

**DIRECTORATE OF INFORMATION AND COMMUNICATION****Press Release****Africa needs to increase production and have a skilled manpower to develop productive capacities; UNCTAD panelists.**

Geneva, Switzerland, 13th September 2017- To achieve structural transformation and sustainable development, Africa needs to pay more focus on the need to build its productive capacities. African Union Commission Deputy Chairperson H.E. Ambassador Kwesi Quartey says Africa's transformation framework, Agenda 2063 and the global Agenda 2030, will only be realized when special attention is paid to accelerating the development of productive capacities.

Speaking during the United Nations Conference on Trade and Development (UNCTAD) High-level Panel Session on "Accelerating Progress in Building Productive Capacities in Least Developed Countries and other Vulnerable Economies", Ambassador Quartey stated that building productive capacities is a top priority for Africa, as a means of promoting development. The Deputy Chairperson however cautioned of the challenge of improperly planned capacity development, which he said would lead to an increase of production without corresponding skilled manpower to take on the manufacturing facet. Ambassador Quartey also noted that to enable countries produce efficiently and competitively, having an educated population is the key to unlock the socio-economic potential in the continent. "We must have a literate, numerate and highly skilled population that is able to build capacity retain its trained professionals and add value to our primary products, expand our

infrastructure, develop and utilize ICT tools, as well as adequately explore entrepreneurial opportunities.” The Deputy Chairperson’s observations are also in line with the African Union theme of the year 2017 “Harnessing the demographic dividend through investments in the youth” which is all about developing human capacity.

In his introductory remarks, UNCTAD's Secretary-General Dr Mukhisa Kituyi observed that more work needs to be done in building productive capacities adding that despite the creation of the category of the least developed countries 46 years ago, only 5 countries have been able to graduate, while 27 countries had to be added to the group, bringing today’s total to 47 LDCs globally. He challenged LCD countries to prioritize education and skills development in their national policies and strategies and find a better balance in the allocation of public resources between productive sectors and social sectors. He at the same time called on development partners to live up to their commitments in terms of aid and trade support measures adding that the net Official development assistance (ODA) to LDCs declined continuously from 2014 to 2016. “There is no shortcut to inclusive prosperity without building productive capacity. There is need for a clear investment programme that would drive Agenda 2030”, he said.

The Vice President of the Republic of Ghana H.E Mr. Mahamudu Bawumia, in his intervention, highlighted the importance of human capacity accumulation as one of the means of enhancing capacity. He made reference to the recent roll-out of the Free Senior High School policy in Ghana, noting that nations cannot develop without equipping the people with the requisite skills, education and knowledge. He also underscored the need for individual states to identify where their comparative advantages lie, “you cannot build productive capacity if you do not produce. For instance, for Ghana, the

comparative advantage is in its agriculture sector. That is why we are launching the marshal plan for the agriculture sector to enhance productivity through industrialization and value addition to our produce”, he stated.

Africa comprises 34 of the 47 Least Developed Countries (LCD) of the World and the majority of fragile and vulnerable countries in the World. African LDCs and other vulnerable developing countries’ productive capacity is weak for mainly three reasons; the heavy concentration in the production and export of primary commodities, representing about 80% of exports and dominated by the informal sector which contributes about 60% of the Gross Domestic Product (GDP).

Africa’s weak productive capacity is also aggregated by the limited and underdeveloped manufacturing sector. Only a few African countries, South Africa and Egypt, notably, have succeeded in developing a sizeable and dynamic manufacturing sector whose contribution to Gross Domestic Product is more than 20%.

Another factor is Africa’s stagnant or declining productivity compared to other regions, credited to a number of key constraints such as poor physical economic infrastructure, lack of highly skilled human capacity and limited access to technology.

To address these challenges and accelerate progress in building productive capacities in LDCs and other vulnerable developing countries, Africa’s focus is on prioritizing building or enhancing productive capacities at the national level focusing on human capital development. The aim is to achieve the kind of skills revolution needed for LDCs and other vulnerable developing countries to transform their agriculture and agribusinesses, commodities; build manufacturing, trade and services, and to build and maintain their infrastructure. At the same time, boost secondary and university enrolments in key areas such as in mining and agribusiness; strengthening science,

technology, research and innovation; reinforcing linkages with industry; developing vocational, technical, and polytechnic education.

The panel discussion that also included remarks by High-Representative and Under-Secretary-General for OHRLS Ms. Fekitamoeloa Katoa, the Vice-President and Chief Economist of the African Development Bank, Dr. Celestin Monga, the Chairman of the China-Exim Bank, Ms. Hu Xiaolian, the Deputy Director-General UNIDO Mr. Hiroshi Kuniyoshi and Dr. Robert Wade, Professor, London School of Economics and Political Science, also recommended strengthening institutions and putting in place conducive policy and an enabling environment to support development, implementation and monitoring of national and continental productive capacity enhancement policies and initiatives, and aggressively pursue access of LDCs to affordable technology.

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