

# 10<sup>TH</sup> INTERNATIONAL TURKISH - AFRICAN CONGRESS

## DAKAR DECLARATION

10<sup>th</sup> International Turkish - African Congress with its main theme “**Trade, Investment and Competition in Africa: New Opportunities**” was organized by the African Institute of TASAM (Turkish Asian Center for Strategic Studies) in co-operation with the Senegalese Government’s Ministry of Foreign Affairs and the West African Monetary and Economic Union, in **Dakar, Senegal** on **19 - 21 November 2015**.

Within the scope of the congress, five sessions were organized under the following themes: “**Africa’s Economic Outlook**”, “**Trade in Africa**”, “**Africa’s Investment Map and Sectorial Distribution**”, “**Africa’s Competitive Outlook**”, “**Turkey - Africa Relations: Opportunities and Expectations**”.

During the opening ceremony, **Ambassador (R) Mr. Murat BİLHAN**, Vice-Chairman of TASAM welcomed the participants and inaugurated the congress. **Ms. Khoudia MBAYE**, Minister for Investment Promotion, Partnerships and Development of State - TV services of the Republic of Senegal, **Ms. Nilgün ERDEM ARI**, the Turkish Ambassador in Dakar, on behalf of **Mr. Feridun SİNİRLİOĞLU**, the Foreign Minister of The Republic of Turkey and **Mr. Mankeur NDIAYE**, Minister of Foreign Affairs of the Republic of Senegal, gave speeches on the importance of the event for Turkey and for the countries in Africa.

The congress was attended by various ministries and undersecretaries from Senegal and Turkey, the African Union, expert institutions, Africa’s prominent regional economic organizations, financial institutions, African Chamber of Commerce and Industry, Investment Incentive Centers, Free Economic Zones, Business World Umbrella Organizations, Consulting Corporations, Investment Companies and Mission Representatives of African Countries in Ankara and in Dakar. Representatives from various international organizations and Ambassadors accredited to Senegal have also attended.

The congress started by drawing attention to the changes in economic conditions in the African continent. African development process was presented in detail by using up-to date data. Multilateral co-operation, trade and investment opportunities, economic and trade relations between Africa and Turkey were emphasized.

The congress proceeded by highlighting the world economic and political outlook which poses important challenges to the co-operation efforts in improving competitiveness, trade and investments between Turkey and the African continent. In the wake of 2008 global economic meltdown, slow recovery of the US economy, withdrawal of emerging markets from welfare creation and difficulties within the EU, as well as massive human mobility and security problems across the globe was mentioned and it was emphasized that these are still dominating the agenda of the world affairs. The impact of the slowing Chinese economy

upon the performance of primary product exporting economies, particularly in sub-Saharan Africa was mentioned. Plummeting oil prices was emphasized as a factor that adversely affect oil exporting developing countries, amongst which are some of the countries in Africa like Nigeria, Angola and Sudan. The decline in oil prices has also weakened the economy of Russia, a major oil exporting country which is now flexing its military reflexes, starting in Syria. These factors were emphasized as the drivers of the future relations between Turkey and Africa.

The congress also made reference to the already completed Trans Pacific Partnership (TPP) and ongoing negotiations for the Trans-Atlantic Trade and Investment Partnership (TTIP). Both agreements cover nearly eighty five percent of the world economy. It was agreed that TTIP and TPP might lead to marginalization of the countries that are not included in these partnerships, including countries with large populations like China and India. But these agreements might also have detrimental social and economic impact upon Africa and Latin America.

The congress, following the declarations at the recent G-20 meeting in Antalya, highlighted detrimental impact of the recent global economic meltdown and ensuing problems, thereof. The importance of inclusiveness, implementation and investments that aim to reduce poverty, enhance environmental protection and employment creation through economic growth were re-instated. Large scale investments undertaken by using funds primarily mobilized from surplus economies like China and India particularly in the area of infra-structure investments and energy was mentioned as factors that might remedy negative impact of ongoing global economic crisis and meeting the recently instated Sustainable Development Goals (SDGs) of the UN. Removal of the impact of the 2008 crisis would provide opportunity for faster growth rates in the SSA.

Against this backdrop Turkish - African trade and investment opportunities has been explored. In this regard, the Tenth Turkish - African Congress focused on the issues of macro-economic performance, challenges and opportunities in the areas of trade and investments. The Congress addressed the possible areas of enhanced business opportunities that would also address poverty alleviation, job creation and environmental protection. Creating a collaborative atmosphere that is conducive to formulate an economic *win - win situation* has been the main emphasis of the Congress.

It was highlighted that in the last decade macro-economic performance of the African continent has been remarkable. In addition to increased demand from fast growing China and India, demand from other developing countries for African commodities provided positive contribution to the economic growth. Favorable primary commodity prices also helped. Discovery of new natural resources such as iron ore in Sierra Leone and Liberia, crude oil in Niger and Ghana helped their export revenues. HIPC and MDRI initiatives improved fiscal space for higher investments through significant debt cancellation. Administrative reforms has been done successfully in many African countries. On average external debt declined, budget discipline achieved, inflation went down, per capita incomes and financial inflows

increased. In short, there has been significant improvement of the investment landscape within the last decade. These positive developments led to an increased demand for larger investments in infrastructure, mining and energy development and these were highlighted and emphasized at the sessions two and three.

However, the Congress also noted that some of the problems that are clustered around the issues of poverty, conflict of interest between private capital and environmental protection, climatic change, mitigation, desertification, migration and lack of technology for an enhanced competitiveness, still persists. It was emphasized that the continent continues to depend on the primary goods exports. Hence, the linkage between economic growth and employment creation has been weak. Investments had positive impact on the economies of SSA but contributed marginally to the structural transformation. Investments have not contributed to the poverty reduction effectively. The African reality also highlights the importance of workers remittances particularly in the persistent presence of low savings rates. This necessitates improved inward inflow of FDI. These are mostly channeled through government budgetary support and targets infrastructure investments. FDI also contributed to the GDP growth but did not help reducing poverty. The threat of capital flight increases vulnerability to external shocks. Heavy bureaucracy and inadequate energy supply irks the FDI inflows. It was agreed that in order to increase investments positive image of the nations and specific investment opportunities must be promoted. These issues hindering economic performance and preventing collaboration were discussed in detail throughout the Congress.

It is also noted that most of the investments in Sub-Saharan Africa is being done by the governments, particularly into transportation and energy sectors. The role of the governments within the investment milieu appears to be important and much likely to continue in the new era. But an emphasis was put on the need to improve national and regional investment regimes through financing and removing barriers to free trade. If that is done, it was argued, the collaborative relations between Turkey and the countries in Africa could develop much more rapidly. It was also discussed that capacity building regimes must be achieved through realistic policy frameworks and finding `African solutions to African problems`, whereby Turkey can be a valuable contributor to such an effort. It was agreed that, further research is needed to explore and establish competitive value chain creation dynamics to inform Turkish - Africa collaboration.

It was also strongly emphasized that increased international competitiveness would come from industrialization and any such effort should be organized around private sector investments and value-chain co-ordination by the governments of Turkey and the continent. It was agreed that development of human capital must be accelerated and infrastructure development needs to be intensified. Africa appears to be in need of an industrialization strategy that invests in infrastructure, science, technology and education, and Turkey can be a suitable partner in this respect. It was argued that the collaboration in these areas should be achieved by promoting `public private partnerships` and it must be `people centered`. Power sharing and reform to enhance participation for decision making should enhance efficiency and facilitate private sector involvement with development.

It was agreed that Turkish – Africa relations within the last decade has grown in strength in a variety of ways. There exists however need for further improvement to meet the full potential in areas such as agriculture, education, marketing, tourism, healthcare and social responsibility as well as in the areas of trade and investment. The congress also highlighted the need to develop financial sector collaboration and extending insurance services to the business community that may help boosting the interaction between private sectors by addressing risk management issues. Turkish company investments in Africa focuses on the movement of money, government policies and repatriation of profits. In order to attract Turkish investments in the continent conditions in these areas ought to be improved. It was agreed that in a multi-polar world bilateral trade and investment agreements as well as cultural, touristic (health tourism and others) and educational exchanges appears to have risen in importance which requires government action by the partner parties. Hence, one of the important outcomes of the congress was the realization of the neglect of the study of social structures, traditions, languages and the cultural area that would help improving mutual social interactions and business practices. This was highlighted particularly in the evaluation of the state of global affairs around security, migration and climatic change. It was mentioned that these contemporary problems can only be understood and analyzed within an inter-disciplinary framework that also includes a trough study of linguistics, anthropology, sociology, international relations and the political economy. This outcome thus, also enabled the congress to draw a future agenda for further intellectual work in the Turkish - African interventions.

**21 November 2015, Dakar**