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## Modernise, diversify and integrate - African regional economies urged

Addis Ababa, 07 December 2015 (ECA) - It is without doubt that African countries are proud of their economic achievements in the past decade. The blight on this 5-6 percent growth achieved during this time is the absence of transformation of these economies. This growth, though impressive, has not been inclusive and poverty levels have not been reduced.

"The majority of our economies are monolithic and remain predominantly natural resource and primary commodity driven, where little value addition takes place. Agricultural productivity is low," said Mr. Stephen Karingi, the Director of Regional Integration and Trade Division at the Economic Commission for Africa in his opening address to the Ninth Session of the Committee on Regional Cooperation and Integration (CRCI).

The session, themed 'Enhancing productive integration for Africa's structural transformation', opened today in Addis Ababa and will review and deliberate on developments in specific sectorial areas and make recommendations on regional integration and trade.

The ECA has on various occasions, through its reports on regional economies and development, pointed out the significant advantage to be gained from trading within Africa. As Mr. Karingi explained "productive integration means developing and linking regional production and value chains in Africa."

When developed, these regional linkages will boost intra-continental trade affecting several industries such as agriculture, infrastructure, telecommunications, energy and investments.

Using the example of agriculture, where "production and productivity is far below their potential given the richness of the land and resources", Mr. Karingi urged African countries to learn from South East Asian countries. "They turned their farmers into manufacturing workers, diversified their economies and exported a range of increasingly sophisticated goods."

Foreign and domestic investments are needed if Africa is to achieve product integration. Mr. Karingi pointed out that investor's perception of Africa is improving. "Africa is the second most attractive investment destination," he said.

Mr. Karingi warned though "the development of regional supply chains in production will only be possible if the integration agenda is pushed forward and remaining barriers to intra-regional trade are removed."

ECA recommends investments in infrastructure connectivity such as in transport and logistics because it is "an important vehicle for the creation of regional value chains."

Established by the ECA Conference of Ministers, the Committee on Regional Cooperation and Integration (CRCI) meets on a biannual basis to review the work undertaken on regional integration and trade such as food security, agriculture, industrialisation, infrastructure and investment in Africa. This ninth session convenes from 7 to 9 December 2015.

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