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Economic Commission for Africa

46th Ordinary Summit of SADC Heads of State and Government

Theme:

Resilient, sustainable and inclusive industrialisation through infrastructure development, agricultural and critical minerals transformation in pursuit of a just world

Statement

By

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H.E. Cyril Ramaphosa, President of the Republic of South Africa, Interim Chairperson of SADC and host of this Summit

H.E. Dr. Emmerson Mnangagwa, President of the Republic of Zimbabwe and Outgoing Chairperson of SADC

Excellencies Heads of State and Government here present,

H.E. Dr. Mahmoud Ali Youssouf, Chairperson of the African Union Commission,

H.E. Elias Magosi, Executive Secretary of SADC,

H.E. Dr. Sidi Ould Tah, President of the African Development Bank,

Ladies and Gentlemen:

It is a pleasure to join you today at this 46th Ordinary Summit of SADC Heads of State and Government.

I commend the Government and people of South Africa for their warm hospitality and congratulate SADC Secretariat under the leadership of Executive Secretary Elias Magosi for convening this Summit under the crucial theme: ***"Resilient, sustainable and inclusive industrialisation through infrastructure development, agricultural and critical minerals transformation in pursuit of a just world."***

Excellencies,

Our meeting takes place at a critical time in the world.

Technological innovation, the climate crisis, shifting geopolitics and the reconfiguration of global supply chains are reshaping trade, investment and industrial production.

Meanwhile, development aid is declining, concessional resources are becoming scarce, and borrowing costs are rising.

The crisis in the Middle East is further adding pressure by disrupting trade routes, raising energy, food and fertilizer price volatility, fuelling inflation, eroding the value of African currencies and tightening financing conditions.

In response, nations are investing in advanced manufacturing, food systems transformation, energy security, including clean energy, digitalization and strategic industries.

So, where does Africa fit in this new economic order?

For generations, the continent has supplied the world with raw and semi-finished commodities while receiving a disproportionately small share of the massive wealth created from the sector.

Africa exports minerals; others manufacture batteries, electric vehicles and renewable energy technologies.

Africa exports agricultural commodities; others process, package and market higher-value food products.

Africa also imports significant quantities of fertilizer despite possessing natural gas, phosphates, potash and industrial capacity.

This pattern limits job creation, weakens resilience and constrains structural transformation.

Are we going to continue exporting raw materials while others capture the higher-value stages of production, or shall we become a competitive center of manufacturing, innovation and value creation?

The theme of this year's Summit provides the answer. Business as usual cannot continue.

Industrialisation built on infrastructure, agriculture and critical minerals is an economic necessity if we are to create productive jobs, add value to our resources and position Africa in the industries of the future.

Importantly, Southern Africa begins with extraordinary advantages: it has rich deposits of platinum, lithium, diamonds, manganese, cobalt and copper - resources indispensable to the global energy transition.

It also has fertile land, manufacturing capacity, financial markets, power infrastructure and transport corridors linking the Indian and Atlantic Oceans.

Across Africa, vast mineral and agricultural resources, renewable energy potential and growing industrial capabilities provide a strong foundation for transformation. The continent holds about 30% of global reserves of critical energy-transition minerals, for which demand could more than triple by 2030 under net zero scenarios.

So, we have the resources. The question is, how do we transform these resources into greater prosperity for our people?

Minerals already contribute around 10% of SADC's GDP and 25% of exports, but only 7% of direct employment.

That imbalance tells us where the opportunity lies: value addition, regional integration and infrastructure development.

Fortunately, Southern Africa already offers evidence of the industrial future we seek.

South Africa's automotive sector has built strong supplier networks, while Botswana's shift into diamond cutting, polishing and trading shows how greater value can be retained domestically.

Zimbabwe's investments in lithium processing demonstrate the growing recognition that value must be captured before export. Mozambique's natural gas developments show how resource wealth can support industrialization, fertilizer production and regional energy security.

The Lobito Corridor, connecting Angola to Zambia and the Democratic Republic of Congo, indicates how infrastructure can reduce transport costs, unlock investment and support value chains. The Southern African Power Pool illustrates how cooperation can improve energy security and create larger industrial markets.

The Zambia-DRC Battery Electric Vehicle Initiative provides a model for transforming cobalt, copper and lithium into battery products and electric mobility value chains.

And the economics of all of this is compelling: ECA research found that building a 10,000-tonne battery precursor plant in the Democratic Republic of the Congo could cost about $39 million, roughly three times less than in the United States, while also reducing emissions compared with existing supply chains routed through China.

This is precisely the kind of opportunity Africa must seize: not simply exporting ore, but producing higher-value goods, developing technical capabilities and skills and retaining more value in the continent.

This is the approach of ECA's planned work with the African Development Bank on African Critical Mineral Value Chains and related Strategic Corridors.

Such Strategic Value Chain Corridors may include the Battery and Electric Vehicle (BEV) value chain, involving DRC, Zambia, Tanzania, South Africa, among others;

The Lithium Industrialization Corridor (Zimbabwe, Namibia, Botswana and South Africa);

The Graphite Processing Corridor (Mozambique, Madagascar and Tanzania);

The Iron Ore, Manganese and Green Industrial Materials Corridor (Guinea, Mauritania, Liberia, South Africa, Gabon, Zimbabwe and Namibia);

Excellencies,

The ideas exist. Opportunities abound. What is needed is implementation, supported by strategic investments, strong institutions and partnerships around a shared vision.

Regional value chains must become the cornerstone of Africa's industrial transformation, because no single country possesses every resource, technology or capability required to compete globally.

Together, SADC has the minerals, agriculture, energy, finance, ports, skills and markets needed to build competitive regional production networks.

How then do we move forward? Allow me to suggest **six** priorities.

First, we must mobilize financing and partnerships at scale. Governments must lead but cannot finance this transformation alone.

Development finance institutions, sovereign wealth funds, pension funds, the private sector and partners must prepare bankable regional projects in energy, transport, industrial parks, logistics, digital infrastructure and agro-industrial development.

Second, we must accelerate mineral beneficiation and regional critical mineral value chains. Beneficiation should not stop at initial processing.

The objective must be integrated regional industries spanning extraction, refining, precursor materials, component manufacturing and finished products.

Third, we should transform agriculture into an engine of industrialisation.

This requires investment in seed systems, mechanization, irrigation, storage, food processing, cold chains, logistics and export infrastructure.

Stronger value chains in maize, soybean, livestock, horticulture and agro-processing can reduce food import dependence, create jobs and strengthen resilience against climate shocks.

Fourth, fertilizer and agricultural input security must become a strategic regional priority. Reliable and affordable fertilizer is essential for agricultural transformation.

Southern Africa has natural gas resources, phosphate reserves, transport infrastructure and markets to develop regional fertilizer value chains that lower costs for farmers while creating industrial capabilities and jobs.

Fifth, we must strengthen regional value chains through the African Continental Free Trade Area.

Minerals may be found in one country, energy in another, manufacturing capability in a third and consumer markets across the region.

The AfCFTA provides the framework to combine these advantages by reducing trade barriers, improving customs efficiency and facilitating cross-border investment.

Sixth, we must accelerate investment in energy and enabling infrastructure.

Industrialisation cannot flourish without reliable, affordable and sustainable energy, efficient transport networks and modern digital connectivity.

Building on the Southern African Power Pool, the region should expand generation, strengthen transmission interconnections and accelerate investments in renewable energy, hydroelectric power, gas-to-power and battery storage.

Excellencies,

Southern Africa does not need to start from scratch.

If the region combines critical mineral wealth with regional energy markets, fertilizer production, modern transport corridors and competitive agricultural value chains, it can become not only a supplier of raw materials but a centre of industrial production and food systems transformation.

The pathway is clear: implementation at scale, coordinated regional action and sustained investment is what is required.

ECA remains committed to working alongside SADC, the African Development Bank and all partners to turn this vision into reality.

Together, we can move beyond exporting potential to creating lasting prosperity for our people, the SADC and the continent.

I thank you.