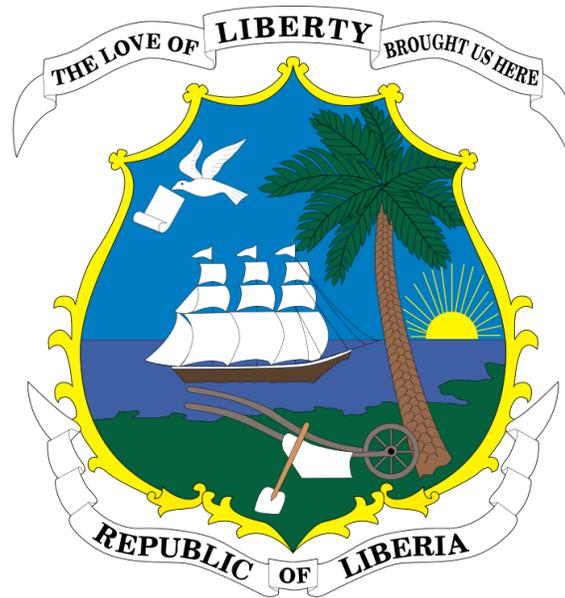


2019 Warwick Africa Summit



***WE FACE FORWARD – DAIMA MBELE***

**KEYNOTE**

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**MINISTER**

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## Introduction

1. Excellencies, Distinguished Guests, Future leaders of the world, Ladies and Gentlemen. First of all, I would like to express my sincere appreciation to the University of Warwick and its student body for organizing this important conference that brings the conversation about Africa back into focus.
2. I bring you greetings of His Excellency George Manneh Weah, President of the Republic of Liberia. Students of Warwick, thank you for hosting another edition of this outstanding event, the Africa Summit, bringing together politicians, business leaders and academia to discuss the future of the African continent. The President couldn't make it to the summit, which means you have to settle for me.
3. This year's theme- **Daima Mbele**- The Swahili proverb meaning "Always Forward" is fitting in today's world that we Africans start to look to the future.
4. We must not forget where we came from and the mighty empires that were created by our ancestors. It is now our turn to take Africa to the next level and that change begins with us individually.

## Africa on the Move

5. Ladies and Gentlemen, Africa is on the move. 5 of the world's 10 fastest growing economies in 2017 were on the African continent.<sup>1</sup> Over half of the world's population growth is taking place in Africa.<sup>2</sup>

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<sup>1</sup> World Bank Data, 2017: GDP Growth, annual change, highest 8: Libya (26.7%), Ethiopia (10.2%), Macao SAR China (9.1%), Maldives (8.8%), Ghana (8.5%), Guinea (8.2%), Ireland (7.8%), Cote d'Ivoire (7.8%)

<sup>2</sup> Of the additional 2.4 billion people projected between 2015 and 2050, 1.3 billion will be added in Africa, 0.9 billion in Asia and only 0.2 billion in the rest of the world.

6. The African middle class is expanding. It is estimated that by 2025, 65 percent of African households will be in the income bracket earning more than \$5,000 per annum<sup>3</sup>.
7. Consumer spending in Africa is projected to reach \$2.1 trillion by 2025.<sup>4</sup>
8. Mobile money is growing five times faster in Africa than in any other region. In 2015, 18 percent of Africans had a smartphone. In two years, it will be half of Africans.<sup>5</sup>
9. In Liberia, the number has leapfrogged in the last three years from under 50,000 users to over 1.6 million today.
10. As our economies and our middle classes grow, our markets become more attractive for investors. And with increased inflows, we also see the direction of investment change. Nearly all of Foreign Direct Investment into Africa used to be concentrated in the extractive sector. It is now spreading across manufacturing and services. Africa must enter an Age of Industrialization by creating value added products through agro-processing and manufacturing.
11. Again, in Liberia, we have now elevated our attention on Agriculture in which 70% of our population is engaged. In agriculture, we can find food security, massive job creation and real potential for economic growth.
12. Africa today is making great strides in democracy. Take my country, Liberia for example. Our Government came into power last year, after the first ever peaceful transition of power from one political party to another in our country's long-standing history. And all of this in a peaceful manner. After

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<sup>3</sup> McKinsey Global Institute, 2017

<sup>4</sup> McKinsey Global Institute, 2017

<sup>5</sup> McKinsey Global Institute, 2017

15 years of conflict we elected the first woman president on the continent. 12 years later, we witnessed the first peaceful transfer of power since 1944.

## **Challenges and Opportunities**

1. As we celebrate these successes, let us remind ourselves that the challenges remain immense. Based on current trends, Africa as a whole is projected to double in population size by 2050.
2. I believe that the most urgent challenge facing Africa today and in the future is to provide opportunities for our growing population of young people. Only if we can add enough jobs for the next generation, will we create the prosperous and peaceful Africa we all want. Recent history reminds us that large numbers of young people without perspective can fuel instability and disorder.
3. Africa's progress towards wealth, peace and democracy therefore depends crucially on unleashing economic growth. Providing jobs not only at the top, but for all Africans, requires turning our economies into competitive powerhouses.
4. Currently, the trade balances of many African countries are negative, some disastrous. Including that of Liberia. A 15-year civil unrest which caused one of the steepest drops in GDP in world history, means that we now import most of our staple food, including over 90% of the rice we consume daily. In turn, we export only unprocessed goods, mainly gold, iron ore and rubber. And this is a pattern across many African nations. Mining products and fuel

account for the lion share of our continent's exports, whereas our manufacturing sector is left underdeveloped.

5. As the Minister of Commerce & Industry, I am faced with the task of growing our struggling economy through good policy for trade, revitalizing the economy, opening the private sector and creating work opportunities for the future. Even with all the setbacks, we remain strong, focused, and dedicated to improving our conditions. My country of Liberia can serve as a microcosm of Africa as a whole.
6. Despite some level of economic growth in the recent years, extreme poverty persists in Africa and far too many of our citizens live in unbearable conditions.
7. Resource rich, large youth population, great soil and a land full of potential. Africa can be a major power in the world if we realize it. Potential is defined as:
  - a. **Having or showing the capacity to become or develop into something in the future.**
8. Potential is great but we have had potential for too many years and have yet to fully unlock the power that lies within the continent. We must move away from just having potential to fully realizing it and bringing it out to the world. We are facing the future right now, today, in this very moment. We must be able to manufacture our own products right on the continent, in our very own factories and plants. We have been too dependent on foreign aid which has created a negative culture of our people waiting to be saved by others.
9. Let me make my point even more clear by asking a question. How many products in Warwick's supermarkets come from Africa? Close to none.

Meanwhile, how many products in supermarkets across Sub-Saharan African supermarkets come from the EU, the US or China? Most products.

10. We need to rebalance this equation. Let me mention three key points to do so.

11. First, we need to increase our capacity to process commodities. Africa needs to play a bigger role in global trade and start to participate in global value chains. We need to work towards strengthening our productive capacity, our competitiveness. Only then can we turn raw material exports into finished products, ready to hit the shelves in export markets.

12. Many countries have elevated into industrialization and produce finished value-added products that meet international standards which can be exported. We need to trade amongst ourselves which is Intra-Africa trade is essential to our overall growth as a continent, we must not always look North, we must look between and amongst ourselves. African Continental Free Trade is key and reducing the barriers such as tariffs, high cost of energy will create a new paradigm for us as a continent.

13. We need to add more African-made products to international markets. We need to work towards strengthening the ties between our SMEs and international buyers. Several initiatives, often led by young people like yourselves, across the continent are encouraging and show that with hard work and perseverance, this can be achieved.

14. This is why in Liberia, we place an emphasis on SMEs by providing them with access to funds that can support them to manufacture and export to larger markets abroad. For example, we have a company called Liberia Pure Honey which was awarded the first prize in a category at the National Honey Show held here in England last October.

15. We are producing our own nails, flour, and rice. Our government has put a restrictions those products which we now have the capabilities to produce and are producing locally. This is why in Liberia we focus on promotion support for SMEs, even though individually these companies have a small impact on the economy. However, when you add all of these MSMEs together, they have a major impact on our economy.
16. In our world today, you can find flowers from Kenya all over Europe. You can purchase tea and coffee from Rwanda in North America. You can buy organic honey from Zambia in China<sup>6</sup>. Bamboo bicycles from Ghana in Germany.<sup>7</sup> Red rice is being exported from Liberia to the United States.
17. We need more such innovative export-oriented companies, started by Africans and employing Africans. And I encourage you, young Africans present here today, to explore the vast amount of opportunities in your homelands.
18. Second, we need to strengthen Government reform efforts to provide a better business climate for the very entrepreneurs that create change. Most Africans are employed in small and medium enterprises. So only when small businesses grow to become medium businesses and medium businesses graduate to become large businesses can we add the millions of jobs that we need for our next generation. Many African countries have made large strides in attracting more investment and making the business environment more conducive. The remaining countries need to join in and understand the importance of pro-business reforms.

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<sup>6</sup> <https://www.foodbusinessafrica.com/2018/10/21/government-of-zambia-launches-export-of-organic-honey-to-china/>

<sup>7</sup> <https://www.boomers.com/where-to-buy/> and <http://ghanabamboobikes.org/>

19. As I speak today, we in Liberia are in the process of creating a Special Economic Zone which will focus on value added products that will be exported to our neighbors in ECOWAS and eventually the world. This SEZ will be a major catalyst for development and attracting major investment that will provide more jobs for our unemployed with the hopes of creating a larger middle class. The rise of new industries lay upon the horizon but we must rethink how we structure the proper frameworks that will bring positive transformation.

20. Third, we need to increase intra-African trade. Over the last seven years, only around 13% of imports and 17% of exports of goods were from within the African continent. Relative to 59% and 69% for intra-Asian and intra-European exports, African countries are not trading enough with each other.<sup>8</sup> This leaves our economies divided and prevents our nations from creating regional value chains. If we want to build a more self-sufficient Africa that does not depend on aid flows and commodity exports, regional integration is a core issue, especially as a first step in getting ready to export to international markets. As we move forward, we need to move forward together.

21. In this regard, the African Continental Free Trade Area provides a unique opportunity to boost intra-African trade. It will bring together over 1.2 billion people in one common market in which nations have committed to cutting tariffs on 90 percent of goods. This historic step creates the largest free trade zone since the creation of the WTO in 1995.

## **Closing**

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<sup>8</sup> <https://www.brookings.edu/blog/africa-in-focus/2018/03/29/figures-of-the-week-africas-intra-and-extra-regional-trade/>

22. In 1960, Kwame Nkrumah, Ghana's first president after independence, famously said "It is not Africa that is poor. It is the Africans." And they are impoverished by centuries of exploitation and domination from colonialism. It is a product of history. It was caused by man, and it can be therefore be addressed by man."
23. Achieving a prosperous Africa can only be achieved if Governments, the private sector and support institutions work hand in hand to transform the very fiber of our economies. Africa must also reassess global partnerships and create new approaches for engaging the powerhouses in the new world such as China, the European Union, and the United States.
24. Our goals must be aligned and connected in order to truly uplift our people. The narrative of Africa must be written by Africans. We cannot afford to leave our fates in the hands of others with the hope that they will do what is best for us.
25. As Africa is on the move, I invite all of you to join us on this journey of making Africa great. The train has left the station and is picking up speed. Get on board and help us to rebuild our proud continent.
26. Africa's progress depends on you, young Africans.
27. I challenge you to bring forth the latent potential that we have always had within us. This summit will spark conversations that will allow us to think ahead of creative and innovative ways to change the Africa we see today.
28. Students of Warwick University, let me conclude with this point:
29. With the regards to Africa, let us move away from being spectators and become full participants that manifest their dreams into reality.

30. In order for this to happen, you students of Warwick, you are some of Africa's best working process. Some of you are in the process of completing this journey. At some point in time, you must see the need to go back in order to make all that I've discussed happen. Africa cannot make the transformation that we desire without you.

31. Thank you for your attention and I wish you all a safe journey back home.