Joint Press Statement

of the African Union Commission “AUC”,
United Nation Industrial Development Organization
“UNIDO”,
United Nation Economic Commission for Africa “UNECA”
on

Africa Industrialization Day,
20 November 2018 held under the theme:

"Promoting Regional Value Chains in Africa: A Pathway for Accelerating Africa's Structural Transformation, Industrialization and Pharmaceutical Production"
Every 20th of November each year, Africa recognizes and celebrates the Africa Industrialization Day (AID). The commemoration of this day, was adopted by the Assembly Of Heads Of State And Government Of The Organization Of African Unity at its Twenty-fifth Ordinary Session 26th July, 1989 Addis Ababa, (RESOLUTION AHG/Res. 180 (XXV). This was followed by UN General Assembly “UNGA” Resolution 44/237 of 22 December 1989.

This year’s commemoration provides us a unique opportunity to re-affirm the commitments of African Union Member States and the international community towards accelerating inclusive and sustainable industrial development of the African continent under the theme “Promoting Regional Value Chains in Africa: A pathway for accelerating Africa’s structural transformation, industrialization and pharmaceutical production.

The development of regional value chains provides an invaluable opportunity for structural transformation, which should result in inclusive and sustainable industrialization. This will no doubt, boost the prospects for member states to reorganize their production activities, stimulate enterprise competitiveness, while at the same time taking advantage of the diverse and abundant Natural resource endowments of Africa. This diversity provides a strong foundation for the development of regional value chains.

The need to promote regional value chains as a way of advancing structural transformation in Africa is clearly reiterated in various important frameworks that focus on supporting Africa’s industrialization, at a time when the continent is accelerating regional integration that has the potential to diversify African economies and boost competitiveness. Industrialization in Africa is promoted by the following policy instruments: the Third Industrial Development Decade for Africa adopted by the United General Assembly in July 2016 covering the period 2016-2025; the African Continental Free Trade Agreement (AfCFTA) launched in March 2018 in Kigali; Africa’s Agenda 2063 and its Seven Aspirations; United Nations Sustainable Development Goals (Agenda 2030), in particular through Sustainable Development Goal 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation); the
Addis Ababa Plan of Action on Financing for Development; and other multilateral and bilateral initiatives.

The successful implementation of all these key policy frameworks requires efforts to be directed towards enhancing key elements of industrial productive capacities such as infrastructure, technology (through innovation and technology transfer), industrial finance, enabling environment for Small and Medium Industries, industrial entrepreneurship, industrial knowledge and skills, and institutions that regulate industrial development.

The AfCFTA is expected to lead to the integration of the African continent into a single market that will provide great opportunities for industrial and trading enterprises, businesses and consumers, across Africa. The AfCFTA is an emerging market of 1.2 billion people with combined gross domestic product (GDP) of $2.5 trillion, with average tariffs of 6.1 per cent, businesses in Africa currently face higher tariffs when they export within Africa. Trade liberalization under the AfCFTA will make it more competitive to produce and trade in Africa. We in this respect urge African Union Member States to fast track the ratification of AfCFTA agreement.

Mobilizing international partnership to industrialize Africa was reaffirmed during the second high level UNGA side event, held in New York 26th of September 2018 held under the theme “Enhancing Global Partnerships for IDDA III – Key for Successful Implementation of the African Continental Free Trade Area (AfCFTA)”.

Africa’s pharmaceutical market is one of the fastest growing in the world, estimated at US$60 billion by the end of 2020. However, the vast majority of medicines and medical products that are consumed in Africa are imported. A strong pharmaceutical industry in Africa, with high quality standards that caters for its citizen’s needs, undoubtedly will contribute to sustainable development and improved public health. A regional perspective will create effective policies and create sufficiently large markets that will make local production in Africa to become
sustainable. We, in this respect, reaffirm our commitment to the development of the African Pharmaceutical Sector.

We also note with appreciation that the African Union Commission African Union and its partners have made progress towards improving the regulation of the pharmaceutical industry in accordance with the African Pharmaceutical Manufacturing Plan for Africa. In May 2018, African Ministers of Ministers of Health endorsed a draft Treaty for the establishment of the African Medicines Agency. The Africa Medicines Agency as a continental organization will promote the regulation of medicines and medical products through the harmonization of medical products regulatory policies and standards.

We also note that the African Industrialization Day 2018 represents an important occasion to raise awareness on the importance of a concerted programmatic approach to the promotion of rapid and inclusive industrialization in Africa. We are also confident that the commemoration seeks to enhance consciousness and understanding of the opportunities and challenges associated with the industrialization drive on the continent and mobilize African leaders, policy makers, and private sector and development cooperating partners to enhance dialogue on the pan-African industrialization agenda, with emphasis on how development of regional value chains can be a major catalyst towards boosting industrial production capacity. The commemoration featured a series of events that included a forum on Regional Value Chains, a Symposium on Special Economic Zones (SEZs) and Green Industrialization, Africa Enterprise Network and SMEs development, Financing industrialization, and a session on Youth Migration and Women Entrepreneurship.