

Paul Wolfowitz, Director of the World Bank, speaking in Washington DC on investing in African growth, June 7, 2006.

First of all let me thank you for your invitation to this seminar. As I said on a number of occasions over the last 12 months, Africa is showing signs of hope. We are seeing this in 15 African countries that, over the last 10 years, have recorded, on average, growth rates of more than 5 percent: from Ghana at 4 percent, to Mozambique at 8 percent, to Rwanda at 10 percent. It still needs to be higher to make a real difference in the battle against the poverty that affects that part of the world. And most importantly, it has to be sustained. Ten years of that kind of progress unfortunately is not enough.

But something is undeniably happening. And we are seeing, I think, success increasingly in the business area, and this will be the main theme of my contribution. And let me say it straightaway, the key to success is creating jobs.

In my institution we talk a lot about the Millennium Development Goals. They are extremely important. They're about health, education, and poverty reduction. There ought to be a Millennium Development Goal for job creation, but there isn't. Maybe that's because it's left to the private sector, and certainly the private sector is the answer to job creation. But this is still where Africans face an enormous number of obstacles. Some of them are perhaps unavoidable. Some of them are totally unnecessary.

Many of them are manmade. They are the excessive regulations that I guess are the inheritance of the past: 50 different licenses are required to start up a business in any number of small African countries. When you rank countries around the world in terms of the business climate – that is to say, how easy it is to start a business – and we do that every year in one of our reports, out of 155 countries in the world, at the bottom 10, 7 are African countries. Now, that's bad news on one hand. On the other hand, however, I think it's good news, because it means that there is a lot that African countries could do fairly quickly and fairly easily by removing some of the regulatory barriers.

I have just mentioned barriers to creating business within countries. But these barriers get even worse when we go across countries. And as important as it is, and I can't stress it enough, to open up trade between the developed countries and developing countries, particularly in Africa, one should not ignore the benefits that would come from opening up trade between African countries. African countries need a bigger market. So, that's another area where there is real progress to be made.

To conclude, let me just repeat what the Nigerian President recently said: "I think Africa is a continent on the move". And I completely agree. Thank you.