

COM 2015
Pre-Event: Launch of Economic Report on Africa (ERA) 2015

Briefing Note

Focal person: Hopestone Chavula (hchavula@uneca.org)

The 2015 edition of the Economic Report on Africa, “Industrializing through Trade”, will be launched during the Conference of African Ministers of Finance and Economic Development in Addis Ababa, in March 2015.

The report builds on the key messages of the previous editions of ERA focusing on industrialization and structural transformation. Both ERA 2013 and ERA 2014 emphasized the role of trade in fostering industrialization, both at the regional and the global level, and underlined the importance of implementing trade policies in Africa, mainly aimed at overcoming market and institutional failures that hinder export competitiveness. This year’s report further explores the question of how trade can serve as an instrument for accelerating industrialization and structural transformation in Africa.

Global value chains are an important feature in today's global economy. African countries show high participation rates, but are mostly confined to very low levels of value chains. While backward integration has been increasing in many African countries, the larger share of Africa’s participation in value chains is mainly due to forward integration driven by exports of raw materials. Intra-African trade in intermediates, which is significantly more diversified than the corresponding Africa’s trade with the rest of the world, offers opportunities for the creation of regional production networks that could lead to value addition and increased industrialization. However, currently Africa sources 88 per cent of its imported inputs from outside the African region.

The report puts emphasis on the importance of services to an economy as they are key inputs to most other businesses, and make a direct contribution to growth and job creation, attract FDI and are important for value addition along global value chains. The report also focuses on the importance of strategic and sequenced use of trade policies for boosting intra-African trade and building up regional value chains to strengthen the capabilities and potential of African industries. The importance of complementary social policies for inclusive growth and structural transformation are also highlighted

Expected Accomplishments

The forum aims to generate discussion and concrete proposals on:

- The opportunities and challenges in using trade as an instrument for industrialization and structural transformation;
- Ways and strategies in which the regional value chains and intra-African trade can be used to promote industrialization and structural transformation on the continent;
- How African countries can utilize the opportunities that come with the various trade agreements to promote industrialization and structural transformation;

- How trade policy be designed to support structural transformation at national, subregional and regional levels.

Format of the Event

ECA will present the key findings and recommendations of the report during the event. This will be followed by responses from discussants, which will be followed by a general discussion pertaining to theme and findings of the report.

Participants

Participants will be comprised of policy makers, academia and development partners from within and outside the region.