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STATEMENT BY

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COMMISSION

**AT THE EXPERTS MEETING OF
THE SEVENTH CONFERENCE OF AFRICAN MINISTERS IN CHARGE OF INTEGRATION
(COMAI VII)**

14-16 JULY 2014

EZULWINI, SWAZILAND

Excellencies, Distinguished, Ladies and Gentlemen,

On behalf of the African Union Chairperson, H.E. Dr. Nkosazana Dlamini Zuma, It is both an honour and privilege to welcome you all to the Experts Meeting of the 7th Conference for African Ministers in Charge of Integration (COMAI VII), taking place in this beautiful city of Ezulwini. It is gratifying to see you in large numbers today, a testimony of the great importance you attach to the realization of Africa's integration agenda.

To begin with, permit me to express my sincere gratitude and appreciation to His **Majesty King Mswati III of the Kingdom of Swaziland**, the entire Government and people of Swaziland for the warm hospitality accorded to all delegations and for agreeing to host this Conference at a very short notice. Your brotherhood undoubtedly bears witness to the continued commitment of the leadership of the Kingdom of Swaziland to stand in solidarity with the African Union and support it in its realization of our integration agenda.

Excellencies, Distinguished, Ladies and Gentlemen,

Our theme for the Conference, "*Infrastructure and Integration in Africa*", could not have been placed on your agenda for the Conference of African Ministers in Charge of Integration, at a more appropriate time when our vision for the next fifty years, Agenda 2063, The Africa we Want, is adopted.

We are already in Year One of the fifty years horizon of Agenda 2063. We are therefore paying particular attention to those priority areas that will propel our Agenda forward in the first decade. Amongst the things our citizens called for during the consultations and which we ourselves prioritized in our four year Strategic Plan include: the revolution in education, skills, science,

technology and innovation; and our young people are calling for harmonized curricula so they can study and work anywhere in the continent; the free movement of Africans; the Continental Free Trade Area; industrialization and economic development; and connecting all capitals and commercial centres through infrastructure, rail and roads, energy and ICT.

As we shift gear towards implementation of Agenda 2063, we urge all concerned parties, especially Member States and RECs, to be fully engaged and committed to contribute to the achievement of Africa's vision in 50 years.

In fact, the theme of this Conference is very apt in the sense that it captures the dual nature of the challenges facing Africa which is how infrastructure development can contribute to boosting the integration Agenda in Africa, with a particular emphasis, on ensuring that it is both people-centered and relevant to the needs and aspirations of African citizens.

Excellencies, Distinguished, Ladies and Gentlemen,

There is emerging consensus on the continent that we have a window of opportunity to set Africa on the path towards integration, prosperity and peace. This growing confidence is founded on the economic growth experienced over the last decade, improvements in our human development indicators and progress in governance, creating peace and stability. It is reinforced by our continental endowments (a youthful and growing population, the potential unleashed by women's empowerment, urbanization) and our natural resources (land, minerals, energy and marine resources), which if harnessed in the interest of Africa's people, bodes well for the future. It is also conscious of the fact that despite the progress recorded, we continue to face immense challenges: structural underdevelopment and dependency; huge backlogs in infrastructure, basic services and human resource development and the need to build people-centred, inclusive and development public and private cultures and institutions.

In fact, Infrastructure deficits remain a serious challenge with limited financing for regional projects. For example, Africa requires 68 billion USD over the eight year period for the implementation of current PIDA priority projects. This represents 0.2-0.4% of the continental GDP in 2011 and 1% of combined national budgets for the same year.

This is despite the turn-around we are beginning to see, with increased national government and private sector expenditure and planned expenditure on infrastructure. At the same time, we know the potential economic impact that national, regional and continental infrastructure projects will have – in transport and energy especially, but also in other economic and social infrastructure areas – on the continent's economies.

To illustrate the magnitude of the challenges, let me bring to you attention the following statistics:

- The road access rate in Africa is only 34%, compared with 50% in other parts of the developing world and transport costs are 100% higher.
- Only 30% of Africa's population has access to electricity, compared to 70-90% in other parts of the developing world.
- Water resources are underused with only 5% of agriculture under irrigation.
- The Internet penetration rate is a mere 6% (2012), compared to an average of 40% elsewhere in the developing world.
- Deficient infrastructure in today's Africa has been found to sap growth by as much as 2% a year.

Consequently, intra-African trade also remains abysmally low at about 12 percent compared to rates of up to 60 percent in Europe, while the pace of movement towards FTAs remains slow. You will also agree with me that without good road networks, railway systems ports and

telecommunications and power, it is very difficult to achieve both our regional and continental integration objectives.

At the same time, we know that being aware of opportunities and challenges is not enough. We have today continental frameworks, such as PIDA, policies and often strategies in virtually every area of importance to our development. We are also aware that we do not start on a clean slate, that we have fifty years of experience from which we must draw lessons.

However, I must also stress that we need not to be discouraged by this situation because Africa is a developing continent and integration is an on-going process. Nevertheless, we must lend momentum to the process by continuing to debate and come up with bold measures to accelerate integration, while also drawing from success stories outside the continent. I believe with a clear-cut vision and determination to succeed, we can foster the fundamental change that is key to moving us forward, in the journey to realize a fully integrated continent.

I believe that the theme of this Conference is a topical issue that both intriguing and exciting as it determines to a large extent, how far we can take the integration of our continent forward. We hope that each and every one of you here will have the opportunity to provide valuable comments on it, with a view to charting a way forward for the integration of our continent.

To capture the gist of the theme of the Conference, we are expected, among others, to honestly provide our opinions, on some of the innovative ways to make African citizens have full ownership of the integration process, as a way of ensuring that it both relevant and value-adding to their welfare and prosperity.

Excellencies, Distinguished, Ladies and Gentlemen,

Stakes are high, and key decisions must be taken if we are to move forward. The major concern is the fact that most of our commitments and agreed actions remain just on paper, and are often never implemented. As you will agree with me, achieving African integration is not an end itself. It must have a purpose for the citizens of Africa. It must offer them prosperity, security, freedom and endless opportunities from their nation-states single handedly. An important point to bear in mind is that the ultimate objective of both regional and continental integration is to enable African countries to benefit from economies of scale, reduce transaction costs and use trade as an engine of sustained economic growth and development. This requires greater trans-boundary cooperation and joint projects and alignment of our priorities.

We must continue to focus on how best to accelerate the integration of our continent as well as how we can achieve a more intensified economic transformation by making full use of natural endowments, common objectives and global opportunities.

Our vision for a transformed and integrated African economy with first class infrastructure, borderless economic space with no barriers to movement of goods, services and persons, is, I believe, a key foundation for a sustainable and job-creating economy for the betterment of the lives of our people.

I am aware that a number of RECs have made substantial progress in a number of key areas and this success is not uniform across all the five (5) regions of Africa, and a great deal of work remains to be done.

In this respect, allow me, to applaud our leaders, for the establishment of the COMESA-EAC-SADC FTA Tripartite in 2008, which I consider to be an important milestone in the integration

process towards the creation of a single Free Trade Area embracing 26 countries. In line with the historical decision of establishment of a Continental free trade Area (CFTA) by the indicative date of 2017, a lot remains to be done collectively in order to make this objective achievable. A progress report will be presented to us on this issue.

Excellencies, Distinguished, Ladies and Gentlemen

As has been the standard practice, this meeting will examine the Status of Integration Report as well as the Follow-up Report on the Implementation of Recommendations from the 6th Conference of African Ministers in Charge of Integration.

You will recall that the Last Conference held in Mauritius in April 2013 requested the AUC to develop a harmonized framework to scientifically assess the implementation of the integration process, using integration indicators and Common Benchmarks of evaluation and assessment, based on the AU wide Development Plan. In this respect, I would like to inform you that the AUC and UNECA have started working on implementing this recommendation. In this respect a first draft of the ‘*African regional integration index*’ was presented during the Joint Conference of AU Ministers of Economy and Finance and the UNECA Conference of Ministers of finance, planning and Economic development held in March 2014, in Abuja, Nigeria. The document was enriched by the comments and inputs and will be presented during this conference for consideration and adoption. The index of African regional integration can become an indispensable reference for African Governments, enabling them to see how much progress they are making towards realizing the agreed vision of an integrated Africa, and in which areas of the integration agenda they might be lagging behind.

Excellencies, Distinguished, Ladies and Gentlemen

In conclusion, I would like to reiterate that the central pillar of Africa's integration process should be anchored on her people. Ordinary citizens should enjoy the benefits associated with regional integration, and in this connection allowing for free movement of persons across the continent needs to be made possible. Connected to this, is the need to put in place favourable conditions that enhance the skills and capabilities of our labour force, especially, those of the youth and women.

It is also my considered opinion, that, for Africa to become an active player in the global economy, the process of integration must focus on our competitiveness, integrating markets through trade liberalization, harmonizing policies, infrastructure development and promoting public-private partnerships. For this to happen, expanding and interconnecting Africa's infrastructure is critical. I want also to believe that regional integration is a political as much as an economic project. The lack of sustained political commitment to put in place agreed policies and plans has been one of Africa's major shortcomings, and in the context of the African Union, this is an issue that needs to be addressed.

Our agenda is loaded, and so on this note, let me thank all of you for sparing some of your valuable time for attending this very important Conference.

Thank for your kind attention!