

## **FOCUS SESSION 36:**

### **Investment generation, job creation, integration into global supply chains**

#### **Perspectives from Africa, China and Europe on a common goal**

Wednesday 16 April 2014 14:45 – 16:00

African nations have been among the most rapidly growing economies over the last years, and Sub-Saharan Africa is forecast to be the fastest growing region in the decade ahead. As these nations aspire to grow and develop, economic development and integration into global value chains will be essential.

Developing a manufacturing base will be central to providing decent jobs and incomes for their rapidly growing population, and thus for longer-term sustained growth and poverty eradication. Manufacturing accounts for a very small proportion of most Sub-Saharan African economies. Few global investors have taken advantage of Africa's potential as a manufacturing hub as they have been deterred by low productivity, inadequate infrastructure and political instability.

At the same time, many countries are working to address these constraints, while the market potential of Africa is attracting growing interest from private enterprise. As the trend towards higher value-added industries in many emerging economies will offer opportunities for lower income countries to step into this place, pioneer investments demonstrate the scope for Africa to become a manufacturing hub. This provides an enormous opportunity for low-income countries to start their industrialization process.

Building on their own recent experience in manufacturing and supply chain integration, investors from China have been among the pioneers in creating local manufacturing in Africa. For long-term success, however, it is important that major global brands, most based in OECD countries, are ready to source Africa-produced manufactures. Sweden has played a leading role in working to strengthen the engagement of Swedish multinationals in developing markets as part of their core business.

#### **Key Questions**

- How big is the opportunity for Africa to become a manufacturing hub, and is Africa ready to capture this opportunity?
- What is the key factor on which to focus to unlock private investment?
- What is the central question for global brands for producing in or sourcing from new destinations?

- What practical support can development cooperation best offer to enable inclusive growth in collaboration with the private sector?
- What initial evidence of the potential for success and impact exists?

### **Objective:**

This discussion is an opportunity to share the experience of promoting manufacturing production from an African, Chinese and Swedish perspective, to look at initial results and impact, and to explore the scope for its future evolution.

### **Session Format:**

The session will take the format of a moderated discussion. After a presentation of the discussants by the moderator, it will go directly into the conversation. Individual, selected slides may be used as visual props, but the focus will be on the exchange of speakers and their different perspectives on the common theme.

### **Speakers/Panellists:**

- **Sufian Ahmed**, Minister of Finance, Ethiopia (tbc)
- **Justin Lin**, Professor and Honorary Dean, National School of Development, Peking University
- **Gao Hucheng**, Minister of Commerce, China (tbc)
- **Anna Palmqvist**, Global Sustainability Manager, H&M
- **Charlotte Petri-Gornitzka**, Director General, Swedish International Development Cooperation Agency (SIDA)
- **Helen Hai**, Vice Chair of Chinese chamber of commerce in Ethiopia

### **Background/Narrative:**

This focus session aims to reflect how the continued rapid transformation of the world economy is providing new opportunities for low income countries, while also leading to new opportunities for partnerships from diverse nations at different income levels and stakeholder groups: In this case from sub-Saharan Africa, East Asia and Europe, and from the public and private sectors. As such, it offers examples of the new kind of partnerships that the Global Partnership for Effective Development Cooperation is aiming to reflect and encourage.

### **Organisers:**

**OECD: Sida (Swedish International Development Cooperation Agency); Peking University; Chinese Chamber of Commerce in Ethiopia**

### **Contact:**

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