

2ND INTERNATIONAL AGRO-INDUSTRY INVESTMENT FORUM

5 to 8 March, 2018

Millennium Hall

Addis Ababa, Ethiopia

Theme: “Agro-processing – An epicenter for the transformation of the Ethiopian economy”

**Statement by
H.E Prof. Victor HARISON**

*Commissioner for Economic Affairs
African Union Commission*

Your Excellency, Dr. Mulatu Teshome, President of the Federal Democratic Republic of Ethiopia;

Your Excellency, Mr. Ahmed Abtew, Minister of Industry of the Federal Democratic Republic of Ethiopia;

Your Excellency, Mr. Tan Jian, Ambassador of the People's Republic of China in Ethiopia;

Your Excellency, Li Yong, Director General of the UNIDO;

Mr. Abdalla Hamdook, Deputy Executive Secretary, United Nations Economic Commission for Africa;

Distinguished Guests;

Ladies and Gentlemen;

On behalf of H.E. Moussa Faki Mahamat, Chairperson of the African Union, I am honored to deliver this statement.

Allow me, on his behalf and indeed on my own, to take this opportunity to express my congratulations to the Government and People of the Federal Democratic Republic of Ethiopia for organizing this important event.

Excellencies;

Ladies and Gentlemen;

Africa's recent high growth rates is heterogeneous among African countries and did not create sufficient jobs to match demand. Working young people and women are disproportionately affected by the burden poverty.

I would like to bring to your attention the enormous potentials our continent has. Indeed, Africa has more than 60% of the world's fertile and unused land sufficient to feed an estimated population of 9 billion by 2025. However, some 355 million people in Africa were moderately or severely food insecure in 2015. This was largely the result of rapid population growth and low agricultural productivity due in part to limited irrigation coverage, natural disasters as well as declining investment in the sector.

Moreover, despite our vast agricultural potentials, Africa still remains a net importer of agricultural products. In two thousand and fifteen, Africa spent 35 billion US Dollars in imported food; with a forecast increase of 110 billion US Dollars by 2025.

From 2010 to 2015, manufactured goods accounted for only 18% of Africa's exports and Africa's share of global manufacturing exports remains under 1%, while 62% of all imports were manufactured products: a trade imbalance that strips the continent of its assets.

This reality is unfortunate and it should be viewed as a challenge to be addressed collectively including Governments, the African Union, the members of the private sector and all stakeholders. On this matter, we therefore focus on agriculture and industrialization development by transforming our own raw materials to eliminate poverty, creating jobs for the 12 million young people who enter African labour market every year, developing rural entrepreneurship and boosting Gross Domestic Product (GDP).

According to the African Development Bank (AfDB) in its 2018 African Economic Outlook report, *“one of the key factors retarding industrialization has been the insufficient stock of productive infrastructure in power, water, and transport services that would allow firms to thrive in industries with strong comparative advantages. Therefore, this is also one of the biggest challenges facing Africa”*.

The report also stresses that *“The global economy would benefit enormously from Africa's industrialization and the building of productive infrastructure in the continent”*.

In this note, I would like to take the opportunity to commend Ethiopia for all its infrastructure and energy investments among which is the Grand Ethiopian Renaissance Dam project.

Excellencies;

Ladies and Gentlemen;

The African Union and its member states over the past have adopted at industrial level various initiatives such as the Decade for Industrial Development in Africa and the Action Plan for Accelerated Industrial Development of Africa (AIDA).

The objective of these initiatives is to promote economic diversification through the increment of economic value addition and to create a conducive institutional environment in order to improve the capacity of industrial supply and manufacturing our own raw materials.

On the agricultural level, the African Union adopted Africa's policy framework for agricultural transformation in 2013. The Comprehensive African Agricultural Development Programme (CAADP) seeks to drive our continental agricultural revolution, by increasing investment in

agriculture, fostering entrepreneurship and investment in agribusinesses and agrifood value chains, improving national and regional agricultural markets, fostering Africa's collective food security and improving the management of natural resources.

This initiative over the last decade, where countries have increased investments in agriculture as per CAADP targets, have seen reductions in hunger and poverty, and increases in productivity.

In this regard, I commend the top 10 best performers' countries including Ethiopia that are on track towards achieving the commitments and I encourage the others to follow their path.

The African Union is also focusing on promoting the structural transformation of African economies through accelerated productivity, growth and diversification with industrialization, as the strategic vehicle for achieving this and such continental transformation are in line with the African Union Agenda 2063.

On that note, I could not conclude my statement without making reference to the African Economic Platform which is one of the Agenda 2063's flagships. The 2018 edition will be held in Port-Louis, Mauritius from 9th to 10th of May. I would be honored to invite you participating at this important event under the theme **"Transformation of African Economies through the Mobilization of the Private Sector "**.

In conclusion, I hope that business relationships will be established during this Forum, so that the goal of the **agro-processing as an epicenter for the transformation of the Ethiopian economy is reached**.

Also, I already wish success to the next edition of the International Agro-Industry Investment Forum with a greater consideration of the issues that are necessary to move forward our agro-industrialization agenda; it is through this that a self-reliant African will emerge.

I thank you.