

Statement delivered by Adebayo Adedeji, Executive Secretary
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Today I should like to go in some depth into some conceptual and practical aspects of trade as part of the exercise the ECA secretariat is carrying out in interpreting the New International Economic Order as applied to our Region. Trade is to us a means not an end. It is a broad means to several other means. When we speak of greater access to the markets of advanced countries we actually interpret this as greater access to means, e.g., technology, capital goods and services, skills, research institutions, education and training facilities, raw materials - essential for restructuring our socio-economic systems in such a way as to make them largely self-sustaining and responsive to changes in the needs of our people. Of course we do not exclude from imports pharmaceuticals, consumer durables and nondurables. Thus in considering our trade relations with particular countries or groups of countries we must have in mind what we can sell to that country and what particular forms of technology, what special types of skill, what kinds of capital goods and services and so on, that that country or group of countries has that we need as of today and in accordance with our national strategy and plan and therefore must obtain through trade. We move, in effect, from the general to the specific. We decide beforehand that we need now the technology for petrochemical production not the technology for soft drinks manufacture; tomorrow we may, having got our petrochemical industry going, be concerned with the technology and skills for manufacturing aluminium products not textiles, as the case may be.

2. Moreover, I have noticed that the countries which have been most successful in accelerating growth and diversification have not only been specific as to what they want at any one time, they have also been careful to weigh alternative sources for this technology,

that type of skill or capital equipment. They have not been content with an indiscriminating acceptance of any kind of technology, or skill or capital goods from just any kind of source.

3. It seems to me, that this is one of the lessons we learned from the association between the 18 African States and the EEC under the Yaoundé Conventions. Mere access to trade opportunities in large expanding dynamic markets in advanced countries does not by itself guarantee that somehow this will lead to the massive internal socio-economic changes that each country must undergo as part of the process of accelerated growth and diversification of output and its equitable distribution. Trade is only one of the components in the engine of economic development. I feel that one of the major challenges which faces the Region in the trade sector in the future is, therefore, how to determine the specific requirements and their timing, to identify the most appropriate source and to negotiate what is to be exchanged for what. It will be obvious, I hope, that we have a fairly well-defined strategy and national plan at the national or multinational level extending beyond the conventional three or five years. No serious strategy for transforming socio-economic systems in Africa can, in my view, be based on a perspective of five years.

4. Let us now turn to another issue that we consider critical in terms of the New International Economic Order: the relationship of trade to production and economic co-operation. It can no longer be doubted that the expansion of intra-African trade and the restructuring of Africa's foreign trade are unlikely to take place without major changes in the production structure of the African economies. I personally doubt whether such changes in the production structure can, with few exceptions, take place on the basis of individual national economies in the Region. There seems to have persisted up to recent times the conviction in governments

that economic co-operation is an 'extra', that we first solve problems of national socio-economic development and then turn to possibilities of multinational co-operation. This is feasible, but only up to a point - a point that does not seem to me sufficient to initiate self-sustaining and self-reliant growth. In other words, I am firmly of the view that economic co-operation in the production of certain goods and services is a necessary condition in the pursuit of national socio-economic goals. But this is not all. For years we believed that if we ensured national political and economic stability, if we provided generous fiscal and other incentives to foreign private investment, if we gave the private entrepreneur a free hand to go where he liked and (almost) do what he liked we were creating what was called the right 'investment climate'. Today we know from direct and extensive observation that an investment climate means first and foremost large expanding and diversifying markets with opportunities for making profit, selling goods, technology or skills or vast deposits of exploitable natural resources in dynamic world demand. Where the two are combined we may be said to have a super investment climate. We note that great powers who daily threaten each other with nuclear disaster and each of whom solemnly warns us against the other nevertheless conduct extensive negotiations with each other for the exchange of capital goods, consumer durables, food, technology, skills, and raw materials. We can, by combining, create the same attractions, obtain what we need on the best terms through negotiations and provide protection against economic domination. Again obtaining the best requires care in choosing both the factor input and its source.

5. The last point I wish to take is concerned with trade mechanisms but goes a little way beyond this. We see intra-African trade as a larger version of trade at the national level where, we believe, the orientation of trade policy towards extra-African markets has led to a similar orientation of the development of institutions,

procedures and information. It is urgently necessary to correct this by greater attention to the design of institutions and procedures and the organization and use of information pertinent to internal trade patterns, the problems of distribution and marketing and the internal redistribution of effective demand.

6. Similarly, at the intra-African level we need to think of the possibility of regional markets for, say, cereals, fats and oils, different groups of industrial raw materials organized around exchange markets. At present countries in the Region with surpluses and deficits have no efficient means of establishing contact with each other.

7. A major institutional gap exists which can really not be filled by chambers of commerce and the like. What is needed are regional specialized centres where supply and demand can be matched. This may easily be extended, once established, to serve inter-continental trade. At the intra-regional and the intercontinental levels we need to act quickly and firmly in such matters as the development of shipping, land surface transport and air cargo transportation. I fear we may still be trapped in the debates and policy positions of the past. We also need to pay much greater attention to problems of transport facilitation and intermodal transport arrangements all of which may turn out to be more important for intra-African than for extra-African trade.

8. At this point I want to argue that the time has come to break out of the mould of ideas which really began taking shape in the 1960s. For effectively securing and holding on to the world markets for semi-processed raw materials and manufactures we must begin to talk of the role of industrial design centres, of standardization, of quality control rules and advisory services, of the need to strengthen African competence in engineering design and in the science and technology of materials. These have profound effects not only on both dynamic self-reliant growth but on

international trade projects. We need to begin to learn and to use widely the lingua franca of international business.

9. For all these we need a whole new set of attitudes, competencies and institutions. Small, dusty and faded collections of tinned foods, textiles, and packets of cigarettes in little corners of our embassies must disappear. International trade promotion officers must be highly trained specialists. Embassy staff must include provision for experts in the products and services we need from abroad and postings must be tailored, as they are in advanced countries, to current interests we have in particular foreign countries.

10. We will also need policies and institutional devices for the multinational pooling of key imports, for the aggregation of marine cargoes, for co-ordinating policies and operations of state trading agencies, and for facilitating multinational purchase and supply commitments. These mechanisms will reinforce the bargaining position of countries of the Region in securing, on reasonable terms, the imports they need.

11. It will be clear from all this that I envisage what might almost be described as an explosion of purposeful, imaginative activity consonant with the implementation of the New International Economic Order.