



United Nations
Economic Commission for Africa

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African Media Leaders Forum

Keynote address

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Ladies and gentlemen,

Dear Colleagues,

I am glad I have an opportunity to engage you for the second time. In the Addis Ababa gathering I sensed my remarks about the evolution of Africa's narrative being permeated by an historical inferiority bias was received with mixed feelings. Not that this audience do not understand such a point, but rather that you believe your role is not to sugar coat Africa's problems and challenges. Presenting an argument that we have been sort of mistreated is therefore perceived by all of you as obvious, hence not that exciting or even useful.

I could have learned my lesson and come back this time with harsh criticism of our state of affairs. After all this is a year that makes it easy to be pessimistic.

Commodity prices are down, oil exporter African champions are exceptionally worried with the depressive markets, Chinese and other major developing countries demand is depressed, our number one trading block, the EU, is experiencing low growth and the currency markets are under spectacular volatility, on the expectation of a possible interest rates rise in the US. Add to this Mo Ibrahim Index 2015 for the first time in a decade observing governance gains in the continent are stalling, the news focussing on migrants crossing desert and sea and Boko Haram and likes running havoc in the continent.

Yet, at the risk of disappointing many, I will persevere on my quest to counter the bad news about the continent.

Today's news cycle has gone into overdrive. It is natural the attention span of the media tries to catch with a world where communications is available in so many formats and news are consumed on the go. It is difficult, under such circumstances, to dwell on explanations that require context, are counter-intuitive and try to beat well established perceptions. Well...as I will try to do just that, I need your indulgence. If I take the risk is because I know you are only satisfied when there is an undeniable fact behind an argumentative line.

I would like to focus my intervention on three points: countering stereotypes and perceptions about Africa; the need for quality data and, finally, the role of the media as a provider of a public good.

Let me start with the issue of countering stereotypes on Africa and debunking myths and perceptions.

Last time we met I revisited the historical underpinnings of Africans being treated as inferior and Africa has a continent that only started to matter with the colonial adventure. The modern version of the same is to question whether Africa is a protagonist or a subject of international relations.

Ladies and gentlemen,

At this very moment many of our Heads of State are busy finding their way to La Valetta, in Malta, to respond to a EU call for a meeting on what is termed "the migration crisis". Is the presence of African leaders to be recognized as subjects or protagonists.

The argument that migration is a crisis by itself deserves some assessment. I wrote recently a piece on the subject where I tried to contextualize. My key argument was to say that 2 million Africans going to Europe a year, represents roughly 0,2% of Africa's population of 1 billion. Just the crossings from Mexico into the US is larger. This is a tiny number that is likely to grow as our population doubles by 2050 and Europe ageing gets into higher gear. It is a phenomenon that Europe knows well as it populated different regions of world when their population was much more younger and was looking for opportunities elsewhere. It happened when Europe was depressed but faster when it was actually growing. I do not understand how can the discussion on African migration be centered on filtering centres after what is happening in Papua New Guinea on behalf of Australia. Or how could the idea of bombing boat people be considered in light of the Vietnamese boat people experience, at that time considered heroes. Not to mention the absurdity that it would have been to bomb the boats of European migrants that massively moved to South America in the aftermath of WW II.

So what would the La Valetta encounter produce? Most African media will just relay the superficial facts without historical and data comparison. And we will move on.

I will give you another example: Africa is a risky place to invest and there is a crisis now.

It is known that important investors in Africa do not want the good news to spread out. They prefer the narrative to be as pessimistic as possible because it serves two purposes: it dissuades competitors; but, more importantly, it extracts fabulous deals with desperate locals. Typically an investor will have concessions and tax breaks for a period of time and will just close the operations or change the agreements when the sunset clause comes to be. A new deal from

scratch will have to be negotiated. It is not an exaggeration to say that some extractive industry activities are being paid to operate if one considers tax breaks, profit flying and illicit flows.

Despite all of the above intra-African investment has been growing since 2007, at a 32.5% compound rate. South Africa is leading, followed closely by Morocco and Nigeria. What African investors have discovered is what a few outside the continent have known all along. In 2011, the rate of return on inward FDI in Africa (9.3 per cent) was the highest compared to other regions of the world, such as 8.8 per cent in Asia and 4.8 per cent in developed economies. This is important because it means Africans are not just asserting themselves in a new political narrative. They are also investing more in their own continent. Fortunately newcomers are following. FDI attained US\$ 54 billion last year. This year we have already surpassed this figure. As more realize Africa is not as risky an investment decision as it may appear why is it this is not reflected in the mainstream views?

For the majority it is not reflected because in Africa it is said there are too many wars and conflicts. There is a persistent perception that Africa is a continent linked with conflict. Any good news is localized whereas the bad news are generalized.

Despite far more grievous and violent conflicts taking place in other regions, that is not the mainstream view. 100 million Africans affected by conflict is indeed a lot. But what about the remaining 90%. In Asia almost a third more people are killed by conflicts than Africa. There are more people killed in the conflicts of India alone, with Kashmir and the Naxalite insurgency, than in the whole of the Great Lakes. However, people normally only hear about conflicts in Africa because these are in the agenda of the UN Security Council, which brings back the question of being protagonists or subjects. Conflicts in Ukraine, Colombia, Malaysia, Philippines, Indonesia, India, Thailand or Myanmar are not in the active agenda of the Security

Council. Neither there is a military foreign mission for the piracy of the Strait of Malacca, bordering Malaysia and Singapore, despite having twice the number of attacks the Somali Coast had at the height of its crisis.

Even though the specialists know the truth, the conflict image derails the perceptions.

Ernst & Young most recent investment attractiveness report, ranks Africa as the second most attractive investment destination, second only to Southeast Asia. The World Bank predicts that by 2030 the continent's savings will be in the range of 23 trillion USD, from the current 12 trillion. Rand Merchant Bank estimates over 5% growth in disposable income in the coming years. McKinsey projects Africa as the second fastest consumer growth market. Deloitte & Touche says that is true for investment on the same consumer market by 2017. Standard Chartered Bank believes the actual real growth in the continent may be closer to 7% if the real numbers could be mastered. Financial data provider Dealogic predicts more than 656 mergers and acquisition deals may have taken place in 2014, up from 67 in 1995. Financial Times reports that the London Stock Exchange "is launching an aggressive attempt to increase the number of listings of African companies", given the enormous demand for these stocks.

So why is it that even Africa media coverage is so negative about economic facts?

The IMF World Economic Outlook, just released, reported that Africa is host to five of the top 10 fastest growing economies in the world. Again. This report is based on 2014 data. If continents were ranked, which the Outlook does do, but one can calculate, Africa will be the past and incoming top performer.

I like to quote these figures because they represent the views of institutions that are not associated with favourable treatment of Africa. This being said most of the indexes are actually biased against Africa, due to the way they continue to perceive the economic evolution of the continent. A few examples.

On the Ease of Doing Business index, critics are quick to point out that Ethiopia does not rank very positively. It moved from position 127 in 2013, to 125 in 2014, and 148 in 2015. Yet, what is remarkable is that its FDI inflows jumped from 153 million USD in 2013 to 1,2 billion in 2014. Its GDP grew by 9.8% in 2013 and by 10.3% in 2014. The global ranking did not seem to capture business confidence. Another top-five global performer by GDP growth is DRC, actually third in 2014. For DRC the Ease of Doing Business rankings were even worse - 181, 183 and 187 in 2013, 2014 and 2015 respectively. Yet FDI inflows were 2 billion USD in each of the three years making it one of the top destinations in Africa, second only to South Africa. Its economy grew (based on GDP) by 8.5% and 9.2% in 2013 and 2014 respectively.

The competitiveness index is even worse because it is based on the quality of regulation. No surprise Switzerland, where its producer the WEF is based ranks first. Transparency Index is based on perceptions of business leaders. You can imagine what they think of Africa.

Three weeks ago I was in New Delhi for the India-Africa Summit. The city was decorated with tributes to the friendship between our continent and this country that has a larger population than ours and is now celebrated as the star performer of the world economy. I was struck by the logo of the Conference having the maps of Africa and India the same size when India is actually smaller than DRC alone.

But such views are in fact to be expected. A recently ECA published Africa-India fact book shows that in 2013, 16% of India's total outward foreign direct investment (FDI) stocks were in Africa for the equivalent of USD 70 billion. Yet more impressive is the fact that compared to Brazil, China, the Russian Federation and the USA, Africa has invested more in India with its FDI stock closer to USD 65 billion, accounting for an impressive 26% of India's total inward FDI stocks. When I said so before 1400 business delegates the Foreign Minister of India was seating next to me. I could imagine her uneasiness, not surprise.

I said proudly that 2014 the continent benefited from 2 billion USD worth of India's development partnership assistance. India has gone further to offer Lines of Credit worth 7.4 billion USD with the biggest recipients being the power and engineering sectors. Africans have also benefitted from 25,000 scholarships as a direct impact of the second India Africa Summit and today the number of African students attending Indian tertiary institutions exceeds 6,000. But I added that these achievements were even more impressive considering Africa's GDP per capita has been one third higher than India's over the last ten years and our share of international trade surpasses India's.

We have to confront the public with new narratives. We have to also use them for our negotiations and dialogue with our friends. It is important for people to know that all sound and buzz about China's investments in Africa actually is very very misleading. Africa's proportion of total Chinese FDI stock is less than 1%. Yes, my friends, all Chinese investment in Africa, I repeat, is less than 1%, or equivalent of what they invest in the world. The size of their FDI stock is like, say, Italy.

More important than be fired up by the nature of our partnerships is the need for us to address our challenges. In Africa the 3000 richest individuals have an accumulated wealth approaching 400 billion USD. Together with the 600 billion USD our Central Banks accumulated in reserves, that makes 1 trillion USD. Are we discussing these?

Ladies and gentlemen,

Let me now turn to the importance of quality data.

Tracking news media trends should not only be the purview of large media houses and developed markets. Yes, we have a fragmented media terrain underpinned by over 2000 languages to contend in 54 countries. None of the languages we have inherited – English, French, Arabic, Portuguese or Spanish (in a limited way) can meet the need for content. We need to start using mobile technologies to track the sector so that the media can make the necessary adjustments and innovate around the use of social media and apps.

Data should allow perspectives from average citizens. We advocate for an open data community approach which allows for better decision-making. As an example, during the Ebola crisis, health workers collaborated with mobile data operators to track people leaving funerals and were thus able to check the spread of the epidemic. Then there is the use of mobile phones for data collection. ECA is working with six countries to look at citizens as data collectors – not in the sense of crowd sourcing but in terms of access to structured statistics. We are aiming to build a firm data foundation. The approach to statistics as a part and parcel of the media's internalization of the world around us must change. We are supporting the Civil Registration and Vital Statistics initiative as a means to address Africa's scandal of invisibility.

Africa's initiatives in this area include accelerated improvements on CRVS to help countries plan and improve their systems.

Let me give one example: the so-called rebasing exercises. Most African journalists criticized the increase in GDP volumes, whereas foreign media was quick in these instances to point to weaknesses in the Africa rising story due to faulty data. In fact a good system is the one that has adopted the latest methodological standard for National Accounts, which was approved in 2008. National Accounts should not have a base year that is older than five. However, many African countries are still using the standard of 1993 and are way behind the five years of base line.

When Nigeria rebased its economy, in 2013, and became instantly the largest economy in Africa many were skeptical, although this was absolutely right and necessary. Prior to that, Nigeria's economy was reported against a base year of 1990, that is, its GDP was compared to the situation then. The change of base year to 2010 included activities in the creative and financial sectors that have grown exponentially since the 1990s. If we take into account what has been discovered by the rebasing exercises of the last five years in several African countries we are probably undervaluing Africa's GDP by at least 21%. Imagine the shift in perspective and investment potential for those that are still underestimating their GDPs.

Ultimately we need a Data Revolution. ECA and partners are working to promote the concept of data communities as a way to open up the data ecosystem to more stakeholders. An African data consensus has been drafted that proposes the accreditation of data communities and mandating them to collect, curate and disseminate data in their areas of expertise.

Critiques will argue that opening up data is foolhardy. After all, a statistician may not have much in common with a media practitioner. Once the terrain of the military, surveyors and geodesists, it was only when it was opened up for companies to innovate and make money from GPS-based services that we saw an improvement of equipment in ways that were unforeseen, ultimately leading to the advent of many services that we now take for granted, such as Google Maps, turn-by-turn directions built into the dashboards of cars, or fitness-tracking services such as Fitbit.

We need a new business model for incubating data services to create initiatives and innovative projects that emerge from freed up data. When young people have access to data, they can make money from it, or turn them into viable tools for citizenry. The introduction of GPS services did not affect the relevance of the geodesists and other spatial science specialists. In fact any services are still based on their continued research and development. In the same way developing new data businesses will not threaten the statisticians and data scientists. They would simply have new roles.

Freeing up data can spawn new ventures: In Nigeria, Budgit allows citizens to understand and follow government spending in Nigeria. In Kenya, iHub serves as a platform for technologies to come up with app-based solutions to African problems. “Kilimo” is an app generated from Ihub for enhancing sustainable agriculture practices and supporting farmers across Kenya.

The data that informs the narrative dictates the story. For the narrative to speak with authority and credibility, the media must engage with data and weave data within everyday reportage, into a language the average person can understand. The media can embrace and innovate

around credible data sources and spawn deeper and authentic home grown ways of telling the story.

There is a need to upscale the capacity of the journalist to tell the story with the kind of depth and context that goes beyond a sound byte. Moving to the next level will mean adding value to the craft of journalism. People need to distinguish between the work of a career journalist and a citizen journalist, who can narrate a story in 140 characters and circulate it with lightning speed on Whatsapp, Facebook or Twitter. The mainstream journalist must bring value to the craft and provide form and depth to the same story. That will require quality data.

Ladies and gentleman,

Let me conclude with the issue of media as a public good?

With the advent of new media, traditional business models are under a great deal of stress and we are witnessing the decline of profits within print media around the world. If sales are dropping in print media where are consumers going to for news?

The Atlantic published a piece with an apt headline “Facebook is eating the internet”. Facebook is going to control more of the arrangement and reap most of the financial benefits from commercial advertising. Facebook now pulls in roughly a quarter (24%) of all display ad revenue and more than a third (37%) of mobile display. McKinsey’s 2011 report “Big Data: The next frontier for innovation, competition and productivity”, says that it costs 600 USD to buy a disk drive that can store all the world’s music; On average 30 billion pieces of content are shared on Facebook every month.

There are over 6 billion smart phone users today – Africa has 21 million. As mobile telephones become increasingly ubiquitous, and all would eventually become smartphones, it will be only natural for users to check the news on their mobile devices, rather than buying newspapers or watch television. We will have to face a world where people will look for global trusted brands as well as very localized and narrow-minded ones. This will provoke concentration and fragmentation, simultaneously. This could threaten the noble function of media as a meaningful public good.

Both fragmentation and concentration have disadvantages. I hope we can agree on the need for economically viable business models that allow for independent thought, while serving the needs of the public. When there is an imbalance, it makes the job of shaping Africa's narrative even more difficult.

I am conscious I am slowly entering your terrain and leaving mine. It is time to stop. But not before I call on you, after indulging on the defence of a new African narrative, to forgive me, for not having spoken about poverty, inequality, bad governance, corruption, disease and similar threats. These are all important challenges for us to tackle, crucial even for Africa to make it. But that you and I already know.