PUT MANUFACTURING AT THE CENTRE OF DEVELOPMENT

The popular Korean economist, Ha-Joon Chang, urged Africans to look at different countries for success stories.

“COUNTRIES CAN DECIDE THEIR DEVELOPMENT PATH. Countries become good at things because they want to excel at making those particular things,” renowned Development Economist Mr Ha-Joon Chang told delegates yesterday at the second Annual Adebayo Adedeji Lecture during African Development Week.

Chang, popular author and University of Cambridge development economist, argued that industrialisation is imperative for Africa’s development and wealthy nations. Institutions who advise otherwise are distorting their own histories of development, he maintained.

Citing South Korea as an example of industrialisation success, Mr Chang declared that history is replete with examples of countries forging a different path from the one they were advised to follow by international institutions.

“Most developed economies have succeeded in growing their economies because of infant industries,” argued Mr. Chang. This allowed for the development of skills and protection of the domestic market until such time as industries had matured.

“Infant industry protection creates the ‘space’ for an improvement in productive capabilities, but does not automatically lead to productivity increases.” Chang explained that countries make the common error of not investing in productivity growth areas such as machines, research and skills.

Commodity dependence leaves countries vulnerable to shocks and decline in terms of trade and focusing on...
service industries won’t solve problems of poverty and inequality, argued Chang.
Manufacturing, however, helps to raise productivity, spreads learning and technological progress, and leads to innovations that can be transferred to other sectors.
“You have to learn from other countries,” Chang said, advising countries to develop strategies to locally produce goods and develop local skills to export. “Economic development requires export success.”

Despite prevailing economic orthodoxy, Chang said industrialisation must remain at the centre of African development. Manufacturing and agriculture can work to support each other, he said, and despite World Trade Organisation regulations and the penetration of monopoly producers across international and local global value chains, countries can still find space to reach high levels of development through industrialisation.

The annual lecture was launched in 2014 and named after Adebayo Adedeji, recognizing the former Economic Commission of Africa (ECA) Executive Secretary and United Nations Under-Secretary General for his commitment to development, Africa and humanity.

Adedeji’s son introduced Chang during Sunday’s lecture and the professor spoke on themes explored in his books, criticising the neo-liberal development policies African states have been pressured to adopt by the Bretton Woods Institutions, the Washington Consensus and foreign donors. Using the economic development of South Korea and the US as examples,

In his opening remarks, ECA Executive Secretary Carlos Lopes described Adedeji as a beacon for African development and a builder of institutions, saying that much of ECA’s inspiration for work on industrialisation comes from Mr Chang.

“He provides an excellent mix of history and economics by bringing to us the experience other countries have gone through in their development experience.”

Chang has authored two books, Kicking Away the Ladder and Things They Don’t Tell You About Capitalism, and Economics, and on Sunday launched a third, Transformative Industrial Policy for Africa, launched alongside the ECA’s 2016 Economic Report on Africa.

The inaugural lecture last year was delivered by Donald Kaberuka, former president of the African Development Bank, who left office in 2015. — GN

TRANSFORMATIVE INDUSTRIAL POLICY FOR AFRICA

An excerpt from a new book published by the ECA

As they say, knowledge is power. In the last few decades, developing country policymakers have too readily adopted ‘standard’ free-market, free-trade policies because they are not aware of alternatives and, even if they are, they are not intellectually and politically confident enough to adopt alternative policies.

This is not because those policymakers are less intelligent or less well educated in the conventional sense. It is because developing country policymakers have to spread themselves far more thinly and work under much greater pressure than do their rich country counterparts, due to the meagre financial and human resources that they command. However, as shown by the examples of Korea and Taiwan in the past and of Ethiopia and Uzbekistan today, good industrial policy can be run in difficult circumstances – if the policymakers have decent theoretical and empirical knowledge about industrial policy, and, more importantly, if they have the self-confidence to defy the conventional wisdom.

This report is meant as a tool to help them acquire such knowledge and self-confidence.
GREEN INDUSTRIALISATION
THE ONLY WAY FOR AFRICA

THE ECONOMIC AND ENVIRONMENTAL BENEFITS stemming from greening Africa’s industrialisation make the environmental approach the only viable option for the continent’s continued development, argues the latest Economic Report on Africa, titled Greening Africa’s Industrialization, launched yesterday during African Development Week.

“The time has never been better for African countries to follow this route to development,” reads the report. It found that global commitments to addressing climate change, such as that reached at the Conference of the Parties (COP21) during the United Nations Climate Change Conference in Paris in December, set the stage for partnerships to transform Africa’s growth prospects. “Africa’s move to greener industrialisation is not just a step towards meeting global carbon emission targets – it is a precondition for sustainable and inclusive growth,” the report continues.

Director of the ECA’s Special Initiatives Division Fatima Denton, who worked on the report, said green initiatives offer the continent the opportunity to move from the periphery of the global economy to the centre. “Now it has an incredible opportunity to configure its own industrialisation. It has an opportunity to take advantage of its late-runner status and it has huge potential to become front-runners in this new pathway, to basically reshape its own economies and reshape it in a way that it can own.”

Although African countries’ carbon emissions are low compared to other countries, going green can boost growth, Denton continued. “This is now not an issue of choice any more. We have to take this pathway because of the fact that it makes good economic sense,” she said.

The report says Africa can leapfrog traditional carbon-intensive growth methods and champion low-carbon development. It notes how Africa’s growth has largely been unequal, has been based on the extraction of raw materials, and has damaged biodiversity and natural resources.

How, it asks, can these patterns be transformed while ensuring steady supplies of water, food and energy? “Africa’s move to greener industrialisation is not just a step towards meeting global carbon emission targets – it is a precondition for sustainable and inclusive growth,” it says, noting green initiatives, particularly in energy, can benefit manufacturing and other sectors.

Russell Bishop, a senior economist from the Global Commission on the Economy and climate change said Africa’s future must include a focus on climate change issues. “Africa has the opportunity that has never been achieved in any other economy in the world, which is to grow in a clean way,” he said.

Dr. Celestin Monga, Managing Director of the UN Industrial Development Organisation, however, said the goals are noble but questioned whether they’re realistic. “I think we all agree that going green is a wonderful goal but we also need to be realistic and honest about the trade-offs that it involves. What are we going to do with the fossil fuels that we currently have?” he asked. “I think some of these excellent goals need to be really presented in a very realistic way so that we can see the trade-offs.”

The report, which includes a review of the African economy, also includes studies on 12 African countries where green industrialisation is gaining momentum. It calls for government leaders to support the transformation, develop green visions and strategies, translate them into policies, and engage stakeholders. Central to green industrialisation is decoupling energy, investing in infrastructure, and greening cities and while funding such measures will be difficult, it’s important to start now, it says. — GN
African Development Week 2016

AFRICANS MUST ASK THEIR LEADERS THE DIFFICULT QUESTIONS

Are our difficulties with managing emergencies inevitable or is it in our power to adapt and build resilience to withstand these occurrences because we know they will recur?

AFRICAN LEADERS SHOULD NOT ALLOW THEIR respective economies to be continual victims of circumstances. They should take charge of their destinies to alleviate suffering and give people on the continent hope that the leadership is determined to and capable of changing the fate of the Africa and set it on a new path.

Dr. Nkosazana Dlamini-Zuma, AU Commission chairperson, in her address to yesterday’s Ministerial Roundtable on the impact on Africa of droughts, floods and the commodity crisis.

Dr. Dlamini-Zuma said there was need for African leaders to “change our mindsets and believe in ourselves” if solutions were to be found to the challenges the continent was facing.

“Why, despite the dire situation, are we still recording growth of above 3.5% and are still home to among the fastest growing economies in the world? What drives this growth?” she asked.

The AU chairperson further asked why Africa was still so vulnerable to weather fluctuations, yet this was not the first and certainly not the last time it was experiencing drought or floods.

She went on to ask about the impact of the fall in earnings from commodities on production and revenues, and on the population in terms of jobs, incomes, consumption and poverty.

“What has happened with our tax base, the state of our fiscal deficits and debt? What impact on investments, domestic and foreign, is this having? Is it inevitable that these recurring phenomena constitute emergencies each time they arise? Are our difficulties with managing emergencies inevitable or is it in our power to adapt and build resilience to withstand these occurrences because we know they will recur?”

She said it was Africans’ responses to these questions that would allow them to make progress on the continent’s transformation agenda.

The ACBF’s executive secretary, Prof Emmanuel Nnadozie, said despite the negative impact of declining commodity prices and occurrence of droughts and floods in most parts of Africa, in some countries measures have been successfully developed to tackle the issues.

Water shortages

Giving country reports, a speaker from Lesotho lamented the shortage of water for the majority, at a time the commodity was being exported to South Africa. “Infrastructural development is lacking to enable us to supply our people with the precious commodity, which is in abundance in our country,” he said.

A speaker from Liberia said his country needed to make massive investments in the road network and in energy. “We are aware of what needs to be done for our country to move forward, but are constrained on how we balance conflicting issues,” he said.

A speaker from Benin said his country had addressed the shortage of funding by floating social impact bonds to harness domestic and Diaspora investors.

“We have decided to promote small and medium enterprises but have had to put in place the necessary infrastructure to enable them to operate. And we have seen an increase in our tax base as the SMEs are now part of the tax paying league,” he said.

“We convene this Roundtable to brainstorm what needs to be done, to defend the gains of the last decade, and create policy space to implement the ambitions programmes of transformation that we set for ourselves,” Dr Dlamini-Zuma said. — BT
Les artistes souffrent d’une forme de misère d’édition, de droit d’auteur, mais les médias sont dans un véritable piège et souffrent d’une misère intellectuelle plus profonde, parce qu’ils obéissent au mainstream. Pour combattre ce système, il faudrait qu’il y ait une plateforme non officielle, une sorte de forum citoyen sur Internet, qui fasse remonter les intérêts des sociétés civiles pour que les médias suivent.

Les artistes doivent travailler à la cohésion, travailler à l’identité et combattre l’aliénation identitaire.

Je sais que mes 25 ans de travail pour promouvoir l’Africanité du Maghreb ont eu un véritable impact sur mon public et sur la vision de l’Africanité au Maghreb.

Il y a des gens qui ont réalisé qu’ils étaient Africains, pourtant ils sont blancs.
Country reports show strengths and weaknesses of Africa’s economies

CHALLENGING AS IT IS FOR MANY countries to produce reliable and up to date statistics, the need to do so is critical to enable them to not just own their numbers but to track their progress.

This was the prevailing sentiment at the launch yesterday of ECA’s country profiles covering 20 African nations. The profiles go beyond a description of economic and social performance to include an analysis of the most pressing transformational issues and policies on the continent.


ECA believes that country profiles will assist member states to take more control of their own developmental narratives, putting them in a better position to make evidence-based policy decisions. They are also intended to assist countries to identify niches for transformation.

The broad picture across these countries highlights the relative performance of each. For example, over the 2012-2014 period, 14 of the 20 countries recorded real GDP growth rate above the African average of 3.9%, led by Côte d’Ivoire with GDP growth of 8.5% in 2014, followed by Rwanda and Tanzania.

The data shows that 19 out of the 20 countries examined had current account deficits in 2013 and 2014, with the exception of Botswana. They show poverty levels in the states ranging from Morocco at the top end (0.3%) to Zimbabwe at the bottom (72.3%).

Seven of the countries covered by the reports had inflation levels above the African average of 7%. Three of these had double digit inflation – Sudan at 36.3% in 2013, Guinea 12.3% and Tanzania 10%.

The analysis uses statistics and national data collected from credible domestic sources such as central banks, relevant ministries and others, in line with the push to build Africa’s statistical capacity.

The data reflects five years from 2010 to 2015, with as much collected in this timeframe as possible although not all categories or years are covered in all instances. Estimates are made for 2015 figures and projections for 2016.

Given that more than 60% of African populations still work in agriculture, the country profiles provide broad coverage of the sector. They highlight the importance of accelerated structural change and focus on the need to shift resources out of traditional agricultural into higher value-added activities in manufacturing and services, while not neglecting the importance of modernising the agricultural sector itself.

By 2017, all of Africa’s states will be covered by the survey. – DG

KEY INDICATORS

Real GDP Growth
Over the 2012-2014 period, 14 of the 20 countries recorded real GDP growth rate in excess of the African average of 3.9%. Côte d’Ivoire was the fastest growing economy in 2014 with real GDP growth of 8.5% followed by Rwanda and Tanzania.

Inflation
Out of the 20 African countries, seven experienced an average inflation rate higher than the African average of 7.7% during 2012-2014. Over the period, 3 had double digit inflation rates: Sudan (36.3%), Guinea (12.3%) and Tanzania (10%). Out of the 20 countries, three countries experienced deflation in 2014: Senegal (-1%), Niger (-0.9%) and Zimbabwe (-0.2%).

Current Account Balance
Except Botswana, 19 of the 20 countries were in current account deficit in both 2013 and 2014. Only Botswana has had a current account surplus since 2011.

Fiscal Deficit
Of the 16 countries for which data was available as a % of GDP, 7 countries’ fiscal deficits were worse than the African average of 51% in 2014. The largest fiscal deficits were recorded in Egypt (-12.8% of GDP), São Tomé and Príncipe (-8%) and Central African Republic (-78%).

Net FDI Inflows
Kenya had the largest increase in FDI inflows (98%) in 2014. In volume terms, Republic of Congo attracted $5.5 billion in 2014, up from $2.9 billion in 2013, mostly in extractives. Morocco had the second largest FDI with $3.6 billion in 2014.
African Development Week 2016

THIRTY-EIGHT OF AFRICA’S 54 STATES

are at the coast and two-thirds of Africa’s equivalent land mass lies in its maritime zones under the sea. More than 90% of the continent’s trade is conducted by sea.

This highlights the enormous opportunity presented by water in the continent’s future, delegates at African Development Week heard yesterday.

The statistics supported the case for the continent and countries to develop “blue economies” to support their quest for sustainable growth and economic transformation.

The continent not only benefits from an extensive coastline, it also has some of the biggest fresh water sources in the world. The Great Lakes in central Africa contain the largest proportion of the world’s surface fresh water – 27%, a statistic that makes it a globally strategic resource.

Lake Victoria is the third largest freshwater lake in the world. By volume and depth Lake Tanganyika is the third largest. These are all strategic assets for Africa that are underutilised but represent enormous opportunity to develop new economic activity and more sustainable development.

The inherent opportunities for African in this undeveloped area led the ECA to take the vision for a Blue Economy a step forward with a new publication, Africa’s Blue Economy: A policy handbook, which was launched yesterday at African Development Week 2016.

Leading the discussion at the launch, ECA Executive Secretary Carlos Lopes thanked Dr Nkosazana Dlamini-Zuma for her role in initiating the project and putting the blue economy in the mainstream of Agenda 2062.

In the African Union’s 2050 Africa’s Integrated Maritime Strategy (AIM) the Blue Economy is described as the “new frontier of African Renaissance”.

The African Union has indicated that the blue economy could be a major contributor to an Africa wide shipping industry.

“We have a hidden treasure under our seas which needs to be revealed and help us to transform the continent, said Dr Lopes, he said adding that two-thirds of Africa’s equivalent land mass lies under the sea and large areas of these waters were part of countries’ territorial waters.

Mauritius, for example, had territorial waters that were more than a thousand times the land mass equivalent of the island.

But Africa is still facing multi-faceted challenges preventing it from fully optimising Blue Economy assets.

For example, the size of water resources makes their access, sustainable use and management, as well as preservation and conservation, a daunting challenge for most African states.

Geopolitical issues are also a challenge. The increasingly intense use of the oceans and seas in several economic sectors, combined with the impacts of climate change, has added to the pressure on the marine environment.

Rapid urbanisation is leading to increased pressure on coasts and marine resources. Other threats include: piracy and armed robbery, trafficking of people, illicit narcotics and weapons, weather issues, rising sea levels and ocean acidification, illegal and unregulated fishing, pollution and habitat destruction.

Insufficient knowledge of resources as well as related rights and obligations for African states leads to capacity gaps. A number of maritime and transnational aquatic boundaries are not formally delimited. Insufficient awareness of the applicable legal frameworks and dispute resolution mechanisms and other related capacity gaps exacerbate the problem.

The uncertainty created by undemarcated borders can lead to tension between neighbouring countries. Additionally, this uncertainty may discourage investment and leave countries reticent to move forward with cooperation or joint development activities.

FINDING FORTUNE AT THE BOTTOM OF THE OCEAN

Africa’s Blue Economy prospects are exciting but not without challenges
Les banques centrales africaines face aux pressions externes

La Banque Centrale crée les conditions de la résilience et d’un système financier propice à la transformation de l’économie.


Cela, dans un contexte d’inversion du cycle haussier des cours de matières premières. Pour M. Lopes, la diversification et l’industrialisation restent les meilleurs moyens de réduire la vulnérabilité des économies par rapport aux cours.

Selon le professeur Njuguna Ndung’u, ancien gouverneur de la Banque Centrale du Kenya et éminent économiste, la Banque Centrale a cinq fonctions principales, dont la conduite des politiques monétaires, la gestion du taux de change et la gestion de la soutenabilité de la dette à long terme. En plus de ces fonctions, la banque crée les conditions de la résilience et d’un système financier propice à la transformation de l’économie.

Dans ce contexte d’inversion des taux et des cours des matières premières, l’une des questions importantes soulevées lors de cette table ronde, était de savoir comment les banques centrales arrivaient à maintenir les grands équilibres. Un exercice qui n’est pas de tout repos selon Hallime Driss Boughida, Secrétaire Général de la Banque d’Algérie.

Tout en faisant état d’une gestion prudente des réserves et d’une certaine solidité financière, le banquier note une forte dépréciation de la monnaie nationale algérienne. Le problème réside dans la fixation du taux de change.

A noter que la plupart des économies des pays africains exportateurs de matières premières ont connu de fortes dépréciations par rapport au dollar. La question du taux de change reste sensible aussi en RDC relève la Banque Centrale de ce pays. La gestion prudente des réserves budgétaires ainsi que la gestion du change, restent là aussi deux paramètres essentiels du pilotage macroéconomique.

En dépit de cette discipline, les banques centrales africaines sont confrontées à un défi d’origine extérieure. Comment garantir une bonne rentabilité de leurs placements quand les marchés développés pratiquent des taux négatifs? La structure des économies de ces grands marchés (la dette du Japon dépasse les 22% du PIB) fait craindre une tendance structurelle des taux bas, estime M. Lopes.

En clair, les banques doivent être proactives pour faire face aux situations extrêmes. Comme le rappelle Mme Naglaa Nosahie, assistante du vice gouverneur de la Banque Centrale d’Egypte, les ressources domestiques offrent d’importantes opportunités.

L’Egypte en a fait recours en 2011 en émettant des bonds qui lui ont permis de récolter l’équivalent de 9 milliards de dollars en 7 jours. En plus de cette capacité à mobiliser les fonds, la gestion macroéconomique doit englober aussi la maîtrise des salaires et des dépenses publiques rappelle Mme Nosahie.

Poursuivant le débat, le représentant de la banque de l’Ouganda préconise de voir dans la dépréciation du taux de change une réponse correcte à l’état de l’économie. “La mauvaise réaction dans ce cas serait de vouloir éliminer le change. La bonne réponse se fera sous forme de package combinant plusieurs mesures.”

En fait, poursuit Dr. Louis Kasekende, vice gouverneur de la Banque Centrale d’Ouganda, “l’on utilise souvent les réserves de change pour contenir l’inflation ou le contraire. Mais l’on ne dispose pas d’instruments pour gérer les deux paramètres”.

En conclusion, les banquiers appellent à une gestion dynamique des fondamentaux et à un rôle élargi dans la transformation économique et sociale des économies africaines.

De l’avis des banques centrales, la tendance à la privatisation de la dette publique africaine depuis la vague d’initiatives PPTE (60% de la dette de la Zambie est privée) et la montée de la dette intérieure (12% du PIB de l’Union Economique et Monétaire Ouest Africaine contre 2% il y a dix ans) sont des données à surveiller de près dans les prochaines années. — AD
Transfert de fonds : l’UA encourage la concurrence dans le secteur

LES ENVOIS DE FONDS DES MIGRANTS AFRICAINS ont atteint $66 milliards en 2015. Toutefois, envoyer de l’argent vers l’Afrique coûte plus chère par rapport à la moyenne mondiale. Pour l’Union Africaine, la venue de nouveaux opérateurs permettra de réduire ces coûts de transfert.

L’Institut Africain des transferts de fonds est favorable à l’émergence de nouveaux opérateurs dans le marché des transferts d’argent. « La diversité des acteurs dans ce secteur permettra de réduire les coûts d’envoi. Nous appelons à ce que les réglementations des différents pays facilitent l’activité pour les nouveaux acteurs ». Cette déclaration est de M. Amadou Cissé, Directeur Exécutif par intérim de l’Institut Africain des transferts de fonds, un bureau technique spécialisé de la Commission de l’Union Africaine. Cette position a été réaffirmée hier lors d’un panel portant sur le rôle des gouvernements et des banques centrales pour la baisse des coûts de transfert de fonds.

Pour l’UA, cette nécessaire concurrence dans le marché des envois de fonds, s’explique par la cherté des coûts de transfert d’argent à destination de l’Afrique.

Si le continent a reçu en 2015, plus de 66 milliards de dollars d’argent de la part de 30 millions de migrants africains expatriés, il est établi que l’Afrique est la région du monde la plus chère pour les envois de fonds.

Pour chaque envoi d’argent vers l’Afrique, les établissements de transfert appliquent des tarifs de 8,52% en moyenne, alors qu’ailleurs dans le monde, ce pourcentage se situe à 7,37%. Pourtant, un engagement mondial récemment pris, afin de baisser à 5% les coûts de transfert.

« Nous pouvons épargner jusqu’à 3 milliards de dollars si nous appliquons des tarifs de 5% sur le montant envoyés », indique M. Hailu Kinfe, de l’Institut africain des transferts de fonds.

Par ailleurs, il est important de noter que la cherté des transferts d’argent ne concerne pas uniquement les flux en provenance de l’extérieur du continent. En effet, entre les pays africains, elle est encore plus élevée, avec une moyenne de 13,4%. Cette situation « oblige les migrants à recourir à des canaux informels », constate M. Hailu Kinfe, de l’Institut africain des transferts de fonds.

Conséquence, il est aujourd’hui très difficile de déterminer le montant exact des fonds envoyés vers l’Afrique et entre les États africains. — OB

TOP TWEETS

Carlos Lopes @ECA_Lopes • 5h
"We need to use media as a tool for real change in Africa". @MoAbudu #AfricanDevelopmentWeek

ACBF @ACBF_Official • 6h
Africa’s economic growth has declined from 5,7% in 2002 to 4,6% in 2015 #CoM2016 @ECA_OFFICIAL @EmmanuelNnadozie #AfricanDevelopmentWeek

Didier Habimana @DidierHabimana • 2h
Blue Economy Policy Handbook - tool to equip Africa harness New Frontier of African Renaissance #CoM2016 @ECA_Lopes

Abiebe Abelbayehu @AbiebeAbelbayehu • 6h
"The industrialization Imperative: Why does Africa (still) have to industrialize?" Ha-Joon Chang #AfricanDevelopmentWeek #UNECA

IC Events @ICEventsMbo • 9h
Chang: Developing countries need to upgrade within Global Value Chains and eventually create their own GVCs, which require industrial policy

Nozipho Mbanjwa @TheRealNazi • 9h
"Overcrowding in African cities leads to slums. Urbanisation policy must start with family planning" @nbcasafrica #2016COM

African Business @AfricanBizMag • 9h
Media can create awareness about treaties; implementation comes from awareness @Malingakapwepwa #AfricanDevelopmentWeek

Dianna Games @DiannaGames • 8h
ECA report shows 19 of 20 African countries reviewed had current account deficits 2013-14. Botswana the exception #AfricanDevelopmentWeek

ECA @ECA_OFFICIAL • 2h
Are we exploiting the multilateral policy space enough? Destiny is determined by good policy - @ArkozaCoubar #AfricanDevelopmentWeek

Calestous Juma @Calestous • 3h
#ECA, OFFICIAL Should global share of trade be the focus of regional integration? @Afirninator @CalestainMonga

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RAPID URBANISATION ACROSS AFRICA

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10

Planning for African urbanisation

“African Development Week 2016”

“Planning for African urbanisation”

RAPID URBANISATION ACROSS AFRICA presents an opportunity for increased industrialisation and development on the continent, but governments will need plans and integrated strategies if they want to urbanisation to lead to growth, says Takyiwa Manuh, director of the ECA’s Social Development Policy Division.

“We know that in less than 20 years, more than half of our population will be living in urban areas,” said Manuh in a discussion on urbanisation and industrialisation in Africa. While Africa’s urbanisation rate is second only to Asia, many countries lack the policies to harness the phenomenon for positive development.

“The time to act is now. Much of Africa’s urbanisation is yet to take place,” continued Manuh. “If the continent waits to be more than 50% urban, it might be too late to reverse the unsustainable pathways.”

In Africa, urbanisation hasn’t been accompanied by industrialisation. Currently, 40% of Africa’s population is urban, up from 8% a century ago. Yet many countries have failed to industrialise and continue to rely on resource extraction. Between 1980 and 2014, Africa’s GDP growth per capita compared to urbanisation rates was extremely low compared to other regions. Urban growth still has much to offer industrialisation, said Manuh. A larger number of firms closer together can produce intermediate products leading to cost reductions. It promotes the better matching of skills to workers, can increase productivity, and allow workers and industries to learn from each other.

But countries and cities need to link their urbanisation and industrialisation plans. “In many ways, I think the type of urbanisation we’re seeing in Africa is a reflection of failed development policy,” said Dr Yaw Ansu, Africa Centre for Economic Transformation’s chief economist.

Jean Bakole, regional director of the UN Industrial Development Organisation said there is a need to rethink the issues. “Urbanisation can no longer be stopped,” he said. “There is a huge gap between urban growth and economic growth in our countries and today we must ensure that this gap is breached.”

Ibrahim Assane Mayaki, CEO of the New Partnership for Africa’s Development and former prime minister of Niger, said industrialisation influences all other policies sectors so it is crucial for states to follow an integrated plan.

Professor Simon Roberts, executive director at the Centre for Competition, Regulation and Economic development at the University of Johannesburg, noted how important it is for cities to take responsibility for plans and promote industrialisation for clusters, quarters and linkages, which he said are “the heart of industrial policy”. -GN

INDUSTRIE PHARMACEUTIQUE : LES MOYENS DE FINANCER LE SECTEUR

Comment financer l’industrie pharmaceutique africaine? Cette question a été au cœur d’un panel organisé dans le cadre de la Semaine du développement africain. Des personnalités africaines de haut niveau ont pris part aux travaux, en plus d’une importante délégation chinoise.

Cette présence d’acteurs issus de divers domaines du secteur médical témoigne en effet de l’importance de ce sujet. Lors de leurs présentations, les responsables et experts internationaux ont fait un état des lieux de l’industrie pharmaceutique sur le continent et proposé des pistes, pour un meilleur financement de ce secteur, parmi les plus dynamiques en Afrique.

L’industrie pharmaceutique est en forte croissance en Afrique, mais son poids reste insignifiant (1%), par rapport à celui des autres régions du monde. Le problème du financement est l’un de ses principaux défis. Parmi les sources de financement évoquées: les investissements directs et indirects des gouvernements visant à soutenir l’émergence d’une industrie pharmaceutique africaine solide.

Ensuite, le rôle des institutions financières internationales a été souligné, notamment à travers des prêts destinés aux pays africains. Aussi, les participants ont insisté sur la nécessité de mettre en place de nouveaux mécanismes de financement.

Lors de ce panel, la coopération sino-africaine dans le secteur médical a également été mise en avant. A cet effet, Mlle Si Chen, directrice du département des investissements manufacturiers au Fonds de développement sino-africain, a rappelé que ce bras financier du gouvernement chinois a déjà financé des projets en Afrique à hauteur de 2,4 milliards de dollars, sur une enveloppe prévue à hauteur de 3,2 milliards de dollars. L’industrie pharmaceutique figure parmi les secteurs qui peuvent davantage bénéficier des financements de ce fonds. -OB
For African autonomy and independence, we need to implement our own agenda and our own agenda is in line with our realities on ground.  

- René N’Guetta Kouassi

Tunde Aremu  
Policy Advocacy and Campaigns Coordinator, ActionAid Nigeria

“The expectation is that our African leaders or representatives of different countries are able to reach a consensus on how to address the issue of financing Africa’s development. We can’t be talking about Agenda 2063 or Agenda 2030 without talking about how to finance it. If we are talking about financing development, we have to talk about internal domestic mobilisation.

We have to create a framework by which we can navigate around the issue of tax avoidance by multi-nationals and large organisations. That’s where the main revenue loss is taking place. A common mistake African leaders keep making is that they keep signing these treaties all over the place; most of these treaties are also easily exploited by some of the multinationals to their own advantage. There has to be a consensus that Thabo Mbeki’s report on Illicit Financial Flows will not become another document that is gathering dust on the shelves of African countries.”

Fatima Haram Acyl, Commissioner for Trade and Industry, African Union Commission

“There are so many participants here at the Conference of Ministers from all stakeholders and the conversation is very much about the structural transformation of Africa. How do we ensure that Africa can get it together? I was on a panel this morning on the pharmaceutical plan for Africa – how Africa manufactures only 2% of the medication we are producing when the market is here, how we can’t tackle the issue of counterfeit medicine, which is 30% of the medicine coming to Africa, when almost 2000 people are dying daily because they take counterfeit medication.

I was also in a different panel on trade and transport facilitation – how it is increasing the cost of our goods, how it is effecting our competitiveness and what we need to do in order for us to solve this issue and move forward. Other panels I attended were on bilateral investments, regional integration and the blue economy. It has been very exciting with very good debates with various stakeholders, from the government and the private sector. We are very happy that the discussion is really centred on Africa, on SDGs and on Agenda 2063.”

René N’Guetta Kouassi, Director for Economic Affairs, African Union Commission

“Africa has adopted its own Agenda 2063 and is also a part of the process of Agenda 2030. The challenge now is to implement these. The risk is that the implementation agencies can move Africa from its own agenda to implement the UN one. We have put in place a 10-year plan of action to implement the African Union agenda; the challenge is to bring the UN one into this agenda – an integrated and unified framework of implementation, evaluation and follow-up.

Our challenge is to invite member states to implement the two agendas within the same framework as there is no need to reinvent the wheel. Implementing the AU agenda is a route for implementing the UN agenda and will avoid confusion among members. The second risk is financing because if we can’t mobilise local resources, at the end of the day we will have to put aside the AU agenda. We cannot put in place projects if we have to ask external forces to fund them for us. For African autonomy and independence, we need to implement our own agenda and our own agenda is in line with our realities on ground.”