



# Tradequity

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## Twenty Five Years of Industrialisation in Africa

The African continent celebrated its 25<sup>th</sup> Industrialisation Day on November 20, 2014. But Africa's experience with industrialisation, over the past quarter century has actually been quite disappointing. In 2010, Sub-Saharan Africa's average share of manufacturing value added in Gross Domestic Product (GDP) was 10 percent, remaining unchanged from 1970s. At the same time, manufacturing output per person was found to be about a third of the average for all developing countries, and manufactured exports per person about 10 percent.

Moreover, the economic crises of the 1970s and 1980s brought with them a 20-year period of macro-economic stabilisation, trade liberalisation and privatisation. Uncertainty with the outcome of the adjustment process meant that there was little private investment overall and practically none in the industry. In addition, political instability and conflict also caused the investors to hold back. When Africa emerged from the crisis period around the turn of the 21<sup>st</sup> century, it was no longer competing with the high-wage industrial 'North'. It was essentially competing with Asia. The economic recovery timing for Africa was also unfavourable.

### Relevance of Industrial Policies

Sub-Saharan economies are witnessing a receding trend in their industrial sectors. These countries continue to merely remain exporters of unprocessed commodities and natural resources, with largely undiversified economic bases, characterised by significant productivity gaps. The 2008-09 global financial crisis forced the policy-makers to face the reality that market forces alone would not generate the desired economic transformation objectives and that was a responsibility of the governments. Furthermore, this confirmed the relevance of industrial policies to fundamentally transform the economic structures.



Likewise, to work, industrial policies should be seen as a package of at least four highly complementary sets of instruments that need to be bundled. These are as following:

Firstly, most African economies are plagued by numerous challenges deserving urgent attention. These include: improving the business climate, addressing infrastructure, logistics, transport, and other utilities (like energy), technology and skills issues.

Secondly, 'hard' industrial policies, like strategic sector-specific policies geared towards the development of industries are necessary. Key ones that have been used are: import substitution policies; export-led policies; resource-based policies and innovation-based policies.

Thirdly, supporting soft policies, such as prudent macro-economic policies, trade, investment, fiscal, financial, labour, education, research policies are equally critical. These are easier to adapt to changing market conditions.

Finally, as firms are increasingly connected to global value chains, decisions taken by lead firms may have significant implications on the effectiveness of policies taken at the national or regional levels. These, therefore, need to be anticipated and factored into policy decisions.

### The Way Forward

Most African countries have tried various combinations of sector-specific 'hard' industrial policies, over the years. Few have indeed made good progress

while the majority of there have failed. Attempts to explain these results in Africa led to a blame game, ranging from pointing fingers at externally driven policies during structural adjustment programmes to inherent challenges with African institutions and governance structures that crippled business development.

Interestingly though, few analysts looked at the conditions that could make industrial policies work or not and how then, can the existing policy instruments be used to re-engineer these conditions to obtain results.

Yet, as low income countries, African economies still have significant margins of manoeuvre in terms of policy options to develop their economies and gradually these are rapidly melting away as industries get more integrated in global value chains.

([www.ecdpm.org](http://www.ecdpm.org) & [www.brookings.edu](http://www.brookings.edu), 20.11.14)

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## Rwanda's Policies for the Poorest

Rwanda's economic performance, since the turn of the century has been incredibly remarkable. Strong policies have played a key role in maintaining annual Gross Domestic Product (GDP) growth at around 8 percent, since 2000, International Monetary Fund (IMF) staff stated in a regular review of the East African nation's



economy. The poorest have benefited strongly from the growth performance, over this period, with per capita consumption growing faster at the lower end of the distribution of consumption.

The Government has been successful in lowering poverty, with the poverty headcount ratio – the

number of people below the poverty line as a proportion of the population – falling from 60 percent to 45 percent between 2000 and 2011. The Government has targeted the agricultural sector, employment, and gender in its goal of sharing the fruits of its sustained high growth performance more widely.

(Tralac, 15.12.14)

### Ghana to Get IMF Support

The International Monetary Funds (IMF) has said that it will support, Ghana's economic programme with a financial arrangement after the ongoing measures being taken by the government are completed. The measures include cleaning up the payroll, finalising the remaining details of Ghana's medium-term reforms and seeking external financing assurances from bilateral donors and international institutions.

After a two-week mission to Ghana to discuss Ghana's next programme with the fund, the IMF said that it would, continue to support the authorities as they work in the coming weeks in several areas, such as taking concrete steps in achieving the measures.

The mission also welcomes the Government's aim to implement structural reforms to underpin a sustained consolidation towards a fiscal deficit objective of 3.5 percent of Gross Domestic Product (GDP) by 2017. (DG, 25.11.14)

### FAO Commends Ghana

The Food and Agriculture Organisation (FAO) has commended Ghana for achieving the Millennium Development Goal (MDG) one ahead of 2015. In a statement read on his behalf at the commemoration of World Food Day in Accra, the Director General of FAO,

Jose Graziano da Silva, said that Ghana had been able to reduce the hunger prevalence rate from 40.5 percent between 1990 and 1992 to less than five percent in 2013.

He called on the Government to put in place intervention measures, such as accessibility to finances, modern technologies for farming, good infrastructure among other interventions to improve and sustain family farming. In addition, the Minister of Food and Agriculture, Fiifi Faive Kwetey, attributed Ghana's attainment of the MDGs to the relentless efforts of local family farmers to food production. (DG, 17.10.14)

### Zimbabwe: USAID-EU Programme

A programme funded by United States Agency for International Development (USAID) and the European Union (EU) has helped small-scale farmers in dry areas of Zimbabwe ward off hunger and generate income by commercialising indigenous plants. The outcome of the programme has exceeded expectations. The underlying idea of the project was to concentrate on indigenous plants that had a high nutritional, pharmaceutical or other value but were not being used to their full potential.

They include baobabs, devil's claw, rosella and chili peppers. Melissa Williams, who heads USAID in Zimbabwe, said

that the goal of the project was to increase income for people who were in very dry land areas. "We have been here to get things started", she added. (allafrica.com, 29.12.14)

### Weak Resource Management

Investors have ranked poor leadership and weak resource management as key challenges that have held back Kenya from achieving its economic prospects. According to the 2014 National Brand audit released, 53 percent of both local and foreign investors feel that growth was hampered by poor resource management despite Kenya's competitiveness as an investment destination.

The investors agree that political stability in the country provides firms with an access to a large market, allowing them the opportunity to exploit economies of scale. Other challenges cited were regulatory approval and high cost of energy. Moreover, only 49 percent agreed that it was fairly easy to acquire the relevant permits and licences for conducting business.

Electricity supply has been found to be unreliable and there have also been frequent power outages. This has been reflected by the low number of investors who reported that there is reliable power in Kenya", the report said. (BD, 06.10.14)

### Funds for Horn of Africa

Kenya has scored a major diplomatic coup by hosting a high-powered meeting that brings together some of the world's top bosses. The leaders from the UN, the World Bank (WB), the (EU) European Union and Islamic Development Bank Group are expected in Nairobi to announce the release of billions of shillings in grants for the Horn of Africa region.

The UN Secretary-General Ban Ki-moon, WB President Jim Yong Kim, Islamic Development Bank Group President Ahmed Mohamed Ali, African Union Commission Deputy Chairman Erastus Mwencha and the European Commission's Deputy Director for Development and Cooperation, Marcus Cornaro, will be in the delegation that will meet the President Kenyatta.

The groups have pooled a Sh716bn (\$8bn) fund, which Kenya will share with Uganda, Ethiopia, South Sudan, Sudan, Eritrea, Djibouti and Somalia to restore peace and trigger economic growth in the Horn of Africa. (DN, 28.10.14)

**Drop in Kenya's Coffee Production**

Coffee production in central Kenya has dropped by 20 percent in the current year due to delays by the cooperative societies to pay farmers. The output dropped to 39,000 tonnes from 47,000 in 2013, according to Coffee Management Services (CMS) Managing Director Kamau Kuria.

Kuria attributed the lower production to poor management of the cooperatives.

"Farmers were paid their dues late. As a result, they did not purchase the best fertiliser for their farms. I urge the cooperatives' management to equip their farmers with the necessary information about coffee production", Kuria stated.

The payment delays killed the farmers' morale to produce more coffee in 2014, he said at the Central Kenya Coffee Mill, where the most efficient coffee cooperatives were rewarded. Kuria also said that CMS was partnering with county governments for better payment of the produce. "Farmers are motivated to produce more if they receive better payment. They cannot put a lot of effort on a crop that is not yielding much in the market".

(DN, 07.12.14)

**Removing Export Subsidies**

African Ministers of Trade have called on the World Trade Organisation (WTO) to eliminate all forms of agricultural export subsidies. The ministers indicated that it should be done by abiding by the Hong Kong Ministerial Declaration and the Bali Ministerial Decision, which gave utmost consideration to prioritise these issues for the post-Bali work programme.

The Trade Ministers made the call in an eight-page communiqué after the 9<sup>th</sup> African Union Conference of Trade Ministers held in Addis Ababa, Ethiopia. With specific reference to the WTO issues on agriculture, the Ministers restated their call for the 'correction' of the systemic imbalances on agriculture through which distortions in the global markets continue to undermine Africa's potential economic gains encapsulated in Africa's comparative advantage". Furthermore, It stressed that agriculture remained central to Africa's agenda at the WTO.

(DG, 11.12.14)

**Ghana's Export Earnings**

The annual foreign exchange earnings from professional services export trade, such as education, medical tourism and consultancy services is about five hundred percent higher than the revenue accrued from the oil and gas industry of Ghana.

The WTO estimates that in 2013 Ghana's total professional services trade accounted for about US\$ 2.5bn; though a marginal fraction of the world's total services of US\$4.64tn, it was much higher than the net revenue of the oil and gas industry that has been hovering around US\$500mn.

The goal of the strategy is to enhance the competitiveness of Ghana through improving the export of professional services. The strategic plan covers a period of five years and identifies four strategic sectors of focus for development and promotion. These are medical tourism, education, business processing outsourcing (BPO) and consultancy services.

(B & FT, 03.11.14)

**SA Trade Deficit Widens**

South Africa's trade deficit widened to the highest in at least four years as oil importers increased purchases to benefit from lower prices. The trade gap swelled to 21.3bn rand (US\$1.9bn) from a revised 3.05bn rand in September, the Pretoria-based South African Revenue Service said. The median estimate of 16 economists surveyed by Bloomberg was for a shortfall of 6.3bn rand.

"South Africa's cumulative deficit is in record-high territory" Jeffrey Schultz, an economist at BNP Paribas Cadiz Securities, said. "This does not bode well for the currency, particularly in light of the fact that we are still running a current-account deficit of around 6 percent of Gross Domestic Product (GDP)". The trade shortfall so far in the current year widened to 95.11bn rand compared with 73.08bn rand for the same period in 2013, the revenue service said.

(Tralac, 01.12.14)

**Boosting Intra-COMESA Trade**

Swaziland, has a potential to increase intra-COMESA trade by E20.9bn (US\$1.9bn), according to a recent analysis. This was indicated by the Minister of Commerce, Industry and Trade, Gideon Dlamini while speaking at the Royal Swazi Convention Centre.

The Minister said that the products identified for potential export growth in Swaziland include milk, cream, fruits, nuts and other edible parts of plants, concentrates, textiles, wooden furniture and other wooden products.

"The COMESA market, which has a membership of 19 countries and with a

**Corruption-free Ports**

The Ghana Ports and Harbours Authority (GPHA), operator of the Ghana's two seaports, plans to introduce a new initiative dubbed 'Integrity Campaign' in its bid to rid the ports of corrupt practices that rob the country of revenue.

The campaign will educate the various stakeholders in the port business, especially staff of the GPHA, to carryout their business activities in an honest and transparent manner as part of efforts to tackle the rampant cases of extortion, fraud and petty thievery that puts a scar on the ports' image.

Paul Ansah Asare, Marketing and Public Affairs Manager of GPHA, in an interview to B&FT said that the initiative will help the Authority halt the malfeasance practices that rob the country of required revenue for national development.



(B & FT, 27.10.14)



potential to reach 20 (at the accession of South Sudan) has population of more than 370mn, which really presents the opportunity for the country to increase its trade balance", Dlamini said.

(*Tralac*, 01.12.14)

### India- Nigeria Trade Hits US\$17bn

Trade volume between Nigeria and India reached US\$17bn from April 2013 to March 2014. India imported US\$14bn worth of goods from Nigeria during the year while Nigeria imported three billion-dollar worth of goods from India, in the same period.

India was currently the largest importer of Nigeria's crude oil, importing US\$12bn worth of the product in the year under review. "India imported 14bn-dollar worth of goods from Nigeria from April 2013 to March 2014, including 12US\$-dollar worth of crude oil", the Indian High Commissioner said.

With the reduction of the US import of Nigeria's crude oil, India was currently Nigeria's largest trading partner. The increasing trade relations between the two countries would boost trade volume in 2014-2015 fiscal year.

(*allafrica.com*, 29.11.14)

### Malawi Signs MoU with Tanzania

Malawi, through the Competition and Fair Trading Commission (CFTC) has signed a Memorandum of Understanding (MoU) with the Fair Competition Commission (FCC) of Tanzania to help strengthen international cooperation in the enforcement of competition and consumer protection laws between the two countries.

Furthermore, the CFTC Commissioner Gerard Chigona said that the agreement will enable the two countries to work together in technical cooperation activities related to competition and consumer law enforcement and policy. He added that the pact will see the two countries share information that will contribute towards the effective application of competition and consumer protection laws in the respective countries. (*allafrica.com*, 15.12.14)

### Ending Minerals' Theft

Rwanda has sought the support of Interpol to end the theft of its export minerals at the Dar es Salaam port. The country's plans to double its annual mineral revenue to US\$400mn by 2017 hangs in the balance, with exporters citing the challenges weighing down the sector.

These challenges include global buyers rejecting Rwandan minerals on the grounds that they could be from the Democratic Republic of Congo, and theft of consignments at Dar es Salaam Port. The theft of Rwandan minerals came to the fore in March when Mineral Supply Africa (MSA) lost a container of coltan at the Dar es Salaam port valued at around US\$760,000. Rwanda is presently seeking the services of Interpol to recover the minerals. (*TEA*, 06.12.14)

### Kenya to Access Duty-free Market

Flower farmers in Kenya could access the European market duty-free as early as in the following month. This is after the European Parliament and Council's confirmation of having no objection to

the reinstatement of Kenya to the list of beneficiary countries in the so-called 'EU Market Access Regulation'.

Kenya Flower Council, the industry lobby group, said that with the approval that Kenya is presently expected to be reinstated to duty-free status for all flowers and floriculture products exported to the EU.

"This comes as a huge relief for Kenya's floriculture sector and for all operators and businesses involved in the floriculture trade both in Kenya and in the EU", Kenya Flower Council Chief Executive Jane Ngige, stated. (*TS*, 19.12.14)

### Importers-GSA Tussle: Ghana

Importers have resolved to resist any attempt to introduce the controversial Ghana Conformity and Assessment Programme (G-CAP) into the country's trading regime. The importers, who are suspecting financial motivation for the introduction of the G-CAP, consider that the programme is a duplication of efforts by various agencies at the country's entry points to check the importation of sub-standard goods. Moreover, this will only increase the cost of doing business and also add to the complexity of clearing goods at the ports.

The implementation of the G-CAP, which was initially slated to commence in October 2014 has been suspended by the Ghana Standards Authority (GSA) at the behest of the Trade Ministry – but the importers fear that it could be reintroduced and thus have called for its outright cancellation. (*B & FT*, 15.12.14)

## US-Zambia Agro Trade Drops

The bilateral trade in agricultural products between Zambia and the US in 2014 significantly dropped to US\$504,000 from US\$732,000 in 2013 representing a 35 percent reduction.

The US Department of Commerce said that the two countries had failed to utilise the Africa Growth Opportunity Act (AGOA), which was the platform to encourage trade between Africa and the US.

A statement issued by the department stated that Zambia imported agriculture products worth US\$260,000 in 2014 compared to US\$343,000 in 2013 while exports dropped to US\$244,000 from US\$389,000. "There was need to increase bilateral trade between the two countries looking at the long standing bilateral relationship in the last 50 years", the statement said. (*allafrica.com*, 31.12.14)



## Regional Round Up

### Urge for Climate Change Deal

The post-2015 global climate change agreement should be flexible and fully resourced or else condemn Africa to another cycle of poverty resulting from the adverse effects of climate change.

African delegates and civil society groups at the UN Climate Change Conference in Lima, Peru held between December 01-12, 2014, echoed this view. Some of the negotiators claimed that developed countries were backtracking on some of the positions earlier agreed to at the Durban Climate Change Conference in 2011.

A raging debate in this round is the scope and format of country pledges or Intended Nationally Determined Contributions (INDCs). Some parties, especially most of the least developed countries (LDCs), wanted the focus to be on both mitigation and adaptation, while those in developed countries wanted the same only on mitigation.

(ipsnews.net, 10.12.14)

### ECOWAS Exceeds EU in Exports

For the first time, in the previous year the ECOWAS region exceeded the EU in terms of receiving non-traditional exports (NTE). Traditionally, the EU has been the country's principal destination for NTE exports from Ghana with the ECOWAS sub-region being second but data from the Ghana Exports Promotion Authority (GEPA) shows that the EU received 31.55 percent of total exports in the year, under review while the West African region received 34.83 percent.

This interesting revelation was made by the Chief Executive Officer of the GEPA, Gideon Kwame Boye Quarcoo, at a press briefing for the upcoming 24th National Awards for Export Achievement in the year 2013. This fact, according to Quarcoo, means that Ghanaian exports are beginning to make significant in-roads into the West African markets – in spite of the dismal 11 percent of global trade that occurs within the region.

(B & FT, 03.10.14)

### GRA to Implement ECOWAS CET

The Customs Division of the Ghana Revenue Authority (GRA) will start implementing the ECOWAS Common External Tariff (CET), a flat rate tariff on all shipments within the West African sub-region, on January 01, 2015.

## Energy Investments to Meet Rising Demands

The Regional Association of Energy Regulators for Eastern and Southern Africa said that there is urgent need to scale up investments in COMESA's energy to meet rising demands and sustain the region's economic growth. Current installed capacity for electricity in the 19 COMESA countries is estimated at 55,800 megawatt compared to US's over a million megawatts or France's 124,000 megawatts, according to the data.

During the Fifth Annual General Meeting of the Regional Association of Energy Regulators for Eastern and Southern Africa

(RAERESA) held in Lusaka, RAERESA Chairperson Frederick Nyang said that the regional bloc was grappling with inefficient energy infrastructure and that had resulted in only 35 percent of the region's population accessing electricity. (TP, 02.11.14)



The ECOWAS-CET was adopted in 2006 by the ECOWAS Heads of State and Government as a vehicle for achieving a Customs union that will promote the creation of a common market in West Africa and make goods from ECOWAS countries cheaper and more affordable.

The Common External Tariff is a harmonising instrument that has been employed by ECOWAS Governments in their quest for a strong common market for bilateral economic trade in the broader context of regional integration.

(allafrica.com, 15.12.14)

### COMESA Presents Budget

The Common Market for Eastern and Southern Africa's (COMESA) Secretariat has tabled a proposed budget of US\$64,40mn for 2015. The funds, which are a slight increase from US\$62mn in the year 2014 will be raised from contributions by the member States and development partners.

The Assistant Secretary General in charge of Administration and Finance Ambassador Nagla El-Hussainy said that the Secretariat had undertaken an Annual review of the formula of contributions based on the most available statistics. El-Hussainy, who was speaking during the first meeting of the Comesa Policy Organs in Lusaka, Zambia, urged member states who are in arrears to pay their

contributions to the regular budget of the regional organisation. (TS, 04.12.14)

### Concerns on Climate Change Deal

The post-2015 global climate change agreement should be flexible and fully resourced or else condemn Africa to another cycle of poverty resulting from the adverse effects of climate change. Echoing this view to the African delegates and the civil society groups at the ongoing (December 01-12) UN Climate Change Conference in Lima, Peru, said that some of the continent's demands were being relegated, yet they are crucial for the post-2015 period.

Azeb Girma, an environmental activist from Ethiopia, said that he was disappointed with the way the negotiations have been proceeding. "We thought to have a pathway to Paris (venue for the next climate change conference in 2015) but Africa is cheated. Africa is demanding adaptation but this has been pushed away.

Tom Okurut, the Executive Director of Uganda's National Environment Management Authority (NEMA), stated IPS that in Durban parties had agreed that adaptation was supposed to be part of the post-2015 climate deal but some developed countries were not willing to commit themselves in the draft texts.

(IPS, 10.12.14)



**Airlines Faces Age-cap**

The Ghana Civil Aviation Authority (GCAA) has proposed the placement of a cap on the age of aircraft permitted to fly to and from the airspace controlled by Ghana, known as the Accra Flight Information Region, as a way of checking recent aviation incidents in the sub-region.



Martey Boye Atoklo, acting Deputy Director-General (Technical) of the GCAA was speaking on the sidelines of a press briefing to address the incident involving Starbow's Takoradi-bound aircraft that was compelled to make an emergency landing at the Kotoka International Airport (KIA), after a hydraulic failure was detected by the pilot 15 minutes before the 45-minute flight.

(B & FT, 03.11.14)

**Bringing Down Bread Price**

The Grain Millers Association of Zimbabwe has accused retailers of profiteering and insisted that the price of bread should come down following the introduction of bonded coins.

A loaf of bread has been retailing for about US\$1 with most shops citing the lack of change as the reason but the central bank has recently introduced bonded coins

in denominations of 1c, 5c 10c, and 25c to help ease the problem.

Zimbabwe has mainly used the US dollar, since abandoning its own local currency in 2009 after it had been rendered worthless by hyperinflation.

A member of the grain millers association said that the profit margins imposed by retailers which can be anything above ten percent were far too high. He said with the introduction of the bonded coins, the few extra cents must be given back to the consumer after the retailer retains their 10 percent margin.

(allafrica.com, 29.12.14)

**Ghana Fertiliser Subsidy Woes**

The lack of subsidy on fertilizer for small-holder farmers has been identified as one challenge threatening the African country's food security. The coalition of civil society organisations (CSOs) has, therefore, asked the Government to come out and state clearly the way it intends to roll out the fertilizer subsidy programme for farmers in 2015.

The coalition said that other challenges threatening food security in the country were disappearing farmlands and the increasing growth of the logging and forestry sector. Speaking at a CSOs 2014/2015 budget analysis programme, the Programmes Officer of SEND-Ghana, Daniel Adotey, said that farmers are in dire need of fertilizer subsidy to ensure food security.

(DG, 19.12.14)

**CAK Shakes up Safaricom**

The Competition Authority of Kenya (CAK) has gazetted an order requiring Safaricom to share its mobile money transfer agents with other

telecommunication firms. The order, published by CAK in the Kenya Gazette of October 03, directs Safaricom to share its M-Pesa agents with those of other telecoms.

In July, CAK has directed that all restrictive clauses in agreements made between Safaricom and its mobile money transfer agents be expunged forthwith not later than July 18, 2014. Safaricom's more than 85,000 mobile agents currently offer money transfer services to rival firms Orange and Airtel, and other firms like Tangaza Pesa. There are at present more than 120,000 money transfer agents in Kenya.

(DN, 06.10.14)

**New Transmission Design**

Electricity distributor Kenya Power is adopting use of a new transmission lines design that is expected to cut the cost of connecting new consumers to an average of Sh30,000. The design, to be applied mainly in rural areas, will see Kenya Power use fewer cables and poles to connect households to the national grid.

Known as the Single Wire Earthing Return (SWER) system, the design allows the power distributor to pull down connection costs from the current average of Sh105,000 for homes seeking supply within a radius of 600-metres from a transformer.

Lower cost of connection is to be realised through use of single, thinner and lighter cables as opposed to the current system that uses two or four cables to connect domestic consumers. Kenya Power is also planning to cut costs by using smaller poles that will be spaced 100 metres apart instead of the current 50 metres.

(BD, 22.10.14)

**High Adaptation Costs**

The cost of adapting to climate change in developing nations is likely to be two to three times higher than previous estimates, even if planet-warming emissions are cut enough to limit global temperature rise to 2 degrees Celsius, a UN Report stated. The study said that there was a chance that adaptation costs could climb as high as US\$150bn a year by 2025 to 2030, and US\$250-500bn per year by 2050, compared with earlier estimates of US\$70-100bn yearly by 2050.

"As world leaders meet in Lima to take the critical next step in realising a global agreement on climate change, the UN report underlines the importance of including comprehensive adaptation plans in the agreement", Achim Steiner, Executive Director of the United Nations Environment Programme (UNEP), said.

(Tralac, 08.12.14)

# Regional Integration

## *A Pillar in the AfDB's Strategy*



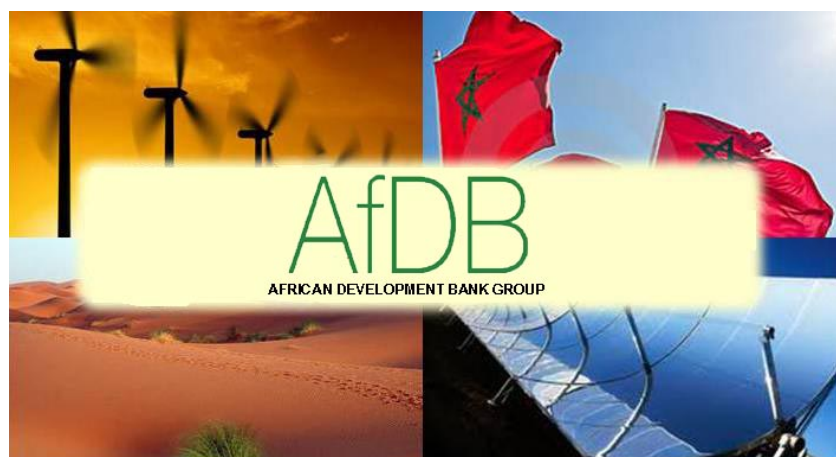
The 2014 edition of the African Development Bank's (AfDB) African Development Report, on the theme of 'Regional integration at the service of inclusive growth', was officially launched on December 16, 2014 at the Bank's headquarters in Abidjan.

In her opening address, AfDB Secretary General and Vice President Cecilia Akintomide emphasised on the fact that Africa's regional integration is a major pillar in the ten-year strategy of the Bank, which is celebrating its 50th Anniversary in 2014 as Africa's premier development finance institution".

Presenting the report, AfDB's Acting Chief Economist and Vice-President Steve Kayizzi-Mugerwa highlighted the themes developed in the same like regional integration and inclusive growth, regional institutions, regional infrastructure, regional migration, regional financial integration and value chains.

Precisely, this report puts regional integration under the spotlight as being necessary for Africa's development. Africa's regional integration has been a key economic and political aspiration, since the independence decade of the 1960s – some fifty years ago. It is also an important pillar for the work of the AfDB. Critically examining the developments that have marked these last 50 years in terms of economic and political integration, the publication underscores how much it needs to be stepped up.

The development of distribution networks and regional trade within global and African value chains into which the continent fits. The institutional challenges, infrastructure – both tangible and intangible – indispensable to inter-connect markets and boost competitiveness, strengthened financial systems, were among the challenges to the continent's integration that were examined in the report.



The Report's main conclusion is that regional integration is still a relevant pillar for Africa's development, although the global context has changed greatly, since the continental goal was first introduced in the 1960s. The challenge going forward is not so much the formulation of new policies but rather the implementation of those formulated in the recent past. This will require political resolve and heightened institutional capacities.

The launch of the publication was also the occasion for a Davos-style discussion with three AfDB Executive Directors, Abdallah Msa, (representing Benin, Burkina Faso, Cape Verde, the Comoros, Gabon, Mali, Niger, Senegal and Chad), Dominic O'Neill (Italy, Netherlands and the United Kingdom) and Shehu Yahaya (Nigeria and São Tomé and Príncipe), and by Marlène Kanga, AfDB Central Africa Regional Director, and Sylvain Maliko, Acting Director of the AfDB's New Partnership for Africa's Development (NEPAD) Regional Integration and Trade Department.

All five discussed the increase in migratory flows, while obstacles to mobility never cease to appear (particularly in Central Africa), and the looming gap between regional integration policies depending on whether they are carried out at national or regional levels.

The panellists did, however, note some progress, particularly with regard to infrastructure development and the free movement of persons, especially in the east and west of the continent.

To close the launching ceremony, AfDB President Donald Kaberuka focussed on the respective national policies of African states: "More than infrastructure, it is political will that boosts regional integration in Africa", he said, before recalling that over the last 10 years the Bank had been ceaselessly financing road infrastructure throughout the continent, with the aim of inter-connecting countries. He also lamented the fact that the Regional Economic Communities (RECs) seemed to be working disparately, struggling from a lack of coordination and resources to implement initiatives to further integration, because far too often national interests take precedence over regional ones.

"I recommend that all those interested in the challenges of regional economic integration in Africa and the opportunities arising from this integration read this report", said Kaberuka.

– This special feature has been abridged from the press release by AfDB entitled 'African Development Report: 2014 Edition dated 16.12.14.

## Announcements and Publications

### Implication of Competition Reforms in Staple Food & Bus Transport Markets on Consumers & Producers in Developing Countries

**CREW**  
Project

CUTS International is implementing a project, called the CREW Project, in four countries Ghana, India, the Philippines and Zambia. The research phase (Phase I) of the project has produced interesting findings from the two project sectors (Staple Food and Bus Transport). Some of these findings have been documented in the Briefing Note. The project is being supported by DFID (UK) and BMZ (Germany) facilitated by GIZ (Germany).

[www.cuts-ccier.org/crew/pdf/CREW\\_Briefing\\_Note\(2014\).pdf](http://www.cuts-ccier.org/crew/pdf/CREW_Briefing_Note(2014).pdf)



#### Briefing Paper

### Why are Sugar Prices so High in Zambia

Rising sugar prices in Zambia is a matter of concern faced by the Zambian families who have to manage their household budget to cope with the rising cost of living. However, debates on sugar prices are contentious. CUTS International Lusaka felt the need determine the cause of the high price of sugar and so undertook a quick review to assess the pricing and structural dynamics in the sugar industry.

[http://www.cuts-international.org/ARC/Lusaka/pdf/Briefing\\_Paper-Why\\_are\\_Sugar\\_Prices\\_so\\_High\\_in\\_Zambia.pdf](http://www.cuts-international.org/ARC/Lusaka/pdf/Briefing_Paper-Why_are_Sugar_Prices_so_High_in_Zambia.pdf)

## ANNOUNCEMENT

### Competition Law Course for African Competition Authorities

Apply for CUTS and NLU Training Course on Competition Policy and Law for Competition Agencies and Relevant Ministries of African countries (February/March 2015)

CUTS Institute for Regulation and Competition ([www.circ.in](http://www.circ.in)) is pleased to announce a **Short-Term Training Course on Competition Policy and Law** for junior/middle-level officials of Competition Authorities and Ministry of Trade/Commerce of African Countries under Indian Technical and Economic Cooperation (ITEC)/Special Commonwealth Assistance for Africa (SCAAP) Programme supported by Ministry of External Affairs, Government of India. The programme will be conducted in partnership with and held at the National Law University, New Delhi from 16 February to 1 March 2015.

The entire cost of the training programme including travel to India will be funded by the Ministry of External Affairs, Government of India. Competition agencies and Ministries from African countries are requested to approach the Indian Mission in their respective countries.

For further details, please visit

[circ.in/pdf/Training\\_Programme\\_on\\_CLP\\_for ITEC.pdf](http://circ.in/pdf/Training_Programme_on_CLP_for ITEC.pdf)

or write to:

[art@circ.in](mailto:art@circ.in), [ak@circ.in](mailto:ak@circ.in) or [rsg@cuts.org](mailto:rsg@cuts.org)



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- Content
- Number of pages devoted to news stories
- Usefulness as an information base
- Readability (colour, illustrations & layout)

#### Sources

BD: Business Daily; B&FT: Business & Financial Times; DG: Daily Graphic; DN: Daily Nation; EA: East African; EAC: East African Community; IPS: Inter Press Service; TEA: The East African; TS: The Standard

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