

Hon Mr. Louis Michel, MEP, Co president of the ACP-EU Joint Parliamentary Assembly,

Your Excellency Mr Ajay Bramdeo, Ambassador to AU Permanent Mission to the EU and ACP ,

Mr. Christophe Yvetot, UNIDO Representative to the EU and ACP

Distinguished Panelists,

Invited Guests

Ladies and Gentlemen,

Allow me, at the outset, to extend my appreciation to the organizers of the African Industrialization Day under the theme of "Financing Industrialization in Africa: Challenges and Winning Strategies. I believe this is a pertinent and timely issue of discussion to generate ideas and understanding to boost the momentum of industrialization in Africa. For many years the importance of Africa in the global economy has been neglected as if it were considered to be a continent of despair and merely a source for raw materials.

However, this situation of the continent is changing and changing for better as we are witnessing countries in Africa with impressive economic development offering a huge market and lucrative industrial potential. There is change in narrative about the continent from: Africa the hopeless continent to Africa rising. African countries are trying their level best to meeting the ninth goal of SDG's with the intention to build a resilient infrastructure and sustainable industrialization that fosters innovation.

Nevertheless, African industrialisation remains at its infant stage due to lack of appropriate knowledge, technology and finance. Hence, so as to move African industrialisation leap forward, the international financial institutions need to focus on supporting an African driven and green industrialisation project. Several initiatives were taken by financial institutions to support the African economy; however it has not been successful as they were dictating the whole process. The global financial institutions and partners need to structurally adjust their policy of having Africa as a risky business by closely and clearly investigating the challenges along with their winning strategies. Similarly Africans need to focus on designing a feasible industrial policy tantamount to transforming their national economy by involving stakeholders both at the national and international level.

Your Excellencies,

Ladies and Gentlemen,

Two decades ago, Ethiopia defined its economic strategy as agricultural development led industrialisation, in short ADLI. This had economic rational. Focus was on agricultural and rural development for obvious reasons. Financial constraint and lack of appropriate technology base coupled with the lack of the necessary knowledge and skill left us with no much alternative but develop agricultural sector and then transform to industry and manufacturing. Our investment focused on agriculture paved the way for manufacturing development and that in turn strengthened our economic growth. Equally, the government of Ethiopia is vigorously

involved in a huge infrastructure investment and that itself played a significant role in contributing to the results we have achieved so far in the economy. Hence, industrial policy and strategy and strong political commitment remain to be the drive for the industrialisation in Ethiopia.

In the case of Ethiopia, we are also closely working with the international financial institutions and partners in meeting the goals of SDG's by designing effective policy that aims to place Ethiopia to position Ethiopia the manufacturing hub of Africa. With this policy and institutional structural adjustment we have managed to attract quality investments and score an increase of industry from 10.3% to 15.6% only during the first growth and transformation plan of the country.

Similarly, we are working towards realisation of GTP II to increase the manufacturing sector's annual growth to 24%. To actualise this goal, the government pledged to invest US\$5 billion in industrial parks that would cover textile, leather, agro-processing and other labor intensive industries.. Similarly, the Ethiopian Industrial Parks Development Corporation (IPDC) was established in 2014, as a public enterprise. Having the full support of the government and partners, IPDC is becoming an engine of rapid industrialisation that foster manufacturing industries, to accelerate economic transformation, promote and attract both domestic and foreign investors. This year in July the Eco-industrial Park was inaugurated with the cost of US\$ 250 million at 1.2million meter square of land area, elevating the number of the integrated industrial parks to ten. The

significance of these industrial development parks are paramount for the country's ambitious plan to become a middle income country by 2025.

This of course cannot be materialised without setting up autonomous institution to develop key industries. Hence, we have managed to establish pertinent institutions such as the Ethiopian Leather Industry Development institute, Textile Industry Development Institute, Metal Industry Development Institute and very recently the Ethiopian Industrial Parks Development Corporation.

In this process it would be a remiss of me if do not recognise and mentioning the support of UNIDO we are receiving as part of the Lima Declaration on Inclusive and Sustainable Industrial Development (ISID). Ethiopia was selected as pilot country for the implementation of the Programme for Country Partnership (PCP). In order to develop the pilot PCPs, UNIDO conducted high-level scoping missions in late 2014 to consult with relevant stakeholders. The PCP is anchored in the industrial development strategy of Ethiopia.

The program was fine-tuned with the implementation of the Growth and Transformation Plan II (GTP II) set by the government to address economic structural transformation. The PCP key features are enabling the Ethiopian industrialisation ambition as it focuses on (1) government ownership; (2) alignment with national development plans; (3) a strong partnership approach; (4) leveraging for investment; (5) focus on selected priority sectors; and (6) a rigorous monitoring and evaluation system.

I would like to seize this opportunity to also appreciate the European Investment bank for providing USD 200 million to finance the two Industrial parks that costs a total of USD 500 million as part of Ethiopian contribution in hosting over 800,000 refugees. However, compared to the potential of Ethiopian industry, the International Financial Institutions and partners need to commit to leveraging technical assistance funds for large scale investment flows.

The PCP in Ethiopia is a clear demonstration on how the multi-stakeholder partnerships can mobilise financing for industrial infrastructure projects and programmes. Hence, there is a need, more than ever before, to foster and deepen this successful partnership that upholds the bright future of development. Using this opportunity, I would like to call up on our European partners to increase the financial flows and European investments to the economy in Ethiopia, and Africa more widely, in order to foster sustainable economic development based on mutual benefit.

This needs the courage and determinations of our European partners to consider investing more in financing Industrialisation in Africa by way of addressing the Challenges with Winning Strategies. It is my hope that the announcement by the European Union to boost investment in Africa would consolidate the required finance, knowledge and technology to uplift the momentum of industrialisation in Africa. African countries are short of state of the art technology and finance to support their emerging industries. These are major impediments for the continent to catch up with rest of the world.