

Innovation and Value-Value-Addition Processing in realizing for the 'Made in Africa' brandLabel

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Industries in Africa could double their production to close to one trillion within just a decade. Majority of that growth is likely to come from manufacturing to substitute imports and meet the rapidly growing manufactured exports, thus making Africa the world's next great manufacturing center as industries shift away from developed countries such as China to lower-cost regions.

Africa has long been known for its resource abundance in both agriculture and mineral resources. Despite this, the continent has struggled to translate these resources into shared wealth and sustained economic development. New innovations and investments promise to change that scenario and create exciting growth opportunities for business. For instance, in oil and gas, Africa is rich in unexplored, high-potential regions, and the continent has huge unmet demand for energy. It is estimated that the domestic gas market in Africa will grow by 9% a year to 2025, by which time the continent could use up to 70 percent of its own gas.

African companies, however, are still grappling with the problem of finding value-added processing for the 'Made in Africa' label, mainly because most finished products are considered poor quality and thus attract a limited number of buyers. Many vendors across Africa make similar products of lower quality. This situation reduces the market worth of those products.

Another challenge is that since extractive industries are capital intensive, they provide few opportunities for employment or skills development. Additionally, extractive industries tend to require smaller supplier chains than the manufacturing sector, which implies that technological externalities are lower and incentives for investment in supplier industries are weaker.

Still, African countries-companies are finding solutions to local problems by innovating products that add value in processing thefor the 'Made in Africa' brandlabel. For instance, in Kenya, companies such as Twiga Foods, Copia Global, and Kobo360 are employing digital solutions to streamline logistics.

Innovation has enabled Kenyan vendors to secure fresh produce, and Nigerians can now access WiFi through solar powered towers. Innovative products such as MPost convert mobile phones into virtual mailboxes, while mPedigree uses SMS to spot out counterfeit medications. From such products, we are able to see solutions to global problems being addressed.

However, many African countries are still grappling with the problem of finding value addition in processing the 'Made in Africa' brand. The main reason being that most finished products are deemed to be of poor quality and thus attracting a limited number of buyers. Here, we address the benefits of innovation and value addition in processing the 'Made in Africa' brand, the challenges that most African countries face and provide a slew of recommendations on the way forward.

Benefits of Innovation

Commented [RL1]: PUB:

Moved this paragraph up as a better lead. I've done a bit more rearranging with this article. Line edits get lost when the passage is relocated, but but for simplicity I'm marking only this move. The general outline follows:

Potential (lead)

Challenges

Examples of companies doing well

Recommendation (call to action)

Commented [RL2]: PUB: The phrase "value addition in processing the "Made in Africa" brand" and variations are repeated throughout this article. I understand "value added processing" as a manufacturing term, which I believe the author is referring to in a general sense of "improving the value of products." I made an effort to clarify that meaning, but please revert or rephrase if I've missed the author's intent.

Commented [RL3]: PUB: I don't think these headers are necessary under the new structure. They connect together well, and I worry headings will break the transitions.

~~Borrowing~~ As best practices from developed countries such as US, Australia, Norway and Scotland show, innovation is propelled by resource abundance. These countries have put in place right policies and conditions for their commodity production. ~~Therefore~~, African countries will therefore benefit more from innovation once they have-increase technology ~~real increase~~ and crucial manufacturing and service ~~crucial~~ activities that will lead to value added ~~dition of~~ for the 'Made in Africa' ~~brand~~ label. ~~All African countries need to do is to produce a variety of 'Made in Africa' brands ranging from foodstuffs to automobiles.~~

~~Admittedly, industries in Africa could double their production to close to one trillion within just a decade. Majority of the growth is likely to come from manufacturing to substitute imports and meet the rapidly growing manufacturing exports thus making Africa the world's next great manufacturing center as industries shift away from developed countries such as China to lower cost regions.~~

~~Africa has long been known for its resource abundance in both agriculture and mineral resources. Despite this, the continent has struggled to translate these resources into shared wealth and sustained economic development. New innovations and investments promise to change that scenario and create exciting growth opportunities for business. For instance, in oil and gas, Africa is rich in unexplored, high potential regions, and the continent has huge unmet demand for energy. It is estimated that the domestic gas market in Africa will grow by 9 percent a year to 2025, by which time the continent could use up to 70 percent of its own gas.~~

Challenges

~~Understandably, many vendors across Africa make similar products hence being of lower quality. This in turn reduces the value of the products and their market worth. It is worth noting that another challenge would be that since extractive industries are capital intensive, they provide few employment and skills development opportunities. Additionally, extractive industries tend to require less supplier linkages than the manufacturing sector, which implies that technological externalities are underneath and incentives for investment in supplier industries are weaker.~~

As manufacturing and industrial output remain the drivers of economic growth, the need for African economies to give more attention to ~~value-value-added~~ dition processing cannot be over ~~stated~~ phasized. All African countries need to do is to produce a variety of 'Made in Africa' brands ranging from foodstuffs to automobiles. It is to be noted, however, that African exports often face excessively strict standards to enter global markets. Chances are these high-~~quality~~ -value-added products will only go as far as their national and perhaps regional boundaries will take them.

Recommendations

~~It would be well for~~ African countries ~~to-should focus on~~ promot inge local value chains ~~in~~ in which incentivize local artisans ~~are given incentives~~ to specialize in making high-end products. Those products can ~~that are to be~~ then be aggressively marketed by African countries as part of their branding strategy. The classical experience of many resource-rich countries shows that commodity sectors foster productivity growth, technological innovation, forward and backward linkages, provided they are supported by good institutions and investment in human capital and knowledge.

For example, in Sweden and Finland, the development of sophisticated processing industries was mainly the result of investments in skills and research from public and private institutions.

Conclusion

~~In e~~Compared to Africa, various countries in Asia and Latin America have been successful in being able to develop backward and forward linkages to the commodity sector through a complex mix of resource endowment, policy making, socio-economic and country-specific political characteristics. Africa needs to borrow the methods ~~that seem to have worked for these countries~~ and apply them, ~~as for~~ they may be beneficial in its path towards commodities-based industrialisation.

Africa still has a long way to go in terms of innovation and the value of their commodities to consumers. ~~This can be attributed to their h~~Half-baked technological systems and industries, ~~which~~ when compared to other continents, appear to be subpar. However, there is continual effort ~~observed~~ by manufacturing and technology industries to do their level best to produce commodities that benefit the community around them and the outside world at large.