

**AFRICAN UNION**

**الاتحاد الأفريقي**



**UNION AFRICAINE**

**UNIÃO AFRICANA**

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone: 011-551 7700 Fax: 011-551 7844  
website: [www.africa-union.org](http://www.africa-union.org)



## **STATEMENT**

**BY**

**ALBERT MUCHANGA  
COMMISSIONER FOR TRADE AND INDUSTRY**

**DELIVERED AT THE**

**OPENING CEREMONY OF THE**

**THE AFRICA INDUSTRIALISATION WEEK, 2018 (AIW 2018)  
HELD UNDER THE THEME**

***“Promoting Regional Value Chains in Africa: A Pathway for Accelerating Africa’s Structural Transformation, Industrialization and Pharmaceutical Production”.***

**AT THE AFRICAN UNION, HQ, ADDIS ABABA, ETHIOPIA**

**19<sup>th</sup> November 2018**

**YOUR EXCELLENCIES AFRICAN UNION MINISTERS RESPONSIBLE FOR  
INDUSTRY;**

**INDUSTRIALISTS;**

**MEMBERS OF THE DIPLOMATIC CORPS;**

**LADIES AND GENTLEMEN:**

GOOD MORNING.

I AM HAPPY TO SEE YOU ALL HERE.

WE COME TOGETHER EACH YEAR TO COMMEMORATE AFRICA  
INDUSTRIALIZATION DAY BECAUSE THIS ECONOMIC ACTIVITY IS KEY TO  
AFRICA'S ECONOMIC DIVERSIFICATION AND STRUCTURAL  
TRANSFORMATION.

THE VALUE ADDITION THAT INDUSTRIALIZATION UNLEASHES PROMOTES  
INNOVATION, PRODUCTIVITY IMPROVEMENT; AND, ENHANCED  
COMPETITIVENESS AND ULTIMATELY, PROSPERITY.

THE EARLY EFFORTS AT PROMOTING INDUSTRIALIZATION JUST AFTER THE INDEPENDENCE OF MOST AFRICAN COUNTRIES FAILED FOR A NUMBER OF REASONS.

ONE KEY REASON WAS THAT THERE WAS MORE FOCUS ON IMPORT SUBSTITUTION INDUSTRIALIZATION ANCHORED ON IMPORTATION OF RAW MATERIALS IN MANY OF OUR COUNTRIES INSTEAD OF EXPORT LED INDUSTRIALIZATION. WITH THE UNSUSTAINABLE EXTERNAL DEBT BURDENS THAT STARTED IN THE 1970S AND WORSENERD IN THE 1980S, FOREIGN EXCHANGE SHORTAGES CRIPPLED IMPORT SUBSTITUTION INDUSTRIALIZATION IN AFRICA BRINGING IN-TRAIN, THE PROCESS OF DE-INDUSTRIALIZATION.

THIS TIME ROUND, THERE IS RENEWED FOCUS ON INDUSTRIALIZATION, BUT, WITH GREATER FOCUS ON THE DEVELOPMENT OF REGIONAL VALUE CHAINS THAT WILL SUPPLY A LARGER MARKET SPACE UNDER THE AFRICAN CONTINENTAL FREE TRADE AREA IN ADDITION TO USING THE REGIONAL VALUE CHAINS TO MORE COMPETITIVELY LINK AFRICA TO GLOBAL VALUE CHAINS.

IT IS FOR THIS REASON THAT THE 2018 AFRICAN INDUSTRIALIZATION WEEK IS BEING HELD UNDER THE THEME: **PROMOTING REGIONAL VALUE CHAINS IN AFRICA-A PATHWAY FOR ACCELERATING AFRICA'S**

**STRUCTURAL TRANSFORMATION, INDUSTRIALIZATION AND  
PHARMACEUTICAL PRODUCTION.**

THROUGH THE DEVELOPMENT OF REGIONAL VALUE CHAINS,  
INDUSTRIALISTS WILL ENGAGE IN CROSS BORDER PRODUCTION OF FINAL  
AND INTERMEDIATE PRODUCTS TO EXPLOIT LARGE ECONOMIES OF SCALE  
OFFERED BY THE AFRICAN CONTINENTAL FREE TRADE AREA.

THE PRODUCTION OF INTERMEDIATE PRODUCTS WILL PARTICULARLY  
STIMULATE THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM SCALE  
ENTERPRISES THAT WILL SUPPLY TO LARGER ENTERPRISES BOTH IN  
AFRICA AND THE REST OF THE WORLD.

SINCE A MAJORITY OF OUR INDUSTRIES ARE IN THE CATEGORY OF MICRO,  
SMALL AND MEDIUM SCALE ENTERPRISES, THIS WILL IN TURN  
STIMULATE HIGHER LEVELS OF ECONOMIC GROWTH AND EMPLOYMENT.

ALTHOUGH THE MAJOR THEME IS ON REGIONAL VALUE CHAINS, THERE  
WILL ALSO BE DISCUSSIONS ON QUESTIONS OF FINANCING, SPECIAL  
ECONOMIC ZONES, GREEN INDUSTRIALIZATION, AS WELL AS YOUTH  
ENTREPRENEURSHIP AMONG OTHERS.

**YOUR EXCELLENCIES:**

**LADIES AND GENTLEMEN:**

THIS COMMEMORATION COMES JUST BEFORE THE FIRST INTRA AFRICAN TRADE FAIR TO BE HELD IN CAIRO, EGYPT FROM 11-17 DECEMBER, 2018.

THIS WILL BE THE FIRST DELIVERABLE OF THE AFRICAN CONTINENTAL FREE TRADE AREA.

SIGNS ARE THAT WE ARE GOING TO HAVE A HIGHLY SUCCESSFUL TRADE FAIR.

WE TARGETED ONE THOUSAND EXHIBITORS AND AS I AM SPEAKING NOW, WE HAVE ONE THOUSAND AND FIFTY FOUR EXHIBITORS, AND MORE ARE STILL EXPRESSING INTEREST.

WE ARE CLEARLY OVERSUBSCRIBED.

THESE EXHIBITORS ARE FROM FORTY THREE COUNTRIES FROM BOTH AFRICA AND THE REST OF THE WORLD.

IN ADDITION, WE HAVE MORE THAN FORTY SPONSORS, WHICH MAKES IT AN ACTIVITY WITH A LARGE STAKEHOLDER BASE.

THE RESULTS THAT WE ARE ACHIEVING IN OUR PREPARATIONS FOR THE CAIRO FAIR ARE SIGNIFICANT IN SEVERAL WAYS.

FIRST, SOME OF OUR INTERLOCUTORS NEVER BELIEVED WE WOULD GARNER NO MORE THAN 200 EXHIBITORS AT THE CAIRO FAIR. WE ARE CONFOUNDING THEM.

SECOND, IT IS WITHIN OUR POWER TO ACHIEVE WHAT WE WANT IF WE ARE PREPARED TO ORGANIZE OURSELVES TO GET IT. WE EMBARKED ON A STRONG ADVOCACY PROGRAMME FOR THE FIRST INTRA-AFRICAN TRADE FAIR AND THE RESULTS ARE WHAT WE WANTED IN TERMS OF STRONG RESPONSE FROM EXHIBITORS, BUYERS, SELLERS AND SPONSORS.

THE THIRD ASPECT IS THAT LARGE PARTS OF THE WORLD STILL SEE A HOPELESS AFRICA. MY MESSAGE TO OUR INTERLOCUTORS IS THAT AFRICA IS TRANSFORMING. UNDERESTIMATE US AT YOUR OWN PERIL

I AM SURE SOME OF YOU IN THIS ROOM HAVE PERSONAL STORIES OF HAVING BEEN UNDER-ESTIMATED BY YOUR EXTERNAL BUSINESS PARTNERS AND YOU HAVE, OVERTIME REGISTERED SUPERIOR BUSINESS RESULTS THAT HAVE CONFOUNDED THEM. BY BEING FAR MORE SUCCESSFUL THAN THEY THOUGHT YOU WOULD BE, I AM ALSO SURE YOU ARE VERY PROUD THAT THIS TURN OF EVENTS HAS GIVEN YOU MORE LEVERAGE TO BE IN CHARGE OF THE PARTNERSHIP.

REALTING THIS TO AFRICAN INDUSTRIALIZATION, LET US BELIEVE IN OURSELVES AND ACT ON OUR CONVICTIONS.

**YOUR EXCELLENCIES:**

**LADIES AND GENTLEMEN:**

AS WE GO TOWARDS THE FAIR, AND QUITE A GOOD NUMBER OF YOU WILL BE GOING THERE AS SPONSORS, EXHIBITORS, BUYERS AND SELLERS, LET ME POINT OUT THAT WE HAVE ARRANGED A SPECIAL EVENT FOR AFRICAN MANUFACTURERS.

THIS IS THE LAUNCH OF PAN AFRICAN MANUFACTURERS ASSOCIATION.

AS AFRICAN UNION COMMISSION, WE HAVE BEEN TALKING TO REPRESENTATIVES OF NATIONAL MANUFACTURERS ASSOCIATION ACROSS AFRICA AS WELL AS AFRICAN MANUFACTURERS; WITH A SPECIAL REQUEST THAT THEY GET TOGETHER TO COME UP WITH DRAFT ARTICLES OF ASSOCIATION WHICH WILL BE LOOKED AT IN CAIRO.

IN ADDITION, AFRICAN MANUFACTURERS AND REPRESENTATIVES OF NATIONAL MANUFACTURERS ASSOCIATIONS ARE ALSO EXPECTED TO GET TOGETHER TO COME UP WITH AN INTERIM STEERING COMMITTEE, FULLY REPRESENTATIVE OF ALL THE FIVE REGIONS OF AFRICA TO RUN THE AFFAIRS OF THE PAN AFRICAN MANUFACTURERS ASSOCIATION UP TO THE TIME THAT THERE WILL BE AGREEMENT ON THE ARTICLES OF ASSOCIATION, REGISTRATION AND ELECTION OF SUBSTANTIVE OFFICE HOLDERS.

THE PAN AFRICAN MANUFACTURERS ASSOCIATION WILL GO A LONG WAY IN COMING UP WITH POLICY PROPOSALS AIMED AT IMPROVING THE INCENTIVE STRUCTURE FOR RAPID GROWTH OF MANUFACTURING ACROSS AFRICA FOR CONSIDERATION BY AFRICAN MINISTERS RESPONSIBLE FOR INDUSTRY AND INVESTMENT.

AS AFRICAN UNION COMMISSION, WE WILL BE READY AND WILLING TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE PAN



AFRICAN MANUFACTURERS ASSOCIATION AS AND WHEN IT IS OFFICIALLY REGISTERED.

MAY I, THEREFORE, CALL ON YOU TO TAKE ADVANTAGE OF YOUR BEING TOGETHER THIS WEEK TO GET TOGETHER TO SEE HOW YOU CAN ADVANCE THE IDEA OF LAUNCHING THE PAN AFRICAN MANUFACTURERS ASSOCIATION DURING THE CAIRO TRADE FAIR.

IN ADDITION TO THE FOREGOING, THE AFRICAN UNION COMMISSION RECENTLY TEAMED UP WITH THE AFRICAN EXPORT IMPORT BANK TO RELAUNCH THE PAN AFRICAN TRADE POLICY AND INVESTMENT COMMITTEE (PAFTRAC). THIS COMMITTEE WILL WORK WITH AFRICAN UNION MEMBER STATES AND THE AFRICAN UNION COMMISSION TO IMPROVE THE TRADE AND INVESTMENT CLIMATE ACROSS AFRICA.

AS A SIGN OF OUR GROWING COMMITMENT TO ENGAGING WITH THE AFRICAN PRIVATE SECTOR, WE AGAIN COLLABORATED WITH THE AFRICAN EXPORT IMPORT BANK IN MARCH THIS YEAR TO INAUGURATE THE AFRICAN CONTINENTAL FREE TRADE AREA BUSINESS FORUM WHICH ATTRACTED CLOSE TO 500 MEMBERS OF THE AFRICAN PRIVATE SECTOR WHO ENGAGED IN BUSINESS TO GOVERNMENT AND BUSINESS TO BUSINESS NETWORKING.

THE AfCFTA BUSINESS FORUM HAS BEEN INSTITUTIONALIZED AND THE NEXT ONE IS PLANNED TO BE HELD IN JULY NEXT YEAR IN NIAMEY, NIGER.

STILL ON THE ISSUE OF PRIVATE SECTOR ENGAGEMENT, WE ALSO HAVE MEMORANDA OF UNDERSTANDING WITH THE AFROCHAMPIONS INITIATIVE AND THE PAN AFRICAN CHAMBER OF COMMERCE AND INDUSTRY.

BOTH OF THEM HAVE BEEN VERY ACTIVE IN ADVOCATING FOR THE AFRICAN CONTINENTAL FREE TRADE AREA.

CURRENTLY, WE ARE PARTNERING WITH THE AFROCHAMPIONS INITIATIVE TO LAUNCH THE PRESIDENTS FASHION DAY AT THE FEBRUARY 2019 SUMMIT AS PART OF ADVOCACY FOR THE RAPID DEVELOPMENT OF AFRICAN FASHION, WHICH IN TURN CAN LEAD TO GROWTH OF MANUFACTURING, INTRA-INDUSTRY TRADE IN AFRICAN FASHION WEAR AS WELL AS EMPLOYMENT OPPORTUNITIES.

BEFORE I END OF MY STATEMENT, I WOULD ALSO LIKE TO POINT OUT TWO THINGS.

FIRST, WE ARE COLLABORATING WITH THE DEPARTMENT OF RURAL ECONOMY AND AGRICULTURE TO DEVELOP PROJECT PROPOSALS AND INVESTORS' GUIDE ON AGRO PROCESSING IN AFRICA.

WITH INCREASED AGRO PROCESSING IN AFRICA, WE SHALL NOT ONLY STIMULATE THE RAPID GROWTH OF AGRICULTURE IN AFRICA; WE SHALL ALSO TRANSFORM AFRICA FROM A NET IMPORTER TO A NET EXPORTER OF FOOD. THIS WILL ENHANCE OUR FOOD SECURITY IN ADDITION TO SAVING US FOREIGN EXCHANGE AS A CONTINENT AS WELL AS GENERATING JOBS.

SECOND, INDUSTRIALIZATION IN AFRICA WILL SUCCEED IF WE ALIGN OUR EFFORTS ON RESEARCH AND DEVELOPMENT, SKILLS DEVELOPMENT, INCLUDING FACTORY OPERATIONS AND MANAGEMENT, INVESTMENTS, QUALITY INFRASTRUCTURE DEVELOPMENT, LOGISTICS, EXPORT PERFORMANCE AND RELATED ACTIVITIES TO THE COMMON GOAL OF ACCELERATING INDUSTRIALIZATION ON OUR CONTINENT.

LET ME CONCLUDE BY SAYING THAT THE FUTURE BELONGS TO AFRICA IF WE WILL IT AND ORGANIZE OURSELVES TOWARDS TRANSFORMATION OF THAT COLLECTIVE WILL TO TANGIBLE RESULTS.

THERE ARE SEVERLA FACTORS IN OUR FAVOUR. I WILL ONLY MENTION A FEW.

FIRST, AS A CONTINENT, WE HAVE A YOUNG AND GROWING POPULATION. THIS IS A SOURCE OF ECONOMIC VITALITY IF WE EFFECTIVELY HARNESS THE DEMOGRAPHIC DIVIDEND BY CREATING OPPORTUNITIES FOR OUR YOUTH.

SECOND, AS A CONTINENT, WE ALSO HAVE VAST NATURAL RESOURCES LIKE FRESH WATER, FISHERIES, AGRICULTURAL LANDS, FORESTS, MINERAL RESOURCES AND SEVERAL OTHERS WHICH ONLY AWAIT VALUE ADDITION IF WE CAN ORGANIZE OURSELVES TO DO THAT. TO ASSIST US IN THIS REGARD, WE ARE CURRENTLY FORMULATING A DRAFT COMMODITY STRATEGY WHICH WE PLAN TO SUBMIT TO THE SPECIALIZED TECHNICAL COMMITTEE ON TRADE, INDUSTRY AND MINING THIS COMING JANUARY AND ULTIMATELY, THE FEBRUARY, 2019 ASSEMBLY OF THE AFRICAN UNION HEADS OF STATE AND GOVERNMENT FOR ADOPTION.

LET ME CONCLUDE BY SAYING THAT COMMEMORATION IS A TIME OF INTROSPECTION.

LET US USE THIS WEEK TO REFLECT ON THE ROAD TRAVELLED IN  
AFRICA'S INDUSTRIALIZATION AND COME UP WITH STRATEGIES FOR  
BETTER OUTCOMES ON THE ROAD AHEAD.

WITH THESE REMARKS, IT IS NOW MY HONOUR AND PRIVILEGE TO  
OFFICIALLY DECLARE OPEN, THE 2018 AFRICA INDUSTRIALIZATION WEEK.

I WILL BE WITH YOU THROUGH OUT.

I LOOK FORWARD TO YOUR PARTICIPATION AND CONTRIBUTIONS.

AND I THANK YOU FOR YOUR KIND ATTENTION.