

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

STATEMENT BY

**H.E. DR. NKOSAZANA CLARICE DLAMINI ZUMA
CHAIRPERSON OF THE AFRICAN UNION COMMISSION**

**AT THE
OPENING OF THE SEVENTH JOINT ANNUAL MEETINGS OF
THE AFRICAN UNION CONFERENCE OF MINISTERS OF
ECONOMY AND FINANCE AND THE UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA CONFERENCE OF
AFRICAN MINISTERS OF FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT**

**29 MARCH 2014
ABUJA, NIGERIA**

Your Excellency Dr. Goodluck Ebele Jonathan, President of the Federal Republic of Nigeria;
Your Excellency former President of South Africa, Mr. Thabo Mbeki United Nations Deputy Secretary General; Mr. Jan Eliasson, Dr. Carlos Lopes, United Nations Under-Secretary General and Executive Secretary of the United Nations Economic Commission for Africa; Dr. Donald Kaberuka, President of the African Development Bank; Our sister, the Minister of Finance of the Federal Republic of Nigeria, Dr. Ngozi Okonjo-Iweala Honourable Ministers of Finance, Planning and Economic Development and Central Bank Governors; Honourable Minister of Economy and Finance of France AU Commission Deputy Chairperson Erastus Mwencha and fellow AU Commissioners Members of the Diplomatic Corps; Chairperson of the Bureau of the Committee of Experts; Senior Officials from Ministries of Finance, Planning and Economic Development and from Central Banks; Ladies and Gentlemen

A warm welcome, Your Excellencies and all present, to the 7th Joint Annual Meeting of the AU Conference of Ministers of Economy and Finance and the UNECA Conference of African Ministers of Finance, Planning and Economic Development taking place in this beautiful city of Abuja, Nigeria.

Our sincere gratitude to the Government and the people of the Federal Republic of Nigeria for the hospitality accorded all delegations since their arrival in Abuja.

I wish to acknowledge the role played by the Co-ordinating Minister, our sister, the Minister of Finance of the Federal Republic of Nigeria Dr. Ngozi Okonjo-Iweala and by the outgoing Coordinator, the Minister of Economy and Finance of Côte d'Ivoire, Mr. Albert Mabri Toikeusse. Let me also thank our Experts and Officials, who diligently prepared for this Conference for the past four days. I also acknowledge my brother, Dr. Mayaki from the Nepad Agency.

This year's Conference of Ministers, with its theme *Industrialisation for transformative and inclusive development*, will address three issues critical to Africa's future: namely Industrialisation, Domestic Resource Mobilisation and African Financial and Monetary Institutions for integration.

Before I address the three issues, let me repeat what I said yesterday in our joint meeting of the African Union-United Nations Regional Coordination Mechanism.

Fourteen years ago, during the debates that led to the Millennium Declaration and Development Goals, our continent was regarded as the '21st Century's Development Challenge' and a scar on the conscience of humanity.

At the same time, Africa too reflected on its future, on how to take the continent out of the preceding two dead decades for development. Thus, we transformed the OAU into the African Union, vowed to tackle conflict in a coordinated manner and adopted the New Partnership for African Development (NEPAD).

Fourteen years later, Africa is the world's second fastest growing region, and home to six of the world's fastest growing economies. Several others were above or near the 7% threshold for economic takeoff, which Kaberuka calls the tipping point and set to double their economies in 10 years¹.

We are also a continent of the future, with a young and growing population, growing working and middle classes, and our abundant natural resources, including land, minerals, gas and oil, forests, biodiversity and maritime resources.

¹ *Growing rapidly. Transforming slowly. Preview of the 2014 African Transformation Report.* African Center for Economic Transformation. Accra, Ghana.

Thus, I repeat with confidence: Africa has transitioned from being the 21st Century's development challenge, to being the 21st Century's development opportunity.

We do know from our history and that of others, that opportunities can be squandered and lost. It is our determination not to be characterised by future generations of Africans for squandered opportunities that prompted us to embark on the process of Agenda 2063, a Pan African framework to rapidly move towards an Africa that is integrated, peaceful, prosperous and people-centred.

The three issues before the Conference of Ministers - industrialization, domestic resource mobilisation and finance and monetary institutions - are critical to the realisation of Agenda 2063 in the longer term and the post-2015 development agenda in the short term.

Firstly, a year ago, your Conference in Abidjan resolved that the need for industrialization is common sense and that Africa must “design a comprehensive industrial development framework that is inclusive and transformative to speed up and deepen value-addition of local production, linkages between the commodity sector and other economic sectors.”

Therefore our discussions a year later must take this common sense further, and assess the consolidation of nascent industrialisation initiatives and sectors.

This assessment must look at the agro-processing sectors in all countries for cocoa, coffee and other agricultural products in Côte d'Ivoire, Ghana and Ethiopia; at the ICT sectors in Rwanda and Kenya; at the textile and fashion industries in West, Central and Southern Africa; tourism and the blue economies of Seychelles and Senegal, of Mauritius and Madagascar; the fishing industry in the Gulf of Guinea; at the work done by institutions such as the Central African Forestry Commission (COMIFAC) on forest policy

convergence and with the East African Coastal forests to promote sustainable forestry and eco-tourism; and whether Botswana can indeed become the world's leading global diamond trader.

Industrial policy assessment is also about assessing the impact of our infrastructure projects: the gas pipeline between Nigeria and Algeria; the Sahara-Sahel transport corridor; the African Clean Energy Corridor Initiative; the Djibouti to Dakar transport corridor and many others - and whether these projects not only contribute towards reducing the cost to industries, but also act as drivers of industrialisation, technology transfers and skills development.

Your assessment, I believe must also check best practices in terms of industrial and trade policy instruments - such as the local content requirement that Ghana introduced in its oil and gas industries; the monetary policy requirements for industrialization and growth discussed by the African Central bankers; the activities of our various national export and investment promotion councils; the implementation of the African Mining Vision, and the impact of our trade partnerships on industrialisation and intra-Africa trade.

We must also know what is happening with the African private sector, both formal and informal, including the SMME sector. In addition, there are the emerging Pan African businesses, in cement manufacturing, mining, oil and gas, ICT and banking and the growing numbers of young successful and innovative African entrepreneurs (men and women) in virtually every country.

Industrial policy won't succeed without conscious efforts to build African champions, and without dynamic dialogue and interactions between government and the private sector, at sectoral, country, regional and continental levels.

Indeed, industrial policy must be accompanied by our integration efforts towards a continental free trade area by 2017, and we must do nothing that would jeopardize this. We need the skills revolution to

train hundreds of thousands more scientists, engineers and artisans, working together with the private sector and by investing in science, technology, research and innovation.

The second and related issue before our Honourable Ministers is about institutions. The two dead decades of structural adjustments not only saw stagnation and de-industrialization, but also the destruction of institutional capacity for industrial policy, support and planning.

Although we cannot turn back the clock and rebuild these capacities overnight, we can leapfrog some of the challenges through the regional and continental institutions that we agreed to put in place, to help all our countries to navigate this path of structural transformation.

Your discussions on the Statutes of the African Monetary Fund, and on the ratification and strategy for the African Investment Bank and the African Central Bank respectively are therefore important, so that we can get these institutions up and running. We must also be reminded about the decision taken by the January 2014 Summit on the African Remittances Institute.

Finally, this Conference of Ministers, as instructed by the May 2013 Summit of Heads of State and Government, must address the practical issues of domestic resource mobilisation.

We have over the last few years studied this matter in detail, ranging from the report of former President Obasanjo presented last year on Alternative sources of Funding, the 2013 NEPAD-ECA study on Domestic resources for African development to the progress report of the Panel chaired by former President Mbeki on Illicit flows from the continent which will be tabled at this conference.

All these studies show that given Africa's enormous resource potential, we indeed have the means to invest in the acceleration of

our development priorities, and in the process leverage and crowding in even greater funding and resources from our partners across the world.

I am confident that our esteemed Ministers and institutions gathered at this Conference will attend to these matters with the urgency it deserves, as critical agents of change for Africa's transformation. As Ministers of Finance, Planning and Economy, you are well-placed to see the bigger picture, to believe in the long view and the merits of transformative policies and strategies.

In the end, fellow Africans, industrial policy, building institutions, even domestic resources mobilisation and indeed transformation, is not done until it is done.

It is only then that we can say, as the late Nelson Mandela taught us: *it is impossible, until it is done.*

Africa's industrialisation, transformation, prosperity and peace are impossible, until it is done.

I wish you successful deliberations and thank you for your kind attention.