

Africa should sharpen its strategies for dealing with Southern development partners, the UN advises

(United Nations, New York, 20 September) African countries need to adopt a coordinated strategy and exercise greater control over their growing interactions with emerging economies such as China, India, Brazil, the Republic of Korea and Turkey, a UN report advised today. The report assesses the key developmental impacts, both positive and negative, of the new development partners on African consumers, governments and various economic sectors.

Entitled “Africa’s Cooperation with New and Emerging Development Partners: Options for Africa’s Development,” the report is being launched today by UN Under-Secretary-General Cheick Sidi Diarra, the Special Adviser on Africa. The report notes that in a rapidly-changing global landscape, Africa must ensure that ties with emerging economies promote “win-win” outcomes.

African countries have recently seen a significant increase in trade, foreign direct investment, aid and other development assistance from emerging economies, whose growth has remained solid despite the global crisis.

The continent’s total trade with these economies grew from US\$8.8 billion in 1990 to US\$148 billion in 2007. Between 2003 and 2009, China forgave US\$2.57 billion in debt owed by 31 African countries. Yet, the report says, “While some emerging economies have a strategy for Africa, Africa does not have a strategy towards the emerging economies.”

Within the new geo-economic context, the report argues, the main challenge for African countries is how to benefit from the new opportunities, while minimizing the potential negative impacts.

Imports from emerging economies have benefited African consumers by pushing down the prices of many key consumer goods. Joint ventures and financial assistance have increased African governments’ revenues. But emerging economy involvement has also adversely affected manufacturing and construction sectors. In South Africa, for example, Chinese competition has squeezed many local firms out of the large infrastructural market.

African countries need to take steps to ensure that cooperation with its new partners leads to economic diversification and industrial development in Africa, while also supporting the continent’s integration into the global economy.

Among a number of policy issues, the study recommends that the United Nations, the African Union and other continental and regional organizations should, where appropriate, assist African countries in their bargaining with emerging economies, for instance by providing coordinated strategic analysis. The report also points to the need for the emerging economies to recognize that their long-term access to Africa’s

natural resources depends on developing a mutually beneficial relationship that serves all sides.

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