

DIRECTORATE OF TRADE AND INDUSTRY

PRESS RELEASE

High-Level Stakeholders Validation Workshop for AU's Study on Financing Africa Industrialization



October 24, 2019, Abuja, Nigeria - The African Union Commission (AUC) Department of Trade and Industry (DTI) successfully hosted a High-Level Stakeholders Validation Workshop for a Study it undertook early this year titled “*Financing Africa Industrialization*”. The workshop was held on October 24, 2019 in Abuja, Nigeria. The validation workshop capped the Department’s Regional Economic Community (RECs) Strategic Interface Mission that was focused on the Economic Community of West African States (ECOWAS) region, and delivered from the 21st to 25th of October 2019. In attendance were representatives of government, RECs, Bureau of the Specialised Technical Committee of Trade, Industry & Mining (STC-TIM), organised private sector, media, trade and research think-tanks, development partners and civil society. Organisations and institutions that also participated included Nigeria’s Federal Ministry of Industry, Trade and Investment; Capital Alliance, Nigeria Limited; First City Monument Bank; Africa Industrialization Bootcamp Group (AIBCG), Africa International Trade & Commerce Research (AITCR); and the Nigeria Private Sector Alliance (NIPSA).

The AU-ECOWAS mission is part of a series of quarterly interface sessions by the AU Commission targeted at building a stronger relationship with the 8 African Regional Economic Communities (RECs) in order to ensure an effective industrial policy oversight by the AU Commission’s Department of Trade and Industry (AUC-DTI). The mission provided a platform for the AUC-DTI to effectively engage RECs on the implementation of Africa’s industrialization frameworks, financing of industrialization,

whilst at the same time providing a platform for knowledge exchange between the AUC-DTI, RECs, the private sector, trade and industry think-tanks on key thematic subjects affecting (both positively and negatively) the continent's industrialization agenda.

The Mission was delivered through dedicating 3 days (21st – 23rd October 2019) towards bilateral engagements with strategic partners operating in the space of regional intergration in the ECOWAS region, such as Afreximbank, AfDB, ILO, African Youth Union Commission, as well as business chambers such as the Federation of West African Chambers of Commerce & Industry, ECOWAS Chambers of Mining and the ECOWAS Business Council. Of interest was the meeting with the AYUC who are currently implementing complimentary initiative such as the Africa Industrialization Bootcamp slated for 11-22 August, 2020, which is aligned to the AIDA high level political advocacy framework. This resonates with the Africa Industrialization Week (AIW) 2019 which the DTI will be hosting in November 18-22, 2019.

Apart from meeting key stakeholders in ECOWAS, the mission also dedicated a Session towards a tripartite meeting of the technical Bureau of the Specialized Technical Committee on Trade, Industry and Minerals (STC-TIM), the AUC and the RECs during the 23rd of October 2019. The Common Market for Eastern and Southern Africa (COMESA) attended the Session, whilst the STC-TIM Bureau was made up of high level office bearers from industry and trade, from the Kingdom of Eswatini, Republic of Sierra Leone, Republic of Djibouti, and Republic of Gabon. The Session noted the progress made by member states represented by the Bureau towards aligning their industrial policies to the Accelerated Industrial Development of Africa (AIDA) framework, through working closely with the RECs. On the other hand, RECs reaffirmed their commitment towards implementing the AUC industrialization frameworks, though noting technical capacity challenges as hindering their ability to upscale in this direction. The AUC – DTI pledged its availability to provide technical assistance, to drive an effective implementation and coordination of the continent's industrialization frameworks. The Implementation and Coordination Unit of AIDA (ICU), domiciled in the DTI which facilitated the mission, and delivered the sessions committed to the responsibility to ensure traction on the continent's mission to industrialise Africa, so as to deliver on Agenda 2063 aspirations.

Participants at the validation workshop noted the need for tailor made financial products targeting the peculiar needs of Small and Medium Enterprises (SMEs), given the critical role they have towards advancing Africa's industrialization agenda. It was further noted that SMEs constituted 90% of Africa's industrial ecosystem, hence the need to afford them more attention in designing interventions to boost their viability, and survival. Thus, it was noted that the banking sector had to design SMEs financing products that were aligned to address the challenges of this strategic sector, if the continent was to create employment, and boost incomes for the populace.

Whilst acknowledging the importance of Special Economic Zones (SEZs) and industrial parks across Africa as a catalyst for upscaling industrialization in the continent, participants highlighted the need to ensure that this production model also accommodates the need to grow local industries. The participants, further noted the need to mainstream digital industrial policy and financing of investments in that sector to enhance the continent's capacity to tap into the benefits of Industry 4.0, the current global high-tech centred industrial production wave. Cross border and regional integrated industrialization projects were encouraged to strengthen the continent's prospects to deliver balanced and shared industrialization benefits, as well as to improve the risk profile of most member states in the continent. Implementing these programmes, was envisaged to significantly impact positively on the implementation of the

AfCFTA, that will roll into formal liberal trade on 1 July 2020.

Further recommendations towards boosting regional capital mobilization (both financial and human), included removal of tariffs and other non tariff barriers for African diasporas seeking to bring in Foreign Direct Investment, provision of crossborder infrastructure facilities such as road and rail networks, investment in research and development (R&D) to facilitate development local technologies and adaptation of the same across member states.

The AU expects that the AU-ECOWAS mission will lead to stronger and viable working relationships between AUC-DTI and target RECs on all spheres of programming so as to deliver a feasible and sustainable industrialization frameworks for the continent; an objective and deeper understanding of the practical situation in each target REC with regards to institutional capacity, and implementation and harmonization of continental industrialization initiatives; to enhance DTI outreach with RECs and relevant stakeholders in target regions for a more focused and objective industrialization programming framework for the AUC. The RECs noted the significance of the mission towards reshaping their relationship with the AUC, and implored the Secretariat to sustain the current momentum to enhance the prospects for harmonising industrial policies in the continent, as we gear for the imminent implementation of a liberal AfCFTA trade related initiatives.

For more information, please contact:

Hassan Hussein | Acting Head of Department of Trade and Industry | African Union Commission | E-mail: HusseinH@africa-union.org

Media Contact:

Esther Azaa Tankou | Head, Information Division | Directorate of Information and Communication, African Union Commission | E-mail:

Lunga Neolia Da Silva Izata | Communication Assistant | Industry Division of the Department of Trade and Industry | E-mail: izatal@africa-union.org