



Federal Democratic Republic of Ethiopia
የኢትዮጵያ ፌዴራላዊ ዲሞክራሲያዊ ሪፐብሊክ



Opening Speech

His Excellency Hailemariam Dessalegn,
Prime Minister of the Federal Democratic Republic of Ethiopia

Financing for Inclusive, Sustainable Industrial Development
(ISID)

Special Event to the 3rd International Conference on Finance
for Development

July 14 2015
Addis Ababa, Ethiopia

H.E. Mr. Mahammed Dionne, Prime Minister of Senegal,
H.E. Mr. Ban Ki-moon, Secretary-General of the United Nations,
Distinguished Invited Guests and Participants,
Ladies and Gentlemen,

On behalf of the Government and People of Federal Democratic Republic of Ethiopia, and indeed on my behalf, I have the honor to extend to you all a warm welcome to Addis Ababa and to this crucial forum on **Inclusive and Sustainable Industrial Development (ISID)**. I would like to congratulate UNIDO for organizing this forum in collaboration with the UN Economic Commission for Africa and the governments of Senegal and Ethiopia. The forum has special significance in both its timing and focus as we gather here to discuss how we finance and implement the post-2015 agenda. I believe that the concept of Inclusive and Sustainable Industrial Development goes right to the heart of the Sustainable Development Goals.

It is needless to say that high state of economic and social development is unthinkable without having developed and advanced industrialized sector. Neither history nor practice proves otherwise. Making industrialization inclusive and sustainable has remained a challenge. Yet, those of us who are at early stages of industrialization and economic transformation are in a better position to foresee an inclusive and sustainable industrial development.

**Excellencies,
Honorable Delegates,
Ladies and Gentlemen,**

Inclusive Industrial Development ensures that no one is left behind. It promotes social equality within populations by sharing benefits of the generated prosperity for all parties involved. In the post-2015 era, developing countries should further strengthen their pursuit of inclusive and sustainable Industrial development. The roles of agriculture, private sector, foreign direct investment and infrastructure are significant in this regard. The Developed world on its part should take necessary actions to further support the endeavors of poor countries to progress towards inclusive industrialization by availing technologies, skills and knowledge as well as finances.

Most of you in this room will agree with me that agriculture is the major driver of early industrialization both as a push and pull factor; as source of supply to agro-industries and market outlet for their products. We should therefore continuously increase the production level of our agriculture and strengthen deeper linkages with agro-processing and value-addition in various sectors. We should also enhance the engagement of domestic and international private sector, especially in manufacturing and industry. Sustained investment in transport, energy, water and communications and information technology are critical to enhance inclusive industrial development. It is therefore imperative that governments, policy makers and the private sector begin to jointly evolve measures for inclusive and sustainable industrial development.

Excellencies,

Honorable Delegates,

Ladies and Gentlemen,

Inclusive and Sustainable Industrial development is very much in line with the development paradigm Ethiopia has embarked on. Evidences clearly show that the double digit growth Ethiopia has registered for several years is not only by all standards fast paced but also inclusive and broad based. According to World Bank data, our Gini coefficient inequality score is just 29.8: the lowest of any African country, and just a few points above global leaders like Sweden and Norway. The performance of our agriculture sector has been impressive. We have managed to increase overall output by over ten-fold. But this can't be reason for complacency. We should maintain the momentum and transform the structure of our economy. We should develop the manufacturing sector especially the agro-industry sector and make sure that it is inclusive and sustainable.

We are clear that our agro-industrialization process should integrate the economic, social and environmental dimensions to ensure sustainability. We are already taking proactive measures to lay the foundation to bring about accelerated industrialization process. That is one of the reasons why we have integrated the issue of climate change and sustainable development in our mainstream development planning and submitted our ambitious INDC to the UN Climate Convention secretariat last June.

We are also continuing to heavily invest on infrastructure and on developing the necessary human capital with the required skills and know how. We are upgrading our trunk roads, constructing new rail links, turning Ethiopian Airlines into a major regional carrier, and undertaking a massive energy investment program designed to turn us into a leading power exporter for the whole of East Africa. We are setting up industrial zones and agro-food parks which are expected to serve as epicenter of agro-industrial transformation process in our country.

However, as an emerging economy, we are very much aware that we need to remain focused and allocate our scarce resources on few impactful sectors such as textile, leather and agro-food industry, where we feel we have the largest potential, competitive and comparative advantage and can accrue maximum benefits in terms of revenue and job creation.

The foreign direct investment we have managed to attract over the last three to four years has made the contribution of FDI to national GDP rise from just 0.4% to over 4%. Even though the real volume of investments is small, the rate of growth is astounding. This is a clear indication to us that we are doing something that the international business community has found attractive to invest in Ethiopia. That's why I'm especially pleased this ISID Forum is focused specifically on multi-stakeholder partnerships for mobilizing and up-scaling financing for

industrial development. We are determined to forge new partnerships with international agencies like UNIDO; with other governments, with our development partners both in the North and South; with business, from the largest multinational companies to the smallest micro-enterprises; with civil society, with academia, and with ordinary people.

We are inspired by how Brazil has shown that it is possible to combine fast growth with decreasing inequality – we want to show similar leadership in a Least Developed Country context.

Excellencies,

Honorable Delegates,

Ladies and Gentlemen,

This is a historic moment for us, we have managed to register sustained growth, and we feel that all we need to do is keep up the momentum, diversify our economy and build a competitive, agriculture-based light manufacturing industry led economy. I believe it is a unique moment for all partners including development organizations, the international business community and donor countries to be part of the history in the making. I have no doubt that the blend of noted personalities from the UN, international business community and the academia represented here will help us sharpen our thoughts on Inclusive and Sustainable Industrial Development agenda and our quest to bring about structural changes to transform the economies of our countries.

Finally, I would like to wish all participants that the partnership we are building will gather strength, grow and expand to help countries exploit their untapped potential in agriculture to build economically, socially and environmentally sound inclusive and sustainable agro-industry sector. With these few remarks it is my pleasure to declare financing for ISID Special Event officially open.

I Thank You!