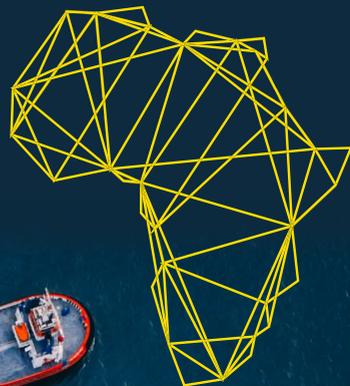


ANNUAL REPORT ON AFRICAN ECONOMIES



2019

Under supervision
Larabi Jaidi

 **POLICY CENTER
FOR THE NEW SOUTH**

THINK • STIMULATE • BRIDGE



Annual Report on African Economies

2019

Under supervision Larabi Jaidi

1st Edition

© Ed. Policy Center for the New South 2019
Tous droits de production, d'adaptation et d'exécution
réservés pour tous les pays.

Summary

About Policy Center for the New South..... 7

Collaborators..... 9

African Development in the face of Regionalism and Multilateralism 15

Part I : Africa's growth overview 31

Chapter 1 A Review of the Economic Climate in Africa 33

Chapter 2 Social Aspects of Growth in Africa: Progress and Expectations 47

Chapter 3 Ghana: «Addo-nomics» or a Return to «Economic Nkrumaism»..... 63

Chapter 4 African Agriculture: Performance and Challenges 75

Chapter 5 China and Japan, Two Models of Partnership with Africa..... 87

Part II : The dynamics of the Regional Economic Communities 93

Chapter 1 Inter-Government Authority on Development (IGAD) 95

Chapter 2 East African Community (EAC) 105

Chapter 3 Southern African Development Community (SADC) 115

Chapter 4 Economic Community of Central African States (ECCAS) 133

Chapter 5 Economic Community of West African States (ECOWAS)..... 147

Chapter 6 Common Market for Eastern and Southern Africa (COMESA) 157

Chapter 7 Maghreb Arab Union (UMA)..... 177

Chapter 8 UEMOA & CEMAC..... 187

Part III : Africa, between economic regionalism and multilateralism 201

Chapter 1 Evolution of the AfCFTA: Progress Made, Synthesis of Global Issues... 203

Chapter 2 Multilateralism in Africa: Trade Facilitation 213

Chapter 3 Multilateralism in Africa: The Treatment of International Investment ... 227

Chapter 4 The Monitoring of the Activities of the Five Economic Commissions of the African Union: Human Resources, Infrastructure and Energy, Social Affairs, Trade and Industry, Rural Economy, Agriculture and Economic Affairs 241

Part IV : Epilogue : Africa Between Memories and Futures 253

Partie V : Annexes 263

About Policy Center for the New South

The Policy Center for the New South (PCNS) is a Moroccan think tank aiming to contribute to the improvement of economic and social public policies that challenge Morocco and the rest of the Africa as integral parts of the global South.

The PCNS pleads for an open, accountable and enterprising «new South» that defines its own narratives and mental maps around the Mediterranean and South Atlantic basins, as part of a forward-looking relationship with the rest of the world. Through its analytical endeavours, the think tank aims to support the development of public policies in Africa and to give the floor to experts from the South. This stance is focused on dialogue and partnership, and aims to cultivate African expertise and excellence needed for the accurate analysis of African and global challenges and the suggestion of appropriate solutions.

As such, the PCNS brings together researchers, publishes their work and capitalizes on a network of renowned partners, representative of different regions of the world. The PCNS hosts a series of gatherings of different formats and scales throughout the year, the most important being the annual international conferences «The Atlantic Dialogues» and «African Peace and Security Annual Conference» (APSACO).

Finally, the think tank is developing a community of young leaders through the Atlantic Dialogues Emerging Leaders program (ADEL) a space for cooperation and networking between a new generation of decision-makers from the government, business and civil society sectors. Through this initiative, which already counts more than 300 members, the Policy Center for the New South contributes to intergenerational dialogue and the emergence of tomorrow's leaders.

Collaborators

Karim EL AYNAOUI <i>General Coordinator</i>	President, Policy Center for the New South	Foreword; Social Aspects of Growth in Africa: Progress and Expectations
Larabi JAIDI <i>General Coordinator</i>	Senior Fellow, Policy Center for the New South	Foreword; La Croissance Africaine Face aux Enjeux du Régionalisme et du Multilatéralisme; Multilateralism in Africa: Trade Facilitation
Abdelaaziz AÏT ALI	Senior Economist, Policy Center for the New South	A Review of the Economic Climate in Africa
Rim BERAHAB	Economist, Policy Center for the New South	A Review of the Economic Climate in Africa
Tayeb GHAZI	Economist, Policy Center for the New South	Social Aspects of Growth in Africa: Progress and Expectations; Common Market for Eastern and Southern Africa (COMESA)
Ihssane GUENNOUN	International Relations Specialist, Policy Center for the New South	Common Market for Eastern and Southern Africa (COMESA)
Aomar IBOURK	Senior Fellow, Policy Center for the New South	Social Aspects of Growth in Africa: Progress and Expectations
Haile KEBRET TAYE	Former Research Director, Horn Economic and Social Policy Institute (HESPI) and Associate Professor of Economics, Addis Ababa University	Inter-Government Authority on Development (IGAD)
Mouhamadou LY	Senior Economist, Policy Center for the New South	Ghana: «Addo-nomics» or a Return to «Economic Nkrumaism»
Azzam MAHJOUB	Professor Emeritus in Economical Sciences, Tunis Al Manar University	Maghreb Arab Union (UMA)
Calvin MANDUNA	Full Time PhD Student, Howard University; Part Time Consultant on International Trade, ACP International Trade Advisers	Multilateralism in Africa: The Treatment of International Investment
Fatima Ezzahra MENGOUB	Agroeconomist, Policy Center for the New South	African Agriculture: Performance and Challenges

Solomon MUQAYI	Senior Lecturer, Department of Political and Administrative Studies, University of Zimbabwe	The Monitoring of the Activities of the Five Economic Commissions of the African Union: Human Resources, Infrastructure and Energy, Social Affairs, Trade and Industry, Rural Economy, Agriculture and Economic Affairs
Divine NGENYEH KANGAMI	Senior lecturer, Economics and Business Management, African Leadership University	Economic Community of Central African States (ECCAS)
Chiedu OSAKWE	Chief Trade Negotiator, Nigerian Office for Trade Negotiations	Economic Community of West African States (ECOWAS)
Fathallah OUALALOU	Senior Fellow, Policy Center for the New South	China and Japan, Two Models of Partnership with Africa
Kwame OWINO	Chief Executive Officer, Institute of Economic Affairs	East African Community (EAC)
Asmita PARSHOTAM	Researcher in Economic Diplomacy, South African Institute of International Affairs (SAIIA)	Southern African Development Community (SADC)
Alioune SALL	Executive Director, African Futures Institute	Epilogue: Africa Between Memories and Futures
Belmondo TANANKEM VOUFO	Statistician Economist Engineer, Ministry of Economy, Territorial Planning and Regional Development, Cameroon	West African Economic and Monetary Union (UEMOA) and Economic and Monetary Community of Central Africa (CEMAC)
Faith TIGERE PITTET	International Trade Consultant and Researcher, Tutwa Consulting Group	Evolution of the AfCFTA: Progress Made, Synthesis of Global Issues
Youssef AÏT EL KADI	Graphic Designer, Policy Center for the New South	Cover and page layout
Mokhtar GHAILANI	Chief Editor, Policy Center for the New South	Editing and proofreading
Yahya Zakaria JOUHARI	Program Officer, Policy Center for the New South	General coordination
Nisrine OUAZZANI CHAHDI	Research Valorization Manager, Policy Center for the New South	

Annual Report on African Economies

Preface

Africa is an economic region which holds great potential despite the risks associated with its development. Indeed, many experts agree that Africa is emerging as the new frontier for global growth. Boosted by its abundant natural resources, a young and vibrant population, strong urbanization, more stable macroeconomic conditions, more stringent economic policies, a constantly improving business climate and improving governance, Africa is on track for a structural transformation that is slow, but real. This economic momentum has contributed to changing perceptions of Africa among its partners: countries, economic groups and international organizations.

The Policy Center for the New South's Annual Report on African Economies stems from an aspiration to deepen Africans' understanding of Africa through approaches that enable us to closely examine our continent's evolution. Once portrayed as a region at the margins of the global economy, Africa is now considered an emerging continent. This document is intended to contribute to a better grasp of various socio-economic realities of African economies through regular, rigorous and comparative analyses. On an annual basis, it will review the continent's economic development, the socio-economic challenges it faces, progress made towards African regional integration and the management of its multilateral economic commitments.

This Report is also the result of a desire to expand the portfolio of flagship documents produced each year by our think tank in its quest

for a better understanding of Africa. It comes as a supplement to the Report on African Geopolitics and the Report on Africa and Global Commodity Markets. As the African continent transforms, there is a growing implicit demand for analysis of its performance, shortcomings, successes and failures... Our Center's close ties to the continent allow it to contribute effectively to producing analyses that span its research programs. The production of this knowledge is driven by an intangible principle: entrusting African researchers and analysts with the task of reflecting on Africa's strengths and challenges, based on a plurality of African visions, all driven by the same spirit and commitment: to serve Africa's development.

The challenge for the Policy Center for the New South is to position the Report on African Economies as an authoritative reference in monitoring the continent's economy on an annual basis, by providing a comprehensive, annual review of its state and performance. It should serve as a reference document for all those interested in African development, including policy makers, investors, researchers, civil society organizations and development partners. In the broad landscape of economic reports on Africa, many annual publications of international or regional organizations focus on annual African growth reviews. How can this report be relevant? It can only do so by providing a fresh perspective and added analytical value to the thinking on economic issues facing the continent. This is our challenge. Two cornerstones will provide this Report with its own distinctive «identity» and thus

lend legitimacy to its added value: an innovative approach and a unique profile.

The innovative Annual Report on African Economies will contribute to shaping a new narrative on growth and development in Africa. A major controversy in academic production on Africa's economy revolves around the prevalence of a standard discourse rooted in dominant paradigms. The discourses of international and regional organizations on economic conditions share a common frame of reference and lingo, which embeds analysis in theoretical and prescriptive frameworks forming part of a «consensus» shared by these institutions.

Our approach is original in that it allows figures and facts to be conveyed in a discourse that is neither pessimistic, nihilistic, nor euphorically optimistic. This discourse is objective, balanced, and provides a self-reflexive look at Africa, without engaging in exaggeration or self-flagellation. It is also original in terms of its approach, content and messages and openness to change and progress. Far from trying to distance itself from the analytical rationale required by the realism of economic decisions, the Report will seek to be more innovative in assessing both the facts relating to Africa's economy and the more imaginative perspectives on the changes that it is undergoing. We will not engage in a type of culturalism that over-emphasizes specificities, or blind criticism. Our ambition is to consolidate scholarly contributions and gradually participate in forging alternative discourses on the relationship between the African economy and African men and women. Changing our view of Africa involves changing Africa's view of itself. This will not be achieved overnight. It can only be accomplished in the long term.

In addition to its specific profile, the Report is also innovative in its approach. Typically, international and regional reports on Africa are divided into two parts, one devoted to analyses of macroeconomic and meso-economic growth performance profiles and explanatory factors, the other dealing with central themes dictated by current events or the agendas of organizations producing these reports. The approach we have adopted in our Report on African Economies is

both inspired by and unlike this model.

Our choice stems from a fundamental belief: Although Africa's economic performance is the result of the aggregate performance of its countries, Africa is also developing both in and through its members' collective, joint actions. Is the African dream not that of its unity, which is being built slowly but surely, through progress in economic integration? Is not the African dream, also, to turn Africa into a global player in a multilateral world whose operating modes are profoundly shaken nowadays? A report on Africa's economic growth cannot fail to position Africa on these two registers: the regional and the multilateral. These two cornerstones shed more light on the continent's growth performance by providing spatial depth and projections pertaining to the continent's commitments in the global economic agenda.

The first cornerstone is to pay due attention to the current momentum in Regional Economic Communities (RECs). The aim is to shed light on the economic development of RECs by (i) examining initiatives and actions of Member States aimed at fostering convergence within the economies of the group, and (ii) surveying advances in regional integration in these communities, in line with their commitments under the African Continental Free Trade Area (AfCFTA).

The Report on African Economies will endeavor to monitor the continental integration process. 2018 was the launch year of the African Continental Free Trade Area, a project that holds great promise for a more integrated Africa, which speaks with one voice in the community of nations. The coming years will be decisive in terms of addressing challenges and implementing this gigantic project (tariff dismantling, rules of origin, future common external tariff, impact on relations with major partners, etc.). It therefore makes sense that this project be one of focus areas of our monitoring of Africa's economic development.

In the same vein, the other dimension is related to monitoring programs and projects carried out by the Africa Union's seven economic committees (human resources, infrastructure and energy, social affairs, trade and industry, rural economy and agriculture, economic affairs). These committees

act on a daily basis to lend substance and give impetus to structuring initiatives and actions across the continent. Our ambition is also to highlight this work, which is portent of the seeds of a future convergence of African economic policies.

The second cornerstone of our approach is to provide a cross-cutting perspective on issues related to African economic multilateralism. These issues are numerous and evolving (investment, agricultural subsidies, digital, e-commerce, intellectual property, competition, public procurement, SMEs, etc.). Each year, we will address the theme on the agenda of the World Trade Organization (WTO) negotiations and topping Africa's own priorities by adopting approaches that call into question consistency between the objectives of regional integration and those of Africa's multilateral commitments.

The 2019 issue of the Annual Report on African Economies compiles some 20 contributions, comprising an analysis of the economic and

social situation (5), monitoring of regional and continental integration (10), multilateral and partnership issues (4) and a general overview. Submissions were prepared on the basis of the most up-to-date data available from the literature and statistical research. One of the constraints in producing this report was data availability. The time horizon of production and use of forecasts were ways of getting around this constraint, while upholding our aim of delivering a reference document within a reasonable timeframe.

The Report was produced by resource persons of proven competence who regularly monitor these issues in their respective institutions (Think Tanks, Research Centers), Universities, Regional Organizations and Institutions...). The contributors were chosen on an *intuitu personae* basis, according to the criteria of expertise in selected themes: African economies, regional economic communities, multilateral issues, etc. We wish to thank them warmly for accepting our request, with unqualified support and encouragement.

Karim El Aynaoui,
President, Policy Center for the New South

Larabi Jaidi,
Senior Fellow, Policy Center
for the New South