

# **GLOBAL AND REGIONAL COMPETITION ISSUES**

## **NEPAD'S VISION**

**Presented By**  
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## **Introduction**

The New Partnership for African Development (NEPAD) is a vision of the long term development of Africa based on the choice and the implementation by the Africans themselves of the rules governing the world economy. This vision centers around top priority sectors, covering the specific needs of the continent. So after a presentation of NEPAD and its main objectives, we will focus on Agriculture and Access to markets which are two top priorities of NEPAD and very relevant to the theme of this Conference.

## **A - Presentation of NEPAD**

1. **The New Partnership for Africa's Development** (NEPAD) is a long term plan(15-20 years) conceived by African leaders and is based on a common vision and a firm and shared conviction that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time, participate actively in the world economy. The Programme is anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalising world. Thus NEPAD centers around African ownership and management. To achieve these long term goals, the African leaders have set up top priority sectors for action. The idea is to bridge the gap between Africa and the developed world in these sectors.

### **2. NEPAD's super priorities or sectors**

The African Leaders believe that NEPAD as a new long term vision will need massive and heavy investment in the following areas – kinds of foundations without which there can be no development.

2.1. Political Good Governance : democracy which will involve free and fair elections as well as democratic institutions, respect for men's, women's, children's rights, transparency in public property management, the eradication of corruption.

2.2. Good Governance in the economic field and with regard to the flow of private capitals, which requires an independent and fair justice in cases involving foreign investors.

2.3. Infrastructures: roads, railroads, ports, airports, etc... constitute heavy cost items that affect the competitiveness of African products to be sold abroad. In addition, infrastructures can develop and create economic activities.

2.4. Education: It has now appeared that human resources are the most important factor of growth as it is a direct input of production: creativeness, inventiveness, productivity.

2.5. Health: due to the high rate of mortality from epidemics such as malaria, tuberculosis and AIDS, health represents a major challenge for Africa.

2.6. The New Information and Communication Technologies: on the economic front, NICT produce high value added services. Tele-services are booming in some African countries and creating thousands of jobs.

2.7. Energy: it plays a critical role in the development process, first as a domestic necessity but also as a factor of production whose cost directly affects prices of other goods and services and the competitiveness of enterprises.

2.8. The Environment: the effects of environmental degradation on the living conditions of populations, especially in the big cities, are well known, not to mention that desertification and drought are serious threats to the very existence of populations in the South of the Sahara.

2.9. Agriculture: African agriculture is way behind. But if developed, it can contribute immensely towards increasing Africa's share of world trade if the G8 countries are to lift non tariff trade barriers and create the conditions for effective competition in the world market.

2.10. Access to Markets: the desire to develop and diversify agriculture cannot be effective if the developed countries would not open their borders to us. Of course, this question is not limited to agricultural products only.

All these sectors are intimately linked. Any progress in one of them will have catalytic effects on the others. But, in the rest of this presentation, we will focus on access to markets in its relation to the other sectors and particularly agriculture.

## **B - Access to the developed countries markets**

Although there have been significant improvements in terms of lowered tariffs in recent years, there remains significant exceptions on tariffs while non tariff barriers also constitute major impediments. Progress on this issue would greatly enhance economic growth and diversification of African production and exports.

To go further on this way, African leaders have identified some of the obstacles and proposed actions to lift them.

1. **The obstacles**; among the factors that hinder full African countries participation to the world economy, we can mention:
  - the difficulties to meet World trade standards;
  - too heavy dependence on primary production and natural resource based sectors;
  - narrow export bases (usually only one product is exported);
  - tariff and non tariff barriers especially subsidies.
  
2. **Solutions**: African leaders have identified ways if solving these difficulties both at the African level and at the international level and in different economic sectors.

### 2.1. Agriculture

#### 2.1.1. At the African level: African governments should :

- increase the security of water supply for agriculture by establishing small scale irrigation facilities, improving local water management and increasing the exchange of information and technical know-how with the international community;
- promote land reform;
- enhance agricultural credit and financing schemes, and improve access to credit by small-scale and women farmers;
- reduce the heavy urban bias of public spending in Africa by transferring resources from urban to rural activities.

The aims of all these actions are to improve productivity of agriculture and integrate the rural poor into the market economy and provide them with better access to export markets.

#### 2.1.2. At the International level

- promote access for African food and agricultural products, particularly processed products to enter international markets by improving quality to meet the standards required by those markets;
- support investment in research in the areas of high yield crops and durable preservation and storage methods and in agricultural technology and know-how;
- provide support for building national and regional capacity for multilateral trade negotiations, including food sanitation and other agricultural trade regulations.

## 2.2. Manufacturing

### 2.2.1. At the African level:

- develop new industries or upgrade existing ones where African countries have comparative advantages, including agro-based industries, energy and mineral resource based industries. In this respect, some studies have shown that if 25 % of the cotton produced in the West African region were processed locally, this would create 50.000 jobs;
- acquire membership of the relevant international standards organisations. Active membership would give Africa a stronger voice in these bodies and would enable African industry to participate meaningfully in the development of international standards;
- ensure that testing laboratories and certification organisations are set up to support the relevant national technical regulations;
- pursue mutual recognition of test and certification results with African's major trade partners.

## 2.3. Promoting African exports

### 2.3.1. At the African level:

- promote intra-african trade especially with the aim of sourcing within Africa, imports formerly sourced from other parts of the world. In this respect, regional integration with strong regional economic communities is vital. In fact, NEPAD advocates the use of the region as the basic operational space for the implementation of its programmes;
- create marketing mechanisms and institutions to develop marketing strategies for African products;
- publicise African exporting companies and their products through trade fairs;
- reduce the cost of transactions and operations;
- reduce tax exports.

### 2.3.1. At the international level:

- encourage foreign direct investment;
- assist in capacity building in the private sector as well as strengthening country and sub-regional capacity in trade negotiations, implementing the rules and regulations of the WTO;
- negotiate measures and agreements to facilitate market access for African products to the world market;
- secure and stabilise preferential treatment by key developed countries partners, e.g. the Generalised System of Preferences, the Cotonou Agreement, the "Everything But Arms" initiative and the

African Growth and Opportunity Act (AGOA), and ensure that further multilateral liberalisation does not erode the preferential gains of these arrangements;

- identify and address deficiencies in the design and application of these preferential agreements or initiatives.

#### 2.4. Removal of non tariff barriers

African leaders believe that improved access to the industrialised countries markets for products in which Africa has a comparative advantage is crucial. We mentioned earlier that significant improvements in terms of lowered tariffs have been made in recent years. But there remains the burden of non tariff barriers which constitute major impediments. A special point must be made here about the subsidies. We all know that the industrialised countries subsidize their agricultures massively. And these subsidies not only impede African exports but pose a threat on African agriculture, particularly food agriculture. So the African Heads of States must take immediate action for their drastic reduction and their final elimination. The Heads of States members of the NEPAD Implementation Committee have already started talking about the subsidies with their Counterparts of the G8. It is a necessity to continue in order to achieve a firm agreement on this crucial issue.

#### **Conclusion**

NEPAD is an adequate answer to the problem of sustainable growth and development of the continent. It is urgent to go faster in its implementation. For that, a strong political will, on behalf of the African leaders on the one hand and a firm commitment of the International Community on the other are necessary. It is up to the African Heads of States to convince their counterparts of the developed world and the officials of the multilateral organisations that NEPAD is a win-win programme. In effect, Africa, in addition to its indispensable resource base, offers a vast and growing market for producers across the world.

A developing Africa, with increased numbers of employed and skilled workers and a burgeoning middle class, would constitute an expanding market for world manufactured products, intermediate goods and services./-

