

INFORMATION & COMMUNICATION DIRECTORATE

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African Union at the World Economic Forum



From January 20 to 24, 2025, global leaders gathered in Davos, Switzerland, for the World Economic Forum (WEF) Annual Meeting, under the theme “Collaboration for the Intelligent Age.” The event focused on tackling some of the world’s most pressing challenges, including energy transition, energy security in the age of artificial intelligence (AI), and technological innovations, with industrialization taking centre stage as well.

The African Union Commission, represented by H.E. Dr Amani Abou-Zeid, Commissioner for Infrastructure and Energy participated in these discussions. The Commissioner highlighted Africa’s potential in driving the global energy transition and emphasized industrialization as a crucial pillar in the continent’s economic development agenda. In this article, we’ll dive into some of the key sessions from the forum.

Hardware for Good: Scaling Clean Tech

One of the most notable discussions took place on January 24, during the “Hardware for Good: Scaling Clean Tech” session, which explored the role of clean technologies in addressing climate change. A key takeaway from the conversation was the need for strong regulatory frameworks and policies that can accelerate clean tech innovations.

Dr. Abou-Zeid spoke about Africa’s natural resources, particularly its vast mineral reserves, underscoring the continent’s potential to scale up clean technologies, especially in energy and water infrastructure. As the youngest continent, Africa is uniquely positioned to lead the charge in adopting and scaling clean technologies.

Outlining Africa’s ambitious goal of achieving 75 percent renewable energy in its energy mix, the commissioner believes the target is within reach through local investments in value chains and the diversification of supply chains. This aspiration not only aims to ensure sustainable development but also to generate jobs and attract investments. Additionally, the African Union is focused on positioning the continent as a leader in sustainable mining, particularly in the extraction of critical minerals essential for the global clean energy economy.

Gustavo Pimenta, CEO of Vale, reiterated the importance of mining in the energy transition, emphasizing that these materials are key to powering renewable energy technologies. Artificial intelligence (AI) was also highlighted as a transformative tool, particularly in industries like mining. Ann Mettler, Vice President of Europe at Breakthrough Energy, stressed the urgency of diversifying energy for ensuring a sustainable future.

The commissioner shed some light on the African Union’s growing involvement in promoting sustainable aviation fuels, green hydrogen, and energy efficiency, while highlighting the importance of integrating AI to drive real-time data and accelerate innovation in Africa’s energy, infrastructure, and industrialization sectors.

Industrialization as a Catalyst for Africa’s Economic Strategy

In another significant session on “Industrialization as a Catalyst for Africa’s Economic Strategy: Enhancing Self-Sufficiency and Global Competitiveness,” Commissioner Abou-Zeid reinforced the central role of industrialization in Africa’s growth. Industrialization, she explained, is crucial for poverty alleviation, job creation, and greater participation in global value chains.

Although Africa has made some progress, its manufacturing sector contributes 10.4% to GDP and is growing at 3.6% per year, there are still significant gaps to close. Africa currently generates only 3% of the world’s GDP, 2% of global manufacturing value added, and 1% of global manufacturing exports.



A major challenge for Africa’s industrialization is the continent’s reliance on exporting raw materials and importing finished goods. Commissioner Abou-Zeid highlighted the example of Nigeria, the largest producer of cassava, which still imports over \$600 million worth of processed cassava products annually, largely due to infrastructure deficits and limited domestic processing capacity. She called for robust industrial policies that encourage value addition and strengthen linkages within regional and international value chains.

To accelerate industrialization, the African Union has launched several initiatives, including the [Africa Continental Free Trade Area \(AfCFTA\)](#) and the [Accelerated Industrial Development in Africa \(AIDA\)](#), which focus on sectors like agro-processing, mining, pharmaceuticals, and textiles. These initiatives, along with others such as the [Africa Mining Vision \(AMV\)](#) and the [Programme for Infrastructure Development in Africa \(PIDA\)](#), aim to enhance industrial output, boost trade, and increase competitiveness.

Pathways to Competitiveness: Setting the Industrial Policy Agenda

On January 22, 2025, Commissioner Abou-Zeid spoke at the “Pathways to Competitiveness: Setting the Industrial Policy Agenda” session. She underscored Africa’s pivotal role in the global transition to clean energy, emphasizing the continent’s vast mineral reserves, including over 30% of the world’s cobalt, lithium, and copper, key materials for renewable energy technologies.

Commissioner Abou-Zeid stressed the importance of responsible mining practices, local beneficiation, and adding value to raw materials. By doing so, Africa can meet global demand while stimulating local economies. She pointed out that Africa’s immense renewable energy potential, especially in solar, wind, and hydro power, positions the continent as a future leader in green hydrogen production.

In addition to natural advantages, Africa is implementing key initiatives to transform its industrial landscape. The PIDA program, for example, is working to improve connectivity across the continent in energy, transport, and ICT, which will unlock opportunities for regional value chains and intra-African trade. The AfCFTA, which aims to increase intra-African trade by 52.3% by 2025, is a major part of this transformation. Commissioner Abou-Zeid highlighted the importance of creating a favourable investment climate to unlock Africa’s full industrial potential, noting that foreign direct investment in Africa increased to \$164 billion in 2023.

Powering Progress: Financing the Energy Transition

During the “Powering Progress: Financing the Energy Transition” session, Commissioner Abou-Zeid emphasized that adequate financing is critical to achieving the global energy transition. She pointed out that much of the required capital must come from the private sector, as public funds are limited. Creating a strong business case for investment, through stable policies and predictable frameworks, is key to attracting the necessary capital.

With nearly 40% of the world’s renewable energy resources, Africa has the potential to lead the clean energy transition, provided it can overcome the perception of risk that hinders investment. The African Union has made strides in this area, harmonizing policies and creating the [African Single Energy Market](#) and the [Continental Power systems Masterplan \(CMP\)](#), both [Agenda 2063](#), under its [Second 10-year Implementation Plan](#).

Commissioner Abou-Zeid advocated for de-risking efforts to make Africa more attractive to investors and called for an inclusive and equitable approach to financing the energy transition. By addressing gaps in energy access, especially for the 600 million people in Africa without modern energy and the 900 million without clean cooking, Africa can build a sustainable, climate-resilient energy system.

G20 & Africa’s Just Transition

During her address on January 23, 2025, focussing on G20 and Africa’s Just Transition Dr Abou-Zeid set the stage for Africa’s energy transition that presents both opportunities and challenges. “For Africa, a Just Energy Transition must prioritize energy access, support industrialization, and ensure the sustainable use of its energy resources, says Commissioner Abou-Zeid”. This approach aligns with the [African Common Position on Energy Access and Just Energy Transition](#), adopted in 2022. Notably, the [African Single Electricity Market \(AfSEM\) initiative](#) is spearheading

the goal of creating a unified energy market by 2040, with projects aiming to increase renewable energy's share in Africa's electricity mix to 75.

Key initiatives to advance Africa's energy transition, including the African Energy Efficiency Strategy and Action Plan, the Africa Green Hydrogen Strategy, and efforts to accelerate the development of sustainable aviation fuels were also highlighted. Additionally, the African Energy Transition Strategy and the African Clean Cooking Programme are being developed to help African countries implement decarbonization pathways and clean cooking solutions. Read more [here](#).

The week-long event provided the African Union with a valuable opportunity to advocate for Africa's leadership in global efforts surrounding sustainable energy, industrialization, and economic growth. With its rich natural resources and emphasis on innovation, the AU is positioning the continent as a key driver in the global economic transformation.

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