

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Trade and Development Board, sixtieth session
Geneva, 16–27 September 2013

Plenary on Item 6:
Economic development in Africa: Intra-African trade:
Unlocking Private Sector Dynamism

Speaker: The United Kingdom

Thursday, 19 September 2013
*Not checked against delivery **

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

60th Session Trade and Development Board

16-27 September 2013,

UK Statement – Economic Development in Africa

Geneva, 19 September 2013

Mr President,

Thank you for giving me this opportunity to comment on UNCTAD's 2013 Economic development in Africa report. The United Kingdom welcomes the importance given to regional integration in Africa but also the recognition that the private sector is vital for economic growth and development in Africa. We are particularly pleased to see the importance given to trade facilitation and participation in regional and global value chains.

Economic Development remains central to the UK's overall development policy and partnerships with African countries. This stems from our understanding that sustainable poverty reduction could only be achieved by building their capacity to generate resources to effectively meet their own development challenges. This requires a vibrant private sector that helps create better jobs and higher incomes by making optimal use of available opportunities.

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We are therefore ramping up our work with businesses to remove the hurdles to responsible investment in the developing world, reduce costs and risks of doing business, expand markets and trade, and deliver better economic and social outcomes for workers and farmers supporting their value chains in developing countries.

In the past three years, the UK has spent, on average, over £1 billion a year on Aid for Trade including launching the Africa Free Trade Initiative which is helping to free up trade in Africa by bringing down tariffs, tackling border bureaucracy, and helping to build badly needed transport infrastructure.

Evidence has shown that inefficient movement of goods across borders substantially increases the cost of goods produced; negatively impacting the competitiveness of countries who supply or produce for international value chains. Reducing these barriers is vital to help achieve the African Union's aim of establishing a Continental Free Trade Area. Trade Facilitation and supporting regional integration is therefore a major part of our partnerships in Africa.

Having consistent, transparent, and predictable rules governing the movements of goods across borders will deliver major benefit to developing countries particularly those in sub-Saharan Africa. That is why the UK is committed to a successful conclusion of the proposed Trade Facilitation Agreement at the WTO ministerial meeting in Bali, Indonesia this December. To help developing countries clearly identify improvements needed under the proposed trade facilitation agreement, the UK continues to support WTO needs assessment work, both through its regional and central programmes.

In the last financial year, UK spent around £55 million on Trade Facilitation projects. In the next 3 to 4 years, we are planning to work on Trade Facilitation projects in South, East and West Africa, as well as South Asia, and the Caribbean, providing approximately £87 million of targeted development assistance in this area.

I agree with my colleague from the European Commission regarding Economic Partnership Agreements (EPAs). We believe that countries concluding an EPA would ensure integration more widely into the global trading system. Not only do EPAs provide full duty-free, quota-free (DFQF) access to the EU market, they also support regional integration and provide scope for wide-ranging trade co-operation.

To complement our trade and development efforts, the UK is also working on investment climate reform in 25 of its 28 focus countries, most of which are in Africa. This addresses topics such as business registration, commercial law, property rights, and public private partnerships.

Through our Financial Sector Reform and Strengthening (FIRST) Initiative we are supporting developing countries in their efforts to improve financial regulation. The programme provides high quality technical assistance to developing country regulators helping them to create more stable, inclusive and efficient financial sectors that can better serve the needs of the real economy and drive growth. To date, the scheme has supported over 300 projects across 80 countries.

As has been said often this week, Small and Medium Enterprises (SMEs) are key to creating jobs and driving growth, the UK has, therefore, established a dedicated Global SME Finance Initiative to unblock commercial lending for small businesses. The Initiative will mobilise funding from donors and Development Finance Institutions, and will share risk with and make investments through commercial banks and local financial institutions to scale up lending to SMEs. UK investment will help over 200,000 SMEs in developing countries to access capital, creating over a million new jobs over seven years.

Mr President,

In conclusion, I would like to reiterate that the UK will continue focussing our development partnerships in Africa to help build the capacity of African economies to prosper by themselves. Our ultimate aim is to end aid dependency by focusing on the underlying drivers of growth and job creation that will ultimately lift people out of poverty and provide developing countries with sustainable resources to meet their development objectives.

Thank you