Industrializing Africa through sustainable Regional Value Chains development under the AfCFTA
Implications for policies at national, regional and continental levels

High-level Ministerial Dialogue with policymakers and industry specialists
Date: 3rd September 2021
12:00 - 13:30hrs EAT

Background and Rationale
The COVID-19 pandemic has once again exposed Africa’s vulnerability to external fluctuations and recalled the urgent need for continental shift towards structural transformation. Low levels of economic diversification and value addition, and the adverse effects of recurrent crises cause difficulties to Africa’s desire to sustain economic growth and enhanced prosperity. Intra-Africa Trade remains marginal relative to trade with the rest of the world. The average level of regional sourcing currently remains under 15% (AUC/OECD, 2019). Meanwhile, Africa’s participation in global value chains is limited to low added-value activities, with limited potential to boost productivity, competitiveness and incomes. Participation in Global Value Chains (GVC) is limited to a mere 2% of the global GVC trade (AfDB/OECD/UNDP, 2014).

The start of trade under the AfCFTA, on January 1st, 2021, presented an opportunity for developing RVCs leveraging on the growing continental demand of processed goods (AUC/OECD, 2019). It aims to connect 1.2 billion people with a combined GDP of over USD 3 trillion. To build prosperity in the post pandemic era, there is a growing consensus that developing regional value chains (RVCs) under the AfCFTA can be instrumental in accelerating Africa’s industrial development and in attaining Agenda 2063 continental target of 7% growth rate per year in the long run to achieve and sustain structural transformation. The development of RVCs constitutes an opportunity to reinvigorate Africa’s industrial development, building the requisite industrial capacity for African integration in the AfCFTA context, increasing manufacturing of value-added products and increasing the consumption of African products. RVCs and integration among its regional economic communities is key to Africa’s efforts to industrialize and develop. According to the World Bank, a 1% increase in GVC participation boosts per capita income levels by more than 1% - about twice as much as conventional trade.

Objectives of the Session
The High-level webinar session seeks to inform policymakers on opportunities to shape ongoing AfCFTA alignment processes that countries and regions currently pursue to foster. The session will expose opportunities for local production of industrial goods and trade to neighbors along value chains. The objective of the high-level session is to discuss how trade and the AfCFTA can be used to support regional value chains development, overall industrialization and regional integration in the post-COVID era in Africa. To deliver on this objective, the session will aim to answer the following questions:

• What are the strategic RVCs that need to be developed to reduce Africa’s vulnerability to shocks?
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- What national, regional and continental policies foster the development of RVCs to secure access to critical supplies such as food and pharmaceutical products?
- What national, regional and continental policies are needed to make the best of the opportunities presented by the AfCFTA?
- How can firms and industry capacity be developed to allow African countries to engage more in regional trade and value chains?
- How can African governments strengthen investments and foster innovation through R&D and start-ups in support of RVCs and industrialization?
- How can the policy space available to African countries be increased to secure financing for RVCs and industrialization, and what can the role of the international community be?

Target Audience

The webinar addresses ministers and policymakers on the national and regional level, trade negotiators, analysts, industry developers, and representatives from African industries that aim at engaging in concerted actions to foster regional value chain development and overall industrial development in Africa.

Tentative Programme

Moderation: Dr. Patrick NDZANA OLOMO, Economist- Principal Policy Officer, AUC

Opening (5 minutes): H.E. Mr. Albert Muchanga, Commissioner ETIM, AUC

Keynote (10 minutes): "Industrializing Africa through sustainable RVC and integration in GVC in the post COVID-19 era By Dr. Patrick NDZANA OLOMO

Presentation: Developing automotive RVC in Africa, Mr. Dave Coffey, Association of African Automotive Manufacturers (AAAM) (5 minutes)

Panel discussion:

Tentative list of Panelists: (40 minutes)

1. H.E. DODO NDOKE Gabriel, Minister of Mines, Industries and Technological Development, Republic of Cameroon
2. Mrs. Nevin Gamea, Minister of Trade and Industry, Arab Republic of Egypt
3. H.E. Adolf Mkenda Minister of Agriculture, United Republic of Tanzania
4. H.E. Hon. Dr. Owusu Afriyie Akoto, Minister of Food and Agriculture, Republic of Ghana
5. H.E. Mme Amah Marie TEHOUA, Minister of Industry and Private Sector Promotion, Côte d’Ivoire
7. Ambassador Gilberto Da Piedade VERRISSIMO, President of the Commission of ECCAS
8. Mr. K. Sherif, Vice Presidency, Regional Development, Integration, and Business Delivery, AfDB
9. Ragnheiður Elín Árnadóttir, Director OECD Development Center
Questions and Answers Session (30 minutes): Interaction with Ministers and participants
Wrap-up and closing: H.E. Mr. Albert Muchanga, Commissioner ETIM, AUC (5 minutes)

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