



Joint Statement of the AUC, UNIDO, UNECA:
Africa Industrialization Day, 20 November 2019

Theme:
***"Positioning African Industry to Supply the African
Continental Free Trade Area (AfCFTA) Market"***

Excellences,

Ladies and Gentlemen,

Distinguished Guests.

Twentieth of November is a landmark date that recognizes and celebrates the Africa Industrialization Day (AID). The day was adopted by the ASSEMBLY OF HEADS OF STATE AND GOVERNMENT of the ORGANIZATION OF AFRICAN UNITY at its Twenty-fifth Ordinary Session held on 26 July, 1989 Addis Ababa, RESOLUTION AHG/Res. 180 (XXV), which was endorsed by the UN General Assembly “UNGA” **Resolution 44/237** of 22 December 1989.

This year’s celebration provides us a renewed opportunity to re-affirm the commitments of African Union (AU) Member States and the international community towards accelerating the inclusive and sustainable industrial development of the African continent under the theme, “***Positioning African Industry to Supply the AfCFTA Market***”. This year’s theme for AID builds upon the positive outcomes of the inaugural 2018 African Industrialization Week. The choice of the theme, could not have been by coincidence, particularly given that it comes hard on the heels of the successful launch of the Operational Phase of the AfCFTA on 7 July 2019 at the Extra-Ordinary Summit of the Africa Union Heads of State and Government (HoS/G) in Niamey, Niger.

Thus, with free trade dawning on 1 July 2020, the need to reposition industrial production to enhance the supply response to the enlarged pan-African market requires prioritization in the programming frame, at member states, regional and continental levels. With the AfCFTA ushering in a huge regional market potential to the tune of close to US\$3 trillion, and a consumer base of 1.27 billion, the FTA is a timely and adequate initiative to augment Africa’s collective response to withstand global competitive pressures for efficiency gains.

The Africa Industrialization Day 2019 thus presents a very important occasion to raise awareness of the industrialization challenges and strides being made on structural transformation on the continent. This is also an opportunity for stakeholders to share ideas and best practices and foster regional, continental and global cooperation for accelerated industrialization in Africa. If the continent is to fully realize the benefits of an effective and functioning AfCFTA, new industrialization needs should feature prominently in our development agenda at the continental, regional and member state levels. Apt response to seize opportunities calls for a review of the continent's pattern of production, with a view to accelerate modern industrial applications of Africa's resource endowments.

The geographical expansion of commodity belts through value addition, benefiting from the new ingredients of industrial modernization available across countries, could indeed be an effective means to climb the ladder of value addition. By promoting intra-African trade, the AfCFTA is expected to nurture a more competitive and diversified manufacturing sector. The removal of tariffs will create a continental market that allows companies to benefit from economies of scale. The success of the AfCFTA in increasing the supply response hinges largely on the continent's determined efforts to remove supply-side rigidities and infrastructural bottlenecks to reduce significantly the cost of production and cost of doing business across borders.

The effective participation of all groups, especially women and the youth in line with the demographic composition of the continent, will be key if the continent intends to reap the full benefits of the grand pan-African FTA. To ensure the sustainability and effective implementation of AfCFTA, Africa must diversify its economies and production to boost trade among our member states, remaining mindful of the need to absorb the bulging youthful population and to embrace gender mainstreaming. **We therefore, urge African states to deploy energies towards implementing the ancillary, yet strategic activities during the intervening period leading to 1 July 2020, when formal free trade commences, to ensure a seamless transition to the FTA.**

Given the urgency to boost industry's capacity to supply the AfCFTA market, this year's celebrations will also focus on exploring tools, and business instruments that strengthen industry's capacity to anchor on the continent, as they seek to exploit scale economies ushered in by the pan-African free trade regime. The African Union Commission has thus partnered with institutions that bring the necessary investment capital to the continent, that is: **the International Trade Centre, (ITC), Geneva; the Korea – Africa Foundation, bringing 20 Start – Ups; Regional Economic Committees (RECs); UNIDO; UNECA; GIZ; Afreximbank; AfDB; EU and African Free Zones Organization (AFZO).**

This year we have thus deliberately shifted beyond building political advocacy on the continent's industrialization, and swung towards creating the platform for formal business transactions. In this regard, the promotion of domestic and foreign investment, has been given prominence in the celebrations. The celebrations will be capped by the participation of more than 1000 high profile multi-stakeholder delegates drawn from the private sector, public sector, civil society, Development partners, trade and industry think tanks. Our partnership with the Korea-Africa Foundation brings in life to the SMEs, with emphasis placed on the promotion of Business Startups, an area our partners have an edge on us.

The sectoral profile of the Business Start-Ups that the Korea-Africa Foundation is exhibiting includes: **high tech companies, manufactures, tourism, medicare, automotive, textiles, fertilizers, and financial sector.** Ironically, these turn out to be critical areas for Africa's economic transformation in the medium- to- long-term. To enhance prospects for business tie-ups, B2B meetings will also feature prominently throughout the entire week. Industrialization brings about greater value addition and product diversification. It also unleashes creative capacities including manufacturing's capacity for innovation, which will set the continent on the course to re-configure its production value system and move toward self-reliance, regional value chain development, and cross-border regional production systems.

Advocacy for industrialization has also been gaining remarkable momentum and traction, and in this direction the United Nations has led a global response to re-position the industrialization pathway for the continent. Thus, the United Nations General Assembly (UNGA) adopted **Resolution A/RES/70/293** on 25 July 2016, which proclaimed the period 2016-2025¹ as the Third Industrial Development Decade for Africa (IDDA III) to rally global partnerships and efforts to work as a collective effort to drive structural transformation in Africa. IDDA III builds on and expands the *acquis* of IDDA I (1980-1990) and IDDA II (1993-2002), both of which sought to promote internal engines of growth, by leveraging on Africa's wealth and natural resources to enable Africa to progressively achieve self-reliance through inclusive and sustainable industrialization.

The IDDA III proclamation underscores the need for the continent to take urgent action to advance sustainable and inclusive industrialization as a key element of furthering value addition, economic diversification and job creation; thus reducing poverty and enhancing the continent's capacity to deliver on Agenda 2063. IDDA III is therefore, both a timely and welcomed global initiative.

The successful implementation of these key frameworks require strong partnerships, and coordination with other stakeholders including the private sector within and beyond the continent. Robust public-private partnerships with multi-stakeholders must be enhanced for investment in sustainable industrialization and for facilitating access of SMEs to business development services. Special emphasis shall be placed on agriculture, infrastructure, energy including renewable energy and energy efficiency, SME development, innovation, quality infrastructure, technology transfer, product diversification, trade capacity building, industrial policy, special economic zones and industrial parks.

¹ **The period 2016 -2025:** The Decade is not an isolated initiative, but the outcome of an inspiration anchored around several multilateral and bilateral frameworks that include Agenda 2063, Agenda 2030 for Sustainable Development Goals, 2030, AIDA, G20 Initiative on Supporting Industrialization in Africa and LDCs, and the Germany's Marshal Plan for Africa, the Africa Continental Free Trade Area (AfCFTA), and other bilateral frameworks across Asia, and Europe that seek to strengthen the continent's development prospects in medium- to- long-term.

The Africa Industrialization Week 2019 will thus galvanize the support and partnerships, that will help Africa address its industrialization through mobilizing, regional, continental and global capital to boost the continent's prospects to deliver structural transformation, and thus fulfil the aspirations of Agenda 2063, and build the Africa We Want, whilst at the same time boosting its capacity to meet the SDGs by 2030. The African Union's "*Agenda 2063, The Africa We Want*" identifies the centrality of industrialization as motor that will drive social and economic structural transformation in the continent.

The AUC, UNECA and UNIDO are, therefore, through the organization of this Africa Industrialization Day and Week, with one voice calling on all stakeholders to support the sustainable and inclusive industrialization of the continent.

We wish all the participants and delegates an excellent and fruitful celebration of Africa Industrialization Day and Week 2019.

Thank you.