

Remarks made by H.E. Mr. ESTIFANOS Afeworki, Ambassador of the State of Eritrea to Japan and Dean of The African Diplomatic Corps (ADC) on the Side Event – the 6th Tokyo International Conference on African Development (TICAD VI) “Technology Enabling Innovation and Industrialization in Africa” Seminar organized by Ministry of Economy, Trade and Industry (METI), Tokyo (UNIDO ITPO Tokyo), Overseas Human Resources and Industry Development Association (HIDA), Japan Productivity Center (JPC), Supported by New Energy and Technology Development Organization (NEDO), and Japan External Trade Organization (JETRO) Saturday, 27 August 2016 Nairobi, Kenya:

Honorable participants,

First of all let me thank UNIDO for giving me an opportunity to make a closing remark in this important side event of TICAD VI dealing with the subject matter of “Technology Enabling Innovation and Industrialization in Africa”. I would also like to seize this opportunity to express my thanks and gratitude to all the previous speakers and presenters in this important event of today. They have addressed key issues concerning collaboration between Japan and African countries on the main pillar of TICAD VI agenda i.e. the industrialization in Africa.

Following the agrarian one, as we all know, one of the major turning points of human history was the industrial revolution of the 19th century which had its epicenter in Europe. Economic growth was marked with exponential changes in the living standards of the global population during this period. But as we all know, the spillover effect of this growth was colonialism and resource scramble in Africa. Industrialization in the continent of Africa was seen as a secondary issue. It can be briefly mentioned here, that this period was a missed opportunity for the African population. Those small-scale industries established in capitals and seaports of the African countries were limited to producing basic human needs to the colonizers and local laborers. Power and other utilities being very limited, the economic implications of industrialization in many parts of Africa were insignificant or daunting low during the independence period of many countries. Postcolonial Africa has also been limited to targeting universal access to energy service as a challenge. Though this is an important step in an inclusive sustainable development, the industrialization level of African countries still remains very low. It shall require more inputs of infrastructural developments than the existing one to achieve a success story. All the needs and requirements of a national or regional mandate and related human and financial resources to achieve it must be promoted. On many instances, new enabling innovations and industrialization that current globalization is availing to Africa gives the continent the benefit to start and leap frog with a leading-edge technologies to a new paradigm of industrial scale.

For this to happen, Africa’s industrial progress requires competitive production capacity, in addition to a better market access and a welcoming domestic regulatory framework and environment. All aspects of quality production,

packing, efficient transportation and market access within and outside of the continent must be addressed.

Many African countries used to export food during the 1960s. The average GDP per capita of African countries was higher than Asian countries from 1960s to the mid 1970^s. Many African countries are importing food; and GDP per capita of countries in Africa is far lower than in Asia in 2016. Developing Asian countries and Brazil, Russia, India, China and South Africa (BRICS) gained importance as recipients of FDI in the last two decades. The flow of FDI share of African countries did not grow but gradually fell during the same period. Even though, this trend has recovered slightly in the past few years, the current FDI growth in Africa seems to be led by a few specific industries i.e. oil and gas, utilities (e.g. telecommunications, energies), banking and real estate (land).

In Africa, rising corporate profits and high commodity prices have helped boost inflows to a historic high but recently decline in world market price are affecting this trend negatively. Besides, FDI inflows to Africa are tilted towards primary production (as I mentioned mainly in oil, gas and minerals), although significant increase has occurred in the service sector particularly in banking. There is surge of interest for rare metals, precious metals, base metals and industrial minerals too. Manufacturing activities did not feature prominently in FDI inflows into Africa in the past decade until a recent surge from China, which is primarily targeting the big markets in East and West Africa. Prospects for growth of FDI inflows into Africa from Japan are currently positive. The regional picture, however, is not uniformly upbeat across sectors, countries and sub regions.

Therefore, in view of its short and long-term interest, African countries need to examine very carefully and commit to the need of making an expanded industrial revolution in the continent happen. Late is reasonable but absence is unforgivable. Collaboration for industrial development through the technical cooperation provided through the TICAD process from Japan can be one of the available good tools to reach that goal. Obviously, success stories of the economies of Asia and Africa are a beacon of hope for the road maps of new countries like my country Eritrea to emulate and likewise the failure stories of many are also a hazard to avoid. UNIDO and other partners committed to this endeavors can play a great role by sharing their good practices and resources towards this goal.

Thank you