textiles, rice

2015 GDP growth: 4.2%

Unemployment rate: 6.5%

Exchange rate: 101.45 Pakistani rupees per dollar

"Pakistan will develop as a manufacturing hub over the coming years, with the textile and automotive sectors posting the fastest growth at the beginning of our forecast period. Domestic manufacturing investment will be boosted by the windfall from lower energy prices compared to the last decade, and improved domestic energy supply."

Philippines

Primary sector: N/A

Key exports: Semiconductors and electronic products, transport equipment

2015 GDP growth: 5.8%

Unemployment rate: 6.3%

Exchange rate: 45.503 Philippine pesos per dollar

"Key sectors will include autos and construction. Robust private consumption and a booming construction sector will translate into growing demand for both passenger vehicles and commercial vehicles ... Ongoing economic and business environment reforms, such as an anti-corruption drive, have made the Philippines more conducive for investment."

Vietnam

Primary sector: Agribusiness, oil refining

Key exports: Clothes, shoes, electronics

2015 GDP growth: 6.7%

Unemployment rate: 3%

Exchange rate: 21,928 Vietnamese dong per dollar

"We expect the manufacturing and construction sectors to outperform... thus helping to underpin growth in the broader industrial sector. These sectors will remain attractive to foreign investors, owing to relatively low labour costs [and] the government's gradual relaxation of foreign ownership restrictions rules."

Data from the CIA World Factbook

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