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**Economic Commission for Africa
Committee of Experts of the Conference of African
Ministers of Finance, Planning and Economic Development**
Thirty-eighth meeting

Marrakech, Morocco, 20-22 March 2019

Item 7 of the provisional agenda*

**Date, venue and theme of the fifty-third session
of the Conference of African Ministers of
Finance, Planning and Economic Development**

Date, venue and theme of the fifty-third session of the Commission

Note by the secretariat

I. Introduction

1. The present document contains suggestions made by the secretariat for the consideration of the Committee of Experts. The Committee may wish to consider the dates and a theme for the fifty-third session of the Conference of African Ministers of Finance, Planning and Economic Development, to be held in 2020, and to provide the secretariat with guidance in that regard.

II. Date and venue

2. The secretariat is proposing that the fifty-third session of the Conference of Ministers be held in Addis Ababa in March 2020. The choice of the venue may change if the Conference decides otherwise upon an offer by a member State to host the meeting, bearing in mind that the actual additional cost directly and indirectly involved with holding the meeting outside of ECA Headquarters must be borne by the host country.

III. Theme

3. The secretariat submits the following topic for the consideration of the Committee of Experts: “The future of Africa’s industrialization and competitiveness in the digital era”.

* E/ECA/COE/38/1/Rev.1.

A. Background

4. With very few exceptions, no country has developed without industrializing first. Over the last few decades, industrialization has re-emerged as the core objective of the development agenda of Africa. The Action Plan for the Accelerated Industrial Development of Africa was adopted at the 2008 African Union Summit, which focused on the industrialization of Africa, and serves as the main framework for the continent's industrialization. The African Union reaffirmed the continent's commitment to industrialization with its Agenda 2063: The Africa We Want, calling for the promotion of sectoral and productivity plans and regional and commodity value chains.

5. Since 2013, industrialization and structural transformation have been at the core of the ECA mandate and the central theme of the Commission's flagship Economic Report on Africa. ECA has advocated and championed industrialization as the most promising pathway to structural transformation and rapid economic growth and diversification for African countries.

6. The continent's emphasis on industrialization reflects the clear benefits it can bring. Manufactured goods can provide a more sustainable tax base, since they are much less vulnerable to fluctuating global prices than extractive goods. At the same time, they are more pervasively produced by micro-, small and medium-sized enterprises, which comprise about 80 per cent of all enterprises in Africa, and are thus key to supporting inclusion and poverty reduction. Traditional manufacturing processes are also typically labour-intensive and crucial to creating decent jobs for Africa's burgeoning population of young people, which is of particular importance for Africa, the continent with the largest population of young people in the world. ECA thematic reports on industrialization also highlight that the manufacturing sector is crucial to enabling countries to boost their productivity because the manufacturing sector offers the fastest rates of productivity growth. In addition, manufacturing plays a role in spreading technological progress to other sectors, such as agriculture, which employs about half of the workforce in Africa.

B. Repositioning Africa in the digital era

7. Africa is to industrialize in a very different global environment from that which existed at the time of the adoption of the Accelerated Industrial Development of Africa. The fourth industrial revolution is rapidly evolving and transforming the traditional labour-intensive path to industrialization. The industrial path of Africa, as it has been promoted, is unlikely to support transformation for Africa in today's setting. A fundamental question emerging is whether African countries will be able to follow the same successful development models of countries in East and South-East Asia, which have been underpinned by rapid and steady industrialization. Some argue that automation, combined with the rapid growth of the services sector – which dominates the economic structures of many countries in Africa – will render the traditional route to industrialization and development no longer viable.

8. At the same time, while the rise of the digital economy is being felt across the continent, a substantial digital divide separates countries in Africa from the rest of the world. In order to drive poverty reduction and catch up with other countries, policymakers and businesses in Africa will need to adapt to and innovate within the new digital climate. Although the fourth industrial revolution presents challenges for countries in Africa, it also offers an opportunity for boosting competitiveness and industrial leapfrogging, which cannot be missed.

C. The need for policy action

9. The digital economy is transforming value chains, skills development, production and trade globally. Although the fourth industrial revolution may not yet be in immediate sight for Africa, these changes will have major implications for competitiveness and industrialization efforts across Africa. In a few African countries, the services sector has already rapidly demonstrated its ability to absorb new and advanced technologies. The question is how African policymakers can position themselves to effectively assess both the opportunities and challenges that the digital economy presents, to enable African countries to prosper in the digital era.

10. Advancements in digital technology offer tools for countries in Africa to leapfrog in traditional industries such as manufacturing, but also other sectors and activities that are crucial to industrial development such as logistics, agriculture, communications, services, green growth and smart cities. Without investments and capacity-building in these new technologies, however, many countries in Africa may instead fall further behind the technology frontier. As for previous industrial revolutions, the fourth must be responded to with new policies. Both national and continental level strategies for industrial development will need to adapt to the new digital reality in order to position countries in Africa to innovate and to catch up with the digital era in a manner that is consistent with the principle of leaving no one behind. Positioning countries will require the development of comprehensive digital industrialization strategies, investments in digital infrastructure and skills, innovation and technology transfer initiatives, and appropriate regulatory frameworks for the digital economy.

D. Cooperation on the digital economy

11. The African Continental Free Trade Area offers a platform for African Governments to establish institutional arrangements for cooperation on the digital economy, and provisions to support digital capacities and industrialization and connect African businesses. In that context, ECA in partnership with the African Union are promoting the establishment of a common African technical standard for digital identification platforms so that the benefits of the digital economy are accessible in different African countries and regions. This offers an entry point for engaging in digitalization issues at the continental level.

12. The ECA digital identification and digital economy framework, which has been approved by the Specialized Technical Committee on Trade, Industry and Minerals, presents a strong case for making the future of industrialization in the digital economy the theme of the fifty-third session of the Conference of African Ministers of Finance, Planning and Economic Development. Focusing on that topic will help to raise awareness, among African ministers of finance, economy and planning, of the need to ensure that digitalization strategies are integrated into policy and planning frameworks for industrialization.

E. Previous themes

13. For reference, a list of the themes of some of the previous sessions of the Conference of Ministers is contained in the annex to the present document.

Annex

Themes of previous sessions of the Conference of African Ministers of Finance, Planning and Economic Development

| <i>Session</i> | <i>Joint annual meetings of the Economic Commission for Africa and the African Union Commission</i> | <i>Year</i> | <i>Theme</i> |
|----------------|---|-------------|--|
| Fifty-second | N/A | 2019 | Fiscal policy, trade and the private sector in a digital era: a strategy for Africa |
| Fifty-first | N/A | 2018 | African Continental Free Trade Area and fiscal space for jobs and economic diversification |
| Fiftieth | Tenth | 2017 | Growth, inequality and unemployment |
| Forty-ninth | Ninth | 2016 | Towards an integrated and coherent approach for the implementation, monitoring and evaluation of Agenda 2063 and the 2030 Agenda for Sustainable Development |
| Forty-eighth | Eighth | 2015 | Implementing Agenda 2063: planning, mobilizing and financing for development |
| Forty-seventh | Seventh | 2014 | Industrialization for inclusive and transformative development in Africa |
| Forty-sixth | Sixth | 2013 | Industrialization for an emerging Africa |
| Forty-fifth | Fifth | 2012 | Unleashing Africa's potential as a pole of global growth |
| Forty-fourth | Fourth | 2011 | Governing development in Africa |
| Forty-third | Third | 2010 | Promoting high-level sustainable growth to reduce unemployment in Africa |
| Forty-second | Second | 2009 | Enhancing the effectiveness of fiscal policy for domestic resources mobilization |
| Forty-first | First | 2008 | Meeting Africa's new challenges in the twenty-first century |
| Fortieth | N/A | 2007 | Accelerating Africa's growth and development to meet the Millennium Development Goals: emerging challenges and the way forward |
| Thirty-ninth | N/A | 2006 | Meeting the challenge of employment in Africa |
| Thirty-eighth | N/A | 2005 | Achieving the Millennium Development Goals in Africa |
| Thirty-seventh | N/A | 2004 | Mainstreaming trade policy in national development strategies |
| Thirty-sixth | N/A | 2003 | Accelerating Africa's progress and performance: the challenge of the New Partnership for Africa's Development |
| Thirty-fifth | N/A | 2002 | Accelerating Africa's progress and performance: the challenge of the New Partnership for Africa's Development |
| Thirty-fourth | N/A | 2001 | Implementing the Millennium Partnership for the African Recovery Programme: compact for Africa's recovery |
| Thirty-third | N/A | 2000 | The challenges of financing development in Africa |