

INFORMATION & COMMUNICATION DIRECTORATE

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Africa must industrialize: 10 key points that African leaders committed to at the just concluded summit on industrialization and economic diversification.

With increasingly growing concern over the slow progress in the implementation of the Industrial Development Decades for Africa (IDDA) I, II and III; the Strategy for the Implementation of the Action Plan for Accelerated Industrial development of Africa (AIDA); and other continental strategies and programmes relevant to industrialization, structural transformation and development towards the achievement of the African Union Agenda 2063, African leaders have committed to far-reaching and firm decisions to accelerate industrialization, economic diversification and trade on the continent, with full ownership by the citizens.

The leaders reaffirmed their determination to ensure that Africa's industrialization and economic diversification is financed in a predictable manner and with the urgency of identifying and addressing the impediments to productivity and growth through infrastructural development, energy, access to finance, digitalization, innovation, and skills development to achieving economic diversification.

Here is a highlight of the key points of commitment at the just concluded African Union Extraordinary Summit on Industrialization and Economic Diversification, and the Extraordinary session on the African Continental Free Trade Area convened in Niamey, Niger on the 25th of November 2022.

1. To accelerate a commodity-based industrialization as an engine of growth, productive jobs and economic diversification through a regional value chains on the continent's natural resources endowments, with priorities on health and pharmaceutical, automotive, minerals beneficiation, food and nutrition and apparels of cotton industries in order to reduce the continent's external dependency. In this regard, the African Union Commission will now draft a report with clear recommendations on strengthening regional value chains.
2. To increase investments in infrastructure and energy with the support of financial institutions and partners to reduce production costs, and boost the competitiveness of the African economies.

3. To enhance domestic resource mobilization to ensure sustainable financing on Africa's industrialization, and allocate a minimum of 5 - 10% of the national budget dedicated to the industrial development.
4. To develop sustainable Special Economic Zones and Industrial Parks as well as work with and support existing ones in member states as a means to overcoming existing industrial infrastructure constraints, and become hubs for regional value chain integration.
5. To ensure inclusive and sustainable industrialization, the Heads of State and Government and other stakeholders will have regular dialogue with the private sector in order to scale up high level engagement on industrialization. The African Union Commission in collaboration with other institutions will strengthen support to Member States in creating an enabling business environment for private sector to thrive.
6. The leaders endorsed the African Union Small and Medium Strategy. Relatedly, the African Union Commission is tasked with establishing and operationalising the Africa Enterprise Network. The African Union Commission will also work with the African Regional Standards Organization (ARSO) and the Pan-African Quality Infrastructure (PAQI) to expedite the finalization of the Made in Africa Standards and Guidelines.
7. The leaders have committed to reserve a minimum of 10% of public procurement to local enterprises, to strengthen the private sector development and industrialization;
8. At the Summit, the leaders agreed to establish, at the national levels, programmes for industrial linkages between the educational system and the labour market, aimed at promoting competitiveness of the private sector through development of soft and hard skills necessary for industrialization in particular in the areas of science, technology, engineering, and mathematics (STEM); technical and vocational education and Training (TVET), and robotics and artificial Intelligence. Relatedly, the African Union Commission and the African Capacity Building Foundation (ACBF) will prepare a feasibility study on the establishment of an African Manufacturing Institute to support Member States and the private sector in

the development of modern manufacturing skills and fostering innovation in the manufacturing sector that will accompany the ongoing structural economic transformation in Africa.

9. H.E Mohamed Bazoum, President of the Republic of Niger, was appointed the African Union Champion on Inclusive and Sustainable Industrialization and Productive Transformation, to provide political leadership and awareness, and ensure a follow-up on the progress regarding the industrial development on the continent in order to achieve Africa's transformation under Agenda 2063. The African Union Commission will set-up an Inter-Institutional Coordination Mechanism to provide technical assistance to the AU Champion.
10. With prevailing exceptional circumstances that justify the extension of the TRIPS Agreement to cover therapeutics and diagnostics for a comprehensive response for COVID-19, and to diversify production, the Heads of State called on all WTO Members to support the extension of the TRIPS waiver to cover the production and supply of COVID-19 diagnostics and therapeutics no later than 17 December 2022. Africa accounts for less than 5% of global production of all medical products, exposing the continent to vulnerabilities and fragility during pandemics.

Working with development partners, the African Union will also produce and disseminate amongst Member States, an annual Africa's Industrial Development Report base on an African Industrial Development Index, and fast-track the establishment of the African Industrial Observatory.

The leaders called on the African Continental Free Trade Area Secretariat to support the implementation of the Single African Air Transport Market (SAATM) under the Guided Trade Initiative in collaboration with the African Civil Aviation Commission, African airlines and other relevant stakeholders. Further, the Secretariat is expected to fast-track the implementation of a work programme related to the Annexes for Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) specifically in the areas of standards harmonization.

For more details on the African Union Extraordinary Summit on Industrialization and Economic Diversification, visit- <https://au.int/en/summit-africa-industrialization-economic>



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