



RESOLUTIONS

THE 2ND EAST AFRICAN MANUFACTURING BUSINESS SUMMIT HELD AT KIGALI, SERENA HOTEL, RWANDA

THE KIGALI RESOLUTIONS ON MANUFACTURING

1. The 2nd East African Manufacturing Business Summit was held in Kigali, Rwanda at Kigali, Serena Hotel on 23rd -25th May 2017. The Business summit was officially opened by Rt. Hon Anastase Murekezi Prime Minister of the Republic of Rwanda.
2. The Summit was attended by Rt. Hon. Dr. Ali M. Kirunda Kivejinja, Second Deputy Prime Minister and Minister for EAC Affairs, Republic of Uganda who is also Chairperson of the East African Community Council of Ministers; H.E. Dr. Mukhisa Kituyi, UNCTAD Secretary General; Amb. Liberat Mfumukeko, Secretary General of the EAC; Hon François Kanimba, Minister of Trade, Industry and EAC Affairs, Republic of Rwanda; Mr. Patrick Nduati Mwangi, representing Cabinet Secretary for Industrialization and Enterprise Development, Republic of Kenya; Mrs. Edith Mwanje, Permanent Secretary, Ministry of East African Community Affairs, Republic of Uganda; Amb. Dr. Aziz Ponary Mlima, Permanent Secretary Ministry of Foreign Affairs and East African Cooperation, the United Republic of Tanzania; Ms. Betty Maina, EBS, Principal Secretary, Ministry of East African Community (EAC), Labour and Social Protection, Republic of Kenya; Ms. Rosemary Mbabazi, Permanent Secretary, Ministry of Trade, Industry and EAC Affairs, Republic of Rwanda; Hon. Jesca Eriyo, Deputy Secretary General, in charge of Finance and Administration, East African Community; Hon. Christophe Bazivamo, Deputy Secretary General, in charge of Productive and Social Sectors, East African Community; Mr. Denis Karera, EABC Vice Chairman; Ms. Lilian Awinja, Executive Director of the East African Business Council; private sector foundations; manufacturers from across East Africa and beyond; EAC Institutions; Development Partners; Regional Economic Communities (RECs); and other international organizations including: EASTECO, IUCEA; CASSOA, EACHRC UNIDO, UNECA, TMEA, GIZ, PTB, BDI JICA, IGAD, COMESA, ICGLR, ARSO, OECD, IGCLR, PTB, EAC Staff among others. In attendance were also exhibitors from the EAC region and beyond.

3. The 2nd Manufacturing Business Summit was jointly organized by East Africa Community Secretariat and East Africa Business Council and hosted by the Government of Rwanda. The summit themed, '***Harnessing the Manufacturing Potential for Sustainable Economic Growth in East Africa***' aimed at deepening the gains made in developing the manufacturing sector following the holding of the first Summit in September 2015.

4. **The forum made the following resolutions on this date of 25th May 2017:**

I. Both the public and private sectors are key to driving industrialization in the region. However noting the capital intensive nature of most of the large scale industrialization projects, there is a need for partnerships that are government led. The region to develop regional policy frameworks for government led industrialization mega projects that can drive up manufacturing in the region. EAC Partner States to commit to a percentage of national budgets allocated for industrial development.

II. Deployment of appropriate skills to suit industry remains a challenge of enhanced productivity in industry. EAC Partner States to develop national policy and law that make industrial internship mandatory, especially for engineers, technologists and scientists. Further Partner States academia to work closely with private sector associations to formulate regional skills development programmes targeting specific skills required by the private sector schools, TVET and university curriculum.

III. For purposes of item no. II on appropriate skills to suit industry and to enable the various sectors of manufacturing to effectively advocate their various sector issues in one voice, EAC and EABC to facilitate establishment of regional sectoral private sector platforms to promote dialogue and interactions among public, private sector and development partners on policy matters in each of the sub sectors, as well as to promote business partnerships, and information and knowledge exchange. (EAC Secretariat / EABC to establish Web Portals).

IV. EAC should develop supply capacity to be able to participate in supply of materials for infrastructural projects and other mega projects among others taking note that this is a long-term course. EAC should develop a regional local content policy and strategy for better coordination of local content initiatives. To guide this development, the EAC is to undertake baseline studies on local content in all lead economic sectors to guide review of policies, legal and regulatory frameworks for a regional local content policy development.

V. Noting that the current EAC CET structure does not work effectively for manufacturing in the region, EAC in partnership with EABC; to detail in a comprehensive, evidence-based, and consolidated way priority for the CET review proposing four to five bands as appropriate. The overall aim is to address degree of processing and encourage backward and forward value addition linkages in the total value chain of the manufacturing sector as EAC Partner States embark on comprehensive review of EAC CET. Comprehensive tariff anomalies assessment should be undertaken targeting sectors such as cotton, textiles, and apparels; motor vehicles, wood & furniture among others, dairy, edible oils, cereals, leather. Further the region is to put in place web portals for the sectors to facilitate information sharing.

VI. Noting the unique role of the EAC Diaspora to contribute to skills in the region and to amplify and sustain economic development through the volume of remittances as an important source of external development finance; EAC and EABC to put in place a Framework for engaging the diapsora to enable manufacturers tap into diaspora funds in the region. EAC to conduct a comprehensive study on the innovative financing instruments to be deployed to promote investment in manufacturing. Including the options of creating diaspora investment vehicles.

VII. Regional national policies/regulations are pursued as opposed to having single /common policies segmenting and fragmenting the market which limits the scope for economies of scale and escalates the cost of doing business. The region to develop and adopt common sectoral policy and visions to ensure stability and create uniform business environment for manufacturing-.

VIII. Observed that economic and special zones generate additional economic activity leading to promotion of exports of goods; promotion of investment from domestic and foreign sources; and development of infrastructure facilities; to attract large investments. In this regards EAC and EABC were urged to develop cross country coordination and collaboration platforms for efficient competitive value chains (platforms) and to undertake learning missions to enable design of effective Special Economic Zones (SEZs). The development of such infrastructure to also take into account development of facilities for small and medium enterprises.

IX. The role of science, technology and innovation should be given priority in the discourse on manufacturing. Considering that entrepreneurship drives science, technology and innovation EAC and EABC to develop an Entrepreneurship policy as a platform for anchoring an entrepreneurial culture.

X. Considering the effect of plastics and chemicals on the environment and on industrial development; Partner States need to put in place environmental safeguards for plastics and

chemicals in order that environmental sustainability is not an opportunity cost to industrial development.

XI. EAC, EABC, National Bureau of Standards and ARSO to work hand in hand and to take appropriate measures to widen awareness and enforce standards compliance in all industrial businesses towards facilitating intra EAC trade and trade in general.

XII. EAC and EABC to fast track implementation of mutual recognition agreements between EAC Bureau of Standards.

ADOPTED THIS DAY OF 25TH MAY 2017, AT KIGALI SERENA, RWANDA