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A golden thread between Africa and the EU

Europe and Africa should boost industrial co-operation.

EUROPEAN VOICE

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In the past 20 years, Europe and Africa have both de-industrialised. The contribution of industry to Europe's gross domestic product has decreased from almost 23% in the 1990s to 15.1% in 2013. In Africa it has fallen from 15% to 10% over the same period. While the reasons obviously differ in Europe and Africa, industrial co-operation could catalyse growth in trade between the two.

It could do more than that: it could provide the golden thread between the central themes of the Africa-EU summit on 2-3 April – 'people, peace and prosperity'. In the long run, peace and political stability on the continent can be secured only if African economies deliver decent job opportunities and generate large middle classes. However, to build prosperity, Africa needs to diversify its economy. It must move away from the high reliance on exports of raw materials and commodities, add value to its mineral and agricultural resources, and industrialise.

In order to do this, Africa will require modern industrial strategies and huge investment of all kinds: human, technical and financial. Europe can support this process strategically through a smart combination of development assistance (to upgrade local institutions and small and medium-sized enterprises), industrial co-operation (to establish the right environment for business on both sides), and private investments.

Representatives from Africa and the EU strongly supported a new international vision for industrial development ("Inclusive and sustainable industrial development") presented in December 2013 at a general conference of the United Nations Industrial Development Organization (UNIDO) in Lima.

It is a vision that recognises entrepreneurship, economic diversification, growing trade relations, industrial upgrading and technological innovation as central drivers of development.

At the same time, the new vision states that the benefits of growth must be shared more equitably and economic growth should be decoupled from environmental degradation.

This is a new direction for industrial development that Africa and Europe can implement as partners.

Already, at their last summit, in 2010, Africa and the EU adopted a strategy dubbed AIDA, to push, as the full name suggested, for the "Accelerated industrial development of Africa". Since then, there have been substantial achievements, including the establishment of standards and norms systems at the regional and country levels. If Africa is to export high-quality products and become part of regional and global value chains, it is essential that it complies with international norms and standards of this kind. In West Africa, for example, there is now a fully operational system of accreditation in place that supports the competitiveness of African enterprises and the safety of their food products.

Other examples are new industrial policy frameworks – in western, eastern and southern Africa – that aim to transform least-developed countries into emerging economies.

In addition, regional and country programmes have been prepared (with UNIDO's help) that would implement industrial strategies in all regions of Africa, helping industrial firms to improve the quality of their products and upgrade their operations. These programmes may be launched when the EU and African regions conclude 'economic partnership agreements'.

Within the EU's Euro-Mediterranean Partnership, European countries and some North African countries have already co-operated successfully on industrial issues.

This co-operation could be extended across Africa. There are several areas where co-operation would swiftly bring benefits to both sides: SMEs,

standards and norms, agri-business, local production of pharmaceutical products, local processing of raw materials, tourism and space-related applications.

Enhanced industrial co-operation between Europe and Africa was originally proposed by the EU at the Conference of African ministers of industry in 2011. Since then, much has been done to push co-operation forward. The Africa-EU summit is an opportunity to make industry central to the two continents' partnership.

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