Africa Regional Integration Index calls on continent to build more resilient economies through integration

Addis Ababa, May 22 2020 – The second Africa Regional Integration Index (ARII 2019) was launched today by the Economic Commission for Africa (ECA), the African Development Bank and the African Union Commission (AUC), with a call to action to African economies to deepen their integration.

The 2019 Index, which builds on the first edition published in 2016, provides up-to-date data on the status and progress of regional integration in Africa. It also helps to assess the level of integration for every Regional Economic Community (REC) and their member countries.

The report found that much more needs to be done to integrate regional economies to make them more resilient to shocks such as the current COVID-19 pandemic. Overall, the Index shows that levels of integration on the continent are relatively low with an average score of 0.327 out of 1.

"Whereas the Index edition we are releasing today has data cut off points in 2019, the present COVID-19 pandemic has reopened the question of whether enough is being done in advancing regional integration as a means to help Africa withstand systematic shocks such as the one being experienced today," said Stephen Karingi, Regional Integration Division Director at the ECA.

"This index is both a measurement exercise and a call to action; to build resilient economies through integration," he added. "It will identify the solutions needed to truly build an integrated Africa."

Jean-Denis Gabikini, Acting Director of the AUC's Economic Affairs Department, welcomed the collaboration in producing the Index which examines furthering regional integration through the implementation of the African Continental Free Trade Area (AfCFTA).

Mr. Gabikini noted that "African leaders must use the urgency created by the COVID19 pandemic to accelerate regional integration, deepen local financial markets and strengthen private sector to withstand future shocks as envisaged under the African Continental Free Trade Area Agreement."

The ARII report complements the African Multidimensional Regional Integration Index, which was developed over the last two years by the AUC, RECs, National Statistics Offices, and African Central Banks.

With the establishment of RECs and the creation of AfCFTA, Africa has reinforced regional integration as a major development priority for the continent under the 2012 Boosting Intra-African Trade (BIAT) Action Plan.

The Index ranks African countries' integration within their respective RECs and also with the rest of the continent. It scores across five key dimensions; trade, productive capacity, macroeconomic policy, infrastructure, and free movement of people.

The African Development Bank's Director for Regional Development and Regional Integration, Moono Mupotola, said the Index was a useful tool for tracking progress on the regional integration front and would help countries identify priorities to improve integration.

"The crippling effects of COVID-19 illustrate the need for enhanced production of African finished goods and services that can readily be traded across the continent," Mupotola said.

David Luke, coordinator of the African Trade Policy Centre (ATPC) at the ECA pointed out that the productive and infrastructure dimensions of regional integration are intricately linked. Tackling these two dimensions along with implementing the AfCFTA would be a massive boost for trade, he said.

For Africa to succeed in its long-standing efforts towards closer economic integration, ARII 2019 made the following recommendations:

- Improve regional networks of production and trade by enhancing countries' productive, distributive, and marketing capacities;
- Build innovative, regional value-chain frameworks in different sectors using improved technology, higher-quality inputs, and updated marketing techniques;
- Fully implement the AfCFTA to remove non-tariff barriers, which remain a major challenge for regional integration;
- Enhance African workers' competencies to match the technology and production capacities of today and tomorrow to succeed in the global economy;
- Improve infrastructure through increased public–private partnerships, tapping into national resources and using regional and global infrastructure development funds and other innovative financing tools, accompanied by rigorous competition and transparency in procurement and construction processes; and
- Implement the Protocol on the Free Movement of People, which will enhance economic growth through increased opportunities for tourism, trade and investment, human capital mobility, and allow firms to find skills more easily, in turn driving productivity.

The report can be downloaded (here). For more information visit the website: https://www.integrate-africa.org/ as well as https://arii.uneca.org/, a dedicated platform developed by the ECA for anyone interested in accessing, extracting and using data contained in ARII 2019 for further analysis and policy making.

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