

Enabling Business Environment Key to Sustainable and Inclusive Growth

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- Africa needs to create an enabling business environment for domestic and foreign investment to realize its potential and ensure sustainable and inclusive growth
- Many challenges ahead if the continent is to overcome the growing inequality that is fuelling instability
- More intra-African trade could drive economic growth
- The theme of the 44th World Economic Forum [Annual Meeting](#) is The Reshaping of the World: Consequences for Society, Politics and Business
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Davos-Klosters, Switzerland, 22 January 2014 – Africa needs to create an enabling environment for domestic and foreign investment to realize its potential and ensure sustainable and inclusive growth for its population, panellists agreed at a session on Africa ' s Next Billion, held on the opening day of the 44th World Economic Forum Annual Meeting. However, there are many challenges to overcome, including addressing the pervasive and growing inequality that is fuelling instability.

With the continent ' s population expected to rise to 2 billion by 2050, the foundation for sustainable and inclusive growth must be laid now. “ We need jobs, jobs, jobs, ” said John Dramani Mahama, President of Ghana. “ Economic and social inclusion is a top priority. We create space for the private sector and it ' s one of government ' s responsibilities to distribute the fruits of growth. ” To build on the progress Africa has made so far, governments must continue to realize the democratic dividend of good governance, respect for human rights and rule of law, he added.

Goodluck Ebele Jonathan, President of Nigeria, pointed out that there is stability in most African countries today.

“ But before we could talk about economic growth, we needed political stability, ” he said. Another key to unlocking

Africa ' s huge potential is security, Jonathan added. When addressing the issue of corruption in the extractive

industries, in particular oil in Nigeria, the president told participants, “ The simple answer to everything is corruption.

Not everything is about corruption. ”

Aliko Dangote, President and Chief Executive Officer, Dangote Group, Nigeria, and a Co-Chair of the Annual

Meeting 2104, pointed out that the majority of foreign investors are too cautious in the lead-up to elections and

during what could be the short-lived reign of political parties. “ Today there is no government that will be against

business, so go ahead and invest, ” he urged.

Dangote added: “ People always underestimate what Africa can be. By 2050 will have a united Africa with one

common market... Can you imagine if we had sufficient power? Our GDP would be US\$ 9 trillion by 2050. It can

happen. ”

Julian Roberts, Group Chief Executive, Old Mutual, United Kingdom, told participants: “ Africa is on the move and it

is moving forward. But we need to ensure we have an enabling platform for business. ” Roberts said the continent

will not succeed unless there is a “ handshake between government and the private sector ” .

Africa ’ s economic growth may be accelerating, but according to Winnie Byanyima, Executive Director, Oxfam

International, United Kingdom: “ The concentration of wealth and power is excluding and locking out millions of

people, which is driving insecurity and instability. ” So far, economic growth has been a race to the bottom, she said.

“ We need a race to the top so we have policies and regulation to protect human rights, the environment and reduce poverty. ”

Doreen E. Noni, Creative Director, Eskado Bird, Tanzania, noted that young people in Africa are not trained from a

young age to have entrepreneurial skills. Because of its huge young population, Africa ’ s workforce is set to

burgeon by 2050. “ We need to awaken our youth... and direct them to be entrepreneurial. We can only get our

continent to have inclusive growth if we are educated and change our mindsets. ”

More intra-Africa trade could boost economic growth, but today, it is negligible. “ I feel ashamed that trade between

our countries is only 11%. That is unacceptable,” said President Mahama. If the continent ’ s infrastructure

bottlenecks can be overcome, particularly intra-African transportation routes, intra-Africa trade could flourish and

create prosperity. “ Our target should be 80% intra-Africa trade by 2050, ” Roberts added.

The Annual Meeting 2014 is taking place from 22 to 25 January under the theme, The Reshaping of the World: Consequences for

Society, Politics and Business. Participating this year are over 2,500 leaders from nearly 100 countries, including 300 public figures,

1,500 business leaders and representatives from civil society, academia, the media and arts.

The Co-Chairs of the Annual Meeting 2014 are: Aliko Dangote, President and Chief Executive Officer, Dangote Group, Nigeria; Kris Gopalakrishnan, President,

Confederation of Indian Industry (CII); Vice-Chairman, Infosys, India; Jiang Jianqing, Chairman of the Board, Industrial

and Commercial Bank of China, People ’ s Republic of China; Joseph Jimenez, Chief Executive Officer, Novartis,

Switzerland; Christophe de Margerie, Chairman and Chief Executive Officer, Total, France; Marissa Mayer, Chief Executive Officer,

Yahoo, USA and Judith Rodin, President, Rockefeller Foundation, USA.

More information about the Annual Meeting 2014 is available at <http://wef.ch/davos2014>

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