

**17<sup>th</sup> Extraordinary Summit on Industrialization and Economic  
Diversification and  
The Extraordinary Session on AfCFTA  
Meeting of the Executive Council**

**Theme:**

***Industrialization and Economic Diversification***

**Statement**

**By**

**Antonio Pedro**

**Acting Executive Secretary of the United Nations Economic  
Commission for Africa (ECA)**

**Niamey, 23 November 2022**

**Her Excellency, Madam Aissata Tall Sall, Minister of Foreign Affairs  
of the Republic of Senegal and Chairperson of the Executive Council**

His Excellency, Hassoumi Massoudou, Minister of Foreign Affairs,  
Republic of Niger

**His Excellency Mr. Moussa Faki Mahamat, Chairperson of the African  
Union Commission,**

**Her Excellency, Dr. Monique Nsanzabaganwa, Deputy Chairperson of  
the African Union Commission,**

**Honourable Ministers,**

**African Union Commissioners,**

**Heads of Regional Economic Communities,**

**Ambassadors and Heads of Mission,**

**Distinguished guests,**

**Ladies and Gentlemen**

First and foremost, I would like also to express my sincere appreciation to the Government and the people of the Republic of Niger, for the warm hospitality extended to all of us attending this year's AU Summit and Africa Industrialization Week.

I would also like to congratulate the Africa Union for the timely selection of the theme of the 17<sup>th</sup> extraordinary summit on ***industrialization and economic diversification, a credible pathway to enabling the continent to claim Agenda 2030 and 2063.***

## **Excellencies, Ladies and Gentlemen**

Africa's level of economic diversification is low, compared to other regions. UNCTAD's diversification index suggests that African export diversification is roughly half the level of the America's, Asia, and Europe.

The continent exports are concentrated, by design and by legacy, on a limited range of primary products, often derived from the extractive sector.

This has resulted in low levels of export diversification, and has exposed African countries to the vagaries of commodity price fluctuations, often triggering macro-economic instability which we are ill equipped to respond to.

Between 2016 and 2021, oil accounted for the largest share of African's total exports, averaging at 37% over the period.

Intra-African trade, on the other hand, is more balanced.

In that same period, intra-African trade in mineral fuels averaged only around 20%, while manufactured goods accounted for 44% and food items another 20%.

Clearly, intra-Africa trade is significantly more conducive to fast tracking the continent's industrialization than Africa's trade with the rest of the world.

Linking the discussion on industrialization and economic diversification to the implementation of the AfCFTA, therefore, makes perfect sense, underscoring the need to align industrial and trade policy as a way forward.

**Excellencies, ladies and gentlemen,**

An Africa that increasingly trades with itself in a diverse range of products is a credible option to build a resilient Africa that can withstand external shocks.

The continent has suffered more than other regions from the COVID-19 pandemic and from the impact of the conflict in Ukraine, in large part due to its excessive dependency on imports. On both occasions though, we have managed to find innovative solutions to reducing the negative impacts of the crises.

We have always known that Africa's sustainable economic transformation requires ***an accelerated and sustainable industrialization***.

It is high time that we learn the lessons fast, seize the opportunities inherent in these crises by diversifying our economic base, enhancing our research and development capacity, and investing in industrialization.

***That way lies Africa's renaissance.***

**Excellencies, ladies and gentlemen,**

The AfCFTA is a critical tool to support this transition.

It provides the continent with a blueprint for a faster and effective industrialization, by putting in place necessary conditions for transformational investment, diversification and sustainable development in Africa.

Industrialization is not an option for our continent; it is indeed an imperative. Simply put, by adding value to Africa's natural and mineral resources here on the continent, we can turn ***the persistent bane of our resources into a persistent boon***.

As we drive industrialization, we also need to realize that ***industrialization is not an event, but it is a process, and a long one at that***.

And, of course, we should be mindful that **industrialization is not the business of Ministries of Industry alone**. Instead, the implementation of true industrial policy requires a whole of government and beyond approach and action.

It requires aligning industrial, trade and other sectoral policies and putting science technology and innovation at the centre to ensure that we remain globally competitive beyond our initial endowments and comparative advantages.

**Excellencies, Ladies and Gentlemen,**

Africa has the opportunity to pursue its industrialization in a green, inclusive and sustainable way.

It also has the opportunity to do so now, by utilizing all of its resources.

Africa possesses 60% solar irradiation in the world, 70% of cobalt global production and significant reserves of other battery minerals, world class carbon sink assets in our forests and peatlands, huge green hydrogen potential, to name a few.

These assets can position the continent to become a powerhouse and a globally competitive investment destination for multisectoral investments combining climate action, job creation and industrialization.

**Excellencies, Ladies and Gentlemen,**

We often dedicate significant time and resources to attract foreign direct investment.

However, equally important, we should put significant efforts in creating favorable conditions that promote domestic investment and investors facilitating an emergence of more African captains of industry.

Let us not be naïve.

Achieving our strategic goals in line with the aspirations of Agenda 2063 will require leadership, common action and geo-strategic engagement that is focused and well targeted; in which we use our bargaining power effectively, the implementation of the AU commodity strategy being a case in point.

In closing, I would like to affirm that the entire UN system at the global, continental, subregional and national level is fully committed to supporting the AU in achieving Africa's sustainable and inclusive industrialization and economic diversification.

I thank you very much for your kind attention.