

**STATEMENT BY THE COORDINATOR OF THE AFRICAN
REGIONAL GROUP, AMBASSADOR MODEST JONATHAN
MERO, PERMANENT REPRESENTATIVE OF THE UNITED
REPUBLIC OF TANZANIA, ON AGENDA ITEM 5 - ECONOMIC
DEVELOPMENT IN AFRICA: UNLOCKING THE POTENTIAL
OF AFRICA'S SERVICES TRADE FOR GROWTH AND
DEVELOPMENT,
ON 17TH SEPTEMBER, 2015**

**Mr. President,
Dr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Excellencies,
Distinguished Delegates.**

Mr. President,

It is my honor to speak on behalf of the African Group on yet another important report on Africa entitled **Economic Development in Africa: Unlocking the Potential of Africa's Services Trade for Growth and Development** but before I proceed I wish to associate this statement with the statement that has just been made by the distinguished Ambassador of the Philippines on behalf of G.77 and China.

Mr. President,

We thank the UNCTAD Secretariat for the sterling job that it continues to do for Africa which is the major recipient of UNCTAD's assistance. On the topic at hand, we commend the Secretariat for the comprehensive 2015 Economic Development in Africa Report which is a continuation of the time honoured tradition of producing

such reports annually for the last 15 years. The reports have always come in handy for Africa both here in Geneva and in our respective capitals.

We also note with appreciation UNCTAD's in-depth analysis on some of the major policy issues that underlie the continent's services sector and provides policy guidance on how services could contribute to regional integration in Africa and generate inclusive growth and employment.

Mr. President

This year's report and the topic of this discussion respond well to one of the main messages contained in previous UNCTAD's reports which was that Africa cannot achieve sustained economic growth and transformation without diversifying the sources of its economic growth both on the demand and supply sides.

There is no doubt that the growth of the service sector speaks to the call for economic diversification in the continent whose economy was until recently, predominantly agricultural. Indeed, the service sector in Africa has come on leaps and bounds over the past few years so much that the sector is now the main driver of growth in 30 out of 54 African countries many of which have emerged as services-oriented economies. Incredibly, the service sector growth in Africa stood at more than twice the average rate for the world during 2009–2012.

Mr. President,

The services economy in Africa is a vital source of income and employment as in some countries, as much as two thirds of the workforce is engaged in services. Overall, the services sector in Africa accounted for one third of formal employment during 2009–2012. If the informal sector were included, the relevance of services would be even greater. Furthermore, as Africa's middle class continues to grow, and given current population and urbanization trends (Africa's population is forecast to double by 2025), this sector is expected to expand.

Mr. President,

Although Africa is a marginal player in global services trade, with an export share of only 2.2 per cent, the services sector represents an important source of export revenue that should be further exploited if Africa is to assume a role as a global player in services trade. Between 2009-2012, African services exports and imports totalled \$271 Billion.

Mr. President,

Fostering the contribution to growth, trade and development of services in Africa is one of the key means through which UNCTAD XIV can begin to realize this objective and support regional integration processes in Africa en route to a Continental Free Trade Area (CFTA). The African Union has committed itself to the creation of a CFTA, which encompasses free trade in both goods

and services by 2017. We are pleased with the contribution of UNCTAD towards this initiative and enjoins it to continue assisting Africa in the implementation of the Action Plan and the establishment of the Free Trade Area.

Moreover, Africa takes note of UNCTAD's recommendation on the need for effective regulatory frameworks and regionally coherent policies which are aligned to build complementarities between the services sector and other sectors of the economy, especially manufacturing and would appreciate its collaboration in this regard.

Mr. President,

Let me conclude by saying that the service sector's performance has undoubtedly contributed to Africa's growth trajectory and still holds tremendous economic promise going forward. To this end, we call on UNCTAD to continue providing its invaluable support to Africa with a view to making the sector an even more significant driver of sustained economic growth and structural transformation in the Continent.

I thank you for your kind attention.