

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE AND ECONOMIC AFFAIRS**



**PRESS RELEASE**

**AFRICA'S GROWTH ON THE REBOUND**

The 2010 edition of the [African Economic Outlook \(AEO\)](#) was launched on Monday, 24 May 2010 in Abidjan, ahead of the Annual Meetings of the Board of Governors of the African Development Bank (AfDB) Group.

The report points out that Africa's future progress would depend on Good political and economic governance, improved infrastructure, Intra-regional trade, Reducing inequalities and poverty and also improving public resource mobilization.

Anchored on the theme: "Public Resource Mobilization and Aid", the report points out that the global economic crisis halted a period of high economic growth in Africa, slashing the continent's GDP growth from an average of about 6% from 2006-2008 to 2.5% in 2009.

The AEO is jointly published by the African Development Bank (AfDB), the Organisation for Economic Cooperation and Development (OECD) and the UN Economic Commission for Africa (UNECA). The 2010 edition contains full reports, data and analysis on 50 African countries.

"The prospect of only a moderate recovery in a number of African countries makes it even more pressing to address the

structural problems which existed even before the global crisis, and which reduced growth potential and led to high poverty levels," said Léonce Ndikumana, the AfDB, Development Research Department Director in a foreword to the report.

The report notes that given the pace of population growth, per capita GDP growth came to a near standstill. Average growth is expected to rebound to 4.5% in 2010 and 5.2% in 2011.

"The good news is that the continent has proved resilient to the crisis. The bad news is that, despite rebounding growth next year, the downturn could make it more difficult for some African countries to meet the MDGs of halving the number of people living in poverty by 2015," said Henri-Bernard Solignac-Lecomte, Head of the Europe, Africa and Middle East Desk at the OECD Development Centre.

The report highlights an uneven recovery across the continent with Southern Africa, which was hardest hit in 2009, projected to recover more slowly than other regions with an average growth of almost 4% in 2010/2011.

East Africa, which best weathered the global crisis, is projected to again achieve the highest growth with more than 6% on average in 2010/2011 while North and West Africa should both grow at about 5% and Central Africa at 4% during the same period. A similar trend prevails along the various sectors.

The report says Africa has proven to be more resilient to the global crisis than some observers had feared as a result of prudent macro-economic policies in place prior to the downturn that resulted in improved economic fundamentals in many African countries. This, together with sustained aid flows, earlier debt relief and loans by the International Monetary Fund, the World Bank and the African Development Bank provided space for adopting counter-cyclical policies, which cushioned the impact of the crisis. However, policy challenges remain.

The 2010 AEO includes a special study on public resource mobilization—or taxation—one means for African governments to become less dependent on aid in the long run, to the benefit of recipients and donors. There are very large differences in the tax raising performance of individual countries.

It says strategies towards more effective, efficient, and fair taxation in Africa typically lie with broadening the existing tax base. Policy options include cracking down on fraud and evasion, removing tax preferences, particularly for large corporations and traders, dealing with abuses of transfer pricing techniques by multinationals and taxing extractive industries more fairly and more transparently.

Going forward, the report says Africa's future progress would depend on good political and economic governance, improved infrastructure, intra-regional trade, reducing inequalities and poverty, as well as improving public resource mobilization.

The 2010 AEO findings will be debated by African ministers and CEOs of companies investing in the region at the 10th Annual International Economic Forum on Africa on 11 June 2010 at the French Economy, Industry and Employment Ministry.

The launch was chaired by the AfDB Chief Economist and Vice President, Mthuli Ncube. The OECD Development Centre unit head in France, Henri-Bernard Solignac-Lecomte; Emmanuel Nnadozie, UNECA's Economic Development and NEPAD Division Director; and Thierry de Saint-Maurice, European Commission delegation head in Côte d'Ivoire, made insightful comments on the report.

**By Spokesperson  
Ministry of Finance and Economic Affairs  
Abidjan  
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