



Press Communiqué

The African Union Commission Chairperson calls on Developed Countries to increase direct foreign investment and development assistance to Africa, at EU-Africa Conference in Brussels

The Chairperson of the African Union Commission, Dr. Jean Ping has observed that peace and development are co-dependent and called on developed countries to increase their direct foreign investment and development assistance to Africa. The Chairperson was addressing delegates at a two-day high level international conference on “EU-Africa Partnership for Development”, which opened in Brussels on Wednesday 15 September 2010.

The conference is organised by the Western European Union (WEU) Assembly and the Belgian Federal Parliament as part of the programme of the Belgian Presidency of both organisations. Participants are legislators from the national parliaments of European and African countries and members of the WEU Assembly. The conference seeks to review issues affecting the Africa-EU Strategic Partnership on development and Euro-African cooperation on peace and security policy, including crisis management, and the deliberations are informed by past and ongoing crisis management and peacekeeping operations in Africa.

In his keynote address, Chairperson Ping expressed appreciation to the European Union and its members for their important contribution to the restoration and consolidation of peace, security, democracy and the rule of law in Africa. He noted that the African Union had made significant progress in the resolution of conflicts and crises on the continent, as well as towards meeting Africa’s development challenges, and thanked the AU’s strategic partners, especially the European Union for their political, diplomatic, financial, material and logistical support.

“It is important that such support continues, to enable us consolidate these gains and meet the old and new challenges facing the continent. We all know that peace is not possible without development; insecurity and violence feed on poverty and inequality. Lasting development cannot be achieved without peace and security.” Dr. Ping added.

The Chairperson further said that within the context of global interdependence, characterised by an increasing awareness of the necessity for collective action to tackle numerous emerging threats; in a world where no nation, no matter how wealthy and powerful, can survive on its own; where each state has its place and needs other states and partners; where the fate of one is linked to that of others; Africa has naturally entered into partnerships, including with the European Union.

Considering Africa’s economic situation and within the framework of the continent’s development objectives, the Chairperson proposed that Africa’s strategic partnership with Europe should revolve around three major areas: trade, direct foreign investment and development assistance.

With regard to trade, the Chairperson observed that Africa had complied with donor recommendations and conditionality, notably by accelerating regional integration, opening up its markets, implementing austerity and structural adjustment plans aimed at cleaning up public finances. While Africa’s markets have become bigger with more than a billion inhabitants, representing 14% of the world population, Dr. Ping regretted that the continent accounts for only 2.9% of global trade, less than in the 1980s.

The Chairperson noted that with 80% of its exports still consisting of primary products highly vulnerable to market volatility, Africa remains a reservoir for raw materials that feed the factories of developed countries. He underscored the need for greater intra-African trade, noting that unlike intra-European trade which accounted for 75% of European foreign exchange in 2009, intra-African trade during the same period accounted for only 10% of the continent's foreign exchange.

In the area of direct foreign investment, Chairperson Ping said Africa had implemented all the measures recommended by the Washington Consensus to create an attractive environment for foreign capital. Despite all these measures and sacrifices, the Chairperson regretted that with the exception of South Africa, Africa still attracts only 1% to 2% of direct foreign investment, less than Singapore!

Concerning the Official Development Assistance (ODA), Dr. Ping cited a 2006 report by the UN Economic and Social Council which revealed that between 1992 and 1997 global ODA continued to drop, reaching a historic low of 0.22% of the joint net national income of donor states. He called for an increase in development assistance to Africa, to enable the continent achieve its Millennium Development Goals (MDG) by the 2015 deadline, noting that 2010 is a benchmark year in the MDG process, thus the special meeting of UN General Assembly on the MDG later this month.

Addis Ababa, 16 September 2010