

## Former South African President Thabo Mbeki to chair high level consultation in Mauritius

Addis Ababa, 05 March 2014 (ECA) - Former South African President and Chair of the High Level Panel (HLP) on Illicit Financial Flows (IFFs) from Africa, Thabo Mbeki will meet with representatives of the Mauritian governments, private sector, academia and civil society to discuss the issue of IFFs, which have contributed to stunt Africa's development over the last decades.

The meetings, which take place on 6 & 7 March 2014 in Port Louis, Mauritius, aim to better appraise the scale, manifestations and negative impact of such flows on Africa's development and governance as well as look at the matter of IFF from the perspective of small islands economies.

Highlighting the importance of the consultations, President Mbeki said: "Preliminary evidence shows that taking prompt action to curtail illicit financial outflows from Africa will provide a major source of funds for development programs in the continent in the near future. This is precisely what we would like to discuss with our Mauritian stakeholders."

While IFFs are a global problem, their impact on the continent is monumental, thereby representing a significant threat to Africa's governance and economic development. Current evidence shows that Africa lost over US\$854bn in IFFs between 1970 and 2008 corresponding to a yearly average of about \$22bn. The trend has been increasing over time and especially in the last decade, with an annual average IFF of \$50bn between 2000 and 2008. The level of illicit financial outflows from Africa exceeds the official development assistance to the continent, which stood at \$46.1bn in 2012.

Some of the effects of illicit financial outflows are the draining of foreign exchange reserves, reduced tax collection, canceling out of investment inflows and a worsening of poverty. Such outflows also undermine



the rule of law, stifle trade and worsen macroeconomic conditions.

The HLP on IFF from Africa, established by the Economic Commission for Africa (ECA) and the African Union (AU) was inaugurated in February 2012 to address the debilitating problem of illicit financial outflows from Africa. The Panel is chaired by former President Mbeki of South Africa, and composed of nine other distinguished personalities from within and outside Africa.

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