



Africa's Trade & Economic Development Priorities: The Road to Agenda 2063

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Executive Summary

African leaders recently launched an ambitious but achievable development Agenda, captioned “Agenda 2063”. In essence, this agenda aims to transform the African continent through industrialisation, modernization of infrastructure and ultimately boosting regional trade to at least 50% by 2063. While being laudable ambition, the current state of the African economy makes the attainment of the goals seemingly daunting. Currently, manufacturing value added, as a percentage of GDP is barely 10% (the lowest among developing regions), intra-African trade stands at nearly 15% while key infrastructure required for industrialisation, including energy, roads, rail etc., remain weak or non-existent. Opportunities, however abound: the ongoing delocalization of some industrial/manufacturing activities in China and other parts of Asia presents enormous opportunity for Africa to become the next frontier for light industrial activities; growth in the African financial services industry and rapid growth and emergence of major African corporates has brought a surge in intra-African investments and improved opportunities to mobilize African resources for continental projects. A win for Africa will require strategic shift in national and continental industrial and economic strategies. A “standalone” export-led manufacturing or industrial strategies that drove industrial transformation of many nations during the 1960s to 1980s may not work today nor the future. Industrial strategies must be multipronged ensuring effective forward, backward and horizontal linkages among agriculture, manufacturing and services sectors. The paper also recommends active government involvement, not only to create the needed infrastructure, but to introduce smart/intelligent protectionism policies to safeguard priority industries from unfair competition, and partnering with the private sector to implement training and capacity building programmes for special skill development needed to attract the delocalised industries. Afreximbank, and other pan-African institutions have key roles to play.

The rest of this paper is organized as follows, it summarises the key elements/goals of Agenda 2063, followed by highlights of current state of the African economy and then briefly describes the challenges and prospects for structural transformation of the continent. It outlines the Policy Choices for Realization of Key Goals of Agenda 2063, discuss the role of Afreximbank in promoting intra-African Trade and industrialisation in the continent and concludes.