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## Opening Remarks on the 20<sup>th</sup> Africa Industrialization Day

**H.E FATIMA HARAM ACYL**

**COMMISSIONER OF TRADE AND INDUSTRY**

**African Union Commission Headquarters (New Complex)**

**20 November 2014**

H.E Mr. **Ahmed Abitew**, Minister of Industry, Federal Democratic Republic of Ethiopia

H.E Mr. **Si Shujie**, Vice Minister of the State Council Leading Group Office of Poverty Alleviation and Development (LGOP), P.R. China

H.E **Mr Carlos Lopes**, UN Under Secretary-General and Executive Secretary, ECA

H.E Mr. **Eugene Owusu**, UN Resident Coordinator and UNDP Resident Representative in Ethiopia

### **Honourable Ambassadors, Distinguished Ladies and Gentlemen**

1. On behalf of the Chairperson of the African Union Commission, Dr. NKOSAZANA DLAMINI-ZUMA, it gives me a great pleasure to welcome all of you to the celebration of the 20<sup>th</sup> Africa Industrialization Day jointly organized by the United Nations Economic Commission for Africa (UNECA) and the United Nations Industrial Development Organization (UNIDO). The theme of the 20<sup>th</sup> edition, **Agro-Industry for Food Security in Africa**, is aligned with the 2014 'Year of Agriculture and Food Security in Africa' declared by the Heads of State and Government Summit and with UNIDO's new vision of Economic Development stated in the Lima Declaration adopted in December 2013, which is the 'Inclusive and Sustainable Industrial Development (ISID).
2. I would like to take this opportunity to thank you for having put aside your heavy schedules to come and attend this celebration. Specifically, allow me to thank our implementing partners: **Members States**, RECs, United Nations Agencies, and Multilateral Organizations. Your Support is highly appreciated and it is together that we will built 'the future we want for Africa' as target by Agenda 2063, the new pathway of African Union towards sustainable economic and social transformation of Africa.

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3. As you may be aware, November 20 is the date proclaimed by the 25<sup>th</sup> Ordinary Session of the Assembly of Heads of State and Government of the Organization of African Unity (OAU) as Africa Industrialization Day. On December 22, 1989, this date was also declared as Africa Industrialization Day by the UN General Assembly. The purpose of this day is to raise global consciousness regarding the industrialization challenges faced by the continent in the field of industrialization and to mobilize both African leaders and international Organizations to advocate for an accelerated industrialization in Africa.
  
4. This year, we are celebrating Agro-industry as an inclusive and sustainable strategy for food security effectiveness. Agro-Industry is the primary manufacturing sector in Africa. It represents more than half of total Manufacturing Value Added (MVA). According to the World Bank, Agro-industry's share of MVA range from around 60 percent in Ghana to around 90 per cent in Kenya. By adding value to agricultural commodities, Agro-Industry increases the revenue along value chains and strengthens the economy. Agro-industry has potential to provide widespread benefits all along the value chain. Downstream, the suppliers and specifically the small farmers benefit from the sale of their products. They also experience increased incentives for efficiency, making them more productive. Upstream, agro-industry encourages distributors such as super markets to develop their supply chain by adopting world class and innovative practices. Agro-industry also develops the sectors of equipment or processing agricultural raw materials, including machinery, tools and storage facilities, and reinforces support services sectors (marketing, distribution and retails, financing and transport).

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5. The promotion of social inclusion and environmental sustainability through agro-industry development is one pillar that leverages the contribution of agro-industry to poverty reduction. In fact, studies stated that by generating and diversifying incomes for rural and urban populations and integrating smallholder's farmers, women, and youth into national and international value chains, agro-industry is an effective pro-poor strategy to conduct to economic transformation.
  
6. Agro-industry can also address a critical challenge facing many African countries: ensuring food security. Agro-industry contributes to sustainably and equitably increasing food security in several ways.  

First, agro-industry allows economic empowerment by creating jobs and enhancing revenues of chain participants. It lowers the cost of food for population and reduces supply uncertainties. Furthermore, due to technology and innovation, agro-industry increases shelf life of foods downstream of the value chain and upstream, it reduces post-harvest losses. Finally, with the settings of norms and standards, agro-industry ensures food security and safety.
  
7. At the institutional level, the development of agro-industry has been displayed as a priority by African Union Commission. During the High-Level Conference on the Development of Agri-Business and Agro-industries in Africa (HLCD-3 A) in March 2010 in Abuja Nigeria, the African Agri-Business and Agro-industries Development Initiative, 3ADI, was launched by AUC and NEPAD in partnership with FAO, UNIDO, AfDB and UNECA. The vision of the 3ADI program is to spur the development of competitive, sustainable and inclusive agro-industries and agri-businesses in Africa as a pathway to increase economic growth and food security in the continent. Today the implementation of this initiative is under the leadership of UNIDO, FAO and IFAD. Up to 2012, the 3ADI has been implemented in 15 countries.

8. The Department of Trade and Industry is also implementing Strategies that will strengthen the Agro-Industry Sector. Indeed, the Action Plan for Boosting Intra-African Trade (BIAT), the achievement of the Continental Free Trade Area (CFTA) supported by the Action Plan for Accelerated Industrial Development of Africa (AIDA) are opportunities to support the emergence of productive and competitive agro-industry clusters at the national, regional, and continental level. In parallel, the Department of Rural Economy and Agriculture (DREA) and the Department of Infrastructure and Energy are respectively engaged in the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) and the Program Infrastructure Development for Africa (PIDA). These initiatives are complementary actions to achieve the AU vision of “an Integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena”.

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9. Let me conclude by focusing on the fact that building Africa’s industrial capacity requires the enhancement of technological capabilities, establishing appropriate institutions and instruments, addressing the deficiencies of infrastructure, and putting in place appropriate industrial policies. The Department of Industry and Trade would like to underline, in this day of celebration, its total commitment in working with all the partners to address and overcome the challenges towards the emergence of world class industrial clusters in Africa.

With these few remarks I would like to thank you once again and wish you, Your Excellences a fruitful celebration.

I thank You.