



## **Africa Emerging Markets Forum Concludes A Highly Successful Meeting in Rabat**

The Emerging Markets Forum concluded its first ever meeting on African soil on April 9 evening. The two co-chairmen of the Forum, Michel Camdessus, Former Managing Director of the International Monetary Fund and Benjamin Mkapa, Former President of Tanzania jointly called “the meeting a big success”.

In his concluding remarks Michel Camdessus said “I would like to express, on behalf of all participants, our sincere thanks and gratitude to His Majesty the King of Morocco for granting our Forum His High Patronage and for his very inspiring Royal Message conveyed through H.E. Omar Kabbaj, Advisor to His Majesty. We would also like to thank the government and people of Morocco for their warm welcome and hospitality throughout our stay in this wonderful country”.

The Africa Emerging Markets Forum met at the Royal Academy in Rabat and brought together senior-most political, economic and corporate leaders from 18 countries across four continents, and top officials of international institutions to reach actionable conclusions on the key economic, financial and social issues facing African emerging market countries.

The Minister of Economy and Finance, H.E. Salaheddine Mezouar opened the Forum on behalf of His Majesty’s government and the Minister of Foreign Affairs, H.E. Taieb Fassi-Fihri gave the closing address. In addition, the Governor of the Central Bank of Morocco, H.E. Abdellatif Jouahri, Minister of Equipment and Transport, H.E. Karim Ghellab, Secretary of State for Environment and Water, H.E. Abdelkbir Zahoud, as well as the Minister of Culture, H.E. Touria Jabrane addressed the Forum.

Three Former Heads of Government from Africa, Europe and Latin America attended the Forum as did: the Head of the Economic Commission for Africa; five Governors of African Central Banks; top officials from Ministries of Finance, Investment, Infrastructure and Environment; Senior Officers of the African Development Bank, IMF and Regional Institutions in Africa; as well as CEOs and Directors of major Private Companies and Banks from within and outside Africa. Captains of Moroccan businesses and top leaders of the banking community joined the Forum.

Leading Moroccan companies and financial institutions sponsored various Forum events.

Over two full days of discussions and interaction, the participants debated three basic topics related to Africa’s long term development: Trade and Investment Finance; Infrastructure; and Environment and Climate Change. Regional Cooperation and Interactions with Asia and Latin America were the two underlying themes.

The basic conclusions and recommendations of the Forum were:

- In sharp contrast to the largely disappointing performance for over three decades, the Continent as a whole has enjoyed a healthy economic growth averaging 5% over the last five years. This positive and most welcome performance is the result of strong efforts and far reaching reforms within the countries as well as positive external developments that have raised the value of Africa’s exports and brought in significant investments particularly into resource rich countries. Based on their superior economic performance and stronger institutional framework, countries such as Ghana have successfully tapped international capital markets.
- The recent successes have raised the hopes that Africa can finally achieve the potential that its vast resources and almost a billion people offer. If this opportunity is seized African economies could emulate the success of Asia and begin to significantly reduce poverty.

- However, there is no guarantee that this recent success will be extended over a long time as Asia has done. Indeed, the recent recovery is still fragile. Should Africa fail to maintain the current hard earned progress, the present real opportunity to lift the well being of the people may be lost for many years.
- African leaders need to work hard to consolidate the gains so far and remain vigilant against external shocks. The possibility of a serious downturn in the global economy that could lead to a drop in commodity prices, downturn in exports and slowing down of private capital flows cannot be ignored. While hoping for the best, policy makers must be prepared for the worst.
- In addition to maintaining sound macroeconomic policies and opening up to the global markets, the countries must strengthen domestic institutions at all levels, improve transparency of public decision-making and invest much more in health and education.
- Infrastructure development is of highest priority throughout Africa. Adequate, reliable and efficient infrastructure is absolutely essential for meeting the essential needs of the people and for improving the competitiveness of the economies. Current investments levels are well below what is needed. For the Region to maintain a growth rate of say 6% per year over the longer term, it would need to invest as much as \$60-70 billion dollars per year.
- This massive investment needs cannot be met by the public sector alone. This is both because of financial constraints and lack of adequate capacity to plan, construct and operate complex infrastructure projects. Public-Private Partnerships are a must in most countries. In addition to bringing much needed financing to complement scarce public funding, PPPs are necessary to tap the technology, managerial knowhow and commercial acumen of private the private sector. The potential for PPPs varies from country to country and from sector to sector.
- At the same time, public sector would continue to have a critical role in infrastructure development, especially in providing rural infrastructure services. There is an urgent need to refocus and strengthen the capacities of government agencies responsible for this sector. Countries could learn much through each other's experience. The Forum would continue to assist in these efforts.
- Climate change specifically and environment in general have become central issues of our times. Even though Africa contributes a very small part of carbon emissions, global warming affects every nation and every person on this globe. These issues will remain on Africa's policy agenda for a long time and need urgent attention. Global concerns about climate change also provide attractive business opportunities to African businesses and farmers. The Forum explored the idea of creating an African carbon fund and concluded that it deserves serious consideration.
- Regional economic cooperation and integration are worthwhile goals but will take a long time in their achievement on a Pan-Africa basis. As the example of Maghreb countries shows, political will and agreement are absolute pre-requisites. It may be more practical to pursue economic cooperation at sub-regional levels and in specific areas until there is adequate political support for broader integration. In any case, physical connectivity and practical steps to facilitate greater mobility of businesses to travel across national boundaries are essential building blocks.

Harinder Kohli, Founding Director and Chief Executive of the Forum, said "the Forum will now widely disseminate the above conclusions and recommendations throughout Africa and assess progress at its next meeting in South Africa in May 2009".

Omar Kabbaj after commenting on the topics of the agenda, thanked the participants for their active contribution to the debate, particularly those who have written papers, as well as the organizers of the meeting. He thanked the co-chairmen for their message of gratitude on behalf of the participants, to His Majesty the King and that he will faithfully convey to His Majesty.

The Emerging Markets Forum is a not-for-profit initiative, and is supported by various international institutions—such as the Asian Development Bank, Andean Fund (CAF) and Economic Commission for Africa, the Swiss Government and private corporations from both developing and developed countries.

The underlying theme and objective of our Forum is facilitating greater private capital flows to and between emerging market economies. A major theme of recent meetings has been closer economic relations within the regions and between Asia, Africa and Latin America.

Within this context, the main focus has been on related issues of: international competitiveness and investment; private capital flows; financial development; public-private partnerships in infrastructure; and environment (climate change).

While emerging market economies vary in size, history, resource endowments and income, they have much to learn from each other as most are trying similar strategies to achieve the goals of faster economic growth and social progress: prudent macro-economic management, economic liberalization, openness to global markets and foreign investment, and a dynamic domestic private sector. International investors and multilateral companies have a keen interest in increasing their exposure to these economies. Finally, the emerging market economies and international business community have a shared interest in issues related to trade and investment specific to these economies for which a dedicated forum had not previously existed. Our Forum fills this void.

The permanent co-chairs of the Global Forum are former President Fidel Ramos of the Philippines, Michel Camdessus and Haruhiko Kuroda, President of the Asian Development Bank. An Advisory Board comprised of ten prominent and knowledgeable individuals from around the world guides the analytic work that underpins the Forum. It includes Head of the UNDP, three former ministers of finance as well as senior private sector executives and leading academics.