

**Mr. Gerd Muller, Director General of UNIDO,
Distinguished participants
Ladies and Gentlemen,**

It is a pleasure to address you in this beautiful city of Vienna, during the 20th General Conference of the UN Industrial Development Organization.

History has shown us that industrialization can lift hundreds of millions of people out of poverty.

The manufacturing sector in particular, has emerged as a driver of prosperity, providing employment, and fostering innovation, in both developed and developing countries.

Over the past two decades, the world of industry has been in a constant state of change due to digital transformation, an evolving geopolitical landscape, and the need for a green industrialization because of climate change.

Industrial policies are the most viable strategies for accelerating Africa's economic growth.

Our convening here today offers an opportunity to visit our shared commitment to promote inclusive and sustainable industrial development.

Ladies and Gentlemen

Africa is **endowed with abundant natural resources** including critical minerals and a dynamic youth population, which are essential for industrial productivity and transformation of the economy.

Yet, poverty remains to be among the most serious challenges, which entails placing Africa at the center of the global industrialization agenda.

In Ethiopia, since 2018 we have embarked upon reforms rooted in a deep understanding of **our potentials, challenges, and opportunities** to expand our economy and accelerate poverty reduction.

Our vision is to fully unlock Ethiopia's untapped potential in various sectors and to drive this growth through able institutions and highly skilled labor.

Our pathway to prosperity follows a multisector growth approach to enable equitable development.

Manufacturing remains a priority, partly because of its close linkage with other sectors such as mining, but also because it holds its own immense potential for scale, learning by doing and acquisition of technological knowhow.

We are an entrepreneurial state that recognizes the private sector as the engine of growth and aim to harness our demographic dividend for productivity.

Allow me to share with you briefly, the ingredients that comprise our reforms.

First, we have been making deliberate policy shifts aimed at boosting productivity in all sectors and creating a conducive investment and business environment.

Our homegrown economic reform agenda, introduced **macro-financial, structural, and sectoral reforms** aimed at **liberalizing key economic sectors** such as telecom and banking, **fostering private sector investment, enhancing external competitiveness** and **productive capabilities**.

The establishment of Ethiopia's sovereign wealth fund has helped reorient public enterprises to a commercial focus and enabled strong partnerships with the private sector.

We have strengthened our adaptive industrial policymaking by establishing a Free Economic Zone in order to be more agile in the face of a changing world.

Second, we have been investing extensively in multi-sector growth sources under our home-grown economic reform pillars of agriculture, industry, tourism, ICT and mining.

These investments have translated into noteworthy achievements, including **increased agricultural productivity**, the **emergence of a growing mining sector**, **robust momentum in the digital economy**, and notable **flagship destination initiatives** in the tourism sector.

The intensified production of strategic commodities like wheat, coffee, and avocados alongside promising measures for substituting edible oil and rice production, **are** pivotal elements in Ethiopia's pursuit of food self-sufficiency.

Over the past five years, we have managed to **raise our total farmed area from 15.3mil hectares to 22.9mil hectares**, with vast amounts of land for crop production still available for cultivation as we continue expanding on our potential in the agricultural sector.

The digital economy is making substantial progress, **driven by the implementation of foundational elements such as a Digital ID and payment systems**, and the establishment of the Ethiopian Artificial Intelligence Institute that focuses on research and development of solutions in our priority sectors.

In the industrial sector, **we have brought into operations 12 large scale industrial parks**, in which textile and garment industries are flourishing, including the introduction of three new integrated agro-industrial parks.

Ethiopia's **leather and leather products industry is also sizeable**. While **chemical and construction input processing**, in addition to **manufacturing technology and engineering**, offer great potential as import substitution industries.

The late comer advantage for countries like Ethiopia is that we can do industry development right. Ethiopia's NetZero and climate resilient development strategy enables us to make our economic development priority compatible with climate commitments.

Which brings me to the **third point** of green growth and clean energy. We firmly recognize that **sustainable industrial development must not come at the cost of the environment** or the well-being of our people. Harnessing the potential of renewable energy sources to power our industries is our priority.

Through our National Energy Policy and the Energy Efficiency Strategies for various sectors, the government is committed to building a climate-resilient green economy by expanding electricity generation from clean energy sources.

Ethiopia already **generates 98% of its energy from clean sources**. The Grand Ethiopian Renaissance Dam is Africa's largest hydropower plant and Koysha the 3rd largest.

We are expanding our wind, solar and geothermal sources, and currently harnessing green hydrogen to support industrial growth.

Nationally, Ethiopia has more than **60 thousand-megawatt potential from our diversified and abundant renewable energy resources, but reaching this capacity requires significant investments**.

On green growth, **Ethiopia remains a leader on the continent in its practical approach to climate change mitigation and adaptation.** Since 2019, we have been diligently planting trees to address our dual goal of food security and climate change mitigation.

32.5 billion seedlings have been planted in five years through the mobilization of more than 25 million citizens throughout the country annually.

Lastly, I would like to emphasize that **social development is a key foundation for our development goals. We have invested in education and skills development of our youth, equipping them with the capabilities needed in various industries and innovative economic sectors.** Our approach is to be inclusive and equitable, benefitting all segments of our society, specially the marginalized and the vulnerable.

**Excellencies,
Ladies and Gentlemen:**

Ethiopia is a **resourceful, resilient, and productive nation** on a path to unlocking many of its potentials for inclusive and sustainable growth.

Our multiple reforms have allowed us to double our GDP and our per capita income in 5 years.

But one of the basic tools for sustainable economic growth and industrialization is the attraction of foreign direct investment.

We have been hard at work creating a favorable investment and business environment to attract FDI, yet further support is needed in matching the right investments to the right sectors.

Similarly, skills and technology transfer are central to Ethiopia's industrial development policy and practice.

The jobs creation agenda is important to us, and it must be a joint agenda with countries in Europe and North America which are main destinations for migrants.

We have an abundant youth population, that is increasingly becoming technological savvy and skilled. **We want to retain these talents in our country and on the continent.**

To do so, we seek the cooperation of developed countries in technology transfer, investments, and development financing.

In conclusion, I would like to reiterate that we firmly believe that by pursuing inclusive and sustainable industrialization and diversifying our economy, we can create prosperity, reduce inequality, and contribute to a better future for our people and the world.

I Thank You!