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Trade Between African Nations Crucial for Integration, Says ECA's Upcoming Report

Addis Ababa, Ethiopia, 5 March 2010 (ECA) - How much African countries trade with each other is crucial to the integration and development of the continent, a draft report to be published jointly by United Nations Economic Commission for Africa (UNECA), African Union Commission (AUC) and African Development (AfDB) states.

"There is a great potential in intra-African trade. Why is the continent not able to achieve this potential?" said Daniel Tanoe, of the Regional Integration, Infrastructure and Trade Division (RITD).

Mr. Tanoe made his comments during his presentation at an internal review of the latest edition of Assessing Regional Integration in Africa (ARIA) IV. The review took place at the United Nations Conference Centre on Friday 5 March.

ARIA is one of UNECA's flagship reports. The report looks into regional integration. The biannual report provides an in-depth analysis and evaluation of progress made in Africa's regional integration process, the major achievements and the challenges that are still being faced.

This fourth edition of ARIA focuses on intra-African trade, looking into the reasons that countries on the continent are so poor at trading with one another. The statistics on intra-African trade in comparison with other regions are sobering, with only a mere 10 percent of African countries trading with each other. In comparison, 40 percent of trade from North America is done with other North American countries. That figure rises to 63 percent when looking at trade between European Union countries.

"The aim is to promote trade within Africa," said RITD Officer-in-Charge Mr. Joseph Atta-Mensah. "Why is it that I, as a typical villager from Ghana cannot find Ghanaian goods in Ethiopia, or when I go to Ghana, I can't find my Ethiopian chai?"

The reasons for the lack of trade between African countries are numerous. The report highlights several including – infrastructure problems (poorly developed or maintained roads, as well as numerous road blocks and check points), high tariffs between countries, and lack of a coherent, unified payment system to facilitate trade.

The report acknowledges the role the informal sector has to pay in intra-African trade and the importance of women to that sector. If accurate figures on the trade that takes place in the informal sector were captured, the statistics for intra-African trade would most probably be much higher.

The internal review was an opportunity for UNECA staff and other stakeholders to discuss the report and offer feedback. An external review took place in February in Harare, Zimbabwe under the auspices of the Government of Zimbabwe. ARIA IV is expected to be published later this year.

Issued by the ECA Information and Communication Service P.O. Box 3001 Addis Ababa Ethiopia

Tel: 251 11 5445098 Fax: +251 11 5510365 E-mail: ecainfo@uneca.org

Web: www.uneca.org

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