



Permanent Mission of the Republic of Kenya to the United Nations
866, UN Plaza, Room 304, New York, NY 10017.
Tel: (212) 421-4740 Fax: (212) 486-1985 E-mail: info@kenyaun.org

STATEMENT

BY

H.E. MR. MARTIN KIMANI
AMBASSADOR AND PERMANENT REPRESENTATIVE
OF THE
PERMANENT MISSION OF THE REPUBLIC OF KENYA
TO THE UNITED NATIONS

DURING THE
AFRICAN DIALOGUE SERIES 2021
GEOPOLITICAL SESSION
ON
AFRICA'S INDUSTRIALISATION OPPORTUNITY

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**Your Excellency Prof. Ibrahim Mayaki,
Your Excellencies,
Distinguished delegates,
Ladies and Gentlemen**

1. I take this opportunity to thank Madam Duarte and her team for putting together this very important Africa Dialogue Series on our Cultural Identity and Ownership and how we can reshape mindsets. I want to also thank all my brothers and sisters who are contributing to this debate around Africa's path to development.
2. Industrialisation is a critical engine of long-term economic growth and development, attributable to higher productivity and employment opportunities.
3. Yet Africa's industrial sector remains modest by global standards. Africa's share of manufacturing value added (MVA) remained at 11% between 1990 to 2019, 10 percentage points lower than Asian countries and five points under the world average. Primary products account for 52% of the structure of the African exports and resource-based manufacturing represents 41% of Africa's exports and half of total manufacturing value added.
4. We face a broad range of challenges including inadequate skills, weak infrastructure, limited access to financing, among others. Most African countries lack the economies of scale and investment capacity needed to drive down costs.

Mr. Chair

5. Amidst these challenges, we need to see the opportunities. Successful implementation of the African Continental Free Trade Area (AfCFTA) can accelerate post COVID-19 industrialisation. The Continental Free Trade Area represents a market of 1.2 billion people and a gross domestic product of \$2.5 trillion. Progressive elimination of tariffs can potentially boost intra-african trade by 52.3 percent and improve economies of scale.

6. The Continental Free Trade Area will promote industrialization, competitiveness, diversification, contribute to job creation, unleash regional value chains and improve the prospects of Africa as an attractive investment destination. It will also boost entrepreneurship, particularly for women and youth.
7. Kenya is in the process of developing a national implementation strategy for the African Continental Free Trade Area that will enable the country tap into the opportunities provided by the agreement and I urge fellow countries to take up similar initiatives that will see us move together.

Mr. Chair

8. Whilst COVID-19 has had dire effects on our economies, it has also shown us that we are a continent full of innovative potential. I commend the initiatives of the Africa Medical Supplies Platform (AMSP) and the Pandemic Resilience Accelerator. These demonstrate home-grown solutions to the disruption of the global medical supply chains by the pandemic.
9. We need to expand and strengthen manufacturing of pharmaceuticals and medical supplies, agri-industrialization, extractive industries value chain and textiles and garments, to reduce dependency on imported goods.
10. African countries need to tackle structural and institutional barriers in order to seize these opportunities to increase Africa's global share of manufacturing and would enable generation of more capital from simple local industry and value addition.
11. African countries should prioritise designing and implementing strategic clusters of firms and establishing special economic and industrial zones while promoting key enablers such as, quality infrastructure, digitalisation and innovation, skills development and capacity building.

Mr. Chair

12. A key enabler I would like to touch on is sustainable energy. To industrialise, Africa requires access to affordable, reliable and sustainable energy.
13. Africa is rich in energy resources such as solar, wind and hydro power potential, including coal and gas which provide some of the continent's cheapest electricity.
14. We must address energy poverty and inequality with a just and fair transition energy mix that is matched by investments. A global investments criteria should take into consideration economic growth potential alongside climate impact whereby low-emitting African countries can expand access to electricity most rapidly and at lowest costs while transitioning to renewables.
15. We also need to look critically at promoting investments. There's a growing investor appetite for environmental, social and governance (ESG) investments, and we need to devise mechanisms to tap into this.
16. I would like to also highlight that African countries need to lower political risk and promote political stability and security. This is critical for expansion of trade and investment.

Mr. Chair

17. I'll conclude by emphasizing that Africa requires industrial policies that have a focus on productivity, competition and diversification from a regional and continental level.
18. And the success of Africa's industrialization depends on close and effective partnerships of all stakeholders.

Thank you.

