

Regionalizing Markets

South Africa (a destination market and a gateway to Africa) and Nigeria (potentially fulfilling the same role in West Africa) illustrate the positive regionalization efforts underway across Sub-Saharan Africa. After many false starts in the 1960s-1990s period, and despite the ongoing regional strains in the Southern African Development Community (SADC) around the conflict in the Democratic Republic of Congo, there is momentum building for closer regional linkages. There are plans for implementing free trade areas in SADC, East Africa Co-operation (EAC), and the Common Market for Eastern and Southern Africa (COMESA)—COMESA includes a countdown clock on its Web site for its Free Trade Area deadline of October 2000. There are also plans for expanding currency unions in West Africa and for narrow functional co-operation in sectors such as power, water, capital markets, and food security. Regionalization, it has been argued, might be a first step for those liberalizing economies that are getting stronger but are not yet strong enough to fully tackle the challenges of globalization.

West Africa - Stretching from Senegal in the west to Nigeria in the east, West Africa is home to over 200 million people in 15 countries. As mentioned above, it is increasingly organizing itself along regional lines. Nigeria is the dominant economy of the Economic Community of West African States (ECOWAS), but Côte d'Ivoire, Ghana, and Senegal have demonstrated stronger economic management records and growth over the last few years. Burkina Faso, Mali, and Niger have attracted considerable Canadian mining interest as they have improved their regulatory and business climates, and there are interesting opportunities outside the mining sector as well.

Central Africa - Central Africa is a region of relatively few, mostly small countries linked together by a mostly shared French language tradition and tremendous natural resources reserves. These countries are Cameroon, Chad, Central African Republic, Gabon, Congo, Democratic Republic of Congo, and Equatorial Guinea. They represent a mix of opportunities, but particularly oil and gas exploration and development—some Canadian companies are already working on the World Bank-funded Chad-Cameroon Pipeline Project—and mining. Cameroon is the main economic hub for this region of nearly 80 million people, at least while the conflict in the Democratic Republic of Congo continues.

Southern and Eastern Africa - From South Africa to Kenya and Uganda in the north and to Angola in the west, this huge region is actually a number of overlapping sub-regions, international organizations, and regionalization initiatives. For instance, EAC links Kenya, Tanzania, and Uganda, but all three are also members of COMESA, and Tanzania is a member of the SADC. All three organizations are pushing ahead with various economic integration schemes including shared currencies, free trade, common tariffs, etc. However, for the first time in 30 years, regional efforts are progressing and may, in the next 10 years, create a co-ordinated regional trading bloc comprising South Africa and a group of emerging "African Lion" economies that represent over 200 million people, a growing middle class market, and tremendous export potential.

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