

**MEETING OF THE AFRICAN MINISTERS OF INDUSTRY  
IN PREPARATION OF THE AFRICAN UNION SUMMIT ON  
INDUSTRIALISATION AND ECONOMIC DIVERSIFICATION**

**Gandhi Center of Conference, Niamey, Niger**

**7 November 2022**

*Opening statement by Mrs Ngone Diop,  
Director of the Sub-Regional Office (SRO) of  
the UN Economic Commission for Africa (ECA)  
for Western Africa*

**H.E. Mr. Ouhoumoudou Mahamadou, Prime Minister of the Republic of  
Niger**

**H.E. Albert Muchanga, Commissioner for Economic Development, Trade,  
Tourism, Industry and Mining, AUC**

**Excellencies Honourable Ministers,**

**Mr. Gerd Muller, Director General of UNIDO,**

**Excellencies Ambassadors and Representatives of international  
organisations**

**Distinguished Colleagues and Participants,**

**Ladies and Gentlemen:**

It gives me great pleasure to be here with you today on behalf of UNECA Executive Secretary ad interim Mr Antonio Pedro at this important ministerial conference on African industrialization agenda.

Let me express our gratitude to the Government and people of the Republic of Niger for their warm hospitality.

**Excellencies, Ladies and Gentlemen:**

With the adoption and entry into force of the Agreement Establishing African Continental Free Trade Area (AfCFTA), Africa is presented with ample opportunities to industrialize. But we need to seize these opportunities, put the necessary conditions in place, and implement the AfCFTA Agreement with a single-minded focus on industrialization.

What this means, among others, is an innovative industrial policy for Africa that is anchored on the AfCFTA. African governments need to develop and implement smart policies conducive for investment in manufacturing, beneficiation and value addition. Only through industrialization can we build hope in our youth, resilience in our society.

**Excellencies, Ladies and Gentlemen**

Compared to other global regions Africa's level of diversification is significantly lower. Based on the diversification index from UNCTADStat, African export diversification is roughly half the level in the America's, Asia, and Europe.

There is regional heterogeneity within Africa as well, with Southern Africa enjoying the highest levels of diversification and Central Africa with the lowest.

Africa's low levels of export diversification testify to the excessive concentration of its exports in a limited range of primary products, often derived from the extractive sector. Between 2016 and 2021 fuels accounted for the largest share of African's total exports, ranging from 29% to 43% in any given year, and averaging 37% over the period.

Intra-African trade, on the other hand, is more balanced. Between 2016 and 2021, intra-African trade in mineral fuels averaged only around 20%, while manufactured goods accounted for 44%. With food items representing another 20%, intra-Africa trade is significantly more supportive of industrialization than Africa's trade with the rest of the world.

An Africa that increasingly trades with itself in a diverse range of products is an Africa that can withstand external shocks and resile from them with relatively less impact when they happen. Africa suffered more deeply than other regions from the Covid-19 pandemic and the war in Ukraine because of its excessive import dependency due to lack of indigenous manufacturing capacity. It is high time that we learn the lessons fast, diversify our economic base, enhance our research and development capacity, and invest in industrialization. That way lies Africa's renaissance.

The AfCFTA provides the right platform on which to launch this renewed industrialization drive.

ECA's latest empirical assessment of the AfCFTA indicates that successful implementation of the Agreement is expected to have a significant positive impact on Africa's global GDP, output, trade and welfare.

The overall trend towards more industrialized economic structures is confirmed at country-level as the bulk of the absolute gains in national exports to the rest of Africa following AfCFTA implementation would mostly be for industrial products.

There is yet another reason why industrialization is critical for Africa. Today, primary products – whether extractive or agricultural – account for the bulk of our exports to the rest of the world, while processed products dominate our imports. In far too many cases, we export the raw product and reimport the same thing in processed form – thereby exporting African jobs to others and effectively paying for the wages of foreign workers.

That is why we believe industrialization is not an option for Africa; it is an imperative. Simply put, by adding value to our raw materials here on the Continent, we can convert our resources to the real blessings they are rather than allow them to continue to be a curse imposed on us.

At the same time, we also need to realize that industrialization is a process, and a long one at that, not an event. As we pursue our industrialization drive, in the short term, we have no other option than to also keep exporting primary commodities.

But, for a Continent like ours, exporting primary commodities should not mean taking prices set by others for ever.

At least in areas where Africa enjoys significant market shares already, such as cobalt in DRC or cocoa in Côte d'Ivoire and Ghana, Africa must dictate market prices, not accept prices set by others.

Today, we are a price taker – and not a price setter – even in these products because we are not collaborating enough, and indeed because we are not implementing the AU Commodity Strategy.

It is long overdue that we do so.

As we drive industrialization, let's also realize that industrialization needs resources.

A well-thought out and coordinated commodity strategy, implemented in a coordinated fashion, is the most viable route for Africa to gain a fair share of the resource rent in the short term and to mobilize the resources necessary to finance its industrialization agenda in the long term.

**Excellencies, Ladies and gentlemen**

Let me conclude by restating one important point: the AfCFTA is a wonderful tool in itself, but also – and especially – because it puts in place all the necessary conditions for transformational investment, industrialization and sustainable development in Africa.

I thank you very much for your kind attention.