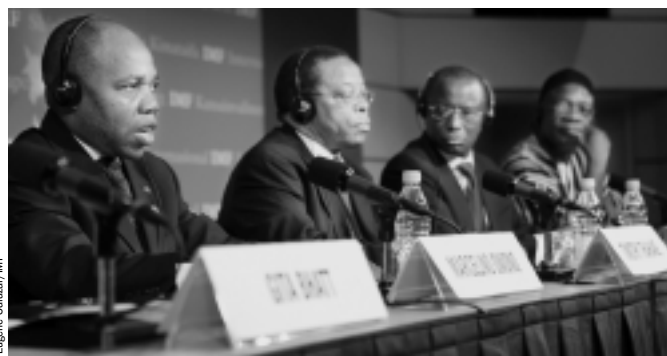


African finance ministers' press briefing More open markets, greater aid needed for Africa

Africa needs expanded trade opportunities, more technical assistance (particularly in rebuilding war-damaged economies), and faster debt relief, said four African finance ministers—Equatorial Guinea's Marcelino Owono Edu, Lesotho's Timothy Thahane, Senegal's Abdoulaye Diop, and Sierra Leone's Joseph Bandabla Dauda—in a wide-ranging press briefing on April 17, 2005, that highlighted the region's progress, prospects, and constraints.



Finance ministers (from left to right) Marcelino Owono Edu (Equatorial Guinea), Timothy Thahane (Lesotho), Abdoulaye Diop (Senegal), and Joseph Bandabla Dauda (Sierra Leone) brief the press.

The importance of expanded markets for Africa's exports and the need to diversify their economies featured prominently in the opening remarks of several speakers. Thahane highlighted Lesotho's experience, where the end of special trade preferences under the multifiber agreement means that his country and other low-income countries that had expanded their textile sectors now face serious transition challenges. The ability to attract and keep investment and overcome impediments posed by poor infrastructure will be crucial in the region's efforts to develop new products and identify new markets for export, he said.

Diop took the lead in urging the IMF to take a more active role in the trade liberalization issues related to the Doha Round of multilateral trade negotiations, particularly since developed countries have not responded to calls by developing countries and multilateral organizations to remove agricultural subsidies and other trade-distorting policies. Thahane underscored that once countries choose to pursue a private-sector, export-led growth strategy, the quality of the investment climate becomes crucial and here "the role of multilateral institutions and our partners becomes extremely important."

Debt needs urgent attention

The finance ministers stressed that debt remains a major issue. Diop pointed out that even many of the countries that have reached the completion point of the Heavily Indebted Poor Countries (HIPC) Initiative are still heavily indebted. Various proposals to reduce debt and debt servicing are on the table, the ministers said, but from their perspective the key elements now are greater speed in addressing the issue and mobilizing additional resources. "The important thing is not to theorize about initiatives—we have to implement them," Diop emphasized. Thahane agreed, adding that with critically needed resources being diverted to debt payments, the key now is to "find a compromise and move quickly."

The ministers also renewed calls for greater voice and participation of African countries in the IMF. Diop noted that the 44 African countries, most of which have IMF-supported programs, account for only 4.4 percent of the votes at the IMF Executive Board. Thahane said IMF Managing Director de Rato indicated, in his meeting with the finance ministers, that ownership of the development processes in Africa requires that the IMF and the World Bank have exposure to African voices and experience. But Thahane acknowledged, as de Rato had, that this is a political issue whose fair and effective resolution will be up to the member countries themselves.

IMF assistance

As for postconflict countries, Dauda, drawing on Sierra Leone's experience, urged that these countries be granted "more flexible access to HIPC and Poverty Reduction and Growth Facility resources." He emphasized the importance of a proactive approach and the need to coordinate with the World Bank and other international organizations, describing the early provision of technical assistance as critical and asking the IMF to establish additional Regional Technical Assistance Centers in the region. Owono Edu noted that his country, Equatorial Guinea, is exploring whether IMF technical assistance can help it comply with the Extractive Industries Transparency Initiative. ■

The full transcript of the African Finance Ministers' Press Briefing is available on the IMF's website (www.imf.org).