Introduction

The 17th International Economic Forum on Africa addressed the politics of industrialisation and how entrepreneurship can drive industrialisation and promote inclusive growth.

Industrialisation is a driving force of innovation, high productivity and job creation. The establishment of new industries can unlock the potential of manufacturing and other sectors to achieve structural transformation across Africa. The industrialisation strategies already in place in over 26 African countries, coupled with today’s technological progress and global economic condition can bring about new opportunities to harness the high growth potential of non-commodity based sectors.

However, African economies remain mostly dominated by production and export of raw materials, which hinders productivity growth and does not allow jobs to keep up with the fast population growth, resulting in high poverty rates. Experience from Asian countries suggests that innovation can play a significant role in structural change. Africa must go not only manufacture more, it must also go beyond the sole manufacturing industries and develop innovative strategies, namely by investing in digitalisation to leapfrog to the fourth industrial revolution.
Additionally, innovative industrialisation strategies can serve as a platform to tap into the large continental base of entrepreneurs. Africa is the continent with the highest proportion of entrepreneurs, as 22% of working-age Africans start their own business. These entrepreneurs are essential agents of industrialisation as they take on innovative yet risky activities, create jobs and demand for skilled workers.

**Industrialisation**

Africa’s industrial sector has been declining for the past decade, and now contributes by less than 12% to GDP growth, while agriculture and services’ contributions each lies between 40 and 45%. Participants to the Forum agreed on the urge to diversify African production and exports. Specifically, the agro-industry sector offers opportunities to expand the industrial base and improve resilience to external shocks and price fluctuations for raw materials. This will allow African economies to move up the global value chains, attracting more foreign direct investments (FDI) and increasing their share in global trade.

“By exporting raw materials, we export our potential to create jobs and wealth”

Mamady Youla, Prime Minister of Guinea

Lack of reliable energy access and efficient infrastructure were emphasised as the most important challenges the continent has to deal with. Inefficiency of transport infrastructure raises the costs of exports and imports, limits accessibility and hampers trade. Energy generation and access are also limiting factors of industrialisation. Investments in infrastructure can be done at a regional level in order to facilitate intra-regional trade: common transportation policies, for instance, offer opportunities to access new markets at a lower cost and thus stimulate industrial trade. In this respect, ECOWAS has defined industrialisation as a top priority and is working towards the implementation of a common industrial policy, alongside other regional thematic programs (energy, agriculture, health). Participants noted the key role of regional integration in promoting industrialisation and the need to increase intra-Africa trade (currently at only 14% of total official African trade).

Moreover, creating a favourable environment to attract investments was mentioned by all participants as a necessary condition for industrialisation. This implies recognising the importance of the private sector, improving access to financing for SMEs, investing in innovation and digitalisation by promoting research and development, facilitating business creation processes, among many other elements. Improving synergies between SMEs and large companies and promoting enterprise clustering are also ways to improve competitiveness and attract investments. In this regard, the
Rwanda Development Board, which facilitates investments and guides businesses in the field, offers a good example: its actions have led to a strong progression of FDI inflows and have made Rwanda the second easiest place to do business in Africa.

**Entrepreneurship**

African youth represents a major pool of entrepreneurs, who are best placed to harvest the booming opportunities of local and regional demand. Young formal companies with less than 20 employees create 20% of the new formal jobs, which is much more than the jobs created by larger and older companies. However, they are too often located in low-productivity sectors (90% of the capital is concentrated in the primary and tertiary sectors). Entrepreneurs could drive Africa’s industrialisation provided the necessary investments are made in sectors that will help high-productivity jobs thrive.

Panellists identified different areas of investment to support entrepreneurship and promote social and economic inclusion. First, creating an enabling ecosystem for entrepreneurs is essential. It can be done through the provision of seed-capital at competitive conditions, and/or tax exemption for start-ups to help them survive during the period where their cash flow leaves them in a vulnerable position. Banks can play a role in improving access to financing for SMEs, by transforming deposits into long-term loans that are able to support investment. A favourable environment also implies better quality infrastructure and better access to electricity.

Second, the key to entrepreneurship development resides in significant public investments in education. Participants emphasized the importance of skilling, reskilling (making skills more suitable to job opportunities) and upskilling (adding value to the skills). Targeted capacity building for entrepreneurs is also needed, including training in accounting, marketing, team-building and networking. These capacity building programs should be implemented on the long-term and integrate capacity retention and harmonization, two essential aspects that participants thought were not taken enough into consideration. It will enable African SMEs to gain greater understanding of the overall market dynamics and position themselves in the global value chain.

“Growth is not enough, Africa needs to change the way we are growing: entrepreneurs offer the most sustainable and most inclusive kind of growth”

Somachi Chris-Asoluka, Head of Policy and External Relations, Tony Elumelu Foundation

Entrepreneurship, more than other forms of employment, is a powerful antidote to poverty as it promotes youth and women participation to economic development. In Côte d’Ivoire, the
government’s strong commitment towards SMEs and entrepreneurs brought the annual growth rate to an average of 9% between 2012 and 2016.

Implementing these policies will enable a shift from subsistence entrepreneurship to high-growth entrepreneurship. Participants drew attention to the challenges associated with talking about entrepreneurship itself, stating that young Africans may not seek out entrepreneurship, they may just have no other choice, something policy makers should keep in mind.

**Governance**

Panellists all agreed on the need for more efficient institutions and political will to foster structural change in Africa. It implies an on-going dialogue between entrepreneurs and policy makers. An industrial policy cannot be successful without collaboration between the government and the private sector. The continent’s future will depend on African governments’ ability to conduct reforms along these lines.

“We need to look at the informal sector in terms of activities undertaken, and not the tax evasion it represents – we need to shift this way of thinking.”

Almoktar Allahoury, Executive Director, Centre Incubateur des Petites et Moyennes Entreprises du Niger (CIPMEN)

Governments need to make their approach to youth entrepreneurship more systemic, by bringing young entrepreneurs into the conversation and opening themselves up to public policy discussions and innovation. Dialogue and communication were identified as crucial steps to bridge the gap between policy making and the reality on the ground. It requires a change of mind-set regarding the informal sector. According to the African Economic Outlook, the informal sector made up about 55% of sub-Saharan Africa’s cumulated GDP in 2014. Governments should approach the transition from informal to formal as a paradigm shift. Noting that African economies tend to comprise highly mobile workers, typically within the informal tertiary sector, participants suggested that the solution might not be combating the informal sector but rather valorising its contribution to the economy while ensuring that it can better contribute to job creation and growth. They emphasized the need to look at the informal sector in terms of activities undertaken, and not the tax evasion they represent.
Participants also addressed how governments can engage with the informal sector from the perspective of social protection. Based on the South African example, they developed the benefits of a social grants system to promote local economic development through “local production for local consumption”. The aim is to leverage social grants to support the development of community-level businesses, enabling them to supply their local communities.

MEDIA OUTREACH

The Forum was well attended and covered by news agencies as well as TV, print, radio and online media. The organisers were pleased to collaborate with five media partners, namely Devex, This is Africa, Analyse Africa, France Medias Monde, and the Xinhua News Agency.

Some selected headlines following the Forum include:

- Africa must harness power of entrepreneurship for industrialization, say ministers
  Devex
- Forum Calls for More Support to African Entrepreneurs, Youth
  IDN InDepthNews | Analysis That Matters
- « L'Afrique peut devenir l'usine du monde à l'horizon 2050 », Le Monde
- « La promesse du “made in Africa” ne sera tenue qu'en misant sur les entrepreneurs locaux », Le Monde
- Comment développer l'entrepreneuriat et l'industrialisation en Afrique / interview in Mandigo
- OCDE : pour une industrialisation « propre » de l'Afrique
  La Tribune Afrique
- Industrialisation de l'Afrique : la Chine peut jouer un rôle majeur (OCDE)
  Chine.org
- L'OCDE appelle à des solutions pour débloquer le potentiel de l'entrepreneuriat en Afrique
  Chine.org
- Le rôle grandissant de la Chine dans l'industrialisation de l'Afrique
  Chine-Magazine
- L'Afrique doit accompagner les activités manufacturières et industrielles locales, selon l'OCDE
  Maghreb Emergent
- L'OCDE se penche sur l'industrialisation
  reussirbusiness.com
- Comment développer l'entrepreneuriat et l'industrialisation en Afrique
  Africa Diligence
- Mamady Youla en mission à Paris
  Africatime
- Mamady Youla à l'OCDE : “L'avenir industriel de l'Afrique reposera d'abord et avant tout sur l'industrialisation de son agriculture”
  Guinea7.com
- Paris: Mamady Youla « le secteur privé, moteur de notre transformation économique »
  Guinea360
- Coopération : Un tête-à-tête entre le vice-président ivoirien et le premier ministre guinéen à Paris
  guineenews
- Côte d'Ivoire/ Le vice-président Duncan au 17è forum économique sur l'Afrique à Paris (Officiel) Agence Ivoirienne de Presse
- Duncan au Forum économique de l'Ocde sur l'Afrique : L'industrialisation du continent au cœur de la rencontre Fratmat.info
- 17è Forum OCDE- Daniel Kablan Daniel, « La Côte d’Ivoire s’engage à relever les défis complexes et urgents en vue de l’émergence » PôleAfrique.info ; Adidjan.net
- Duncan : "Il faut aller rapidement vers l'agro-industrie" Fraternité Matin
- FPEG : Guitouni prône des actions conjointes pour relever les défis actuels Algérie Patriotique
- Entrepreneuriat et Industrialisation, deux clés majeures pour une croissance économique durable ... Benin WebTV
WEB VISIBILITY

The Forum’s official website (www.oecd.org/development/africa-forum) registered over 22,000 visitors in the lead-up to and on the day itself of the event. The official photos of the event are available on the OECD Development Centre’s Flickr account. Feel free to use these images, including the OECD copyright and the photographer’s credit. This year, 1,237 tweets were sent using the hashtag #AfricaForum on 4 October, and in the days before and after the Forum, reaching approximately 1.8 million accounts and generating 11 million impressions (see graph below).
ABOUT THE ORGANISERS

The mission of the Organisation for Economic Co-operation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The OECD Development Centre, whose membership is open to both OECD and non-OECD countries, occupies a unique place within the OECD and in the international community. The Centre counts ten member countries from the Latin America and Caribbean region. The 2016 edition of the Centre’s Latin American Economic Outlook explores how Latin America should deepen and improve its partnership with China as part of its development agenda.

For more information on the Centre and its work, please see www.oecd.org/dev

The African Union (AU) is a continental body consisting of 54 countries headquartered in Addis Ababa, Ethiopia. The AU was launched on 9 July 2002, and replaced the Organisation of African Unity (OAU). The AU vision is: An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena. The AU’s new collective vision and roadmap for Africa’s growth and development, known as Agenda 2063, was adopted by the AU Assembly on 31 January 2015 at its 24th Ordinary Session. Its framework is anchored on the AU Constitutive Act, AU vision, AU Assembly 50th Anniversary Solemn Declaration in 2013, as well as national, regional and continental priorities.

For more information on the African Union and its work, please see www.au.int

AFD is France’s inclusive public development bank. It commits financing and technical assistance to projects that genuinely improve everyday life, both in developing and emerging countries and in the French overseas provinces. In keeping with the United Nations Sustainable Development Goals, AFD works in many sectors — energy, healthcare, biodiversity, water, digital technology, professional training, among others — to assist with transitions towards a safer, more equitable, and more sustainable world: a world in common. Through its network of 85 field offices, AFD currently finances, monitors, and assists more than 2,500 development projects in 108 countries. In 2016, AFD earmarked EUR 9.4bn to finance projects in developing countries and for overseas France.

For more information on the AFD and its work, please see www.afd.fr.