



From Resources to Results: The Case for Africa's Industrial Rise



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Table des matières

INTRODUCTION.....	2
WHY IS INDUSTRIALIZATION CRUCIAL FOR AFRICA?	3
I.A. No Development Without Industry	3
I.B. Growth Without Structural Transformation.....	4
I.C. Africa's Industrial Lag in Numbers	5
I.D. Industry as a Driver of Productivity and Employment.....	6
STRUCTURAL OBSTACLES TO INDUSTRIALIZATION.....	7
II.A. Dependence on Raw Commodities	7
II.B. Low Value-Added Exports.....	9
II.C. Deficient Infrastructure, Skills and Finance	10
WHY NOW IS THE TIME TO INDUSTRIALIZE	10
III.A. A Favorable Economic Moment	10
III.B. Rising Attractiveness to Foreign Investment (FDI)	11
THE AFRICAN DEVELOPMENT BANK'S STRATEGY.....	12
IV.A. Six Strategic Pillars.....	12
IV.B. Measurable Goals by 2025	13
FLAGSHIP PROJECTS FUNDED BY THE AFDB	14
V.1. SNIM Guelb II Project (Mauritania)	14
V.2. Derba Midroc Cement (Ethiopia).....	15
HOW TO WORK WITH THE AFDB	17
VI.A. Project Submission Procedure	17
VI.B. Financial Instruments Available.....	19
CONCLUSION.....	20
Bibliography	22

INTRODUCTION

Industrialization in Africa isn't a slogan. It's a turning point.

The continent has grown. It has been traded. It has urbanized. But it has not transformed. For too long, Africa has shipped its wealth abroad, raw, unrefined, unfinished. It's the same paradox, again and again: a land rich in everything, yet manufacturing almost nothing.

Now, something is shifting. From Abidjan to Addis Ababa, a new narrative is emerging, not of aid, but of **value addition**. Not of poverty management, but because of **productive ambition**. The African Development Bank has named it clearly: **"Industrialize Africa" is not one goal among others, it is the keystone.**

Why now? Because time is running out. The global economy is reorganizing. Climate disruption, digital transitions, and fractured geopolitics are redrawing the rules. If Africa does not build its factories now, it risks becoming a warehouse for others' goods, a market, but never a maker.

But there is hope. Africa is young. Urban. Connected. Hungry. The raw ingredients of industrial takeoff are here: people, demand, land, capital inflows. What is needed is coordination, courage, and capital. Industrialization is not just a sector, it's a structure.

As the AfDB puts it, the High 5 priorities, food, power, integration, quality of life, are all connected. But industrialization is the engine. Without it, the others stall. With it, a different Africa is possible. One that doesn't just trade. One that **produces**.



“Africa doesn’t need sympathy. It needs investment, transformation, and belief in its own industrial power.”

, Akinwumi A. Adesina, President of the African Development Bank

WHY IS INDUSTRIALIZATION CRUCIAL FOR AFRICA?

I.A. No Development Without Industry

Every prosperous nation tells the same story, and it begins in a factory.

There is no magic to development. No shortcut around the structure. Europe did it. Asia did it. Even Latin America, with all its setbacks, built industries before building the middle classes. But Africa? Africa has been asked to skip the factory. To leap from field to finance, from raw materials to apps.

It doesn’t work. Agriculture creates life. Services build on stability. But it is **industry that transforms**. That turns cotton into fabric, bauxite into aluminum, youth into skilled workers. Without that transformation, growth remains cosmetic, numbers rise, but nations stall.

The African Union knows this. The agenda 2063 is clear. So is the Third Industrial Development Decade. They all say it, in technical language or bold declarations: **Africa must industrialize.**

And not just because the world did. But because **Africa needs to own its value**. To stop exporting jobs with its raw exports. To start embedding knowledge, skills, and capital into the goods it produces.

This is not nostalgia for the factory floor, it’s realism. The 21st century won’t be built by those who consume, but by those who **produce**. And production begins with industrial foundations that are local, strategic, and sustained.

I.B. Growth Without Structural Transformation

Africa has grown. But what has it built?

For twenty years, the numbers looked good. GDP is rising. Investment flowing. Middle classes swelling. The world clapped. Reports celebrated. But underneath, the structure barely changed. Oil out. Phones in. Cement up. But where are the machines? The foundries? The manufacturing corridors?

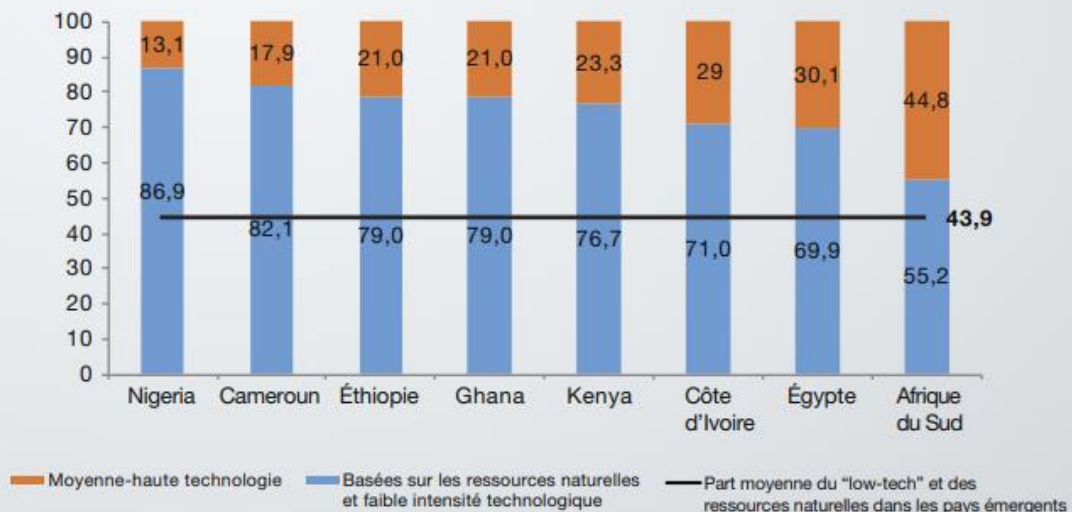
Growth came, yes. But it came shallow, fueled by commodity booms and urban consumption, not by productivity or diversification. **Africa grew without transforming.** And that is a fragile kind of growth.

The factories that never opened. The logistics that never reached the hinterland. The skills that never matched the jobs. This is not a failure of ambition, it's a failure of alignment. Between policy and practice. Between demand and training. Between investment and infrastructure.

The African Development Bank names the problem: **high GDP, low industrial depth.** You can build towers in the city, but if the village still exports raw cassava and imports Chinese bread, the transformation has not begun.

True growth shifts the center of gravity. It links farmers to processors, workers to capital, and nations to each other through trade in finished goods. Without that, Africa risks replaying the same loop: boom, bust, repeat.

**Le PIB industriel demeure très faible dans toute l'Afrique.
La structure des exportations de produits manufacturés repose
toujours sur les ressources naturelles et une faible technologie**



Source : calculs à partir de données de l'ONU, 2016.

This chart highlights the **persistent technological weakness** of Africa's industrial exports. Across major economies such as Nigeria, Ghana, and Ethiopia, most manufactured exports are still based on **natural resources** and **low-technology processes** (in blue).

The orange bars represent **medium-to-high-tech products**, the type of exports associated with competitive, value-added industrial sectors. As shown, these remain **marginal** in most countries.

For comparison, the **black horizontal line** shows the average share of low-tech and resource-based exports in emerging economies: **43.9%**. In nearly all African countries shown, the proportion is far **higher**, indicating a significant lag in industrial transformation.

I.C. Africa's Industrial Lag in Numbers

The numbers don't lie. And they don't flatter.

Africa's industrial GDP per capita stands at **700 dollars**. Compare that with **2,500 in Latin America**. Or **3,400 in East Asia**. This is not a gap, it's a canyon.

Behind every unit of growth lies a question: **what are we producing?** For Africa, the answer remains: **not much**. Over **70% of exports** are still raw commodities, crude oil, cocoa beans, bauxite, gold. The world buys Africa's soil, not its skill.

Meanwhile, imports flood in. Phones, cars, textiles, medicines. Most manufactured goods on African markets come from far away, often with high markups. The continent is **trading but not transforming**.

Look closer and the structure gets worse. In countries like **Algeria, Angola or Nigeria**, over **80% of exports** are unprocessed resources. Even in mid-sized economies, **low-tech manufacturing dominates**, often without innovation or regional integration.

This is the industrial trap: demand grows, but supply stays stuck. And without rising productivity, without regional value chains, Africa remains on the sidelines of global manufacturing.

The AfDB's message is sobering but clear: **Africa must produce more, and better**. The world will not wait.

I.D. Industry as a Driver of Productivity and Employment

Factories do more than make products. They make systems.

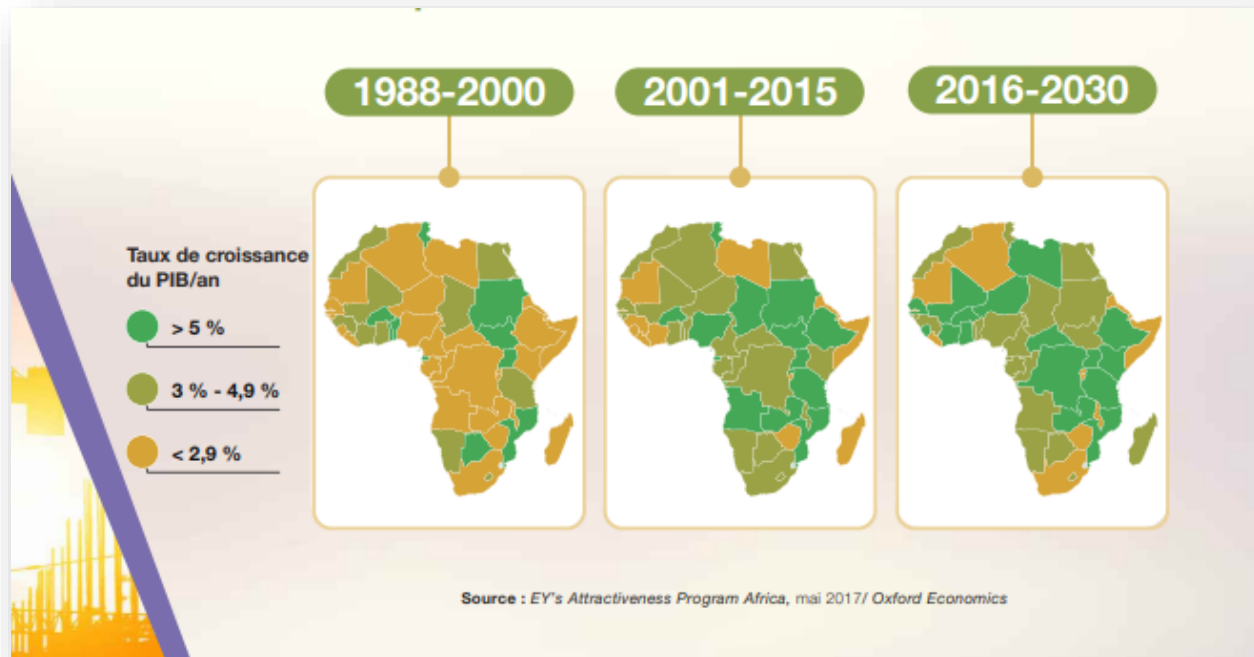
A working industrial base is not just a space for machines. It's a network, a chain of knowledge, supply, logistics, contracts, careers. It turns raw materials into value. But more importantly, it turns **people into professionals**, and local demand into domestic capacity.

In Africa, every additional unit of industry stretches far. It raises wages. It anchors rural workers in cities with real jobs. It builds formal employment where informality ruled. And with each new firm, each upgraded line, **productivity spreads**, not just inside companies, but across sectors and borders.

Industry forces learning. To compete, firms must train, automate, and optimize. That learning doesn't stop at the factory door; it reshapes entire economies. Agriculture is becoming agro-processing. Mining becomes metallurgy. Services become supply chain design.

The African Development Bank isn't vague about this: **industrialization is not one option, it's the multiplier**. It links jobs to skills, exports to income, urbanization to planning. And it reduces Africa's dependence on volatile commodity prices.

Without a strong industrial core, Africa's growth rests on sand. With it, growth gains traction, real, resilient, rooted in work.



From **1988 to 2000**, the continent is a patchwork of muted ambition, countries shaded in yellow and orange, most struggling to exceed 3% annual GDP growth. This was the age of volatility, of structural adjustment, of global marginalization. Africa, still rich in resources, remained poor in momentum.

Then comes the **second frame: 2001 to 2015**. A transformation quietly unfolds. Greens begin to dominate the map. Over half the continent now grows at **more than 5% annually**. The rise of mobile phones, better governance, booming commodities, all converge. This was Africa's coming-of-age moment.

And finally, **2016 to 2030**, the projection. A future imagined, not yet written. Most countries remain green; some deepen into a bolder hue. The bet is clear: Africa's trajectory is upward, but only if it leans into structural change, invests in industry, and reclaims control over its value chains.

STRUCTURAL OBSTACLES TO INDUSTRIALIZATION

II.A. Dependence on Raw Commodities

Africa exports everything, except value.

From cocoa to cobalt, coffee to copper, the continent feeds global industries but owns almost none of them. It digs, drills, and grows. Others process, brand, and profit. For decades, Africa has sat at the wrong end of the value chain, rich in resources, poor in returns.

From Resources to Results: The Case for Africa's Industrial Rise

Look at the numbers. More than **70% of African exports** are unprocessed. Countries like Angola and Nigeria ship crude oil, not refined fuel. Côte d'Ivoire exports raw cocoa, not chocolate. This isn't trade. It's extraction.

And the problem runs deep. When raw goods dominate, local industries atrophy. When commodities crash, budgets collapse. Africa becomes a passenger on someone else's rollercoaster. Meanwhile, jobs are outsourced, innovation stalls, and the youth, Africa's most abundant resource, finds no place to plug in.

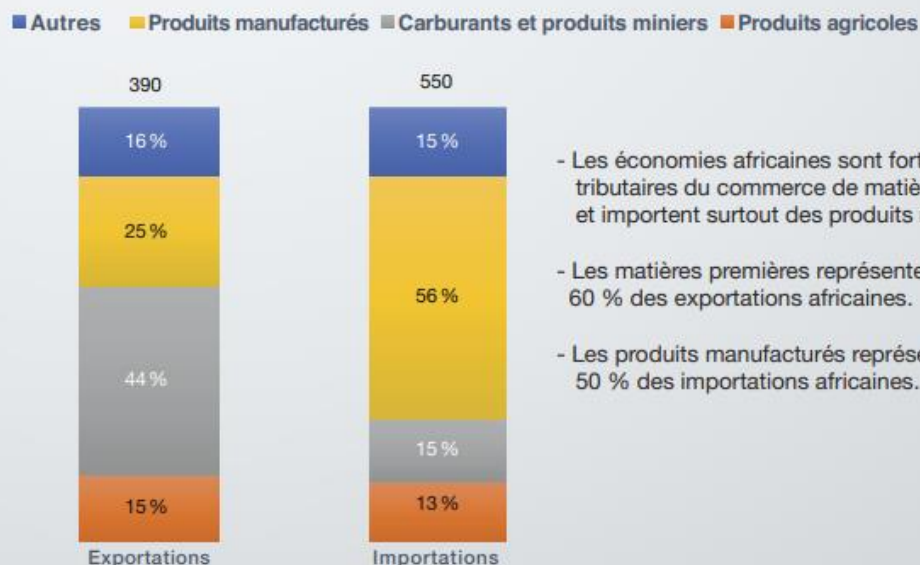
Dependency also distorts policy. Governments chase foreign buyers, not local builders. Ports are designed for exports, not supply chains. Education trains for administration, not assembly lines.

But it doesn't have to be this way. **Raw materials are not a curse, unless we stop at raw.** The AfDB calls for a pivot: **add value before export.** Build processing capacity. Incentivize transformation. Turn exports from volume to value.

Africa must stop selling what it digs, and start profiting from what it designs.

Les économies africaines dépendent fortement des matières premières, qui représentent plus de 70 % des exportations de l'Afrique

Commerce africain de marchandises



- Les économies africaines sont fortement tributaires du commerce de matières premières et importent surtout des produits manufacturés.
- Les matières premières représentent plus de 60 % des exportations africaines.
- Les produits manufacturés représentent plus de 50 % des importations africaines.

Source : calculs à partir des données de l'OMC, 2017.

From Resources to Results: The Case for Africa's Industrial Rise

This graphic shows the structural imbalance of Africa's trade:

- **Over 70% of exports** are made up of **raw materials**, especially fuel and minerals.
- Meanwhile, **more than 50% of imports** are **manufactured goods**.

In short: **Africa exports what it doesn't process, and imports what it doesn't produce.**

This dependency reveals a double vulnerability:

1. **Price volatility** in global commodities markets.
2. **Chronic trade deficits**, especially in industrial products.

For Africa to reclaim control over its economy, it must **move from raw exports to value-added production**, reducing its reliance on imported goods and building its own manufacturing base.

II.B. Low Value-Added Exports

Africa exports but doesn't earn. It moves goods, but not value.

Strip away the packaging, and Africa's trade is brutally simple: **sell raw, buy finished**. That model worked in colonial economies. It no longer works in a continent aiming for middle income.

What does Africa export? Oil. Cocoa. Gold. Minerals. What does it import? Electronics. Medicines. Machines. Even processed food.

In Nigeria, you'll find imported tomato paste on supermarket shelves, while tomatoes rot in the fields nearby.

The continent earns cents on the dollar because its exports have **little transformation, little branding, and even less bargaining power**. Africa controls the supply, but not the story. The design, the marketing, the pricing, all happen elsewhere.

This trap is not accidental, it's structural. And it limits not just income, but imagination. Young African entrepreneurs dream of becoming distributors, not manufacturers, because **the system rewards consumption, not creation**.

The African Development Bank warns clearly: **if we don't add value, someone else will**. And they'll capture the jobs, the profits, and the future that should have been built here.

Africa needs to rethink trade. Export quality, not quantity. Build capacity, not dependency. Move up the ladder or keep holding it for others.

"This growth is unsustainable and non-inclusive since it is mostly driven by the export of unprocessed commodities with little value addition."

II.C. Deficient Infrastructure, Skills and Finance

Africa has ambition. But roads don't reach factories. Power cuts stall machines. Skills don't meet specs.

This is the infrastructure paradox: demand for industrial growth exists, **but the platform to deliver it lags behind**. In many regions, the cost of moving goods is higher than their margin. A truck takes three days to cross a border. Electricity bills break a startup before it scales.

And infrastructure is not just physical. It's human. It's financial. The **skills mismatch** is staggering. TVET programs are outdated. Engineering graduates lack practical experience. Employers retrain or import talent. Meanwhile, **millions of young people drift between informal jobs and unemployment**, stuck in systems that don't recognize their potential.

Finance? It exists, but not where it's needed. SMEs, especially industrial ones, face sky-high interest rates and opaque loan processes. Many can't even open a line of credit. Banks fear risk. Entrepreneurs fear collapse. Investors fear exit barriers.

So, the question isn't why Africa isn't industrializing. The question is how it could, with this foundation.

The African Development Bank sees it clearly: without **targeted investments in logistics, training, and blended finance**, the continent's industrial future will remain stuck in documents and dreams. Infrastructure is not a backdrop. It's the enabler. And right now, the stage is cracked.

WHY NOW IS THE TIME TO INDUSTRIALIZE

III.A. A Favorable Economic Moment

Africa doesn't lack time. It lacks timing. For two decades, the continent has grown fast. Cities rise. Middle classes swell. Phones multiply. Consumption surges. Africa isn't sleeping, it's speeding.

But speed is not strategy. The question is not just "Are we growing?" but **"What are we building while we grow?"**

Now is the moment to answer, because for once, the stars align:

- The **world is recalibrating**. Global supply chains are shifting. Africa can become a producer, not just a provider.
- **Demographics are rising**. Two billion people by 2050. Half a billion entering the labor force. That can be a dividend, or a disaster.

- **Urbanization is exploding.** Twenty megacities will double in size. Infrastructure needs are massive. But so are market opportunities.
- **Technology is leaping.** Mobile penetration, fintech, agritech, it's not just catching up, it's creating new lanes.

All of this points to a window. A decade, maybe less, to lay the industrial foundation of a self-sustaining continent.

As the African Development Bank puts it: **growth without transformation is a mirage.** Africa has the demand. It needs the depth.

This moment is not a bonus. It's a deadline.

III.B. Rising Attractiveness to Foreign Investment (FDI)

Capital speaks a clear language. It goes where it sees returns, and reliability. For years, Africa was seen as too risky, too raw, too far. But that perception is fading. Quietly, confidently, the continent is becoming investable.

The drivers are real:

- **Fastest-growing economies** in the world, 5 of them are African.
- **Consumer markets expanding** to \$2.1 trillion by 2025.
- **Urban demand surging**, especially for cement, food, housing, and mobility.
- **New tools to de-risk** investment: blended finance, sovereign guarantees, AfCFTA, regional banks.

And it's not just headlines. The African Development Bank has backed billions in **concrete projects**:

- Industrial parks.
- Cement factories.
- Fertilizer plants.
- Roads and ports to move goods, not just extract them.

But let's be honest: capital still hesitates. Not because the opportunities aren't there, but because the environments are fragile. Inconsistent regulations. Unclear incentives. Delays.

Africa doesn't just need capital. **It needs the right kind of capital:**

- Long-term.

- Local-impact focused.
- Job-generating.
- Value-adding.

The opportunity is massive. But it's not guaranteed. **If Africa wants patient capital, it must offer credible policy.** And trust, not tax holidays, will be the real currency

Consumer spending will double to \$1.4 trillion by 2020 and treble to \$2.1 trillion by 2025.

THE AFRICAN DEVELOPMENT BANK'S STRATEGY

IV.A. Six Strategic Pillars

Strategy means choices. And the AfDB has made six.

Industrializing Africa isn't about waiting for trickle-down miracles. It's about building deliberate engines. Targeted levers. Strategic interventions. That's why the African Development Bank didn't just publish a plan, it designed **a playbook**. Six pillars. One ambition: a continent that produces, not just consumes.

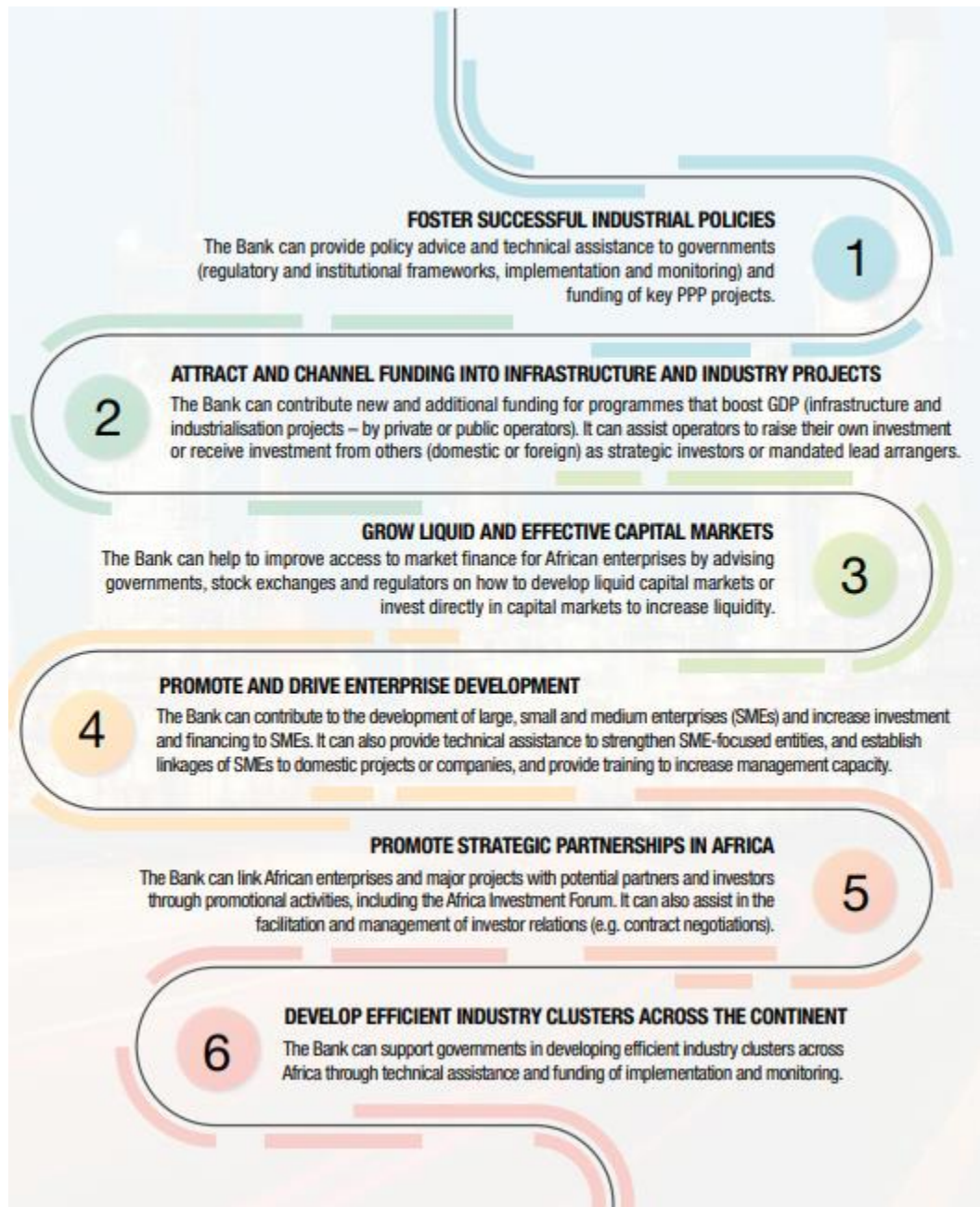
Here's the map:

1. **Build strong industrial policy frameworks**
No transformation without a compass. Policy clarity attracts capital. Coherence keeps it.
2. **Catalyze funding into key industrial projects**
African capital markets remain shallow. The AfDB steps in with loans, guarantees, and co-financing to get things moving.
3. **Grow liquid and efficient capital markets**
Long-term growth needs local savings. Pension funds, sovereign wealth, diaspora bonds, they all need better platforms to channel money into production.
4. **Support the development of competitive enterprises**
Industry isn't only about giants. It's about local champions, SMEs that anchor value chains and create jobs where multinationals won't go.
5. **Promote strategic partnerships and regional integration**
Scale matters. The AfCFTA isn't just a trade pact, it's an industrial corridor, linking producers across borders.

6. Develop efficient industry clusters and special zones

From Ethiopia's textile parks to Kenya's tech hubs, concentrated ecosystems unlock shared infrastructure and learning-by-doing.

This is not theory. It's action. Six lines of attack. One goal: to make African industrialization **irreversible**.



IV.B. Measurable Goals by 2025

A strategy is only real if you can count it.

The African Development Bank doesn't speak in vague aspirations. It puts numbers on the table. **By 2025**, here's what industrializing Africa is supposed to look like:

- **Double the industrial GDP:** from \$700 billion in 2015 to **\$1.72 trillion**
- **Double industrial output per capita:** from \$1,000 to **\$2,000+**
- **Create 25 million new industrial jobs**
- **Reduce reliance on imported manufactured goods**
- **Increase the share of intra-African trade in industrial products**

These are not dreams. They are benchmarks. Designed to measure not just growth, but **structural shift**. Not just numbers, but sovereignty.

But the Bank is also clear-eyed: this won't happen on cruise control. It requires alignment, **between public and private, between national and regional, between policy and production**.

Each factory built, each firm financed, each skills program launched pushes Africa toward the curve it deserves.

Progress will be uneven. But it must be visible. It must be tracked. And it must be **owned by Africans**, not by donors.

Transformation without metrics is myth. The AfDB's message is simple: **what gets measured gets built**.

FLAGSHIP PROJECTS FUNDED BY THE AFDB

V.1. SNIM Guelb II Project (Mauritania)

Iron built empires. Guelb II builds futures.

In the heart of Mauritania's desert, iron isn't just mined, it's mobilized. With support from the African Development Bank, the Guelb II project turned a high-potential deposit into a high-impact industry. This isn't just about tons extracted. It's about **capacity expanded, revenues scaled, and jobs generated**.

The Société Nationale Industrielle et Minière (SNIM) already exported iron. But with Guelb II, it upgraded, **new concentration plant, improved logistics, stronger output**. A project born in iron, powered by vision.

The investment?

- **\$175 million** mobilized
- **940 direct jobs** created

- **\$133 million/year in added revenue for the State**
- Enhanced capacity: from 12 to 16 million tons annually

But here's the real shift: Guelb II created **industrial spillovers**. Local procurement rose. Service providers upgraded. Export flows stabilized. It became a **regional anchor**, not just a mine.

The AfDB's logic is simple: don't just extract, **scale, structure, stimulate**. Guelb II does all three.



Société nationale d'industrie minière (SNIM), Mauritanie

Description du projet
Expansion de la mine de Guelb El Rhein (Guelb II), exploitée par la SNIM, grâce à la construction et à la mise en service d'une nouvelle usine d'enrichissement de minerai de fer qui va produire 4 millions de tonnes de concentrés supplémentaires par an.

Contribution de la Banque
D'un coût estimé à 771 millions de dollars, le projet a bénéficié d'un prêt privilégié de la Banque à recours limité de 175 millions de dollars sur 15 ans (avec un délai de grâce de 4 ans).

Retombées économiques

- 600 emplois créés durant les 3 ans de la phase de construction débutée en 2013, et 340 emplois permanents créés pendant l'exploitation.
- La SNIM devrait générer 133 millions de dollars par an de revenu supplémentaire pour l'État, grâce à l'impôt sur les sociétés (86 millions de dollars) et aux dividendes (47 millions) dès 2013.

V.2. Derba Midroc Cement (Ethiopia)

Ethiopia didn't just pour concrete, it laid the foundation for industrial ambition.

The Derba Midroc Cement project wasn't born out of export strategy. It was born out of necessity. Ethiopia was booming, housing, roads, infrastructure, but importing cement. Prices soared. Delays piled up. The country needed capacity. It built it.


With financing from the African Development Bank, Derba became **one of the largest cement factories in Sub-Saharan Africa**. But its story goes beyond numbers. It's a textbook case of **how targeted industrial investment solves structural bottlenecks**.

Here's the impact:


- **\$55 million in AfDB financing**
- **2,000 jobs created**, directly and indirectly
- **Energy autonomy**: on-site power plant supplies both factory and nearby communities
- **Price stabilization**: domestic supply softened costs in the booming construction sector

Derba didn't just reduce imports. It shifted the **industrial balance of power** inside the country. Ethiopia proved it could finance, build, and run large-scale industry, with local impact.

And the multiplier? A stronger local supply chain, more skilled labor, better infrastructure. Cement, yes, but also cohesion.



Projet de cimenterie de Derba Midroc (Éthiopie)



Description du projet
Le projet englobe l'exploitation du gisement de calcaire de Derba-Mugher et son traitement dans une cimenterie dotée d'une capacité de récupération de clinker de 5 600 tonnes/jour et d'une capacité de production de 7 000 t/j de ciment.

Contribution de la Banque
D'un coût initial estimé à 350 millions de dollars, le projet a bénéficié d'un prêt senior à long terme de 55 millions de dollars de la Banque. La Banque a aussi joué un rôle clé en obtenant le financement par emprunt requis pour concrétiser le projet et a convaincu tous les bailleurs de fonds de fournir le financement décennal nécessaire pour assurer au projet une trésorerie solide.

Retombées économiques

- 2 000 emplois ont été créés pendant la phase de construction et le projet emploie aujourd'hui 739 travailleurs permanents, dont 17 % de femmes.
- En raison de la forte consommation en énergie du projet, le promoteur a construit une centrale de 5 MW pendant la phase de construction, dont 40 % de la production a été mise à la disposition de la communauté locale.

The Derba Midroc Cement project is a powerful symbol of local value creation and strategic investment. Located near a major limestone deposit, the facility produces 7,000 tons of cement per day and has a clinker recovery capacity of 5,600 tons/day.

Bank Contribution

With a total project cost of \$350 million, the African Development Bank played a pivotal role by

providing a \$55 million long-term senior loan. The Bank also helped coordinate broader financing efforts, securing the full debt package to ensure the project's long-term liquidity.

Economic Impact

- 2,000 jobs created during construction
- 739 permanent workers employed, including 17% women
- A dedicated 5 MW power plant was built on-site due to high energy demand, with 40% of its output allocated to local communities

Insight: Derba Midroc is more than a factory, it's a model for industrial autonomy, regional supply resilience, and socially inclusive infrastructure

HOW TO WORK WITH THE AfDB

VI.A. Project Submission Procedure

The money is there. The challenge is matching it to the right ideas.

The African Development Bank doesn't just write checks. It builds partnerships, **with businesses, governments, and institutions** ready to transform ambition into infrastructure, and resources into results.

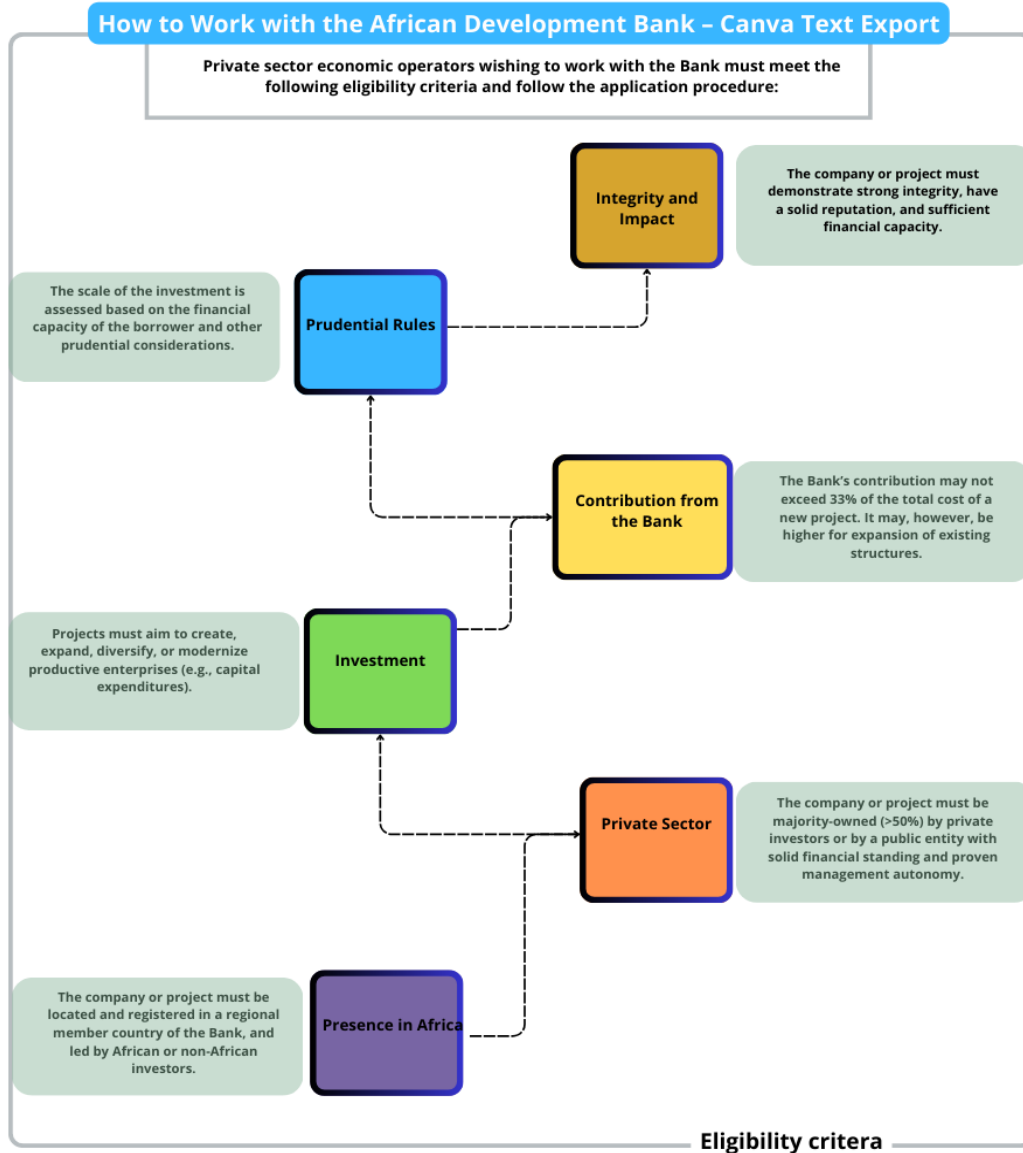
So how do you work with the AfDB? It starts with **a project, a plan, and a pitch that's ready to scale**. The Bank has a clear, structured process, because funding doesn't follow slogans. It follows credibility.

Here's the path:

1. **Submit a clear project description:** what, where, who, how much.
2. **Include financial details:** cost structure, funding breakdown, and investment needed.
3. **Secure relevant documentation:** licenses, studies, feasibility reports.
4. **Demonstrate impact:** jobs created, emissions saved, sectors targeted.
5. **Provide a business plan:** not just numbers, but strategy.
6. **Engage early:** the Bank works best when it works together from the start.

The AfDB doesn't fund every idea. But it listens to every **solid case for structural change**. And it doesn't just bring money. It brings **confidence, credibility, and co-investors**.

The message is simple: if your project creates value, jobs, and transformation, **there is a door. Knock.**



The African Development Bank does not hand out capital on charm and pitch decks. It lays out a clear set of rules, for those who want in. This is not about exclusion. It's about alignment.

First, you need to be on the ground. Literally. Your business must be registered and rooted in an African member state of the Bank. African-led or backed by vetted international investors. This isn't funding for parachute firms. It's for builders, not visitors.

Second, this is private sector territory. Projects must be majority-owned by private actors, or by autonomous public entities with real managerial independence. Bureaucracy is out. Ownership and execution are in.

Third, the AfDB isn't looking for buzzwords. It wants capital expenditure. Projects must aim to create, expand, or modernize productive assets. No quick flips, no speculative bets. If your idea doesn't move machines or people, it's not in the game.

Fourth, the Bank plays a catalytic role. Its financial contribution is capped at **33%** of the total cost, unless you're scaling an existing operation. That keeps the skin-in-the-game real and forces discipline from co-investors.

Fifth, you'll be judged on your numbers. Prudential rules apply. That means your balance sheet matters. So does your ability to take a hit and stay upright.

Finally, and this may be the highest bar of all: you must demonstrate **integrity and impact**. A solid reputation. A clear purpose. A measurable outcome.

This isn't a Wishlist. It's a filter. A blueprint for what kind of industrialization Africa is betting on, one that's **embedded, accountable, and transformational**.

VI.B. Financial Instruments Available

Financing Africa's industrial future doesn't mean handing out money, it means engineering it.

The African Development Bank isn't just a bank. It's a **financial architect**, building structures that allow bold ideas to stand, scale, and survive. Whether you're a government pushing national infrastructure, or a private firm building the next factory hub, the AfDB has tools to match ambition with support.

Here's what's on the table:

- **Sovereign loans** – For governments launching public infrastructure or industrial zones.
- **Non-sovereign loans** – For private companies and PPPs with clear industrial impact.
- **Equity investments** – For high-potential firms that need capital without losing control.
- **Blended finance mechanisms** – Combining public and private money to de-risk industrial ventures.
- **Guarantees and risk-sharing** – To crowd in private investors who fear volatility.
- **Technical assistance and capacity-building** – Because capital without skills is capital wasted.

These instruments aren't just financial, they're **strategic**. They unlock ecosystems. They boost confidence. They anchor transformation.

As the Bank puts it: "Money alone doesn't build industry. **But smart money does.**"
And the smarter the structure, the stronger the future.

CONCLUSION

Africa is not short of potential. It's short of transformation. The charts are clear: despite a decade of economic growth, the continent still lags behind emerging Asian nations in manufacturing value-added. The reason is structural, Africa has exported raw value instead of creating it.

But this story doesn't have to end here. If industrial policies are aligned, if infrastructure gaps are closed, and if financing meets local entrepreneurship, **Africa can double its manufacturing output and triple its growth trajectory by 2025**. McKinsey's scenario shows that manufacturing revenues could reach **\$930 billion**, especially in regional processing, local innovation, and resource transformation.

This is not a fantasy. It is supported by facts:

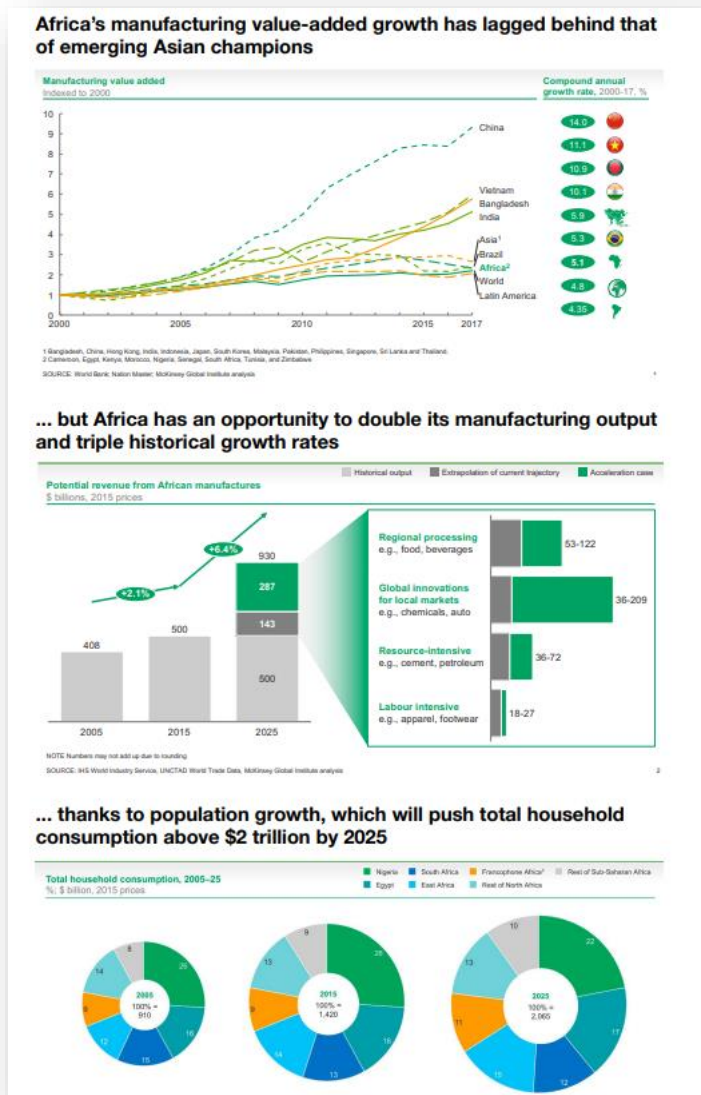
- A growing population will push household consumption over **\$2 trillion**, forming one of the world's largest emerging markets.
- Trade integration via the **AfCFTA** can turn fragmentation into scale.
- Institutions like the **AfDB** have already financed successful industrial anchors from Boké to Derba to Guelb II.

Still, this future is not automatic. It will require:

- **Clear rules, not just good intentions**
- **Skills, not just slogans**
- **Power, not just platforms**
- **Trust, not just transactions**

Africa is growing. But now, it must **build**, its industries, its markets, its confidence.

Because the next decade won't be judged by how fast Africa grows, **but by what it chooses to make of that growth.**



Africa's industrialization journey is best understood not only through policy statements but also through tangible indicators. A comparative analysis of manufacturing value-added growth reveals a significant performance gap between Africa and key Asian economies over the past two decades. While countries like China (14.0% CAGR), Vietnam (11.1%), and Bangladesh (10.1%) experienced rapid industrial acceleration between 2000 and 2017, Africa recorded a slower pace of 5.3%, falling behind both global and Latin American averages.

Yet, this lag also presents a baseline for transformation. According to McKinsey Global Institute projections, Africa has the potential to double its manufacturing output from \$500 billion in 2015 to \$930 billion by 2025, tripling historical growth rates. This scenario is contingent on unlocking productivity in four major sectors: regional processing (e.g., food and beverages), global innovations tailored to local markets (e.g., chemicals, automotive), resource-intensive production (e.g., cement,

petroleum), and labor-intensive industries (e.g., apparel, footwear). These sectors represent critical entry points for value chain development and export diversification.

Demographics will act as a powerful catalyst. Household consumption across Africa is projected to exceed \$2 trillion by 2025, reflecting both population growth and the rise of an urban, increasingly middle-class consumer base. Nigeria, East Africa, Francophone Africa, and other subregions are emerging as distinct consumption zones, each with sectoral and geographic priorities. The combination of unmet demand and maturing regional markets strengthens the case for immediate and large-scale industrial investment.

This momentum, however, is not guaranteed. Realizing the acceleration scenario requires proactive policy alignment, targeted infrastructure, and mechanisms to facilitate private sector engagement. But the direction is clear: if growth is shaped by strategy, not circumstance, Africa's industrial leap is within reach.

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