

Plenary 2 “Economic Transformation for Africa’s Growth”

Co-Chairs’ Summary

Plenary 2 was co-chaired by Japan and the AU Commission (AUC), and moderated by Hon. Sam Kutesa, Minister of Foreign Affairs of the Republic of Uganda, on the theme of “Economic Transformation for Africa’s Growth”. It was opened by introductory remarks by Japan followed by discussion among participants.

The opening remarks by H.E. Mr. Manabu Horii, Parliamentary Vice-Minister for Foreign Affairs of Japan, highlighted the complementarity between the public and private sectors in harnessing Africa’s economic potential. While the governments need to redouble their efforts to improve business environment through such measures as conclusion of bilateral investment treaties and formulation of strategic master plans for regional development, the dynamism of the private sector is the key driver for achieving economic transformation in Africa. Also underscored was the importance of enhanced connectivity through quality infrastructure investment as well as human resource development for young talents that are the key players in boosting Africa’s industrial development.

In the discussion that followed, many participants referred to free trade in both goods and services as well as trade facilitation measures as essential factors to economic prosperity. The role of Regional Economic Communities (RECs) to create integrated markets at regional level was widely recognized. In this context, high expectations were expressed for the further promotion of region-wide development which would strengthen the link between consumers and producers as well as farmers and economies. Participants also highlighted the relevance of industrial corridors and food value chain initiatives as means to enhance productivity across the region and promote added value in both agriculture and manufacturing.

Most participants emphasized the need to promote foreign direct investment. In the time of global economic headwinds, the governments of both investing and receiving countries are encouraged to mobilize all the tools available to encourage private-sector investment. The

tools include, among others, special economic zones with proper incentives, bilateral investment treaties, financing support mechanisms, public-private business missions and domestic legislation with its application and enforcement fully secured.

A huge potential of Africa's blue/ocean economy was also discussed. Sustainable use of maritime resources, development of port facilities and marine transport would bring a positive impact in multiple sectors including fishery, trade, energy and tourism. With all combined, promotion of the blue/ocean economy would help connect people to the economic opportunities across the coastal areas of Africa.

The Participants highlighted the importance of the development of infrastructure for the African development; the need to fast-track the implementation of the Programme for the Infrastructure Development in Africa (PIDA).

Off-shore or on-shore, efforts to enhance connectivity must be in accordance with international norms and standards and exercised in such a way that ensures economic viability and fiscal soundness including debt sustainability. Participants shared the recognition that key infrastructures including international ports need to be operated in a fair, open and transparent manner that does not impede free trade.

Also, participants shared their experiences in technical and vocational education and training for youths. The key skills for economic diversification and industrialization include computing and mechanical engineering.

Many participants further discussed how to back up Africa's SMEs in terms of access to finance, capacity building, and linkages to value chains.

As productivity is a key factor for economic transformation in Africa, several participants requested for Japan's support to be extended to African countries to increase productivity through necessary support to the AU Productivity Agenda in order to promote the productivity culture in Africa and to support the Pan African Productivity Association

(PAPA) to set up national, regional and continental productivity centers.

In his concluding remarks, Mr. Quartey, Deputy Chairperson of the AUC, welcomed the intensive discussion among the participants and underlined the progress made along the lines of AU's initiatives for the regional infrastructure development, human development, value chain and economic integration as stipulated in its Agenda 2063 and its "First ten-year Implementation Plan" and called on the participants to accelerate their efforts to implement TICAD commitments in an coherent manner.