

ECONOMIC COMMUNITY OF  
WEST AFRICAN STATES



COMMUNAUTE ECONOMIQUE  
DES ETATS DE L'AFRIQUE DE L'OUEST

ECOWAS HIGH LEVEL VISIT TO WUHAN  
MUNICIPAL GOVERNMENT

Wuhan, the PRC (China)

21 - 22 June, 2011

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STATEMENT OF THE PRESIDENT  
ECOWAS COMMISSION

H.E. JAMES VICTOR GBEHO

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## Protocols

On behalf of the government and people of the 15 Member States of ECOWAS, and on behalf of the current delegation of ECOWAS to the PRC which includes Ministers from the Republic of Ghana and Sierra Leone, I wish to thank the Government and people of the People's Republic of China, the Wuhan municipal government and in particular the China Council for the Promotion of International Trade (CCPIT) first, for facilitating our visit to the PRC and giving us such warm welcome since our arrival in Beijing and now Wuhan, and secondly for working so hard to make this meeting a reality, and thereby continue to strengthen our strategic economic and trade partnership which began with the September 2008 1<sup>st</sup> China – ECOWAS economic and trade forum, following the success of the Sino – Africa summit of 2006.

This meeting is part of the activities to implement the existing cooperation framework between ECOWAS and China, and it is very unique and strategic. It is unique

because it is the first time we are bringing projects to China to seek Chinese investment since the Forum of 2008; and it is strategic in the sense that their implementation will strengthen and build confidence in our cooperation in general, and more specifically, they will add clear value to our efforts at dealing with the challenges of development and industrialization in our region, and thereby deliver win - win benefits to both ECOWAS and the PRC.

## **INTRODUCTION OF ECOWAS**

The Economic Community of West African States (ECOWAS) is a 15 member state regional economic community covering the whole of West Africa except the republic of Mauritania. It was established in 1975 “to promote cooperation and integration, with a view to establishing an economic and monetary union as a means of stimulating economic growth and development in West Africa”. In 1993, it revised the treaty of 1975 and adopted more powers to enable it deal effectively with emerging

challenges like the need to enforce the principle of supra-nationality in the application of decisions; extension of Community programmes to other areas e.g. harmonization of economic and financial policies; introduction of the Community levy as an independent source of finance for community programs; cooperation in political and security matters; establishment of supranational institutions like the Community Court of Justice, Community Parliament and Economic and Social Council. In 2006, the ECOWAS Authority of Heads of State and Government restructured the Secretariat into a COMMISSION with a President, Vice President and seven (7) Departments headed by Commissioners. You may wish to know that ECOWAS is one of the eight (8) RECs recognized by the African Union during their Summit of July 2006.

The ECOWAS region occupies a land area of 5.1 million km<sup>2</sup>, which accounts for 17% of the total area of the African continent. Its population, which has been estimated at 280 million (2007) is increasing at an average rate of 2.9% per annum. Nigeria is the most populous country in

the region with an estimated population of about 147 million (53%), followed by Ghana with a population of 25 million (9%) while the least populous Member State is Cape Verde with a population figure of about 500,000 (0.2%).

ECOWAS is the most populous of the regional economic communities in Africa. It has two distinct economic groups: the eight UEMOA countries which form a monetary and customs union, with the CFA franc as their common currency, and the seven non-UEMOA countries, each having its national currency. This second group accounts for about 75 percent of the regional GDP, and 70 percent of the population.

## **A REGION OF PEACE AND STABILITY**

The ECOWAS region is a peaceful place to live and do business. Civil conflict in some of our countries in the past created an image of an unstable region which undoubtedly discouraged investment. However, we have since restored

relative peace across the region, and full democratic rule is in place.

Since 1999, the Authority of Heads of State and Government of ECOWAS put in place mechanisms and protocols to monitor and ensure peace, democracy and good governance in the region, and these instruments have been very effective in delivering their mandates. Besides, all member states have undertaken to adopt good governance, democratic and inclusive principles in political management to create the enabling environment for sustainable peace and development.

The African Peer Review Mechanism (APRM) is another instrument which has been endorsed by most member states, and it has contributed to the maintenance of peace and good governance in the region.

## **STRONG MACRO-ECONOMIC FUNDAMENTALS**

Within ECOWAS, a collective approach to sound economic management is being pursued with determination through the multilateral surveillance of the macroeconomic policies of the fifteen countries. The ECOWAS economic governance is in conformity with the NEPAD codes and principles of good practices of sound monetary and financial policies, fiscal and budgetary transparency, public debt management, accounting and auditing standards, strict banking supervision, and good corporate governance. It also seeks to establish a single currency in the region.

## **A REGION OF IMMENSE OPPORTUNITIES FOR INVESTORS**

West Africa is a region of immense opportunities for investors. Every country of ECOWAS has substantial untapped opportunities in every economic sector be it primary (agriculture, mining, fishing, livestock, etc); secondary (manufacturing, processing, assembly, etc) or tertiary (education, construction, tourism, financial

services, etc). This is backed by a large market (almost 300million people) cheap labor and an improving business climate.

We have taken as priority, efforts to build institutions in the private sector to partner with government in creating a favorable investment climate in the region. We have facilitated the establishment of the Federation of West African Chambers of Commerce (FEWACC), the Federation of West African Manufacturers Association (FEWAMA), Federation of Business Women and Women Entrepreneurs (ECOWAS - FBWWE), the NEPAD Business Group (West Africa) the Federation of West African Employers Association (FOPAO), the Association of Investment Promotion Agencies of West Africa (AIPAWAS), etc. We also promoted the establishment ECOBANK Transnational Incorporated which currently operates in 25 countries in West, Central, Eastern and Southern Africa. This bank already has a presence here in China.

## **INFRASTRUCTURAL DEVELOPMENT - A PRIORITY**

We are aware that speedy and punctual delivery of manufactured goods of the right quality and condition is a major parameter in global competition, and that a well developed infrastructure – for producing and moving goods from factories to ports and for rapid international communication – significantly reduces export costs and improves competitive edge.

In this regard, infrastructural development is being pursued particularly in the areas of transport (sea, road, rail, air) telecoms and energy. We are looking forward to strong and particular Chinese investment in this sector, preferably under Public - Private Partnership (PPP) frameworks.

## **FREE MOVEMENT OF PERSONS**

ECOWAS has facilitated the free movement of persons, right of residence and establishment in the quest to create a viable business environment in the region. This involves

the elimination of visa requirement for community citizens traveling within the region, adoption of a common passport and harmonized immigration policies, freedom of entry and residence in any member state and freedom to work or set up a business. It is note worthy that ECOWAS is the only regional community in the continent to achieve this status of free movement.

## **AGRICULTURE/LIVESTOCK/FISHERIES BUSINESS**

Over half of the 5.1 km<sup>2</sup> of land area of ECOWAS is arable and well watered by several river basins backed by several streams, springs and abundant rainfall. According to FAO data, arable land per capita in Africa doubles that of Asia and due to the varied climatic conditions from the rain forest in the coast, through the Sahel belt/middle zone, to the more arid North, we have a rich mixture of untapped flora and fauna products. Root crops, flowers, trees and tree products, livestock, fishery, etc that can be cultivated naturally in the coastal and forest zones while grains, livestock and livestock products, do well in the northern

region. With a little over 4% of the cropped land irrigated compared to 35-40% in Asia, more can be done.

Many crop and livestock products of West Africa are in high demand in the OECD, US, and other international markets. Some of these include cocoa, peanuts, fish, cotton, cashews, coffee, rubber, tropical woods, livestock, palm products, pine apples, bananas, cassava, beans, rice, etc. Other sub sectors include deep-sea fishing and commercial fish farming; horticulture; medicinal plants; integrated cattle-rabbit-poultry production; packaging and storage of agricultural products; agro-processing; cotton ginning/textiles; leather products; etc. Chinese multinational companies with strong capital and technological base in partnership with local entrepreneurs would maximize available regional opportunities at high returns on investment.

ECOWAS governments are willing to promote collaborations in this area to unlock the huge untapped potentials.

## **AGRO-PROCESSING**

Agro-processing particularly holds substantial promise for investors in the region. For instance fruit, cocoa, rubber, palm oil and coffee - allied industries could be established in the region. Most of the cocoa, pineapples, coffee, etc produced in Ghana, Côte d'Ivoire, etc are currently exported in raw form. With processing plants, cocoa beans can be refined and used to produce beverages and other high-value products while coffee beans can be converted to high-value products, etc. This set of production activities will not only serve a “ready” regional market, but will also meet the high demand of the Chinese and world market;

## **MANUFACTURING**

There are abundant opportunities in the manufacturing sector of the region. Demand for manufactured products like cement, iron and steel, vehicles, aluminum products, plastics, jewellery, ICT hardware and software, cables,

paper, textiles, etc are increasing daily. It is certain that regional multinationals strong enough to produce on a massive scale will benefit from the regional economies of scale. For instance an iron and steel company can jumpstart the vehicles manufacturing industry which is overdue in the region and precipitate a revolution in regional industrialization. It will certainly have a ready market in the proposed regional railway to run along the coast from Lagos to Dakar – Nouakchott.

Other areas requiring private sector investment on stand alone or PPP scenarios in the region include laboratories for international standards and quality certification services; consultancy firms for business rating and international marketing services including branding; manufacturing outfits for packaging and labeling as well as knowledge and training organizations for business, ICT and entrepreneurial education.

## **OIL/MINING-BENEFICIATION**

As has been noted earlier, in respect of natural resources, West Africa is one of the most endowed regions of the world. Gold, diamonds, bauxite, iron ore, copper, uranium, petroleum, phosphates, aluminum, salt, rutile, etc abound in commercial quantities all over the region and statistics indicate that only about 10% of the landmass has been prospected. Concerning oil and gas, ADB statistics indicate that West and North Africa host the majority of Africa's oil (10.5 billion tons-8% of world total) and gas reserves (10.2 trillion cubic meters-7.2% of world totals), much of these reserves are untapped and considerable investments are needed to exploit them. The gulf of Guinea which is in West Africa has enormous deposits of oil and gas and is becoming the centre of international attention. Chinese investors are welcome to this sector.

Investments are also needed in exploratory activities, particularly in non - traditional minerals to improve the quality of geological data and map new deposits. Furthermore, the current level of transformation of minerals is very low. While much of gas is flared, wasting resources

and polluting the environment, oil and the solid minerals are still mainly exported in crude form. There is need for more investment in secondary and tertiary production activities to improve value addition and diversify the economy further. Gas should be captured and marketed or processed into petro-chemicals while the solid minerals are processed into jewellery and adornments. Our governments appreciate the size of the capital and technologies required in these fields and are adopting far reaching and substantial policies and incentives to encourage investors in these areas.

## **TOURISM**

Another sector with substantial untapped potential for private investment in the region is Tourism. The rich natural and cultural diversity of the region holds immense attraction for tourists and opportunities for tourism investors. The World Travel and Tourism Council estimates that Travel and Tourism in Sub Saharan Africa will grow from US\$ 75.3 billion in 2006 to US\$ 154.8 billion

by 2016. It forecasts that total demand will grow by 4.7% per annum in real terms during 2007 – 2016.

There is no gainsaying that a substantial portion of these estimates will be generated from West Africa and that these are enormous opportunities for our partners from the PRC.

## **CONCLUSION**

Your Excellencies, ladies and gentlemen;

During this visit to the PRC, and to Wuhan in particular, we came seeking investors in our projects from the ..... sectors. However, I have taken time to x-ray other sectors so that you will appreciate the enormous opportunities available in the ECOWAS region. It is our ardent hope that our friends here in Wuhan and the PRC in general, will help to promote these investment opportunities to other investors while at the same time supporting the current projects in our bag to our identified investors.

I thank you for your attention.