

Address of the President of South Africa, Thabo Mbeki, at the International Conference on African Development (Ticad) Summit

Yokohama, Japan, 28 May 2008

Theme: Boosting Economic Growth in Africa.

We thank the Prime Minister, the government and people of Japan for welcoming us, the African leadership, to the Fourth Tokyo International Conference on African Development Summit whose outcome will assist us to boost economic growth in Africa.

Already, the continent has initiated important programmes that are critical to this matter of boosting economic growth and development, such as the on-going programmes of the African Union through the New Partnership for Africa's Development (NEPAD); various programmes of the Regional Economic Communities, the Pan African Infrastructure Development Fund and other initiatives.

Chairperson,

The African continent has experienced sustained economic growth that has seen average growth of over 5% in the past four years.

At the same time, the major challenge is to ensure that this growth is improved, becomes sustainable, is spread across all regions and helps to reduce poverty and inequality. To achieve this, it is important, among others, things to:

- Ensure a significant transfer of resources into Africa, including increasing Africa's portion of global FDI;
- Transform the global trade regime and ensure better terms of trade for Africa;
- Mobilise resources and invest in infrastructure;
- Stop capital outflows from the African countries;
- Use increased revenues to improve the business environment, build infrastructure, increase access to finance for entrepreneurs and improve health and education;
- Ensure Africa's integration into the global economy, especially with regard to helping the majority of Africans to have access to and be proficient with modern information and communication technologies (ICT).

These measures will help to unlock growth right down to the bottom of the pyramid - the rural poor.

In terms of the role of the private sector, investing in the economies of Africa is vital to Africa's expeditious economic growth.

This would mean investing in a way that not only aims to turn around the marginal share of investment flows that Africa currently attracts, but to ensure that investment is broad-based and long-term, and contributes to the development of productive capacity and the broadening of the industrial base, with the concomitant critical infrastructure needed to support economic development on the continent.

Accordingly, effective partnerships have to be developed between governments and the private sector.

Essentially, we believe that Africa's future growth lies in trade and not aid. Without discounting the importance of Aid, improved terms of trade for Africa is critical to ensure its full integration into the global economy.

Central and fundamental to our development strategy is the need to strengthen productive capacities and competitiveness as these factors ultimately impact directly on the continent's ability to produce quality exports at competitive prices.

Market access alone does not always translate in the ability for the developing countries to penetrate markets.

Access to new technologies at affordable prices and investment in research and development, technology and innovation is equally imperative to our ability to sustain and boost the current rates of growth.

Undoubtedly, the issue of technology transfer remains critical and better ways have to be found to assist developing countries build capacity.

Equally, market access is becoming increasingly crucial to promoting trade, investment and overall economic development.

Priority issues for Africa, which are related to market access in agricultural and non-agricultural products, special and differential treatment that will allow Africa to promote emergent industrial bases cannot be overlooked under the guise of "free trade and liberalisation."

Unfortunately, tariff peaks and tariff escalation remain major obstacles to African exports and to the development and diversification of African countries' manufacturing base.

Overall, we do not believe the time is as yet ripe for the principle of full reciprocity to be applied now.

Again, we are firmly of the view that African countries should request compensation for adjustment costs resulting from the erosion of preferences.

I am confident that if we implement the many important things that we commit ourselves in a Summit such as this, then we will be able to help boost economic growth in Africa and attain a better life for millions of African people.

Thank you