



ECONOMIC DIVERSIFICATION IN AFRICA

A Review of Selected Countries

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Preliminary versions of the foreword, executive summary and introduction follow.

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FOREWORD

The global financial and economic crisis has revealed Africa's vulnerability to external economic shocks. Largely dependent on the export of commodities, many of the continent's economies suffered setbacks in economic growth and in their efforts to meet the Millennium Development Goals by 2015.

Economic diversification holds great potential to increase Africa's resilience and would contribute to achieving and sustaining long term economic growth and development in the continent. Broadly-based economies, active in a wide range of sectors, and firmly integrated into their regions, are better able to generate robust growth and sustainable growth.

However, the expansion of activities in underdeveloped sectors, or indeed the development of new activities, is a significant challenge and requires a combined effort by African governments, the private sector and the international community. In addition, and in light of the small size of many African economies, a regional approach to economic diversification is imperative to reap the benefits of larger domestic markets and economies of scale.

This study analyzes the economies of selected African countries' and their diversification profiles and strategies. The five case studies, of Angola, Benin, Kenya, South Africa, and Tunisia, provide a detailed view on the state of economic diversification in the continent. From these experiences, policy recommendations are drawn for African governments, regional institutions and the international community.

Economic diversification in Africa can deliver the improved utilization of the continent's vast agricultural and mineral resources. Minerals processing, the expansion of manufacturing activities, the production and export of non-traditional agricultural and industrial products, and the further development of services sectors such as tourism, will all improve Africa's economic prospects.

Setting African economies on a more balanced, broad-based and diversified growth path will not be easy. A conducive business environment, responsible management of natural resources and good governance are all indispensable to support private enterprises, harness their innovative potential, and implement other innovative ideas put forward in this study.



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EXECUTIVE SUMMARY

The global financial and economic crises exposed one of the major weaknesses of a number of African economies: their dependence on too few export commodities and one or two sectors. Such dependence makes many countries vulnerable to fluctuations in commodity prices, demand and extreme weather events such as droughts and floods. This study looks at how African governments can diversify their economies and analyses five countries' economic diversification profiles in particular. It begins by examining some of the major determinants of diversification and also looks at how the private sector plays a key role by being at the forefront of innovation, research and development and production. Good governance is needed to create an enabling environment for investment and trade; to manage natural resources; and to set policies to develop strategic sectors. A regional approach to economic diversification is particularly important, especially given the small size of African economies and the benefits of economies of scale from regional initiatives. New economic partnerships, including South-South co-operation and relations, offer Africa the opportunity to expand its economic options. Lastly, infrastructure and human resources help to facilitate trade, productivity and innovation and are key drivers of diversification.

Diversifying African economies is not an easy task. One of the key challenges is how to overcome over-specialisation, whereby some countries have developed systems and know-how for one specific area of the economy but find it difficult to transfer these to other sectors and activities. Also, significant trade barriers exist and African firms may not be able to compete against their peers in other parts of the world because of a lack of access to finance, administrative hurdles, weak productive capacities, and other impediments to competitiveness. These challenges need to be addressed if diversification efforts are to gain traction.

This study looks at the economies of five African countries to analyse their diversification profiles and strategies. It starts with relatively well-diversified South Africa which nonetheless faces constraints in its human resources and labour markets; followed by Kenya, which has made great strides in boosting certain sectors such as tourism and telecommunications. It continues with Tunisia's example of successful diversification efforts and Angola, which depends on oil revenues to fuel growth. The final case study deals with Benin, a country which is dependent on cotton but has a favourable policy environment and a record of good governance that could lead to private sector development and investments in other sectors.

INTRODUCTION

1. Overview

For more than a decade, African countries have been enjoying high levels of economic growth, human development, and political stability. As they continue along the path of economic progress, it is imperative that they find ways to diversify their economies, namely by boosting non-traditional sectors; expanding their range of products and exports; and engaging with new economic and development partners.

Diversification does not occur in a vacuum. There needs to be an enabling environment to make diversification possible. A number of key drivers have already been identified, for example by the 2007 UNECA Economic Report on Africa, including investment, trade and industrial policies; a dynamic growth performance; macroeconomic stability, a competitive exchange rate and expansionary but responsible fiscal policy; and institutional variables such as good governance and absence of conflict¹. This study will focus mainly on the investment, governance and regional dimensions of economic diversification as well as on human and natural resources. The role of infrastructure, with emphasis on transport and energy², will also be taken into account.

In addition, the private sector has an important role to play in its own right and in conjunction with the Government. Similarly, regional economic institutions such as Regional Economic Communities (RECs) and other international partners help contribute to Africa's economic priorities, including through boosting the public sector's capacities to implement policies and reforms conducive to diversification.

Of course, many challenges arise when pursuing a diversification strategy. It is often necessary to make significant investments in human resources and infrastructure to support economic sectors and activities such as value-addition in commodities. These are long-term endeavours that need government commitment and political will, not to mention major capital investments. Moreover, in pursuing new sectors, products and partners, African governments must be careful not to neglect their traditional economic bases.

There are many benefits that could arise from more diversified economies: less exposure to external shocks; an increase in trade; higher productivity of capital and labour; and better regional economic integration³. These benefits, in addition to effective public management, can help to reduce poverty and promote human and social development.

Diversification nevertheless remains limited in most African countries, with only a few success stories. The second chapter of this report will focus on the five selected case studies of Angola, Benin, Kenya, South Africa, and Tunisia to illustrate how these African countries have implemented economic diversification strategies. The chapter will highlight key actions and policies that have been pursued by these national governments in the quest for economic diversification, as well as the challenges and successes encountered. It will also analyse the linkages made with regional economies in efforts to boost trade. These five cases represent a range of country profiles, from resource-rich Angola, to relatively well-diversified South Africa and Tunisia, promising Kenya and resource-poor Benin. In each example, governance and public policies have played a strong role in boosting diversification.

The third chapter of this study provides conclusions and recommendations, with particular emphasis on the role of government and other decision-making entities and relevant stakeholders.

2. Major Determinants of Diversification

A. Governance

Good governance is a pre-requisite in building an enabling environment for economic diversification. This involves designing and implementing policies to boost fledgling sectors and ensuring that they can be developed in an environment that allows them to flourish and contribute more to the national economy. At the regional level, there needs to be efficient co-ordination among different decision-makers and stakeholders in the regional and global economic environment. These national and regional, public and private, individual and institutional leaders constitute the “executive drivers” that shape the governance framework for diversification.

Executive drivers are important for diversification in many ways. One is through the prudent economic management of natural resources. Also, the Government has an important role to play in establishing the regulatory framework that supports economic activity to ensure a healthy business climate. This is particularly important because many African countries, unlike their counterparts in the developed world, often have weak private sectors and industries, making them more dependent on government interventions to thrive. Of course, the public service needs increased institutional capacity to implement business-friendly reforms.

One example of such government action is the reform of customs procedures and loosening administrative burdens for trade so that it is easier for manufacturers to export their products and import goods. As Table 1 shows, Africa is not as competitive as comparable regions on a host of trading regulations. The high cost of importing and exporting, along with lengthy time delays and cumbersome administrative process, make it difficult for African enterprises to increase trade volumes and discourages them from expanding their product base in the first place. At a regional level, national economies need to harmonise their standards to ensure that goods and labour can move freely across borders.

Table 1: Trading Regulations in SSA and Case Study Countries

Region/ Economy	Documents to export (#)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (#)	Time to import (days)	Cost to import (US\$ per container)
Sub-Saharan Africa	7.8	33.6	1 941.80	8.8	39.4	2 365.4
Eastern Europe & Central Asia	6.5	26.8	1 581.80	7.8	28.4	1 773.50
Latin America and Caribbean	6.8	18.6	1 243.6	7.3	20.9	1 481.0
Middle East & North Africa	6.4	22.5	1 034.8	7.4	25.9	1 221.7
South Asia	8.5	32.4	1 364.1	9.0	32.2	1 509.1
Angola	11	65	2 250	8	59	3 240
Benin	7	30	1 251	7	32	1 400
Kenya	9	27	2 055	8	25	2 190
South Africa	8	30	1 531	9	35	1 807
Tunisia	5	15	783	7	21	858

Source: adapted from the World Bank's "Doing Business" 2010 report

Government intervention is also important when responding to economic developments that offer opportunities for boosting diversification. For example, the global financial crisis has led to a drop in the prices of commodities, and has affected African countries which rely solely or predominantly on a few, or even one commodity. This was the case for Botswana, for example, where diamond sales dropped sharply. But the Government of Botswana, which is widely considered to be one of the best-run economies in Africa, was able to mount a swift response, with the help of a US\$1.5 billion loan from the African Development Bank (AfDB). Part of this response included a strategy for diversifying the economy away from diamonds by creating a number of “hubs”, or economic areas, as part of this strategy (see Box 1). This is an example of how government action can boost diversification.

Box 1. Six Hubs to Spearhead Diversification in Botswana

During NDP 9, and currently in NDP 10, the Government has identified areas to focus on for enhanced economic growth and diversification. The following six ‘hubs’ were created:

- The Education Hub seeks to increase the quality and relevance of education at all levels and, thereby, make Botswana more competitive by attracting leading tertiary institutions, scholars, researchers and students into the country.
- The Innovation Hub is aimed at creating a platform for local and foreign businesses engaged in R&D and knowledge intensive activities (i.e. ICT). It will also establish an incubator for start-up companies and facilitate networking amongst businesses.
- The Agricultural Hub will encourage participation in farming, mentor farmers on agribusiness skills, and endeavour to commercialize the agricultural sector in an effort to make the industry more sustainable.
- The Diamond Hub intends to establish a diamond trade centre for rough/polished diamonds and to promote sustainable downstream activities such as polishing and jewellery making.
- The Medical Hub hopes to identify projects and programmes that will make Botswana a centre of excellence in the provision of healthcare services. It will also outsource certain hospitals in an effort to attract specialists and optimize the quality of the health facilities.
- The Transport Hub seeks to re-position the country as a regional hub for rail, road and air transport, and to support a competitive transport and logistics industry in Botswana.

Source: *Economic Diversification Support Loan: Botswana Appraisal Report*; AfDB, 8 May 2009⁴

B. Role of the Private Sector

The private sector can also play a role in boosting diversification, by driving innovation and economic activity in under-exploited sectors. It can, for example, invest in Research and Development for new activities. Moreover, private companies often stand at the frontier of new sectors and bring innovation to the economy. But many enterprises in Africa are informal, small-scale, and lack access to capital, making it difficult for them to fully exploit business opportunities. In this case, the Government should find ways to boost entrepreneurship, by creating favourable industrial and trade policies and eliminating bureaucratic obstacles to starting businesses. Governments should be sensitive to the needs of the private sector, such as by improving the business climate through “outreach” for constructive partnerships with the private sector.

Similarly, the private sector should reciprocate by engaging with government initiatives and should take the lead in driving the agenda for diversifying the economy⁵. There is no shortage of business opportunities in Africa (see Box 2) and the private sector is best placed to exploit them.

Box 2. Africa's Business Opportunities

In the last three to four years, Africa has seen the increase of new investment in non-resource-based sectors such as tourism, manufacturing, financial services, telecommunications and construction. In fact, the largest opportunity lies in consumer-related sectors, which are growing two to three times faster than those in developed countries. This group alone – which comprises consumer goods, banking, and telecommunications among others - could generate as much as US\$1.4 trillion in consumer spending by 2020 – compared to Africa's combined GDP of US\$1.8 trillion in 2008 and projected US\$2.6 trillion in 2020. The growth in consumer-related sectors will be driven by the rising rates of urbanisation, with 40% of Africans living in urban cities, which is higher than in India and close to China's levels. Also, the number of households with disposable income is expected to rise by 50% in the next 10 years. These factors offer the opportunity for African economies to become more varied, as they adjust to the needs of the consumer class. Moreover, the rate of return on investment is higher in Africa than in any other developing region and governments have implemented macroeconomic policies to create a stable and conducive environment for doing business. All the same, some significant risks remain and African countries need to put in place more reforms to facilitate economic activities. But certainly, Africa's bright outlook for business bodes well for the diversification of its economies.

Source: Lions on the move: the Progress and Potential of African Economies; McKinsey Global Institute, June 2010.

C. Natural Resources

Among the various factors that have the potential to drive economic diversification, a country's natural resources are crucially important. These resources can be exploited to increase the range of exports and goods a country produces, especially through beneficiation, whereby additional value can be created from the resources extracted. However, Africa's great potential is often unrealised because of suboptimal government management of natural resources and a failure to use the gains from resource exploitation to further other economic activities. For example, the profits from exporting minerals can be used to develop manufacturing, tourism and services, thereby broadening the country's economic base.

Natural resources have been the key sector for economic growth in Africa: the continent has been traditionally driven by exports of agricultural goods and primary products such as minerals and hydrocarbons. However, countries dependent on just a few commodities for their revenue are vulnerable to boom and bust cycles as the prices of commodities are subject to wide fluctuations. Therefore, the need for expanding the beneficiation of such products, and seeking sustainable utilisation where possible, are priorities for African economic growth and diversification⁶. If accompanied by policies that encourage trade and exports, the exploitation of natural resources could provide improved opportunities for African countries to produce and trade a variety of goods within Africa, and in the global market.

Subsequent trade and investment flows would therefore feed the momentum for further economic diversification⁷ as traded goods would increasingly be composed of non-traditional agricultural and industrial products.

D. Regional Factors

Regional integration is an important strategy for facilitating trade and commerce. This includes reforming customs administration systems to make it easier for entrepreneurs to transport their goods freely. It also consists in Spatial Development Initiatives (SDIs) or Spatial Development Programmes (SDPs), which are usually trans-frontier in format and have transport corridors as their main component. They are largely driven by RECs and national governments with strong support from key

African development institutions such as the African Development Bank (AfDB) and the Development Bank of Southern Africa (DBSA). By their nature, spatial initiatives aim to promote growth by increasing the diversity of the various national economies in which the SDPs are located and stimulate cross-border economic activity and regional economic integration.

Because many African countries share certain geographic features such as river basins, mountain ranges and lakes, and because of the small size of the domestic market, regional integration becomes an important aspect of any economic growth and diversification strategy. Some countries have overlapping memberships in regional associations.

Tanzania, for instance, is a member of both the East African Community (EAC) and the Southern African Development Community. Similarly, Angola is linked to regional organisations from both Central and Southern Africa. However, cross-cutting regional and geographic associations need not be a liability for these and other countries. A number of North African countries have taken advantage of both their geographic location in North Africa and their proximity to the European and Mediterranean markets. Tunisia, for example, has strong economic ties to the Mediterranean region and the EU, and Algeria has strong ties to both the Mediterranean region and to Saudi Arabia and Jordan in the Middle East. These countries have increased their access to multiple regional economic spheres which can serve as markets for their products. This, in turn, could potentially broaden domestic production and fuel diversification.

Strengthening regional integration among African economies includes harmonising various technological standards and regulations, and reforming customs and border controls. These measures are critical for strengthening the business climate in Africa. Regional integration is especially important given the small size of most African states and their economies.

Since the early seventies, regional institutions have been identified as key “executive drivers”⁸ of development. RECs hold a significant position in terms of promoting regional economic integration in Africa as they form the pillars of the continent’s integration since the establishment of the African Economic Community (AEC).

RECs can lay the foundations for economic diversification by creating common markets, pooling resources, and providing a framework to coordinate the regional management of infrastructure such as transportation corridors, energy and natural resources. They can also help to strengthen capacities related to regional human resources, health, security and the environment.

Unfortunately there are many challenges that undermine RECs’ potential as catalysts for regional integration and economic diversification, including overlapping memberships among member countries; the lack of political will; the lack of compensation mechanisms; the fear over loss of sovereignty; and weak infrastructure and financial environments. Much can be gained by synchronising national initiatives relevant to diversification with the governance structures and priorities of RECs, as is well illustrated by the alignment of many national plans with the SDIs/SDPs of the AfDB. Certainly, there are numerous benefits from regional co-operation and integration given the many shared interests among African countries, ranging from trans-border disease control to immigration, security, and transport systems.

E. The Broader International Framework

The international context is of increasing relevance for all African economies and offers the prospect of an operative environment that can spur national economic diversification. Economies like those of China, India, Japan, the European Union (EU) and USA can act as key partners for African

countries in economic diversification. Such partnerships could take effect in a number of ways including joint business ventures, investment and trade agreements, technology transfers and capacity building for an improved business climate.

Their role in creating expanded markets for African products is particularly important for improved diversification in Africa, but this is complicated by market access issues and African capacity to take advantage of international business opportunities.

There are other facets of international co-operation that can have an impact on economic diversification. Various international assistance programmes aimed at Africa's economic development, for example, have increasingly emphasised strengthening business activities. However, there is potential to significantly increase support for economic diversification and boost capacities to best exploit market opportunities. In this respect, international programmes have the potential to help build the kind of domestic leadership inside African countries that can help improve economic diversification.

Among the primary vehicles for broadening the scope of national economies are trade agreements. For instance, the EU has been providing trade preferences to the African, Caribbean and Pacific Countries under the Yaoundé and the Lomé Conventions since 1963. These relations are being adapted to the multilateral trading rules of the WTO through the negotiations of the Economic Partnership Agreements (EPAs) with four African regional groupings. In addition, the Everything but Arms (EBA) Initiative, which allows duty-free access for all exports from Least Developed Countries (LDCs), except arms, is a key factor supporting diversification in these economies. The October 2007 launch of the EU-Africa Partnership on Infrastructure is especially noteworthy and includes a prioritisation of African continental infrastructure projects. It aims to facilitate regional economic integration and diversification, and includes areas such as energy, science, the information society and space.

The USA's African Growth and Opportunity Act (AGOA) is another important agreement that has had a great effect on stimulating diversification in African economies by opening expanded markets in the USA to African exports.

Box 3. African Growth and Opportunity Act (AGOA)

The African Growth and Opportunity Act (AGOA) is a U.S. government initiative to boost trade from African countries to the United States and encourage American businesses to explore trade opportunities in Africa. It provides for the removal of import duties and quotas as a way to allow countries to start exporting a wider range of products to the U.S. The initiative covers 6,000 product items, with 90% of products coming from three categories: energy-related, textiles and apparel, and transportation equipment. To be eligible for the AGOA, countries have to pass certain criteria, based on good governance and rule of law. Currently, 41 SSA countries are eligible, although those that backtrack on rule of law can have their benefits – such as Most Favored Nation status – terminated. AGOA has much potential to boost Africa's capacity to trade and to diversify and increase its exports. Indeed, two-way trade between the US and Africa has more than doubled since the legislation came into effect in 2000.

Source: AGOA.net; U.S. State Department, 2010

The EU and its member states remain the leading development and economic partners for Sub-Saharan Africa (SSA) in terms of funding. Therefore, economic diversification initiatives in SSA flowing from the EPAs could be backed by European assistance. Nevertheless, increased diplomatic efforts are needed on both sides for these ventures and to address ongoing challenges in furthering co-operation on economic diversification, including African governments' perceptions of the dangers that

the EPAs' market access rules overly restrict African freedom of economic policy space, regional integration and development.

China is an important economic partner for Africa, as evidenced by the increase in trade, investment flows, and various forms of economic co-operation between the two sides in the past couple of decades. Whereas EU member countries were traditionally the major investors in Africa, along with the USA and to a lesser extent Japan, China has grown to become a major investor in African resource sectors and has facilitated the development of African infrastructure. Such infrastructure – roads, ports and power stations - can be used to support national and regional economic diversification and to boost supply chains. China's financial commitments to African infrastructure are also impressive: within four years, it had more than quadrupled from less than US\$1 billion per year in 2001-2003 to US\$4.5 billion in 2007. At their peak, commitments reached US\$7 billion in 2006 (WB, 2008)⁹.

The upsurge in Chinese funding for African infrastructure offers great opportunities for boosting Africa's growth. However, there have not been convincing plans thus far by African governments to ensure the economic relationship with China benefits a wide range of sectors at the national and regional levels.

Moreover, there needs to be greater capacity in the public sector to build on the investments made by Chinese companies, such as maintaining roads built by the Chinese or using Chinese finance (mostly concessional loans) to catalyse other resources and activities for development.

China is not the only active South-South economic partner in Africa. India has been playing an increasingly prominent role on the economic scene in Africa, and Gulf countries have been similarly growing in importance. These actors and others have tremendous potential for Africa's economic development. As with the relatively new growth in Chinese economic ties with Africa, they represent new international partners that Africa can use to improve mechanisms to convert gains from the resources "boom" (and indeed, other economic outputs) for investing in long-term sustainable diversified economic activities both nationally and regionally.

F. Institutional Capacity and Human Resources

In addition to other input factors, human resources and institutional capacity merit special consideration. Human and institutional capacities act as enablers – to facilitate supply chains, for example, and help unlock potential for diversification from resource-based and other sectors.

At a regional level institutional capacity and co-ordination is key for establishing regulatory frameworks for trans-national infrastructure, customs and coordinating overlapping memberships.

Human resources are important for boosting innovation in any economy, for example through R&D and management skills that lead to better products and economic processes. Again, the support of government and civil society can unlock the potential of human resources to contribute positively to economic diversification. This includes boosting tertiary education and supporting research and development in high-growth sectors. For example, the Japanese International Co-operation Agency (JICA) supported the development of Africa's first mobile phone factory in Zambia, in co-operation with a local Zambian company, Mobile Telecommunications, which led to a new phone brand called MTech. As part of the project, the company has trained local Zambians on technical assembling of mobile phones. They also plan to establish a design house and R&D center on mobile phone technology, and to export their phones to the rest of the SADC and COMESA region¹⁰. The MTech

initiative shows how partnerships with international agencies can lead to the development of new technologies and increase in the relevant skills on the part of locals.

3. Major Challenges To Diversification

A. Specialisation

Several academic studies have analysed the relationship between a country's economic growth and its levels of specialisation, from where a country produces a range of goods in few, concentrated sectors, to where this range broadens. There is evidence that at the early stages of economic development, where most African countries currently are, countries tend to leverage their natural endowments to boost economic gains from niche sectors. But as they prioritise new sectors, increase productivity and diversify their economies, they eventually reach relatively high levels of per-capita income. At this point of high development, countries then begin to specialise again¹¹. These findings add weight to the case for diversification, and serve as a caution against the hasty pursuit of specialisation when economic growth levels are not sufficiently high.

B. International Opportunities

At present, Africa accounts for about 3% of the world's GDP and world trade¹², with a share in global manufactured exports close to zero. This weak integration in the global economy is a result of the failure of most countries in Africa to become competitive trading partners in a broader range of economic activities worldwide. However, African countries can embrace emerging opportunities such as by building economic partnerships with emerging markets through South-South co-operation. In addition, the Copenhagen climate change meetings in December 2009 have led to new possibilities of international support for "greening" African economic growth but existing mechanisms such as the Clean Development Mechanism, which provides emission reduction credits to private companies investing in sustainable energy projects in developing countries, is seldom used so far in Sub-Saharan Africa due to difficulties for the private sector to apply it in the current context over the continent. But institutional measures – such as establishing feed-in tariffs to make investment in renewable energy projects lucrative – could help to overcome private investors' reluctance to seize this new economic opportunities.

C. Trade Barriers

Intra-African trade is quite low, and its external trade volumes and destinations not well-diversified. Some of the factors behind this include: "the economic structure of African countries, which constrains the supply of diversified products; poor institutional policies; weak infrastructure; weak financial and capital markets; and failure to put trade protocols in place¹³". External barriers to trade include the faltering progress in concluding the Doha Round, mainly because of lack of agreement over market access for agricultural goods, and the lack of progress in the negotiations over Economic Partnership Agreements (EPAs). Moreover, there are 15 landlocked countries in Africa and their distance from the sea raises their transportation costs and undercuts their export competitiveness. To address these problems, various African countries have made efforts to create common markets and there has been some success, including the launch of the COMESA customs unions and the Common Market of the East African Community (EAC), which will facilitate free movement of labour and goods among its members. This is important because while Africa's exports to the rest of the world are often focused around a few primary commodities, intra-African trade is more evenly distributed among fuels, non-fuel primary products and manufactured goods. As intra-regional trade grows, it can be expected that the range of exports will follow suit as well.

NOTES

1. *Diversification: towards a new paradigm for Africa's development*; Ben Hammouda, H., S.N. Karingi, A.E. Njuguna and M. Sadni-Jallab, 2006a. And *Accelerating Africa's Development through Diversification*; UNECA Economic Report on Africa 2007; <http://www.uneca.org/era2007/>
2. Of crucial relevance for regional economic integration and diversification is the facilitation of the movements of labour, capital and goods and services.
3. The UNECA study found that greater diversification in an economy leads to higher total productivity of both labour and capital (see pp 144-145)
4. According to the AfDB project report, the National Development Plans (NDPs) are “the main instruments for implementing the policies and programmes to achieve Vision 2016, the country’s long term perspective plan. NDP 10 covers the period April 2009-March 2016 and seeks to translate the Vision 2016 objectives into concrete policies and actions... The strategic thrust of NDP 10 is to accelerate diversification of the economy, as a means of reducing poverty and expanding employment creation.”
5. These issues were explored in previous reports of UN-OSAA i.e. “The Role of the Private Sector for the Implementation of the New Partnership for Africa’s Development”, UN-OSAA 2006; and “ The Private Sector’s Institutionalised Response to NEPAD: A Review of Current Experience and Practices” UN-OSAA 2007.
6. For example see: UNECA. “The 2007 Big Table: Managing Africa's Natural Resources for Growth and Poverty Reduction” op cit.
7. These aspects of trade flows were among the key points stressed in the Expert Group Meeting on Economic Diversification in Africa organised by UNOSAA, held in Addis Ababa on 17-18 November 2009.
8. This is linked to overall interest in regional integration and institutions since 1945 and reflected in the establishment of such bodies as the EU, ASEAN and UN institutions as well as African regional bodies, which have received special note in the UN Charter.
9. *Building Bridges: China's Growing Role as Infrastructure Financier for Sub-Saharan Africa*; Vivien Foster, William Butterfield, Chuan Chen and Nataliya Pushak; World Bank, 2008
10. See Mobile Telecommunications press release, 11 March 2009: <http://mtechzambia.com/Press%20Release%20110309.pdf>
11. Jean Imbs and Romain Wacziarg (2003): Stages of Diversification. *American Economic Review* 93 (1): 63 - 86
12. IMF World Economic Outlook Database, October 2009
13. OECD, *African Economic Outlook 2010*; pg 52