



**On the occasion of the
Africa Industrialization Day
20 November 2012**

JOINT MESSAGE

By

**African Union,
United Nations Economic Commission for Africa,
United Nations Industrial Development Organisation**

H.E. Mrs. Nkosazana Dlamini-Zuma
Chairperson
Africa Union Commission (AUC)

Mr. Carlos Lopes,
Under Secretary-General and Executive Secretary,
(UN Economic Commission for Africa)

Mr. Kandeh K. Yumkella
Director-General
United Nations Industrial Development Organization (UNIDO)

**THEME: “Accelerating Industrialization for Boosting Intra-African
Trade”**



Excellencies,

Ladies and Gentlemen,

Today, we celebrate the Africa Industrialisation Day in support of the economic transformation of Africa. In 1989, when the United Nations General Assembly chose the 20 November to commemorate Africa's industrialization, it sought to mobilize support for, and reaffirm the international community's commitment to Africa's industrial development. More than 20 years later, we can measure both the progress achieved and the efforts that still to be undertaken.

This year's theme, Accelerating Industrialisation for *boosting intra-African trade*, is fully in line with the issues discussed during the last two AU sessions of Summits (in January and July 2012). African Industrialisation day will provide an excellent opportunity to discuss, throughout Africa and the World, further steps to accelerate the continent's trade-related integration.

Most African economies have gradually recovered from the 2008 global financial crisis, but the continent's weaknesses remain a challenge. Although, in Sub-Saharan Africa, the majority of economies will grow by more than 5% this year, there are many new threats; commodity prices start declining, fuel and food prices have recently soared and the European debt crisis is likely to affect Africa's exports in the very near future. We know that our current economic structures are fragile, and that they too heavily rely on commodity prices. To sustain our development efforts, we require investment promotion and upgrading of trade capacities and infrastructure. Many economic and political challenges still hamper Africa's competitiveness. Small and isolated economies cannot efficiently and durably tackle these challenges. Structurally, we need to deepen the integration of African economies.

Indeed, unleashing Africa's economic potential requires collective and well-coordinated approaches. To this end, the demonstrated determination of African leaders to



work together on the dismantlement of trade restrictions is undoubtedly a very positive message for the entire continent. The number of active Preferential Trade Agreements between African countries has rocketed since 2000, attaining 24 in 2012. But except in Eastern Africa, where a common market has been launched in 2010, regional and sub-regional trade facilitation initiatives has so far encountered limited success. Therefore, efforts need to be reinforced at the level of the continent to advance this essential issue. We believe that modest reductions in trade transaction costs can substantially increase trade opportunities in Africa. This is why we support the creation of a Continental Free Trade Area by 2017, as a first and ambitious target towards setting-up an African Common Market, which can help improve economic performance through a large increase in business opportunities, Foreign Direct Investment flows and Tax Revenues. Enhanced business climate, regional chain value and competition frameworks should also help boost intra-African trade, especially for important sectors such as services, finance, tourism and communication.

Yet Africa's integration cannot be achieved without harmonized policies and monetary regulation, new cross-border security frameworks and the elimination of non-tariff trade barriers. As emphasized in the AUC's Action Plan for the Accelerated Industrial Development of Africa (AIDA), which involved UNIDO's and UNECA's assistance, intra-African trade will also heavily rely on our capacity to fast-track resource mobilization efforts towards catalyzing investment in transport infrastructure and new energy sources in Africa. These burning issues require a strong and urgent commitment from the African community.

Nevertheless, despite the daunting challenges and remaining obstacles, it is crucial to foster Africa's industrialization, and intra-African trade is the one of the best drivers of change. Therefore, AU, UNECA and UNIDO call for renewed and intensified efforts to strengthen regional trade facilitation initiatives and speed up the establishment of the pan-African free trade area. It is time to make our vision a reality, and turn Africa into a competitive, attractive and integrated economy.

We wish you all an excellent celebration of the 2012 Africa Industrialization Day.

Thank you for your attention.