

African trade integration needed to create jobs

While some politicians in the global north express doubt about the benefits of trade, countries in Africa are moving ahead with deeper economic integration. This integration will be key to Africa's long-term success and African nations must integrate more, UNCTAD secretary-general Dr Mukhisa Kituyi told a public meeting in Geneva.



Image by 123RF

"Africa has to know that there is no part of the world which has been successful in trading globally without learning first to trade with its neighbours," Dr Kituyi said, talking at a session on inclusive trade at the World Trade Organization (WTO) public forum.

"Africa is widely noted for its low levels of intra-regional trade, but in fact the levels are much higher when North Africa is removed from the analysis," Kituyi said. In East Africa, intra-regional trade is closer to 26%, the same level as in Latin America.

Continental Free Trade Area

Meanwhile, preparations continue for the Continental Free Trade Area (CFTA), bringing together more than one billion people in 54 African countries with a combined gross domestic product of more than \$3.4 trillion.

Kituyi said the CFTA was unlikely to happen in 2017 as originally planned, but the target had helped to move the project

forward.

"I had the privilege to visit 16 African presidents to talk to them about the CFTA and I am satisfied that a large number of the political leadership believes in the future and the need for African integration."

Change is already happening. In the space of a year, the time required to move a container from Mombasa in Kenya to Kampala in Uganda has dropped from 48 days to four. "That is progress," he reported.

Africa's largest economic sector, its extractive industries, has not created enough jobs on the continent. More intra-African trade will lead to fairer, more equitable, growth, and the creation of more and better jobs.

Kituyi said there were limits to regional integration, however. Switzerland has prospered without joining the European Union. And although a single African currency is politically attractive, it cannot be effective without an effective mechanism to discipline public deficits.

Despite the reservations of some politicians, trade is a powerful driver of jobs, economic growth, and achievement of the Sustainable Development Goals.

"Trade is not just about statistics on goods and services. It is also about people," Kituyi added.

"And for me, trade integration is most exciting whenever it creates more jobs."

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