

H.E Albert Muchanga

African Union Commissioner, Economic
Development, Trade, Industry and Mining

at the

Delivered at the Opening Ceremony of the
AU Youth Start Up Pavilion

held in

Durban Kwa-Zulu Natal, South Africa

on

16th November 2021

Your Excellencies here Present;
The Youth Start Up Operators;
Representatives of venture capital firms;
Distinguished Invited Guests;
Ladies and Gentlemen.

I greet each and every one of you.

Right from the beginning, I would like to thank all the collaborators in the organization of the AU Youth Pavilion.

The Chairman and Chief Executive Officer of Africa e Trade Group, my brother Muluaem Syoum read out the full list of the collaborators. I will not repeat this but just emphasize our deep appreciation for the support.

My next equally major task is to congratulate all the youth exhibiting in this pavilion. First, I congratulate you for your spirit of boldness. Embarking on a journey of starting, managing and growing a business is not for the timid or the faint hearted. It is your steel resolve that brings you here today. Congratulations.

I also congratulate you for your high sense of purpose. As reflected in your respective start-up operations, you have a mission to contribute to the progress of Africa by offering solutions to some of the continent's challenges. With this sense of purpose, you will be contributing to Africa's structural change by introducing new products and services that both meet societal needs and improve productivity and growth in several areas including finance, health and agriculture, which are all crucial for Africa's inclusive and sustainable development.

Furthermore, I congratulate you for being selected to exhibit in this pavilion. The competition was massive and stiff. You excelled, a demonstration that your offerings are superior relative to those of your competitors.

I salute you and all the African youth start-up operators. You, the torch bearers of the bright future of Africa.

As you exhibit, you will be judged at two levels.

The first level is to see whether or not the venture capital firms that you will interact with will buy-in into your offerings. My hope is that they will indeed buy-in. Our expectation is that your respective engagements with the venture capital firms will generate US\$3 billion in equity financing for your businesses.

The second level is to pick the ten best from among all of you in the pavilion physically or virtually. It will be the selection of two youth start-up operators from each region, representing a female and male. The ten of you that are selected, on a competitive

basis, will be sponsored to exhibit at the African Union Pavilion of the Expo 2020 that is currently going on in Dubai, United Arab Emirates.

As you start up your operations, you will require critical resources and conditions that go beyond your vision, mission and stamina,

The most important of these are finance, conducive operating environment and skills.

Let me briefly touch on each one of them.

Venture capital firms are one source of finance. Another equally important source is finance from governments. As we strive to position Africa attain and sustain high rates of economic growth; increase her share of global trade as well as move towards net zero carbon emissions in the sustainable development process, African governments will have to invest in building capabilities and capacities in Research and Development as well as innovation. Part of that investment could be in the form of grants and interest-free loans to deserving start-up operations to make them emerge, grow and thrive.

The world today witnesses and celebrates the success of Tesla. What many people do not realize is that to be where it is today, Tesla was able to get an interest free loan of US\$465 million from the US Department of Energy in June, 2009 because the US Administration saw the potential of the product in contributing to the US moving towards clean energy. Governments across Africa have to come up with similar schemes of public support to start-up operations.

Beyond provision of finance, African governments, are also required to support the development of start-up operations by creating conducive environments anchored on removing obstacles such as; among others: growth-inhibiting government regulations and other restrictive policies; poor infrastructure in energy, communication, transport, education and health; and, the large informal sector.

Equally important, governments must develop civil service capacities and capabilities to effectively collaborate with youth start-up operations. Internationally acclaimed economist Mariana Mazzucato has observed in her latest book that by so doing, the civil services around the world can become co-creators of value with start-up operators and business in general.

Skills also matter. They make or break a business.

As you embark on managing and growing your start-up operations, I am certain all of you will soon realize that the road ahead is not one of assured success.

You are at the cross-roads of success or failure.

All of you will choose success but you must earn it. To achieve that, you have to work hard and smart for it. To generate enduring success, you need; among several others, skills in innovation, design, market, branding, sales and human resources. You may learn some of them but you also have to employ some people to mobilize the skills towards generating value that gives you the winning edge.

You start in an environment where throughout the COVID-19 pandemic, start-up operations in Africa, including fin-techs have shown remarkable resilience. Use this environment to boost your competitive advantage.

As you embark on your journey of skills development, I will also point out that it is the duty of African governments to promote skills development as well, especially in science, technology, engineering and mathematics as we strive to harness the power of start-up operations in the fourth industrial revolution.

Sales growth is key to your success. In this connection, I look forward to each one of you using this metric to making your start-up operations transform into billion dollar businesses in the shortest possible time.

I will end here and wish you all, successful deliberations and business to business engagements.

I thank you for your kind attention.

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