

Mission Report on the 18th Conference of African Ministers of Industry (CAMI-18), Durban, South Africa, 24 -28 October 2008

BACKGROUND

- 1.1. SACU was represented, by the Deputy Director Policy Development and Research Mr. Mihe Gaomab, at the Conference of African Ministers of Industry (CAMI-18), Durban, South Africa on the 24-28 October 2008 which was organized by the African Union. The Conference of African Ministers of Industry (CAMI) is the highest political forum where issues relating to industrial development of Africa are discussed. The Conference is organized every two years and brings together policy makers and industrial experts to deliberate on industrial policies and programmes and, where necessary, agree on common positions on issues of relevance to Africa.
- 1.2. This year's Conference was organized under the theme: *'Towards the Accelerated Industrial Development of Africa - the Need for Local Value Addition and Transformation of Raw Materials.'* The main purpose of the Conference was to critically examine and adopt, a draft strategy for the implementation of the Plan of Action for the accelerated industrial development of Africa, which was adopted by the Assembly of Heads of State and Government during the February 2008 AU Summit.
- 1.3. Also, given the wide interest that the issue of development of Africa has generated among partners and stakeholders, a private sector forum involving over 30 Chief Executive Officers (CEOs) of multinational Companies operating in Africa was organized in parallel to secure their inputs on the Industrial Policy and its implementation Strategy.

OUTCOME

- 1.4. The AU Ministers of Industry Conference reaffirm frankly the commitment to advance industrialization on the continent and has endorsed the Implementation Strategy of the Plan of Action as indicated in the declaration of the 18th Conference. It has further requested Member States to

operationalise the strategy through the Regional Economic Communities (RECs).

1.5. The Conference however endorsed the strategy subject to the following recommendations;

- The Strategy should be seen as a *framework* that requires input at member state level.
- The implementation process outlining the *actions and modalities* should be spelt out.
- The unique features of *regionalization* along the western, eastern and southern African zones should also be pointed out and analyzed complementary to the continental focus.
- The Strategy should explore the *niche markets and international value chain* for the African industrialization process.
- The Strategy should focus on complementary industrialization efforts at a *South -South Cooperation level*.
- The Strategy should spelt out *monitoring and evaluation mechanisms* to assess progress on industrialization at continental, regional and national levels.
- The Strategy should be conscious of *indigenous innovative technologies* that aid in industrialization efforts at continental level, cognizant of the role of SMEs in developing African economies.
- The strategy should be *widely distributed and discussed at national levels involving the private sector*.
- The Strategy should outline the *domestic mobilization strategy for industrialization*.
- The Strategy should use as a reference point the 10th AU Summit of January 2007 which called for inter alia to *set aside 1% of their GDP for industrialization in its budget allocation*.

1.6. In line with the AU Vision, the Strategic vision for the Accelerated Industrial Development of Africa is to foster sustainable economic growth, wealth creation and global integration using manufacturing as a dynamic force. More specifically the strategic vision for industrialization rests on the following pillars;

- To promote *economic diversification* through industrial value-added activities;
- Create an *enabling environment* and institutional framework that promotes private sector-sensitive industrial development, regional economic co-operation and international competitiveness;
- Enhance *supply-side and demand-side capacity* for industrial production and trade.

1.7. The Strategy rests on 7 clusters which outlined the following as key for the implementation success;

1. Sound industrial **governance** is a pre-condition for Africa's success
2. Upgrading **economic** performance of Africa, the quality of processes and products and trading capacities.
3. Creation of a dynamic response to infrastructure & alternative **energy** needs and guarantee their efficient management and maintenance.
4. Redresses skill shortages and respond to the training and the **skilling** of people in key areas of industrial growth.
5. Creation of a well-focused **innovation** system that generate the necessary know-how for industrial development.
6. Creation of an enabling **financial** architecture made up of internal and external sources to invest in key industrial developments.
7. Creation of a **sustainable** development framework that guarantees responsible industrialization.

RELEVANCE FOR SACU

- 1.8. The Conference proved extremely useful in terms of gathering the processes, mechanisms, formulation and context of developing a strategy on industrialisation.
- 1.9. Article 38 of the 2002 Southern African Customs Union (SACU) Agreement profess the common objective of all SACU Member States to develop common policies and strategies with respect to industrial development, This is with a sole purpose of bringing about economic development in the sub-region. The AU Conference has alluded to the fact of formulating regional industrialization strategies and policies and that this should be spearheaded by RECS.
- 1.10. Since SACU is *de facto* recognized by the AU as a REC, it's opportune to move ahead on crafting a SACU industrial policy and use the strategic visioning, objectives and clusters of the AU Strategic Plan as the input towards the development on industrial policy. This is more so important since Member States are currently developing country papers which can serve as levels of ambition to define a common visioning for SACU's industrialization. Since the AU Strategic plan is adopted as a framework, it is also opportune for SACU Member States to develop its industrial policy but at the same time ensure that there is consistency and complementarity with the continental strategy.
- 1.11. The Strategic Framework of the AU will therefore serve as a useful input towards the SACU Industrial Policy Workshop planned to be held on the 14th November 2008 at the Burger's Park Hotel in Pretoria, South Africa with a view to develop a common visioning process and initial framework for a regional policy and/or sectoral strategies in industrial development.

CONCLUSION

- 1.12. The conference reflected that SACU has a lot of scoping work and processes to undertake in order to develop its industrial policy. The underlying lesson is that developing an industrial policy it is not a straight forward process and needs to be approached on a staggered basis. The Conference also reflect that the current effort of developing *firstly* a common visioning process by SACU Member States therefore represents a positive indication of realising successfully a SACU wide industrial plan and strategy.