

Joint Statement of the AUC, UNIDO, UNECA

Of the Africa Industrialization Day, 2014

Theme:

**“Inclusive and Sustainable Industrial Development:
Agro-Industry for Food Security in Africa”**

Excellencies,

Ladies and Gentlemen,

On this day, we are gathered to celebrate the Africa Industrialization Day (AID). Through the constant partnership between the United Nations agencies, the RECs, government officials, governmental organizations and NGOs, the AID has been celebrated annually on 20 November since 1990.

This year, the African Union (AU) Assembly of Heads of State and Governments declared 2014 to be the “Year of Agriculture and Food Security in Africa”. 2014 also marks the tenth anniversary of the Comprehensive Africa Agriculture Development Programme, which advocates for agriculture and food security to be the backbone of Africa’s development agenda. Data show that annual agricultural GDP growth has averaged nearly 4 percent since 2003, an increase compared to the previous decades - but much more remains to be done.

The increased focus on agriculture and food security in Africa is set in the context of increasing potential on the continent. Indeed, Africa is rising. Africa's average growth is projected to accelerate to close to 5% in 2014 and 5%-6% in 2015 - A fabulous window of opportunity. However, at the same time, Africa's population is growing rapidly as well, set to more than double by 2050. More people will mean the need for increased agricultural production. Given strong endowments in commodities, Africa also has a comparative advantage in industrializing through the development of agribusiness. This all prompts Africa to transform its agriculture through, ideally, agribusiness and agro industries development to create jobs and revenues and link up other sectors to agriculture.

Mindful of the remaining structural challenges obstructing Africa's steady sustainable development, we are renewing our commitment, our concerted efforts and our actions, to accelerate the design and formulation of viable programs and projects in the agro-industry sector. There is huge potential for these to serve as an anchor for development in many African countries. Boosting agro-processing could ensure food security, help curb malnutrition and reduce the continent's food-trade deficit.

Our theme this year: "Inclusive and Sustainable Industrial Development: Agro-Industry for Food Security in Africa" calls for a renewed focus of the African development strategy on agricultural and agro-industry. Critically, this will include the strengthening of African-owned development platforms, including the CAADP framework, especially pillar 2 and 3, AIDA, 3ADI, PIDA, etc.

In line with the Africa Agribusiness and Agro industries Initiative (3ADI), increasing the focus on Agro-industrial development is a promising way towards industrialization and poverty reduction. In particular, processing primary soft commodities opens up major possibilities for value addition, job creation and resilience in Africa. To achieve this potential, it will require significant investments and interventions to expand and upgrade agricultural production.

Agro-processing is today one of the most significant manufacturing sectors in many African countries, though there exists great potential for improvement. Most countries have agro-processing industries, although with significant variations among countries in size, international competitiveness, breadth and processing capabilities, depth of local value added, extent of backward linkages to agriculture and extent of forward linkages to domestic, regional, and international markets. By increasing support for agro-processing, with a focus on inclusive industrial development, achieving sustainable development will be possible.

To create and sustain wealth and production in the long-term, Africa's agricultural-related resource endowments should be used to develop higher value added and tradable industries. This involves giving priority to expanding production and value addition, and responding to increased demand for more sophisticated consumption goods. There is a strong consensus that an expanding and prosperous productive economy is crucial to the structural transformation of African economies, and is the only sustainable pathway out of poverty and hunger. Making productive and valuable use of agricultural resources and upgrading primary products will help address some of the continent's challenges, including poverty and food insecurity. It could also inspire a virtuous circle of higher output, through intensive technology and

innovation, infrastructure and energy, human resource and institutional capacity development, and elevated national productivity that is linked with regional and global value chain and yields higher average incomes and superior inclusive prosperity.

This year's AID theme "Inclusive and Sustainable Industrial Development: Agro-Industry for Food Security in Africa" reminds us of the necessity to enhance our coordinated efforts in tackling food insecurity in Africa, and highlights the significant potential to achieve this goal through agro-industrial development. Historically, the pathway out of hunger for most communities and countries has been through a sustained structural transformation process. This pathway involves higher labor productivity in the overall economy, convergence in labor productivity between agriculture and non-agriculture sectors and the realization of intensive value addition activities, primarily in agribusiness. Agribusiness is substantially labour-intensive in terms of creating jobs and generating value added; in addition, it strengthens forward and backward linkages advancing economic transform. This calls for the adoption of a strategy for agribusiness development rather than simply an agriculture-led development strategy. The African agribusiness and agro-industry sectors have a high potential and comparative advantage to grow and develop rapidly, taking advantage of both the resource endowment of most African economies and the conditions surrounding the overwhelming majority of the poor people that live in rural areas and depend on agriculture for their livelihood.

Recognizing the critical role agribusiness and agro-industry can play in reducing poverty and hunger, the African leaders, convened at the 23rd AU Assembly, Malabo, June 26-28, resolved to reduce poverty by 50% through an inclusive agricultural growth and transformation process. In this regards, the

leaders committed “to support and facilitate preferential entry and participation for women and youth in gainful and attractive agri-business opportunities”. They further expressed concern of the “limited progress made in agro-industries and agribusiness development, which hampers value addition and competitiveness of products in trade both local, regional, and international; and undermines the potential of the sector in transformation and generation of gainful employment opportunities for the growing African youth and women”. Thus, the leaders reaffirmed the resolve “to the achievement of goals as provided in the 2010 Abuja Declaration on Development of Agribusiness and Agro-Industries In Africa”.

The African Heads of States have put agro-industrial development as a key part in the 2063 development agenda for sustainable economic and social development of Africa.

Increasing the continent’s focus on the development of robust and competitive agro-industries has the potential to spur economic diversification, sustainable development and the creation of jobs for millions of unemployed young and women.

By and large, the AU, UNECA and UNIDO, in line with their respective mandates, stand ready to effectively assist African countries in furthering food security and inclusive development through an increased focus on agro-industry.

We wish you all an excellent celebration of the 2014 Africa Industrialization Day.