

Regional Integration Key to Africa's Future Competitiveness

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- Africa must increase competitiveness or jeopardize future growth, warns the *Africa Competitiveness Report 2013*, which assesses prospects for sustainable growth of 38 African countries.
- Jointly produced by the African Development Bank, the World Bank and the World Economic Forum, the report identifies closer regional integration as an important driver for enhancing competitiveness.
- Download the full report, highlights, summary, country profiles, rankings and more at www.weforum.org/acr. For more information about the meeting, please visit: <http://wef.ch/africa13>

Cape Town, South Africa, 9 May 2013 – The strides made by African economies in achieving economic growth must be accompanied by efforts to boost long-term competitiveness if the continent is to ensure sustainable improvements in living standards finds a new report, the [Africa Competitiveness Report 2013](#), released today.

The report, themed *Connecting Africa's Markets in a Sustainable Way*, is jointly produced by the African Development Bank, the World Bank and the World Economic Forum. Regional integration is a key vehicle for helping Africa to raise competitiveness, diversify its economic base and create enough jobs for its young, fast-urbanizing population. The report maps out the key policy challenges in establishing closer regional integration:

- **Closing the competitiveness gap:** Africa's competitiveness as a whole trails other emerging regions – especially in quality of institutions, infrastructure, macroeconomic policies, education and technological adoption – while big gaps persist between its highest and lowest ranked economies. The report assesses Africa's success in creating the social and environmental factors that are necessary to address or mediate these gaps.
- **Facilitating trade:** Africa's exports remain too heavily focused on commodities and its share of world trade remains low, despite numerous regional economic communities and domestic market liberalization. Intra-African trade is particularly limited. The report identifies cumbersome and non-transparent border administration, particularly import-export procedure, the limited use of information communication technologies (ICT) and persistent infrastructure deficit as major barriers to higher levels of regional integration. It also shows that these challenges are particularly pronounced for Africa's landlocked economies.
- **Building better infrastructure:** Africa's infrastructure deficit presents a serious impediment to regional integration, a problem that is made more pronounced by growth in consumer markets and urbanization. Developing adequate and efficient infrastructure will assist African economies to increase productivity in manufacturing and service delivery, contribute to improvements in health and education and help deliver more equitable distribution of national

wealth. The report examines how developments in energy, transportation and ICT can be deployed to maximize the benefits of regional integration.

- **Investing in growth poles:** Defined as multi-year, generally public-private investments aimed at accelerating export facing-industries and their supporting infrastructure, growth poles represent important ways of building productive capacity and boosting regional integration through the attraction of investment. As the World Bank has invested in growth poles for a number of years, the report looks at how best practice can be deployed to deliver further benefits across the continent.

"Africa's growth needs to be seen in the wider international context, where encouraging gains in economic growth belie an underlying weakness in its long-term competitiveness. Regional integration is key to addressing this weakness through the delivery of wider social and economic benefits and should be prioritized by Africa's leaders as they look to ensure that Africa delivers on its promise," said Jennifer Blanke, Chief Economist, World Economic Forum.

"Sustained high economic growth often occurs in an environment where there is a meaningful infrastructure development. It is therefore imperative that planning for both national and regional infrastructure projects is coupled with the requisite legal and regulatory framework that will allow for increased involvement of the private sector in infrastructure development on a public-private partnerships model. Improved infrastructure investment in Africa is crucial for the continent's competitiveness and productivity; and contributes to spatial-inclusion and reducing spatial inequalities," said Mthuli Ncube, Chief Economist and Vice-President, African Development Bank (AfDB).

"Africa has been enjoying an economic transformation, with growth rates of more than 5 percent annually over the past decade," says Gaiv Tata, Director, Africa Region, World Bank Group. "To turn its economic gains into sustainable growth and shared prosperity, Africa's public and private sectors must work together to connect the continent's markets, deepen regional integration, and adopt reforms that enhance national competitiveness."

Also included in the report are detailed competitiveness profiles of 38 African economies. The profiles provide a comprehensive summary of the drivers of competitiveness in each of the countries covered by the report, and are used by for policy-makers, business strategists and other key stakeholders, as well as those with an interest in the region.

With the support of the Government of South Africa, the World Economic Forum on Africa is being held in Cape Town, South Africa, from 8 to 10 May. Over 865 participants from more than 70 countries are taking part. Under the theme *Delivering on Africa's Promise*, the meeting's agenda will integrate three pillars: Accelerating Economic Diversification; Boosting Strategic Infrastructure; and Unlocking Africa's Talent.

The Co-Chairs of the meeting are Frans van Houten, Chief Executive Officer and Chairman of the Board of Management and the Executive Committee, Royal Philips Electronics, Netherland; Mo Ibrahim, Chairman, Mo Ibrahim Foundation, United Kingdom; Mustafa Vehbi Koç, Chairman of the Board, Koç Holding, Turkey; Frannie Léautier, Executive Secretary, The African Capacity Building Foundation, Zimbabwe; and Arif M. Naqvi, Founder and Group Chief Executive, Abraaj Capital, United Arab Emirates.

Further information on this study is available at www.weforum.org/acr, www.worldbank.org/africa/acr or <http://www.afdb.org/en/knowledge/publications/africa-competitiveness-report/>

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