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DRAFT OPENING STATEMENT

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figure comparable to India, reports the ILO. And on countless other measures, Africa has plenty to smile about:

- Labor productivity — central to our discussions today — is on the rise, growing by nearly 3% annually in recent years.
- Trade with the rest of the world has boomed, rising 200% since 2000, while foreign direct investment is up a whopping 500%.
- The scourge of inflation has been brought under better control, too, averaging 8% over the past decade, down from 22% in the 1990s.
- Similarly, foreign debt and budget deficits have fallen by one-quarter and two-thirds, respectively, over the same period.

Optimism is infectious. DESA forecasts Africa's economies to expand at over 5% this year, despite the slowdown in Europe and elsewhere. The World Bank, meanwhile, argues that "Africa could be on the brink of an economic take-off, much like China was 30 years ago and India 20 years ago."

Favorable demographics further extend the comparison with Asia. Africa's declining fertility rates coupled with continued population growth — set to double from 1 to 2 billion over the next 40 years — means an expanding share of working-age people. This "demographic dividend", so crucial to East Asia's growth a generation ago, offers Africa the same opportunity today.

Skeptics, of course, will point to earlier periods of high growth, such as the 1970s, when soaring commodity prices fueled unsustainable boom-bust cycles. Yet this time, Africa looks far more resilient: commodities only account for a third of recent growth, notes the IMF.

East Africa is a case in point. Africa's fastest growing region, it is buoyed by structural reforms and much-improved governance. Countries like Rwanda have slashed red-tape and

measures. Still, if Africa's remarkable success is to continue, numerous hurdles will have to be overcome. Let me mention just a few.

Despite progress, African countries generally fare poorly on global "ease of doing business" rankings. Only three managed to enter the World Bank's most recent top-50 list. Governments must therefore forge ahead on reform, running their countries more efficiently and accountably. Education is also a concern: UNESCO reports that African businessmen frequently cite a shortage of skilled workers as their chief worry.

Nor is Africa's demographic dividend guaranteed. A growing population must not only be schooled, but also fed and offered opportunities for a better life. Restrictive policies which discourage hiring and block growth could turn dividend into disappointment; as a source of both sustenance and employment, agriculture in particular deserves more attention. DESA asserts that Africa today produces less food than in 1960.

Farming productivity is regularly stifled by inadequate access to fertilizer, tools and irrigation. Poor roads and other infrastructure means harvests often rot before reaching markets. And where land ownership rights are ill-defined, long-term investment suffers.

As for the international community, aid is helpful, but reducing barriers to trade even more so. Foreign investors, for their part, can promote better governance by signing up to measures like the Extractive Industries Transparency Initiative which allows Africans to see what foreign companies pay for licenses to exploit natural resources.

Excellencies, ladies and gentlemen,

In 2012, sustaining job creation and expanding productive capacity via small and mid-sized firms — our focus today — will ultimately depend on the continent's ability to fulfill