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**Statement by**

**Albert Muchanga, Commissioner for Economic Development,  
Trade, Tourism, Industry and Minerals**

**Delivered at**

**The 14<sup>th</sup> African Union High Level Private Sector Forum**

**Held on**

**10<sup>th</sup> July, 2023**

**Nairobi, Kenya**

**Honourable Rebecca Miano, Cabinet Secretary, Ministry of East Africa Community;**

**Your Excellency Ms Annette Ssemuwemba, Deputy Secretary General of the East African Community;**

**Ms. Emely Mburu-Ndoria, Director of Trade, Investment, IPR and Digital Trade AfCFTA representing H. E. Wamukele Meme, Secretary General of the AfCFTA Secretariat;**

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

**Your Excellency Ms. Angelina Ngalula, Chairperson, East Africa Business Council;**

**Your Excellency Dr. Anthony Mwangi, CEO, Kenya Association of Manufacturers;**

**Your Excellency Ms. Carole Kariuki, EBS, MBS CEO, Kenya Private Sector Alliance;**

**Distinguished Participants;**

**Ladies and Gentlemen.**

I welcome you all to the 14<sup>th</sup> African Union High-Level Private Sector Forum.

Let me start by earnestly thanking the people and Government of the Republic of Kenya for hosting us.

We are most grateful for the hospitality. It is treasured and this gratitude will endure.

I would also like to thank our partner, the East African Community, GIZ and Trade Mark Africa for jointly organizing this edition of the African Union Private Sector Forum with us.

The team from the two organizations and the host Government worked hard and smart to lay the groundwork for what I believe will be a successful meeting. I also thank the members of the team for the job well done.

The exhibitors are not to be left out. They are providing practical demonstration of their outputs. This is practical trade information which is key to boosting intra-African trade.

I would like to encourage all of us to visit the exhibition and where possible, enter into business to business and business to consumer transactions.

Let us make use of this platform in order to encourage more exhibitors in future editions of this Forum.

The first aspiration of the African Union Agenda 2063 is: “A prosperous Africa based on inclusive growth and sustainable development”.

The second aspiration is: “An integrated continent; politically united based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance”.

We have given operational content to the first aspiration by collaborating with the African Development Bank and

AUDA-NEPAD to commission a study on key actions to achieve inclusive growth and sustainable development in Africa.

We plan to complete the study in December this year and avail it to the Assembly of the African Union Heads of State and Government in February next year for its consideration and policy guidance.

The key focus of the study is to position African economies grow at 7-10% annually between now and 2063. This requires, among others, increasing investments from 20% of Africa's Gross Domestic Product to 40%.

And this is where you come in. We need your investments which will be catalysts to foreign direct investments.

I in this connection call upon you as the private sector to invest in Africa, invest in Africa, invest in Africa.

We gave operational content to the second aspiration well before the adoption of the African Union Agenda 2063.

In 1991, our Leaders signed the Treaty Establishing the African Economic Community (Abuja Treaty) to give legal force to continental economic integration.

The Organisation of the African Unity and the African Economic Community are the authors of the Constitutive Act of the African Union where Continental economic integration is among its objective. This was boosted in 2012 with the adoption, by the Assembly of the African Union Heads of State and Government, the Action Plan on Boosting Intra-African Trade.

This created the policy and programme basis for negotiation of the Agreement Establishing the African Continental Free Trade Area.

The Agreement gave legal force for emergence of a continental market we call the African Continental Free Trade Area.

The theme for this year's edition of this Forum: ***Public-Private Sector Engagement for Inclusive Growth and Sustainable Development while Deepening Regional and Continental Trade and Investment towards Implementation of AfCFTA*** captures these developments.

Let me at this stage dwell on private sector interest in the attainment of the first two aspirations of the African Union Agenda 2063.

We welcome that interest. With that interest, we see you as our partners in growing, developing, integrating and prospering Africa.

Your interest comes against a background where the global business standard of Environmental, Social and Corporate Governance (ESG) is gaining ground on matters of investment, international trade, health and, among others climate change.

While we see the private sector as the engine of innovation, investment and economic growth, we also see ESG as a call to the private sector to tackling climate change, and hence the panel discussion on this matter that you will have during this edition of the Forum.

Equally important, the private sector is key to the integration of Africa.

You are sources of investments in logistics which will remove numerous non-tariff barriers that impede intra-African trade.

You are also sources of investments in productive transformation that will make Africa a producer of green intermediate, manufactured and agro-processed goods for both Africa and the rest of the world.

I can go on and on highlighting areas where we need your investments. Let me conclude this segment on human capital development.

In several cases, the skills development processes across our continent do not meet the expectations of the private sector and the net result is a deficit in employability.

And that wastage of human capital which must not be sustained.

In this respect, let me suggest that through Private Public Partnerships, let us come up with policy and institutional arrangements where the private sector in Africa plays roles in the design and execution of skills development programmes in order to eliminate the enduring employability deficit.

Before I conclude my statement, let me make three points.

The first point is that both the African governments and private sector under-play the critical importance of innovation, industrial design, marketing and branding in our industrial activities. The result is inability to differentiate and consequently, we emerge with lack of the technical capabilities to be competitive within Africa and abroad.

Against this background, African governments and private sector must take steps to increase investments in Research and Development, industrial design, marketing and branding.

Some countries annually allocate 4.8 to 9% of their Gross Domestic Product to Research and Development while some corporate entities allocate 5% of their annual revenues to Research and Development.

If we do not do the same, we will remain behind in the journey of innovation and competitiveness. And that will translate into loss of market share.

If we increase investments in Research and Developments, we shall also be giving visibility to the Made in Africa standard which we plan to roll out by the end of this year.

The standard will be successful if it is anchored on innovation, quality, originality, and our own intellectual property rights.

As I say so, let us always remember that we are in the era of Industry 4.0, the Fourth Industrial Revolution. Some are already calling it the Fifth Industrial Revolution.

In this age of Industry 4.0, innovation, start-ups, and effective patenting are key to Africa succeeding in her structural transformation to drive her prosperity. Let us position ourselves to succeed.

In this connection, I am looking forward to a day when African governments, at national, regional and continental levels, will annually sit together in institutionalized settings, with the private sector and academia to dialogue and agree on how to move forward, programmes of Research and Development across our continent.

There are scientists in this audience. There are also representatives of governments and the Private Sector. I call on you to take action to Institutionalize this.

Let me emphasize the importance of collaboration by saying that working together, we are strong.

The second point is on supply.

As we stand now, very few African market players can meet demand in the market of 1.4 billion people of the African Continental Free Trade Area.

It is the same in the external markets.

In this respect, I call on you as the private sector to come up with ways and means to using innovation, intellectual property rights, quality, originality and branding to promote clustering so that you



develop capabilities to meet demand of your products across Africa and the rest of the world.

In this way, you will be greatly contribution to both industrial development and continental economic integration.

The third point is that historically, Africa, like in other parts of the world, have underplayed the role that women and youth can play in driving socio-economic development.

That is changing now and a good indicator in this edition of this Forum, is the composition of the high level table. And subsequently is the Master Class for Women and Youth entrepreneurs which will have a pitching segment.

Other institutions like the African Development Bank are also contributing to women and youth empowerment.

Two programmes we have at the African Union are Women in Processing and African Youth Start-up Programme. This is how it should be.

Let us in this respect join hands as public and private sectors to mainstream women and youth empowerment in our policies and programmes.

I will end with food for thought.

We currently have several Private Sector Fora at continental level.

How does this work out in terms of messaging, time management and collaboration?

Is it realistic or unrealistic to combine efforts to have a single Africa private sector forum?

This is food for thought and I end here.

I thank you all for your kind attention