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[ECA Press Release No. 20/2004](#)

ECONOMIC REPORT ON AFRICA 2004 PUBLISHED, HIGHLIGHTS TRADE

Addis Ababa, 29 September 2004. (ECA) -- [Trade liberalization](#) alone will not boost growth and poverty reduction in Africa. That's the key message of this year's Economic Report on Africa 2004 (ERA 2004), published by the UN's Economic Commission for Africa.

Entitled "Unlocking Africa's Trade Potential", ERA 2004 argues that trade policies in many African countries have been applied haphazardly with too little relevance to overall development objectives.

Data from African countries that have liberalized their economies show that dynamic trade policies, alongside gradual and targeted liberalization, are more effective than liberalization per se.

The flagship report uses a competitiveness index developed by ECA that combines the economic and political environment, availability of direct inputs to production and state of infrastructure to provide insights into why [development in Africa](#) has fallen behind, compared to other regions.

Mauritius, [South Africa](#), Namibia, and Tunisia are cited as Africa's most competitive nations.

ERA 2004 analyses the collapse of the Doha talks and argues for a comprehensive approach to development that prioritizes poverty alleviation. It suggests that successful integration of Africa into the world economy will require better-educated and healthier workforces, improved economic and political governance, and better-quality infrastructure.

Reporting on the continent's overall economic performance, ERA states that in 2003 Africa advanced to real GDP growth of 3.8%, compared to 3.2% in 2002. This encouraging increase reflects Africa's progress in a number of critical areas:

- the continent has continued to exhibit good macroeconomic fundamentals;
- fiscal deficits have been kept under control;
- inflation has largely stabilized;
- and the region's [current account deficit](#) fell.

The challenge lies in translating these achievements into faster growth. In 2003, only five countries—Angola, Burkina Faso, Chad, Equatorial Guinea and Mozambique—achieved the 7% growth necessary to reach the Millennium Development Goal of halving poverty by 2015.

According to the ERA 2004, the regional outlook for 2004 is positive with growth projected at 4.4%. However, there are several downside risks. The recovery of the global economy is marred by significant international imbalances because of the United States' large current account deficit, and the matching surplus concentrated in a few countries. According to the report, adjustment through sharp depreciation in the US dollar could interrupt the recovery.

The report also warns against protectionist sentiment, particularly in the form of cotton subsidies in the US and other industrial countries. These have damaged prospects for cotton-producing West African countries and further protectionist measures could seriously harm Africa in the medium-term, the report says. (ENDS)

For further information and a copy of the report, please contact:

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launched September 29 in Addis Ababa at 4pm (1300GMT).

Hakim Ben Hammouda, director of the ECA's Trade and Regional Integration Division and Shamika Sirimanne, ERA team leader will address the media and take questions. Local media are welcome to attend. Copies of the Report will be available in hard copy on on CD ROM.

At the same time, the website of the ERA2004 will become accessible so that media wishing to access information and unable to attend the launch can do so online.

For further information, please contact

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