



DG's Key Note Speech at Hannover Messe

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Excellencies, Ladies and Gentlemen,

It is a great privilege for me to be with you at this important event. I would like to express my sincerest of thanks to the Federal Ministry for Economic Cooperation and Development and the Federation of German Industries for organizing this event and for inviting the United Nations Industrial Development Organization UNIDO to participate actively.

The importance of this forum is reinforced as we take stock of progress made in the cooperation between policy makers and the private sector in the implementation of the Agenda 2030 for Sustainable Development. I am grateful to have witnessed (and continue to see) many successful initiatives and tools that have been developed since the 2030 Agenda for Sustainable Development was adopted by the General Assembly in September 2015. It is truly encouraging that more and more companies are introducing the SDGs as an integral part of their business models, and in doing so, actively contributing to this action-oriented framework.

Africa is a continent that has many opportunities for growth. Across Sub-Saharan Africa, phones now act as banks for millions of Africans who were unable to open a traditional bank account. With the touch of a button, small farmers can find out how much they should be charging for their crops. People can buy solar energy using a phone, get their health examined in rural Cameroon using a medical tablet, or have blood delivered by drones in Rwanda.

Foreign direct investments into Africa's manufacturing sector have increased significantly. East Africa, for instance, has become a prime investment destination, especially in light manufacturing. Textile and garment companies from Bangladesh, China and Turkey are setting up factories for export to the European

Union and North America. Investments totaled USD 2.2 billion in Ethiopia alone last year. FDI flows to Kenya reached a record level of USD 1.4 billion in 2015! These are all very positive and encouraging trends.

More of such success stories are needed. Today, we will look at how we can work together to boost technology transfer and investments in Africa to drive industrialization, job creation, and inclusive and sustainable growth.

Excellencies, Ladies and Gentlemen,

The 2030 Agenda for Sustainable Development emphasizes the importance of industrialization for poverty reduction in its Sustainable Development Goal 9 aimed to “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”. Industry creates jobs and is the engine for growth and prosperity.

This is why Africa – which also hosts the majority of least developed countries – needs to industrialize. As we can see from other world regions, the industrialization process does not necessarily have to follow a linear, sequential path. With the onset of the new industrial revolution or the Fourth Industrial Revolution, leapfrogging is possible.

Desirable manufacturing locations, with the Fourth Industrial Revolution, are now influenced by how companies can effectively take advantage of new technologies. The future of industrial development, and manufacturing is likely to require special attention in the coming years.

For Africa to leapfrog into the future of industrial development, a number of conditions must be met, including investments in infrastructure, having the right regulatory environment for new business models to be tested, and paying due

attention to research and development, science and technology. I consider the following issues to be of priority for Africa's industrialization:

- Strategies that embrace digitization be pursued with equal priority in Africa.
- Connectivity that enable businesses to digitize, to collect data as it will be as important as roads and ports to realize Africa's industrialization objective by 2025.
- Access to energy for connectivity and digitization.
- Human-machine interoperability and related standards are also critical. With numerous sources of data and heterogeneous devices, the use of standard interfaces between these diverse entities is important for the Fourth Industrial Revolution.
- Digital literacy and digital knowledge in addition to science, technology, engineering and math (STEM) qualifications will be necessary. Continuous learning and on-the-job training to develop the new skills required will be important.
- Finally, effective policies that create an enabling environment for the private sector to grow and sustain. Imperative for innovation in many sectors are affordable access to basic infrastructure, prudent legislation and provision of adequate finance.

Excellencies, Ladies and Gentlemen,

The positive economic momentum that we see in Africa must be sustained to generate inclusive and sustainable long-term growth. As we know, growth is not always inclusive and too many people still live in poverty across Africa.

With the continuous development of the Fourth Industrial Revolution, we need to ask: How can we promote technology and investments to Africa to fuel its future, industrialize and achieve the SDGs? Evidence shows that increased investment and technology flows create new jobs, generate income and help diversify the economy by expanding the production base while improving market access and infrastructure development.

The platform provided by Hannover Messe is an important avenue for Africa, and other developing countries to hear and learn about key technologies for core areas of industry. It is therefore such an honour for UNIDO to be here at this Forum particularly given UNIDO's mandate to promote industrial development. We are also the UN agency that has been tasked to lead the implementation of the United Nation's Third Industrial Development Decade for Africa, 2016-2025.

As innovation goes hand in hand with industrialization, UNIDO, , as means to improve effectiveness and maximize development impact, is now implementing its innovative Programme for Country Partnership approach –the PCP. The PCP aims to increase large-scale public and private investment to accelerate the national industrial development agenda. It was piloted in Ethiopia and Senegal, and we the PCP for Ethiopia has already helped mobilize more than USD 300 million for the development of integrated agro-industrial parks. In Senegal, the PCP has mobilized over USD 90 million for the development of the industrial park of Diamniadio.

Excellencies, Ladies and Gentlemen,

UNIDO also supports the promotion of foreign direct investment, and we do this through interventions focused on capacity building services and networking. UNIDO operates a network of Investment and Technology Promotion Offices (ITPOs), strategically located in industrialized and developing countries. Our

ITPOs provide matchmaking services for companies in host and developing countries where they promote technology transfer, with a focus on green industries; strengthen the institutional capacity of public and private partners, in particular investment promotion agencies (IPAs).

For example our ITPO in Germany plays a critical role with regards to UNIDO's activities at Hannover Messe. We have delegates from Ethiopia, Morocco and Senegal to present their business opportunities here today.

In addition, UNIDO and its institutional partner, the World Association of Investment Promotion Agencies (WAIPA) is jointly promoting our work on mobilizing sustainable investment through global networking and partnerships. We are pleased to be hosting a number of investment promotion agencies from around the world as well as regional organizations like the Common Market for Eastern and Southern Africa (COMESA) and the Caribbean Association of Investment Promotion Agencies (CAIPA).

These are only a few examples on how UNIDO works with the international fora, governments, and businesses to realize the potential that the Fourth Industrial Revolution has for the achievement of the SDGs.

I hope that you will leave this Forum excited over the prospects for technology transfer and investment in Africa. UNIDO is ready to bring to the fore its expertise, partnerships and network to join hands with all of you, as partners in helping Africa overcome its challenges. By working together, we can help Africa achieve the Sustainable Development Goals, particularly SDG 9.

I wish you all successful deliberations and a productive B2B-Workshop. You are also invited to visit us at Stand D18 in this hall. Thank you.