



AFRICA INDUSTRIALIZATION DAY

**Theme: "INDUSTRIALIZING AFRICA: RENEWED COMMITMENT TOWARDS
INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND ECONOMIC
DIVERSIFICATION".**

JOINT STATEMENT BY;

African Union Commission (AUC);

African Union Development Agency (AUDA-NEPAD);

United Nations Industrial Development Organization (UNIDO),

United Nations Economic Community for Africa (UNECA)

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This is a joint Statement of the AUC, AUDA-NEPAD, UNIDO, UNECA on the occasion of the Africa Industrialization Day

Theme: "INDUSTRIALIZING AFRICA: RENEWED COMMITMENT TOWARDS INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION".

Excellencies,

Ladies and gentlemen,

The Africa Industrialization Day is being celebrated this year in a completely uncertain global landscape owing to the prolonged effects of the COVID-19 pandemic, the pressing challenges posed by climate change and the Russia-Ukraine conflict that have disrupted the global supply chains with huge consequences globally and more fundamentally on African economies.

These circumstances have once again revealed the extreme fragility of African economies against external shocks and reinforced the need for structural changes necessary for the acceleration of productive transformation through a determined shift towards sustainable and resilient industrialization in the years and decades ahead.

Considering endemic factors that have stifled the Africa's economic transformation, it is important to reassess the continent's capabilities in the face of external shocks. In this regard, it is important for the African Union Member States to set up innovative and inclusive institutions capable of designing and implementing effective industrial policies and processes that will advance socio-economic transformation, as stipulated in global and continental frameworks such as the African Union Agenda 2063, the United Nations Sustainable Development Goals and the Third Industrial Development Decade for Africa (IDDA III).

As the Africa Industrialization Day provides the opportunity to take stock of the progress made during the year on the drive towards industrialization, it also provides, this year, a

policy dialogue platform to firmly recommit to accelerating structural transformation. Africa is widely seen as a future investment and development frontier given its extraordinary economic potential. This year's theme: **"Industrializing Africa: renewed commitment towards Inclusive and Sustainable Industrialization and Economic Diversification"** allows us to reflect on the need for accelerating industrialization in Africa as a means to strengthen its ability to navigate a changing geopolitical landscape where nearshoring appears to be an effective response to potential disruption of global supply chains.

In that context, Africa must continue to ride on the huge potential it has in various areas including in agriculture and agro-processing. Statistics show that the continent can, if the right investments are made, become the food basket of the world given its 60 percent endowment in global uncultivated arable lands. To achieve this, there is need for determined commitment and implementation by African leaders and the private sector in investing massively in agricultural transformation and meeting the target of sustainably allocating 10 percent of public expenditure to agriculture as prescribed in the 2014 Malabo Declaration "Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods". It is critical to move from food emergency to sustainable and resilient food production in the years and decades to come.

As Agriculture is an economic opportunity enhancer, it must therefore remain a priority investment area for accelerated Africa's industrialization in the perspective of reducing continental exposure to external future shocks. In the context of the African Continental Free Trade Area, an agricultural driven industrialization will harness the regional linkages and be critical in creating new and strengthening strategic regional value chains that bring prosperity for all the segments of Africa's population and mainly for SMEs, women, and youth.

Investing in strategic value chains such as the cotton and apparels industry as well as the pharmaceutical industry is critical to improving Africa's resilience to future health and pandemics. We salute efforts so far deployed at national, regional and continental levels to ensure that essential medicines are produced and supplied to African citizens. The

setup of national and regional continental medicines production centers is deemed critical in developing sustainable regional pharmaceutical value chains in the framework of the African Medicine Agency (AMA) as a means to accelerating implementation of the objectives of the Pharmaceutical Manufacturing Plan for Africa (PMPA). In the cotton and apparels industry, there is need for a comprehensive approach that allows Africa to take advantage of the economic opportunities in this vital sector for jobs and the wellbeing of African people.

The disruption of global supply chains also opens a window of opportunity to harness a strategic commodity-oriented industrialization in a climate friendly manner. Africa has the huge potential of embracing this shift through targeted investments in commodity value chains including in the framework of the Africa's Mining Vision that sets actionable priorities for Africa's mining sector that can become a key enabler of a diversified, vibrant and globally competitive industrial African economy. Accelerating productive transformation in this strategic sector requires a strategic shift from the traditional extraction and export of commodities to massive investments in productive transformation and industrialization in Africa. This need and can be done if there is a renewed commitment by all parties, public and private to transform African commodities as a means to widen continental economic opportunities through innovation and jobs creation.

In this regard, we call upon African governments to continue stepping up their efforts in improving Africa's business and investment environment. The immediate domestication and implementation of the African Union Commodity Strategy is therefore key as it effectively articulates all these issues and provides a turn key solution for the utilization of the African Commodities sector. Efforts in that direction are already tremendous and need to be further strengthened to turn Africa's potential to real business opportunities for the good and wellbeing of African citizens.

On the environment side and in order to address the growing challenges, Africa also needs to undertake deliberate actions. Although Africa accounts for a negligible 3% of cumulative worldwide CO₂ emissions. historically it is faced with magnitude effects of

climate change and extreme weather events that disproportionately affect the continent, with severe economic, social, and environmental consequences. This calls for massive investments for adaptation. According to estimates by the African Development Bank, Africa received 3% of global climate financing and will be faced with a climate financing gap of about \$100 billion to \$127 billion per year through 2030 if corrective investment measures are not taken now.

Despite global consensus and commitments under the Paris Agreement, it is important to note that the current climate financing architecture is not meeting the substantive needs of Africa. Estimates by the African Economic Outlook of the African Development Bank shows that Africa will need between 1.3 and 1.6 trillion dollars between 2020-2030, or \$118 billion to \$ 145 billion annually, to implement its commitments to the Paris Agreement and its nationally determined contributions.

The private sector should be seen as an excellent engine for Africa's industrialization, economic transformation and growth and for this to happen, we need to appropriately empower it. To this end, certain conditions need to be met including climate-proofed 'hard' and 'soft' infrastructure; stable macroeconomic conditions; an educated, skilled and healthy workforce; and access to financial services. Africa's private sector also needs to strive for more gender equality and women empowerment if it is to be globally competitive, and for this to result in significantly more intra-African trade in the context of the African Continental Free Trade Area. We recommit to strategically partner with the private sector and strengthen efforts in building a competitive private sector that will be an engine for industrialization and productive transformation to achieve sustainable economic growth and create economic opportunities for African citizens, most notably its women and youth. In this regard, we shall endeavor to deploy targeted support to women and youth as key actors of the industrialization, economic transformation, and growth of the continent, to harness their potential and increase their livelihoods with multiplier economic effects.

As we salute the efforts made so far towards Africa's industrialization, we remain conscious of the tremendous efforts needed to unlock the potential of productive

transformation in the world's most promising continent. Therefore, we need to rethink Africa's strategic engagements with partners to always put African priorities at the center of international negotiations. In this regard, we call upon the international community to strengthen support to Africa's industrialization and economic transformation efforts.

With this background we recall the need to redouble our effort to the implementation of the Action plan for the Accelerated Industrial Development in Africa. Whilst this program was adopted 14 years ago, it has suffered in its implementation. We therefore call upon African Union Member States and international partners to reprioritize its implementation as part of their renewed commitment to Africa's Industrialization and economic diversification.

Delivering on the commitments made in support of Africa's industrialization, vulnerability to climate change and other threats is not a call for charity but rather a call for justice and equal sharing of the burden of common challenges. International cooperation should work to supplement African efforts to address challenges of climate change with a view to achieving inclusive and gradual transition to green growth. A peaceful, united and prosperous Africa which effectively plays its role in the geopolitical and economic world order, constitutes an asset for humanity.

As we gather here in Niamey, Niger, for the celebration of the Africa Industrialization Day which marks the opening of the Africa's Industrialization week-long celebration, we praise the leadership of the Union that will come together on the 25th of November during the Extraordinary Assembly on Industrialization, Economic Diversification and the African Continental Free Trade Area to pronounce action-oriented decisions with a binding action plan aimed at accelerating continental transformative processes with a view to building an island of prosperity that will create exponential economic opportunities for millions of Africans in the coming decades.

With a strong and united voice, the African Union Commission, the African Union Development Agency (AUDA-NEPAD), the United Nations Industrial Development Organization (UNIDO) and the United Nations Economic Commission for Africa (UNECA)

call upon African and global leaders to amplify their efforts to create a space that unlocks the immense potential of Africa through the implementation of the Vision, Aspirations and Goals sets in Agenda 2063 and the United Nations Sustainable Goals (SDGs). This is time to move from commitments to actions through implementation.

We wish you fruitful and happiest commemoration of the Africa Industrialization Day 2022.

ENDS.