

A Strong Partnership: IMF and Africa

TRAILER

With the global economy recovering from the hard-hitting financial meltdown and a strong partnership forging between IMF and Africa, things are looking up. By boosting lending, expanding technical assistance and offering policy advice, the IMF and Africa are working together to build the road to recovery, and even a stronger Africa.

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COMMENTARY

Many countries in the world have been hard hit by the crisis. But the countries of sub-Saharan Africa have handled the recession relatively well. In this video, we will explore the reasons for Africa's resilience, the progress the continent has made and the impact of the crisis as seen through the lens of two countries; Kenya and South Africa.

Lets start with Africa's progress. Antoinette Sayeh, the Director of IMF's African department explains.

ITV, ANTOINETTE SAYEH, Director, IMF African Department (English)

"One key factor has been the considerable progress made by African countries beginning in the late 1990s and certainly in the first decade of this century in addressing the fiscal problems so that when the crisis did hit despite the fact that many countries suffered from lower revenues as a result of lower demands for African exports, even with that reduction

revenues countries were able to sustain spending on key priorities making space for additional expenditure in some cases to protect the poor from the impact of the crisis. So able to do that because of the previous efforts that we formed had borne fruit in the more sustainable fiscal situation.”

COMMENTARY

The private sector has played an important role in improving Africa’s performance.

ITV, ANTOINETTE SAYEH, Director, IMF African Department (English)

“It’s been a very encouraging feature of African economy, this new openness to the private sector and this will level playing field for foreign direct investment as well.”

COMMENTARY

One year ago, the IMF co-hosted a conference in Tanzania, which called for a stronger partnership between IMF and Africa. This had led to a deeper relationship.

ITV, ANTOINETTE SAYEH, Director, IMF African Department (English)

“The Tanzania conference as we called it was pretty cool, a turning point in the relationship between the fund and its African member countries. I think a year since the conference, the fund was able to provide in 2009 financing for Sub-Saharan Africa for \$5 billion, five times the amount it was able to do a year earlier. So significant progress I think across the board from provision of financing, reform of conditionality, our approach to debt, debt limiting fund supported programmes, increasing the voice of African countries in the fund.”

COMMENTARY

The efforts made during the Tanzanian conference paid off. Now let’s move to its neighbour Kenya and find out what impact the crisis had on its economy.

ITV, ANTOINETTE SAYEH, Director, IMF African Department (English)

“Kenya had been emerging from a deep political crisis when the global recession hit. Kenya was also faced with drought that significantly reduced availability of food for some 10 million people or so who faced the prospect of hunger.”

COMMENTARY

Looking ahead, what are the main challenges facing Kenya?

ITV, ANTOINETTE SAYEH, Director, IMF African Department (English)

“The main challenge is to accelerate and deepen economic growth as a basis for reducing poverty in Kenya. And around that bigger challenge of course a number of issues ahead moving ahead with comprehensive reform programme. The fund stands ready also to continue to provide support to Kenya’s efforts at reform, technical assistance, policy advice and should the government be interested to of course consider the provision of financing as well and we are looking forward therefore to a continued, deep a dialogue and relationship with Kenya as it seeks to address one of formidable challenges in the months ahead.

COMMENTARY

Another country which was hard hit by the recession was South Africa.

ITV, ANTOINETTE SAYEH, Director, IMF African Department (English)

“The impact of the global crisis on demand for South Africa’s exports has meant that South Africa in fact went into a major recession. South Africa lost close to a million jobs, some 860 thousand jobs in the course of the recession. Many of those jobs were in low scaled and low waged manufacturing, a sector that has been in some decline. So the challenge of employment creation for those who had lost their jobs a large number of people in South Africa is a major one.”

COMMENTARY

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