



Economic Commission for Africa



African Union

Economic Report on

Africa 2007

Accelerating Africa's Development through Diversification

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Publications
Economic Commission for Africa
P.O. Box 3001
Addis Ababa, Ethiopia

Tel: +251 11 544-9900
Fax: +251 11 551-4416
E-mail: ecainfo@uneca.org
Web: www.uneca.org

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Acronyms

ABC	A bstain from sex before marriage, B e faithful within the marriage and use C ondoms - approach
ACGD	African Centre for Gender and Development
ACP	African, Caribbean and Pacific Countries
ADF	African Development Fund
AEC	African Economic Community
AERC	African Economic Research Consortium
AfDB	African Development Bank
AGDI	African Gender and Development Index
AGOA	African Growth and Opportunity Act
AIDS	Acquired Immunodeficiency Syndrome
AMU	Arab Maghreb Union
AMS	Aggregate Measures of Support
APRM	African Peer Review Mechanism
AsDB	Asian Development Bank
ATPC	African Trade Policy Centre
AU	African Union
AUC	African Union Commission
CEMAC	Central African Economic and Monetary Community
CHGA	Commission on HIV/AIDS and Governance in Africa
CIS	Commonwealth of Independent States
CODESRIA	Council for the Development of Social Science Research in Africa
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil Society Organization
DAC	Development Assistance Committee/OECD
DRC	Democratic Republic of Congo
DfID	Department for International Development/UK
DFQF	Duty Free, Quota Free
EAC	East African Community
EBA	Everything but Arms Initiative
EBRD	European Bank for Reconstruction and Development
ECOWAS	Economic Community of West African States
EIU	Economist Intelligence Unit
EPA	Economic Partnership Agreement

EPZ	Export Processing Zone
ESA	Eastern and Southern African group/COMESA
ESMAP	Energy Sector Management Assistance Program
EU	European Union
FAO	United Nations Food and Agriculture Organization
FAOSTAT	FAO Corporate database for substantive statistical data
FDI	Foreign Direct Investment
FONDAD	Forum on Debt and Development
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GATT	General Agreement on Trade and Tariffs
GCF	Gross Capital Formation
GDI	Gross Domestic Investment
GDP	Gross Domestic Product
GDS	Gross Domestic Savings
GIPC	Ghana Investment Promotion Centre
GNI	Gross National Income
GSP	General System of Preferences
GSTP	General System of Trade Preferences
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
IADB	Inter-American Development Bank
ICT	Information and Communication Technology
IDA	International Development Association/WB
ILEAP	International Lawyers and Economists against Poverty
ILO	International Labour Organization/UN
IMF	International Monetary Fund
ITC	International Trade Centre
LDC	Least Developed Country
MDG	Millennium Development Goal
MDRI	Multilateral Debt Reduction Initiative
MENA	Middle East and North Africa
MFA	Multi-Fibre Agreement (textiles)
MNC	Multinational Corporation
MSE	Medium and Small Enterprise
MDRI	Multilateral Debt Relief Initiative
NAMA	Non-Agriculture Market Access
NEPAD	New Partnership for Africa's Development
NER	Net Enrolment Rate
NIE	Newly Industrialized Economy
NGO	Non-governmental Organization

ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PPP	Purchasing Power Parity
PTA	Preferential Trade Area
REC	Regional Economic Community
R&D	Research and Development
REER	Real Effective Exchange Rate
RTA	Regional Trade Agreement
S & D	Special and Differential Treatment
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SME	Small and medium enterprise
SPS	Sanitary and Phytosanitary Measures
SSA	Sub-Saharan Africa
TA/CB	Technical Assistance and Capacity Building
TDCA	SA-EU Free Trade Agreement
TFP	Total Factor Productivity
TPA	Trade Promotion Authority
TWN	Third World Network
UK	United Kingdom
UNAIDS	United Nation Joint Programme on HIV/AIDS
UN-DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNCTAD	United Nations Conference on Trade and Development
UNSD	United Nations Statistical Division
UNU	United Nations University
USA	United States of America
WAEMU	West African Economic and Monetary Union
WCO	World Customs Union
WFP	United Nations World Food Programme
WIDER	World Institute for Development Economics Research
WTO/Tourism	World Tourism Organization
WTO/Trade	World Trade Organization

Foreword

Nowadays, profound changes are increasingly occurring in all areas of the world economy. While the industrialized and emerging economies are able to contain the multiple external and internal shocks generated by these changes, Africa on its part is still struggling to cope with them. Such a situation, often of indescribable impact, keeps our continent in poverty at this beginning of the twenty-first century.

Faced with the challenges of globalization and ever-deepening poverty, African Heads of State and Government have decided in recent Summits of the African Union to do their utmost to secure peace and stability on the continent, strengthen capacities for governance and the rule of law, fight corruption, accelerate economic and political integration, make the required investments, pursue sustained growth and speedy development of the African common market.

The oft-expressed policy commitment of African Heads of State and Government to reverse Africa's current marginalization in the world economy and to enable our countries to harness and efficiently exploit their resources also means that we must pool our efforts in order to attain the agreed objectives.

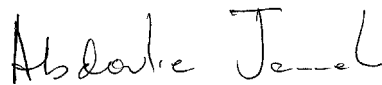
In response to this urgent call to harness the continent's resources, cooperation must be strengthened among the major development practitioners who find, in this rich Economic Report on Africa 2007, jointly produced by the African Union Commission and the United Nations Economic Commission for Africa, the expression of the common will to join our forces in contributing to the common efforts for development.

This first report of its kind, comes as a sequel to the work conducted jointly in 2005 and 2006 on Assessing Regional Integration in Africa (ARIA). It must gain in coming years from the collaboration and involvement of Africa's other business partners, so that the lofty ideals of moving our countries out of under-development and poverty and of guaranteeing peace, stability and sustainable development, can be attained.

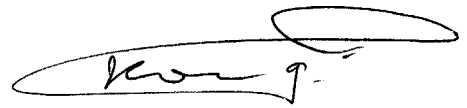
The analyses reported in ERA 2007 review the world economy and map out prospects for development in Africa through the institution of structural reforms to diversify and modernize the economy, enhance competitiveness, promote trade, accelerate growth and reduce poverty.

Far from the ready-made policies that have had a disappointing track record in Africa, this report looks pragmatically at innovative strategies and best practices that have proven their value within and outside Africa, the know-how and skills acquired, at how regional resources can be mobilized to address the challenges of globalization and emerging communication technologies and constitutes a rich frame of reference for research into development policies in Africa.

This high-quality work done by African experts is required reading for all decision-makers in our States, relaunching the policy debate and enabling the deepening of reflexion on economic integration, sustainable development, and adaptation of the strategies and measures proposed for addressing the specific conditions in each country.



Abdoulie Janneh
Executive Secretary
Economic Commission for Africa



Alpha Oumar Konare
President
African Union Commission

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