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Statement

By

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Commissioner for Economic Development, Trade,
Tourism, Industry and Minerals

Delivered at the

14th African Union Private Sector
Held in Nairobi, Kenya

On

12th July 2023

Your Excellency Mr. William Ruto, President of the Republic of Kenya;

Your Excellencies Heads of State and Government, Here Present;

Honourable Ministers, Here Present;

Your Excellency Dr. Peter Mathuki, Secretary General of the East African Community;

Your Excellency Mr. Wamkele Mene, Secretary General of the AfCFTA Secretariat;

Your Excellency Dr. Amany Asfour, President of Africa Business Council;

Captains of Industry and other Market Players, Here Present;

Distinguished Forum Participants;

Ladies and Gentlemen.

I greet you all and in the same vein, convey the greetings from His Excellency Dr. Moussa Faki Mahamat, Chairperson of the African Union Commission.

He cannot be with us this morning due to the exigencies of duty in other parts of our continent.

We all know there are concerted efforts to resolve the internal conflict and humanitarian crisis in Sudan.

He wishes this meeting great success and looks forward to be briefed on its outcome.

This I will do, when he joins us for the meetings of the Executive Council of the African Union and the Mid-Year Coordination Meeting to be held from the 13th to the 16th of this month, which will be here, in this beautiful and welcoming city of Nairobi.

I would also like to record the deep appreciation of the African Union delegation and I, to the People and Government of the Republic of Kenya, for the warm reception and hospitality accorded to us. We are very happy to be here.

Furthermore, I would like to express appreciation to our sponsors partners, exhibitors and fashion show organizers, creative directors and models.

They collectively and individually contributed to the success of the ten sessions we had from the time we started meeting two days ago.

Our sponsors are: B'Smart Technologies, GIZ, Koko Networks and Trade Marks Africa.

Our partners are: Kenya Private Sector Alliance, East African Business Community and East African Community.

Please, give them a round of applause in appreciation of the good work they did to make this meeting a success that it will be.

As we meet in this Presidential Session, we do so against a background where the sessions of the past two days have generated appreciable results through five platforms; namely; dialogue sessions; networking; exhibitions; fashion show, women and youth master class and start-up pitches.

Through the African Union Youth Start-Up Programme, we have a partnership with Google. On the basis of this partnership, the top three pitchers during this Forum will be assisted to grow their businesses, and in the process, contribute to the growth of the commercial landscape of Africa, in addition to contributing to generating jobs for our young continent.

From this, it is very clear that start-ups are key to ensuring that Africa prospers through innovations that offer solutions to the numerous but surmountable challenges of Africa and the world at large.

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Start-up activities in Africa will be boosted when the African Business Council comes up, and this is in the near future, with an African Innovation Fund and television series on Start-Ups.

However, the urgent task still remains for governments and business across Africa to invest in Research and Development.

When this topic comes up in my regular discussions with African scientists, they always emphasize that boosting expenditure should not be confined to just salaries and pension benefits of technicians and scientists involved in Research and Development. It should encompass funding of the actual programmes of Research and Development.

Their point comes against the background that Africa, in her Science, Technology and Innovation Strategy for the period 2013 to 2024, committed to spending 1% of her aggregate gross domestic product on Research and Development. Currently, this stands at 0.5%.

According to the Financial Times, Research and Development spending of 2.4% of gross domestic product is the bare minimum required to effectively compete in the technology driven world economy.

As I stated at the beginning of this Forum two days ago, some countries spend 4.8% to 9% of their gross domestic product on Research and Development. In the case of companies, some spend as much as 5% of their annual gross revenues on Research and Development.

In this context, Africa is under-performing in investing in Research and Development. My expectation is that the next Africa Science, Technology and Innovation Strategy will significantly scale up investments in Research and Development.

Technology is the only ingredient left to enable us realize the aspirations and objectives of the African Union Agenda 2063.

Together with skills development, it is a critical source productivity and rapid growth.

We have a young and growing population that is a source of entrepreneurship, jobs and consumption.

We also have vast natural resources to turbo charge our industrialization.

Let us lock in science, technology and innovation and we are ready to create the Africa We Want anchored on high levels of productivity and rapid growth.

Let me now move to the fashion show.

This is a strategic platform for developing the African textile and clothing industry. What is obvious is that the show still lacks the

participation of African and global retailers in clothing. We will address this challenge as we move forward. This connection is vital to spur the development of the cotton and textile industry across Africa and position it to enter global fashion retail outlets.

In the meantime, I call on you the private sector and creative directors of the African Fashion Show to consider mobilizing investments to build textile factories that will mass produce the fashion designs emerging across Africa.

As I conclude, let me state that the outcome of this Forum will be availed to the Specialized Technical Committee on Trade Tourism Industry and Minerals which will be meeting before the end of this year.

The Specialized Technical Committee will present its report to the February 2024 Assembly of the African Union Heads of State and Government.

We are also in the process of creating a Sub-committee on Industry of the Specialized Technical Committee in order to give more space to addressing policy challenges in Africa's industrialization drive.

The African private sector involved in manufacturing and agro-processing will be invited to participate in the Sub-Committee so that we fully align private sector perspectives on Africa's industrial development with policy making.

That alignment is crucial for us to move forward, with speed and impact, in our industrialization drive.

I will end here and thank you all for your kind attention.