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REMARKS

BY

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AT THE LAUNCHING OF THE “ECONOMIC REPORT ON AFRICA 2012 (ERA 2012)”

ON THE THEME:

‘UNLEASHING AFRICA’S POTENTIAL AS A POLE OF GLOBAL GROWTH’

**DURING THE 5TH JOINT ANNUAL MEETINGS OF THE AFRICAN UNION (AU)
CONFERENCE OF MINISTERS OF ECONOMY AND FINANCE AND THE
ECONOMIC COMMISSION FOR AFRICA (ECA) CONFERENCE OF MINISTERS OF
FINANCE, PLANNING AND ECONOMIC DEVELOPMENT,
ADDIS ABABA, ETHIOPIA, 27 MARCH 2012**

Excellencies

Distinguished Guests

Ladies and Gentlemen

I wish to sincerely welcome you to the launching of this the “Economic Report on Africa (ERA 2012)”, taking place here at the New AU Conference Centre. Please allow me to pay tribute to H.E. Dr. Jean Ping, Chairperson of the African Union Commission, and H.E. Mr. Abdoulie Janneh, for their leadership in overseeing the preparation of this Report. I wish to also commend both the African Union Commission (AUC) and the Economic Commission for Africa (ECA) teams in their dedication and hard work in the production of this Report. I also acknowledge the invaluable contribution of the external authors who prepared the thematic chapters of the Report for their focused, analytically robust contributions as well as practical and solution-orientated recommendations.

This “ERA 2012” is a joint collaboration between the AUC and the ECA and is an example of the strong cooperation between the two institutions. It is the sixth Report in the series prepared jointly by the two institutions. This year’s Report, aptly titled “Unleashing Africa’s Potential as a Pole of Global Growth”, is both timely and pertinent in view of recent structural changes occurring in the global economy, the decline of a number of advanced economies and the shift toward multiple poles of growth.

It is structured in such a manner that Chapter 1 presents a review of developments in the world economy and their implications for Africa and Chapter 2 offers an overview of economic, social and human conditions in Africa in 2011 and prospects for 2012. The remaining three chapters focus on how to harness the continent’s productive capacity by taking bold measures to ease the binding constraints that still stifle Africa’s potential.

As such, the Report builds on the central message of “ERA 2011” on the role of the state in the development process by identifying actions necessary to deepen and

sustain its growth momentum so as to unleash the continent's potential as a pole of global growth and rebalancing. It identifies the key drivers of Africa's future growth as well as constraints, taking into account its demographic advantage, abundance of natural resources, the rise of the middle class, prevalence of macro-economic stability and existence of a large agricultural sector. The analysis also looks at how Africa should and could better harness the emerging economic opportunities and policy space that are opening up within a dynamically and rapidly changing global economy and capitalize on this window of opportunity for its ultimate transformation.

Excellencies

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Ladies and Gentlemen

'Africa is rising' and undergoing an economic revival. In the decade prior to the recent economic and financial crisis, the continent registered an average economic growth rate of above 5 per cent, inflation declined to single digits and the continent demonstrated an impressive and rapid recovery from the global financial crisis. "ERA 2012 Report" demonstrates that these changes, unimaginable a decade ago, are a result of years of hard work, better macroeconomic management, improved economic and political governance, reductions in armed conflicts, increasing foreign capital inflows (especially direct investment), improvements in the business climate, as well as rising commodity prices. However, in telling the story of Africa's future growth prospects, "ERA 2012" takes a cautious and nuanced view of the continent's current growth performance. It argues that if the current situation is to be scaled-up and sustained for at least another two decades and beyond a series of bold and strategic measures will be required.

The bold measures proposed by "ERA 2012" to foster the required transformation include the vigorous pursuit of structural transformation and industrialization so as to lift the share of manufacturing to at least 25% of GDP; robust investment in infrastructure, especially regional connectivity; upgrading human capital and investing in tertiary and

vocational training, science, technology, as well as research and development; creating a supportive environment for innovation and the growth of entrepreneurs; investing in agriculture transformation for agricultural industrialization; capitalizing on the opportunities and managing the risks of the emerging multi-polar world; and strengthening the continent's financial infrastructure and financial systems to generate domestic and foreign resources while also facilitating capital mobility across the continent. The question arises, however, as to whether Africa is ready and able to exploit this emergent window of opportunity, pursue a paradigm and policy shift and leverage the necessary domestic and innovative financing to generate the resources required to finance this change.

In conclusion, "ERA 2012" demonstrates that if Africa is to leap frog its development, sustain its economic performance, and ensure broad-based and equitable growth it will require strong and visionary political leadership operating within the rule of law; a hands-on developmental state that creates a conducive environment for economic activity and for multiplier and spillover effects to flourish; capable bureaucracies and public administrations, as well as meaningful public participation in the formulation and implementations of national development visions. Institutional frameworks will also need to incorporate clear roles for the State, the private sector and civil society while also fostering synergy between the three.

I am confident that the "Economic Report on Africa 2012" will provide insightful policy recommendations and provoke passionate discussions on how Africa can begin to better take charge of its future economic and development trajectory- a trajectory that entails Africa designing its own development strategies, long-term development goals and becoming a pace setter in a rapidly changing global economic landscape. In this regard, I congratulate the AUC and the UNECA on the launch of the Economic Report 2012 and hope that the proposals contained therein begin to germinate and yield the long-overdue structural changes that are required to improve the lives of our people.

I thank you for your kind attention.

