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**A PRELIMINARY ASSESSMENT OF THE PERFORMANCE OF THE  
AFRICAN ECONOMY IN 1987 AND PROSPECTS FOR 1988**

by

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## A. Introduction

1987 was a most disappointing year for Africa. Contrary to our expectations overall economic performance was very poor. In spite of the restructuring process and wide-ranging reforms that have been initiated and pursued in most of our member States and the untiring efforts at policy adjustments, the region's economy has not significantly improved in 1987, due to the unabating negative influence of exogenous factors and constraints on African economic performance. With the continuing sluggish performance in overall output and the high levels of unemployment and population growth, there were hardly any improvements to be expected in the incomes of the majority of the African population. Indeed, output per head fell further in 1987, decreasing by about 1.5 per cent following the annual average decline of about 3.4 per cent that has taken place since 1980. This reduction in income, coupled with the decline in the availability of essential goods and services in most of our countries, has meant that overall living standards have continued to deteriorate.

During 1987, the African countries and governments demonstrated, more than ever before, their continued commitment to APPER and UN-PAAERD, and their determination to pursue vigorously and relentlessly most of the required policy measures and actions. Unfortunately, the response of the international community was grossly inadequate, leaving one to wonder what has become of the many expressions of international solidarity on which the UN-PAAERD was predicated. Two years have now passed since the adoption of APPER and yet the rays of hope for an imminent economic turnaround are far from being discernible.

Notwithstanding the overall poor economic performance in the region in 1987, however, some countries have decidedly done very well, a further confirmation of my observation last year that the African economy has changed for the better at least in one important respect, from one of uniform disaster to one that is increasingly and distinctly marginally better, at least for some countries. However, unlike last year when

as many as thirty countries achieved an overall growth rate in output of over 3 per cent and thirteen of these had overall growth rates of 5 per cent and above, a smaller number of countries - 23 in all - achieved positive growth rates of 3 per cent and above in 1987. Other positive developments include the mild recovery in overall commodity prices, with the commodity price index for the region rising by about 19 per cent in contrast to the fall of about 44 per cent in 1986, although such prices, on average, represented no more than 57 per cent of their 1980 levels. The firming up of oil prices accounted, however, for most of the gain in commodity prices, and although it has been some source of relief to the hard-hit oil economies of the region, the real gains in dollar terms has been heavily compromised and eroded by the dollar slide against other leading international currencies. Indeed, the over supply of oil coupled with the quota restrictions of OPEC has negatively affected the volume of production of major oil producers in Africa.

On the negative side, there has been a rapid and unexpected deterioration in overall food production on the continent in 1987. For instance, cereal production is estimated to have fallen by about ten per cent, leading to forecasts of increased food aid requirements for 1987/88. Indeed, but for accumulated stocks, and tubers and root crops which, because of their greater resistance to weather variations, are usually available in many countries as a bulwark in times of cereal harvest failures, the aggregate food position on the continent would have been significantly worse in 1987. This is in sharp contrast to the situation in 1986 when, for a handful of countries, the real problem was how to dispose of exceptional food surpluses internally. This year, a disturbing aspect of the food situation in some parts of the region is the potential lack of supply even from countries that normally provide a surplus. As it is, drought has returned once again in full force in a number of African countries, especially in Eastern and Southern Africa, emphasizing the extreme vulnerability of the region to the scourge of climatic failures - a situation made worse by the fact that some of the affected countries are also stricken by civil

strife, and have thus had their agriculture labour under the yoke of a double paralysis. In addition, the cumulative external debt of Africa was on the increase in 1987, with a growing number of countries either outrightly unable to service their debts or maintain any tolerable level of imports without recourse to the IMF, the World Bank or accumulation in payment of arrears. By now, the generality of African governments and the creditor banks also, I believe, have become extremely fatigued with the complex and seemingly endless process of renewed debt rescheduling negotiations. So serious is the debt and debt-servicing problem in Africa, particularly in the face of dwindling export earnings and stagnant ODA, that African Heads of State and Government held an extraordinary Summit meeting of OAU in November/December 1987 on Africa's external indebtedness.

In the face of the unbearable debt burden and the decline in credit-worthiness that the countries of the region have had to face in 1987, the level of capital inflow remained depressed for most of the year with little promises of improvement even in the near future, in view of the likely impact of the recent stock market crash in decreasing the lending capacity of the international market. In addition, there can be little doubt that the current crisis in the world's currency and stock markets has added further uncertainty to Africa's immediate economic prospects.

## B. Economic Performance in 1987

### 1. Overall Performance

Available information indicate that the region's output grew only by 1.5 per cent in 1987 which, compared to 1986, represents a modest improvement but decidedly falls short of our forecasts and expectations which were far from being over-optimistic. With the concrete steps towards economic reforms and adjustment in many of our countries in 1987 and the substantial improvements in weather conditions in 1986, it had been hoped that the improved agricultural performance will

continue and that a growth rate of at least 2 per cent in overall output would be achieved. It has now turned out that we might have been rather sanguine about prospects for the year. Both the improvements in the oil market and a 'mini-boom' in the prices of some export commodities like copper contributed to some favourable changes in the terms of trade. But this was more than off-set by the poor performance of other major commodities. Most importantly, agriculture, the number one priority sector, did not perform too well. Certainly, the marginal improvement in overall output from the 1.2 per cent in 1986 is not what will take the African economy up the hill of economic stagnation into the recovery slope.

The declining trend in aggregate consumption continued in 1987, with private and public spending both sharing in the decline. Aggregate investment also declined, with the huge budgetary and external deficits bringing down the rate of capital formation to negative levels.

This global picture does not necessarily, of course, capture or reveal the divergence or variability in performance among countries and between the subregions in a continent as vast or diverse as ours. Despite the deterioration or slow growth in aggregate output in the vast and overwhelming majority of countries, growth is expected to reach or exceed 5 per cent in a few number of countries such as Botswana, Egypt, Kenya, Mauritius, Niger, Rwanda, Sudan and Uganda. Among the oil producers, countries such as the Congo, Cameroon and Gabon, because of the lag in their fiscal systems, have had to endure during the year the full contractionary impact of the 1986 lower oil prices, while for others, especially the larger ones such as Nigeria, the improvements in government fiscal operations in 1987 have been far from sufficient to push up growth or enhance it beyond the levels attained in 1986. The remaining non-oil producing countries have generally stagnated or declined in 1987. At the sub-regional level, aggregate growth-rate was highest in North Africa, at about 2.5 per cent, followed by East Africa with 2.2 per cent, but overall output declines of 1.5 and 1.2 per cent respectively were recorded in Western and Central Africa.

## 2. Sectoral trends

In spite of positive measures taken by many African countries in the food and agricultural sector, the sector did not, unfortunately, grow by more than 1.0 per cent in 1987, compared to the growth rates of 3 per cent achieved in 1986 and 2.5 per cent in 1985. The unwelcome result, for some parts of the continent, is renewed deterioration in the food supply situation and a rise in food deficits and food-aid dependence. Both total and per capita food production were on the decline in 1987.

From information available at the ECA Secretariat, the overall harvest in the West Africa subregion is down from that of 1986 while cereals production prospects have been mixed for the Sahelian countries. The usually prolonged rains have benefitted late planting of crops in several countries along the Gulf of Guinea, but the same rains severely hampered harvesting operations and delayed land preparation for the second maize crops in countries such as Benin, Côte d'Ivoire, Togo and Nigeria where cereal crops were already adversely affected earlier in the year by late and below-normal rains. Whereas the overall crop prospects have been favourable in such Sahelian countries as Mauritania, Cape Verde, the Gambia, Guinea Bissau and Senegal, harvest prospects have, in contrast, been unfavourable in Niger, Mali, Burkina Faso and Chad due mainly to late, inadequate and poorly distributed rains. In the Central Africa subregion, harvests have been generally satisfactory except in the Central African Republic whereas harvests are expected to be poor in Southern Africa, due to prolonged dry spells, with almost complete crop failures reported in some areas of Malawi, Zambia, Botswana and Zimbabwe. The picture in North Africa is also mixed, with Egypt and Algeria recording increased output of cereals while Morocco has suffered a sharp decline in cereals production, mainly due to bad spring rains. The unfavourable weather has also adversely affected millet cultivation in the northern part of Sudan. In Eastern Africa, good grain harvests are recorded or expected in Tanzania and Kenya but there is serious concern about Ethiopia where, despite

widespread rainfall in August, the overall harvest is expected to be well below average and severe crop failures are now almost certain to take place in several areas, particularly in the North. Inadequate and irregular rains have also been a problem in some parts of Sudan and Uganda.

Added to the overall deterioration in food and agricultural production in 1987 as a result of adverse weather conditions is the pressure that continued to be imposed by refugees and civil strife. For this reason, the food supply situation has remained precarious in countries such as Angola, Mozambique, Sudan, and Ethiopia, all of which continue to face famine and therefore require, in varying degrees, increased food aid. Indeed, the food-aid requirements of Mozambique were of emergency proportions and necessitated the convening of a special donor Conference on 24 March 1987 by the Secretary-General of the UN. The Government of Angola declared a state of emergency on account of the gravity of the food situation while in Ethiopia food-aid requirements are now estimated to be substantially higher than those of 1984/85, at the height of the Great African Drought Disaster.

Manufacturing growth continued to be constrained in 1987 by lack of the foreign exchange required to import necessary factor inputs. Capacity utilization, which improved significantly with the 1986 recovery in the agricultural sector and the substantial increase in the availability of agricultural raw materials to the agro-industries, did not record significant strides in 1987. Perhaps the most positive development during the year is the industrial restructuring that has been taking place in many countries with emphasis on small-scale enterprises as well as on the role of the private sector.

Developments in the mining sector as a whole have been greatly influenced in 1987, as was in previous years, by the developments in the world market for mineral products and by the structural limitations of the non-fuel sub-sector. Largely because of the adherence of the OPEC group to its quota agreement and partly because of the reduction

in carry-over stocks in the industrial countries of the West, oil prices have firmed up and have more or less remained stable at around OPEC's reference price of \$18 a barrel. Total oil production in the region, however, dropped by about 5 per cent in 1987 to around 230 million tons. This was a reflection of the fall in the production of the four African OPEC members by 9.7 per cent to about 150 million tons as non-OPEC members have continued to raise their share to about 35 per cent of total regional oil production.

In addition to oil, the prices of almost all major non-fuel mineral products have posted some noticeable increases although, with the exception of manganese and iron ore, all have remained below three-quarters of their 1980 levels. For instance, metal prices increased by about 12.6 per cent in 1987 although they are only still some 74 per cent of their 1980 levels. The prices of minerals such as silver and tin have remained barely above one-third of their 1980 levels even with their rising by about 1.2 per cent in 1987. The only major African minerals which showed considerable promise are copper, gold and diamonds, whose prices rose by 13.7 per cent, 18.2 per cent and 15 per cent respectively in 1987. However, because of production difficulties, regional copper output fell by about 3 per cent, depriving, in particular, such leading African copper exporters like Zaïre and Zambia of the full advantage and benefits of the bullish market situation. In Zambia, for instance, scarcity of foreign exchange has greatly impaired imports of equipment and other vital production inputs necessary for increased output. However, the boom in copper price is believed to be only temporary as the mineral is forecast by most experts to move into an over-supply situation in 1988 when prices are expected to fall sharply by up to 20 per cent of their 1987 levels. Gold is perhaps the only major mineral commodity produced by the region in a great number of countries, albeit in small quantities, which seems to be holding firm in the international market, due in part to the current uncertainty engulfing the world money and stock markets. In fact, even before this development, a number of countries in the region had opened up new mines and exploratory results have been generally encouraging for mining low-cost gold in many of them.

Year-to-year price and demand fluctuations aside, the long-standing structural limitations of the non-fuel sub-sector are becoming an increasing source of concern as sources of new investable funds have started to dry-up and rehabilitation efforts handicapped by lack of domestic expertise and poor infrastructure. These difficulties make the adjustment process in the mineral-dependent countries of Africa even more difficult and painful.

### 3. The external sector

Trade flows do not appear to have changed much in 1987. Despite the rise in oil and metal prices, the countervailing effects of lower outputs and the tumble of coffee, cocoa and tea prices were such that aggregate value of exports fell in 1987 and are estimated provisionally at only US\$45 billion, which is less than 1986 export values by 5.7 per cent, and by as much as 29.7 per cent less than the 1985 export values. Among oil producers, only Angola and Egypt have managed to substantially raise their production levels. Even with the decrease in oil production, however, the oil revenues of African OPEC members rose by about 16.2 per cent in 1987 while those of the non-OPEC members increased by about 35 per cent.

With aggregate African export values down in 1987 and imports remaining virtually unchanged, at US\$53.2 billion, the balance of merchandise trade ended in deficit. The pressure would have, in fact, been greater but for the adoption of import restriction policies in virtually all African countries. It is too early to judge or to be certain about the overall effects of the observed trends on the balance of payments but available information suggests that the current account deficit has widened rather than improved in 1987.

Africa's debt and debt-servicing obligations also continued to grow in 1987, marking out the debt crisis as the single most critical factor of the region's prevailing social and economic crisis. The huge total debt of the region now stands at more than US\$200 billion with its debt-servicing obligations of about \$25 billion per annum.

The debt burden continues to exercise a tremendously negative impact on the availability of resources for economic development on the continent. Despite some noticeable recovery in the market prices for a few commodities of interest to the African countries, the substantial decline in the demand for primary commodities in the traditional markets of the developed countries continued to be a devastating factor aggravating the debt crisis as are the significant decreases in Official Development Assistance (ODA) in real terms and the decline in the net flows of direct foreign investment.

### C. Prospects for 1988

The economic signposts for the coming year appear quite uncertain and confusing, to say the least. Apart from the precarious and perilous nature of any forecasting exercise in a situation of so few and scattered data, there are at present so many unknowns and so much uncertainty in the world economy. Hence, for the first time in many years, we have decided to work out, at ECA this year, three instead of two scenarios as has customarily been the practice.

The prospects for the African economy in 1988 would depend on several factors, the most decisive four being:

- the weather situation, especially after the not too favourable rains that have adversely affected Africa's agriculture in 1987;
- pursuit by the African governments of domestic reforms and sound economic management;
- developments in the international environment at large;
- response of the international community to the commitments which they entered into under the UN-PAAERD.

Based on the presumption that strong agricultural growth, stable oil prices and a modest rise in non-oil African export prices are likely to prevail in 1988, we expect the growth rate of overall production would be between 3 and 4 per cent. The other assumptions underlying this scenario are that the international community will respond more positively to Africa's recovery and development needs in 1988 and that the international environment will not further be disrupted even if there were to be no significant or major improvements in 1988. While it must be admitted that all available signs do not necessarily point in the direction that the economic prospects for 1988 will be significantly better than for 1987, there are some favourable features in the horizon. Already, there are indications that the weather may be more favourable to agriculture in 1988, judging from the reported advent of rains in Eastern and Southern Africa in the latter part of 1987, and the prospects of good rainy seasons that have been forecast for the other parts of the region in 1988. A number of important initiatives have been taking place in various platforms and fora such as the Paris Club, the Venice Summit and the Development Committee of the World Bank and the IMF, all of which lead us to believe, if they were to be intensified as indeed they should be, that the commitment of the international community is basically still alive, and that a breakthrough in genuine development assistance to Africa may not be that far away. We have also reasons to be hopeful that the current rallies in the world equity markets will turn into a sustained recovery, that the current efforts of the major industrialized countries aimed at better co-ordination of economic policies and at stabilizing the world economy will bear fruit and thereby avert a major recession, and, that, following the recent extraordinary Assembly of the Heads of State and Government of the Organization of African Unity on Africa's indebtedness, and the many valuable proposals that have emanated from that Summit, the problems of African debt and debt-servicing burden will be considerably ameliorated in 1988.

If, however, for one reason or the other, the weather conditions were to continue to be unfavourable in 1988 and/or it turned out we were unduly optimistic or wide off the mark in respect of the other

underlying assumptions, say the world economy or the response of the international community, or both, then the growth rate of the African economy could be very much less than stipulated above under our first scenario. That would indeed most likely be the case if, in addition, the on-going collapse of the dollar and the October crash in world equity markets were to induce a fall in investment in the major industrial countries which would, in turn, bring about even lower resource transfers to Africa and further reductions in the demand for African exports, or if the efforts to find equitable and comprehensively sound solutions to Africa's debt situation were to end up in failure. Under this second scenario which, no doubt, is a pessimistic one, the rate of growth of GDP could turn out to be as low as, if not lower than, the 1987 actual level of about 1.5 per cent in spite of the continuation of the policy reforms and adjustment measures already taken by most African countries.

In between the two scenarios outlined above, there is a third possible, middle-of-the-road scenario which we have formulated on the basis of only two of the most critical and decisive factors in the African economic performance in 1988, namely, good weather conditions and continued pursuit of sound policy reforms and adjustment measures in African countries. On the basis of this scenario, which obviously is neither as optimistic nor as pessimistic as our two other scenarios, the overall growth rate in output in 1988 could most probably reach 2.5 per cent. The point to emphasize about this scenario is that it indicates the likely fall-back position of African economic performance in 1988, in the event of all the decisive factors related to the international economic environment proving negative, and growth prospects having to depend entirely on Africa's own domestic efforts and favourable weather conditions.

#### D. The challenge in 1988

In my end-of-year statement around this time last year, I noted that, given the dismal economic performance of the African region as a whole, nothing short of a vigorous implementation of the Recovery

Programme would provide the hope and the means for recovery and the resumption of strong growth. I also stressed that for this to take place both Africa and its development partners will have to live up to the commitments they made within that Programme. In particular, the African governments were to improve resource and macro-economic management, adhere to the specified priorities, enhance their domestic resource mobilization and adopt appropriate policy reforms. The donor community were to adequately support and supplement those efforts.

Some of the policy actions that I outlined and urged on the African governments include the intensification of efforts at domestic resource mobilization; structural transformation of agriculture, and, in particular, the realization of the investment target in agriculture of 20-25 per cent of total public investment as agreed to in APPER; continued efforts aimed at rationalizing public investment policies and improvements in the management of the economy; better management of the foreign debt and external assistance in general, and the strengthening of measures aimed at restraining debt accumulation; consolidation of African co-operation; and the initiative of earnest discussions and negotiations with development partners at the highest possible level with a view to giving concreteness and precision to the various commitments entered into in UN-PAAERD. As for the international community, I called on them to match their expressed concerns about Africa's economic recovery with concrete deeds, particularly by: giving support on a sustained and sustainable basis to Africa's policy reforms measures; improving the quality and modality of external assistance and co-operation; instituting debt relief measures in favour of Africa; and improving the external environment through policy measures such as elimination of protectionism, creation of improved market access, and encouragement of African diversification programmes.

Nineteen months have now elapsed since the adoption by consensus of the Action Programme on 1 June 1986, and this is perhaps a sufficiently long enough time to monitor actions and assess the outcome of the joint efforts. A major success has been the resolve of the

Africans themselves to put their house in order, recognizing that the primary responsibility for the development of their region rests first and foremost with them. This has amply been reflected in the actions taken at various national levels by the African governments. While African governments have showed the extent to which they are willing to go in order to get out of the economic crisis and in meeting the conditions that have been repeatedly emphasized by the major donors, it is regrettable that the efforts of the international community have not been up to expectations. Available statistics indicate that resource flows to Africa have declined further in real terms in 1987, and have been grossly inadequate to compensate for the fall in export earnings. This disappointing development in 1987, in terms of the response of the donor community, was reported by the Secretary-General of the UN in his first progress report to the 42nd Session of the General Assembly to assess the implementation of the UN-PAAERD; namely, that the African countries have done their utmost and have admirably honoured their commitment, so far, but that further deterioration in the external economic environment and the lack of adequate support from the international community have put the chances for the successful implementation of the Programme at serious risk. Some relief measures have, of course, been offered by some bilateral creditors, such as rescheduling of official debts, but these have generally been far from adequate in solving the African debt problem. I should like to note in this connection that the debt problem did feature frequently on the agenda of the major industrial countries in 1987, and that some countries have already blazed the trail by writing off either partially or fully the official debts of their development partners. But, unless and until the debt problems of Africa are addressed in a comprehensive manner and linked with the commodities problem and the flow of ODA resources, the expectations created by the adoption of the UN-PAAERD on June 1, 1986 will not be realised.

Viewed against the above background and of the three alternative scenarios that I have already outlined in respect of the prospects for 1988, I can foresee no major change or changes in the main elements that should go into the package of measures for implementation in 1988

either on the part of the African countries and governments, or by the international community. That the incoming year will be as challenging, if not in fact more challenging than the outgoing one, should be obvious enough. One of my tasks at this time of the year therefore is to make a renewed call and appeal to our various governments and to the international community at large to act in earnest and brace up for the challenge of 1988 by implementing the UN-PAAERD more vigorously than before. This is important in view of the fact that 1988 is the mid-term of the five-year Programme, and the UN General Assembly is required to undertake a mid-term review and appraisal of its implementation at its forty-third session in 1988. There can be no doubt therefore that what happens in 1988 is going to determine whether the Programme per se is worth pursuing any further or is already a write-off.

Talking about the challenge of 1988, it is important to point out at this stage that a lot would indeed depend on the international community, much more than before, and especially on how they respond to the Black Monday. The world economy has been so badly handled in the past that some fresh initiatives and radically new approaches will be required in managing it in 1988 and beyond if the existing malfunctioning in the system is not to become endemic and self-destructive for everybody. That it is the developing countries, however, especially those of Africa, that stand to lose most from a debacle in the international economic system, there can be little doubt; judging from the huge losses that the current slide in the dollar has already meant to them, severally and individually, in terms of declining purchasing power and further worsening of the terms of trade. There is a saying that "when two elephants fight, it is the grass that suffers". Therefore, if only to obviate further trampling of the "African grass", there is a lot more that the "elephants" of the international community, in effect the OECD countries, must do in the coming year to secure international financial stability and the world economy at large by way of better management of the exchange rates, lower interest rates and less protectionism and lasting solutions in the commodities area, etc, - all of which are of profound interest

and concern to the African countries. Indeed, unless the tricky issues of favourable external environment are squarely addressed and resolved, there would be no significant improvements in the African economy, no matter the quantum of development aid that may be made available to Africa.

At the level of the ECA we are definitely not going to relent in the coming year on efforts aimed at helping our member countries to consolidate their economic recovery and usher in renewed growth. 1988 marks the anniversary of our 30 years in the service of Africa, and among the many activities planned in celebration of that event are several special studies and reports, one of which aims at providing revised perspectives for African development beyond recovery, 1908-2008. In continued demonstration of our preoccupation with and practical interest in Africa's development, and as a follow-up on the implementation of the APPER and UN-PAAERD, we are, in addition, in conjunction with other agencies of the United Nations system, organizing in March 1988, in Khartoum, an International Conference on the Human Dimension of Africa's Economic Recovery and Development, the main aim of which is to sensitize governments and the international community to the need to institute measures to protect the welfare of the people and ensure the effective development and utilization of human resources. Human resources development, you will recall, is one of the four priority areas of development singled out in APPER and UN-PAAERD. The International Conference, which will be hosted by the Government of the Republic of the Sudan, will reassess the central role of human resources in the development process, assess the impact of the economic crises and the resultant structural adjustment and policy reform measures on human welfare and human resources development, and propose practical measures for implementation at the sectoral, national, sub-regional, regional and international levels through which the strengthening and further development of human capabilities and the enhancement of human well-being are made integral parts of national strategies, plans and programmes of recovery and development.

The Khartoum International Conference follows logically, of course, an earlier one organized jointly in June 1987 by the ECA and the Federal Republic of Nigeria and in collaboration with the Organization of African Unity and the African Development Bank, on Africa: The Challenge of Economic Recovery and Accelerated Development, as a major follow-up action at the regional level to the Special Session of the United Nations General Assembly. The Abuja Statement which emanated from that international conference has since become not only the subject of debate, discussion and decisions but also a spur to action in government corridors and offices all over the continent and at the headquarters of international financial and development organizations.

#### E. Conclusion

From the above review, it is clear that the year 1988 is full of uncertainty. Both the difficult international economic environment and the resulting impact on most African countries point to dim prospects for Africa's economic recovery. Indeed, unless the situation is properly managed in a concerted manner, all efforts currently deployed by the African governments in terms of drastic domestic policy reforms will be frustrated.

Africa's economic recovery calls for an integrated approach to the issue of resource flows. Debt, primary commodities export, interest rates, Official Development Assistance and other direct transfers need to be dealt with simultaneously and in their complex inter-relationships to ensure that adequate resources are available to African countries for implementing their respective recovery programmes. Now that Africa has shown its full determination to implement all measures required for a speedy economic recovery and for laying the foundations for self-sustained long-term development, it is a moral responsibility for the international community to support such efforts, in conformity with commitments made in the context of the UN-PAAERD.

It is also in that context that African Heads of State and Government have, during the Third Extraordinary Summit of the OAU about one month ago, adopted a common position on Africa's external debt, and provided concrete and realistic proposals aimed at finding suitable solutions to the problem of resource flows to Africa. It is therefore my earnest hope that a constructive dialogue will take place early in 1988, between Africa and its creditors, especially the OECD countries, with a view to arriving at such solutions. Thus, by the time of the 43rd Session of the General Assembly of the United Nations which will undertake a mid-term evaluation of the implementation of UN-PAAERD, the present incongruity between Africa and its major development partners would have disappeared.

While I appeal to the African countries not to relent in their development efforts, since theirs is the primary responsibility for the economic recovery of the continent, I trust that the international community will also come to realize that a depressed and stagnant African economy is a threat to world peace. Hence, there is an evident need for Africa and the rest of the world to move closely together to concretize the consensus reached at the 13th Special Session of the United Nations General Assembly in June 1986 when the UN-PAAERD was adopted.