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Abstract

Economic Commission for Africa (ECA)

"Trade Facilitation in Africa – Challenges and Opportunities"

The eight Millennium Development Goals (MDGs) range from halving extreme poverty to stopping the progress of HIV/AIDS and providing universal primary education, all by the target date of 2015. The MDGs form a blueprint agreed to by all the world's countries and all the world's leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world's poorest.

This year's UNECA (United Nations Economic Commission for Africa) will target one of the eight MDGs. UNECA will focus on the reduction of poverty in the countries of Africa. The main question will be how that target can be achieved. It is the idea not only to review and retell the MDGs but to design a road-map. This year's UNECA will aim on "trade facilitation" and its ability to reduce poverty.

The African economy experienced the highest economic upward trend in the last decade. This improvement was underpinned by a strong global recovery, higher commodity prices and higher oil production plus increasing oil prices. Good macroeconomic management, better agricultural performance across the continent, improved political situations in many countries and continued donor support through aid and debt relief were contributing to this trend¹: *"Africa's real GDP is estimated to have grown by 5.1 percent in 2005, roughly the same rate that was achieved in 2004. ... the relatively high rates of growth recorded over the last five years confirm the continued recovery of African economies. ... Thus far [however] increased growth seems to have had a limited effect on poverty reduction. In fact, growth has largely concentrated in relatively capital-intensive sectors with little spillover effects on employment creation and on the rest of the economy"* (United Nations, ECA)².

Consequently, other – more balanced – measures of trade facilitation and economic growth have to be taken into account in order to realize growth potential and finally reduce poverty. Decent employment for Africa's poor population has to be ensured, as well as structural transformation to break away from rural poverty has to be achieved. In particular, youth unemployment has to be challenged. Lastly, reforms have to be introduced to enable the private sector to create jobs.

2005 has been a vital year for Africa, though, without significantly more financial resources the United Nations' Millennium Goal of halving world poverty by 2015 will be impossible to meet.

¹ <http://www.uneca.org/era2005/>

² <http://www.africafocus.org/docs06/econ0601.php>