

DEEPENING PARTNERSHIPS FOR AFRICA'S INDUSTRIALISATION / TRADE UNDER AfCFTA

AFCFTA is about growing African economies through integration and Trade.

But not just Trade, Transformed trade. The AfCFTA represents a major opportunity for countries to boost growth, reduce poverty, and broaden economic inclusion.

Implementing AfCFTA would:

- Lift 30 million Africans out of extreme poverty and boost the incomes of nearly 68 million others who live on less than \$5.50 a day;
- Boost Africa's income by \$450 billion by 2035 (a gain of 7 percent)
 while adding \$76 billion to the income of the rest of the world.
- Increase Africa's exports by \$560 billion, mostly in manufacturing.
- Spur larger wage gains for women (10.5 percent) than for men (9.9 percent).
- Boost wages for both skilled and unskilled workers—10.3 percent for unskilled workers, and 9.8 percent for skilled workers.





Our focus should be on the word "TRANSFORMED"

A notable quote by **President Cyril Ramaphosa** says "... Trade - both Intra African is not new".

But Africa's trade especially post-colonial has not favoured the continent despite it's enormous endowments

From the onset of colonial experience, Trade has exported valuable commodities - from human capital to Minerals, agricultural commodities to latterly talent Long the other hand, Africa's imports have largely been consumed goods (Manufactured Consumer Goods)



It is no secret that's export of Labour, minerals and commodities create jobs and wealth resulting from the value addition that is enabled by Manufacturing.

Where as imports of consumer goods only imports poverty. The evidence is there for us to see.

Only 2% of Intra-African trade is in Manufactured goods etc.

While African trade in goods and services has gradually risen from 2005 to 2019, its global share has remained consistent at just 3% of global imports and exports. © WTO





This is why for AFCFTA to help transform African economies, we must focus on:

- 1. Manufacturing
- 2. Creating Capacity
- 3. Expanding the scope for value addition
- 4. Integrating Africa's Manufacturing to enable the continent achieve economies of scale. This is imperative to achieving competitiveness.



■ To accelerate the process, we must

- 1. Prioritize on the areas of our comparative advantages as required to achieve maximum transformation.
- Agri- Manufacturing
- Steel and other metals
- Automotive industry
- Pharmaceuticals

However, the key industrial sectors must be cemented together and linked seamlessly by an integrated manufacturing ecosystem.



This requires:

- 1 Alignment of our policy frameworks
- 2- Robust public private engagement
- 3- Strong stakeholders networking both within specific sectors and across sectors

This is the rationale behind PAMA



PAMA was initiated by the AUC with a vision of being the main voice of manufacturers in Africa, to promote African business interests and also provide a continental platform for African's industralisation agenda.

I like to thank the AUC, Department of Trade and Investment, Industrialization under Commissioner Muchanga for initiating the formation of PAMA at the maiden edition of the IATF 2018 in Cairo.

Since then, we have developed a draft constitution and registered PAMA as a legal entity.



PAMA is working to build a strong platform for:

- Promoting collaboration
- empowering the private sector
- creating a requisite ecosystem for growth

I would like to welcome you on board to the membership of PAMA and thank those institutions that have accepted our invitation.



PAMA's role will however look beyond intra-African trade. It will be a vehicle for promoting and enhancing trade between Africa and other regions. Clearly, a strong and vibrant industrial sector in Africa will be necessary for Africa's participation in global trade.

It is key for ensuring a balanced and equitable global trading system.

Our goal must be to actualise the vision of AfCFTA and attain the "Africa we want".



\$5.6 trillion

in **African business opportunities** by 2025



\$2.1 trillionHousehold consumption



\$3.5 trillion of B2B spending¹



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Thank you.

