

# Remarks by H.E. Dr. Goodluck Ebele Jonathan, President of the Federal Republic of Nigeria

Seventh Joint Annual Meetings of the ECA Conference of African Ministers of Finance, Planning and Economic Development and AU Conference of Ministers of Economy and Finance

Remarks by

**His Excellency, President Goodluck Ebele Jonathan, GCFR**

At the

**2014 Joint AU/UNECA Conference of African Ministers of Finance, Planning and Economic Development**

Saturday, March 29, 2014

## PROTOCOLS

Let me warmly welcome you all to Abuja, our capital city, for this Joint Annual Meeting of Finance and Planning Ministers organized by the African Union and the United Nations Economic Commission for Africa (UNECA). I am pleased that we were able to oblige the request of the AU and UNECA to step in and host this important conference.

I therefore, thank my Co-ordinating Minister for the Economy, the Ministry of Finance, the Central Bank of Nigeria, and the Inter-Ministerial team that worked with UNECA and AU to prepare this important conference.

It is often said that Finance and Planning Ministers must be extremely tough to meet the daily menu of stress and surprises which their mandates attract. The Finance Minister is in prime demand when financing is required for any programme, planned or unplanned. The same is true in matters of workers remuneration in the public sector, and likewise in monitoring economic indices and the negotiation of statutory agreements and international financial obligations. So make no mistake, the seat of the Finance Minister was not conceived to be an easy ride.

I am informed that Mr. Gordon Brown, former British Prime Minister and long serving Chancellor of the Exchequer, calculated the average tenure of Finance Ministers at only 2 years in office! So if you are here and in office for more than 2 years - you indeed deserve congratulations on your performance, and resilience.

Your Excellencies, distinguished guests, ladies and gentlemen, the theme of this year's Conference – **'Industrialization for Inclusive and Transformative Development in Africa'** - is of special relevance to Africa, at this time. Here in Nigeria, it corresponds with the **Transformation Agenda**, our on-going programme of national renewal. I commend the

organizers for their lucid topical definition, with industrialisation as pivot.

The structural transformation of African economies must continue to be a core priority. To close the poverty gap, industrialisation must be key to transformation.

Africa's economies have come a long way since the difficult and challenging 1980s and 1990s. Within that period, most of our economies were saddled with high foreign debts, and burdened by inflation. The overall GDP growth of our economies was very low - then, at about 2% per annum.

Today, our continent has turned the corner. Our foreign debts are in decline, inflation is under control in most countries, and foreign direct investments (FDI) are positively flowing back onto the continent.

Indeed, Africa's economies have grown at an average rate of about 5% per annum, in the past decade, and this was almost double the growth rate for the global economy. Encouragingly, also, the continent was the second fastest growing region in the world after South East Asia.

The signs of these positive developments are evident for all to see. A middle class, gradually growing in each of our countries, and improving social indicators - such as increasing primary school enrolment, gender equality compliance, and firmer action against HIV/AIDS.

As impressive as all this is, we cannot afford to rest on our laurels. There still are many huge challenges ahead for us.

Across our continent, the benefits of our progress are still greatly restricted by inequality and a lack of inclusion. We need to work together more vigorously, to deal with these challenges and to make sure that much more of our people have opportunities for improving the quality of their lives.

Your Excellencies, distinguished guests, ladies and gentlemen, our economies may be individually different, but they face common challenges. While some of our economies including Angola, Equatorial Guinea and Gabon are classified as commodity exporters, others such as South Africa, Nigeria, Botswana, Mauritius, Namibia, Zambia, Ghana, are viewed as middle-income and emerging economies. Still others like Ethiopia, Tanzania, Mozambique, Liberia, DRC and so on, are perceived as "frontier economies", energetically bursting onto the scene. For Nigeria, we have just recently been classified as one of the MINT economies, an acronym for Mexico-Indonesia-Nigeria-Turkey, which are projected among the global economic giants in the near future.

This notwithstanding our diverse categorizations, differing starting points, and varied endowments in natural resources, all African countries face a common set of challenges, which we need to firmly address. Some of the most urgent are Industrialization, Job creation, and Building social safety nets.

As the theme of this conference emphasizes, we need to focus on industrialization as the backbone of our structural transformation. The impact of the industrial sectors to the economic growth and development of Korea, Taiwan, Malaysia, and Brazil, are still as relevant, as constantly cited.

In Nigeria, we are learning from these examples. I recently launched our National Industrial Revolution Plan, which will help to increase the size of our manufacturing sector from 4% of GDP today, to 10% of GDP by 2017. I believe every strategic plan must have a focus, and so we have decided to focus our industrial plan on four areas: light manufacturing, agribusinesses, petrochemicals and solid minerals & metals.

However, let me underline that our continent's industrialisation plans will not take off until we fix our infrastructure. For example, in power, we know that the entire African continent currently

produces only 2% of global electricity output. For transport infrastructure, the road linkages between our cities are not always in the best condition; and the transport links between our countries also need to be greatly improved.

In Nigeria, we have made investments in infrastructure a key priority. We recently completed one of the most comprehensive power privatization programmes in the world involving four power generation companies and 10 distribution companies.

The privatization process was transparently conducted, and attracted international investors such as General Electric, Siemens, AES and others. We have also liberalized the power sector to encourage further private investments, and created a strong electricity regulatory authority, to ensure proper standards.

In addition, my Administration has worked to resuscitate our existing railway lines, while building a new, modern wide gauge network; rehabilitate our major roads; upgrade our airport terminals; and dredge our inland waterways.

Earlier this month, we also commenced the construction of a second and much awaited River Niger bridge at a cost of \$730m (or N117 billion). We still have work ahead of us - and investing in infrastructure will remain a priority for us in Nigeria.

In Africa, greater cooperation across our countries is imperative, to improve the continent's infrastructure. This is where institutions such as the African Union, the UN Economic Commission for Africa, and the Africa Development Bank must play a strong leadership role, especially in promoting regional projects, which require co-operation across countries.

Indeed, there are a number of such projects already in development, : the Lagos-Abidjan-Dakar Highway in West Africa, power projects for countries in the Southern Africa Power Pool, and internet infrastructure for East African countries, amongst others.

Nigeria will always support these regional initiatives, for which much of the progress towards actualisation, will be driven by the Finance Ministers who are here today. Your support and prompt attention to these regional projects, when the African Development Bank, the African Union and the UNECA come knocking at your doors, will carry the hopes and aspirations of Africa closer, to the ideal.

Creating jobs is another big challenge. In all our countries, there are large and growing youth populations who require jobs as manifested in the youth bulge. No doubt, as Ministers of Finance and Planning, you are fully aware of this growing and persistent challenge.

Clearly, we need to redouble our efforts not just to create conventional jobs in our various countries, but to optimise the potential of our youth through re-orientation and vocational training, to open up more opportunities for self-employment.

Since this is our goal in Nigeria, we have introduced various sectorial reforms and direct job creation programmes, such as **the YouWiN business plan competition for young entrepreneurs**.

Our reforms in the agriculture sector provided subsidized farming inputs to over 4 million farmers last year, and employed over 250,000 youths and farmers, including during the dry season. We also recently launched a mortgage financing programme, which will kick-start our housing sector and create jobs for many masons, carpenters, plumbers, and other artisans across the country. Overall, we estimate that about 1.6 million jobs were created last year; quite a lot, but not nearly enough to address the accumulated backlog of unemployed citizens.

Another major challenge lies in the Provision of safety nets for the poor in our societies. We should all be concerned that the recent economic growth across the continent has not been inclusive enough. In many cases, the poor and vulnerable members of our communities have

been left behind, even while improvement indices are evident.

As we grow our economies, it is our obligation to carry everyone along. We can learn from some of the social programmes introduced in Latin American countries, such as Brazil and Mexico. However, we must ensure that the social protection programmes we develop are financially sustainable and also reach the really deprived people, who need our support. I hope that your sessions here will examine the aspect of “inclusive development” and come up with some good and practicable recommendations.

To conclude, let me congratulate, once more, the African Union and the UN Economic Commission for Africa for successfully anchoring this Conference here in Abuja. I would like to specially commend the African Union for its on-going work on Agenda 2063, which will provide a comprehensive development framework for Member States for the next 50 years.

Your Excellencies, distinguished guests, ladies and gentlemen, Africa’s industrialization must remain in our focus in the coming years. I am confident that we will succeed, if we as leaders in government, and in the private sector, work in concert towards this common goal.

We must also continue to deepen our regional integration efforts – in ECOWAS, SADC, COMESA, in East Africa and North Africa; and also to work towards a Continental Free Trade Area to boost intra-African trade.

Distinguished ladies and gentlemen, in this room, I see a group of dynamic and committed Ministers of Finance and Economic Planning, from across the continent. You all have a major role in our ambitious and promising continental agenda.

You should, therefore, all work together as a team - exchanging ideas, sharing knowledge and learning from each other’s experiences. I charge you, in particular, to work together in sourcing financing options for regional infrastructure projects, and closely with your cabinet colleagues in Trade and Industry, to implement our plans on industrialization and trade integration.

I now have the pleasure of declaring this Conference officially open. I wish you a very fruitful deliberation.

I thank you.