

Editorial: Canada-Africa: Towards a New Economic Pact Based on Co-Industrialization and Value Creation

*By **Dr. Yaovi Bouka,** President of Force Leadership Africain*
Director of publication *Editorial staff of the Canada-Africa Economic Magazine*

For several decades, economic relations between Canada and Africa have been dominated by a logic of export by Canada, mainly goods, services and capital, while Africa remained essentially a supplier of raw materials. Today, this model is showing its limits and a new paradigm is emerging.

On the one hand, Canada faces the strategic need to diversify its economic partnerships and export markets. Geopolitical uncertainties, trade tensions and the desire to reduce its dependence on the U.S. market are pushing Canadian governments and businesses to look for new sources of growth. ***Canada's recent Africa Strategy reflects*** this desire to strengthen economic, trade and investment ties with the African continent.

On the other hand, Africa no longer wants to be seen solely as a reservoir of raw materials. With its immense natural resources, its young and dynamic population, its expanding markets and the African Continental Free Trade Area, it aspires to become a fully-fledged industrial and technological player. African leaders, entrepreneurs and investors are now calling for more **partnerships based on local processing, technology transfer, the creation of skilled jobs and the sharing of added value.**

This convergence of interests opens a historic window of opportunity.

The challenge of moving from extraction to processing

Africa produces a significant share of the world's strategic resources: **critical minerals, rare earths, cobalt, lithium, manganese, bauxite, cocoa, coffee, cotton, timber and agricultural products**. However, a significant part of these resources continues to be exported in their raw state before being processed elsewhere. The consequence is well known: industrial jobs, innovation, tax revenues and most of the added value are often created outside the continent.

The real challenge of the coming decades will therefore be less the ability to extract more resources than the ability to process them locally. This willingness to approach is displayed by many African leaders, including the Presidents of **Gabon, Ghana, Guinea, Botswana and Angola.** However, this transformation requires significant

investment, modern infrastructure, access to finance, technical skills, advanced technologies and a favourable business environment.

This is precisely where Canada can become a key strategic partner.

A Tremendous Opportunity for Canadian Businesses

Canada has recognized expertise in several priority sectors for African industrialization:

- Mining and natural resources; renewable energy;
- Agri-food;
- Artificial and digital intelligence;
- Vocational training;
- Finance and Capital Markets;
- Logistics and infrastructure;
- Environmental technologies.

Instead of a traditional model based solely on exporting products or taking equity in natural resources, Canadian companies could engage in a new generation of partnerships focused on co-industrialization.

These would include:

- create joint processing plants;
- developing Canada-Africa joint ventures;
- support the emergence of African regional value chains;
- train talent locally;
- promoting technology transfer;
- Mobilize financial institutions from both continents around structuring projects.

Such an approach would allow Canada to access high-growth markets while contributing to the sustainable economic development of its African partners.

However, this presupposes on the part of Africa itself, multifaceted efforts aimed at bringing about the emergence of real captains of industry from the temple **of Aliko Dangote** and others.

The strategic role of African diasporas

At the heart of this transformation are Canada's African diasporas. They are a natural bridge between the two continents. They understand the cultural, regulatory and

business realities of both markets. They often have considerable business networks and represent an exceptional vector of trust between investors.

For several years, **Force Leadership Africain** has been advocating that diasporas must become leading economic actors in the construction of this new Canada-Africa economic space. Initiatives aimed at mobilizing diaspora savings, expertise and networks could become a powerful lever for financing development and accelerating investment. In this regard, let us mention on the one hand, the establishment of a **FLA Inc. Diaspora Fund** and on the other hand, the strategic alliance concluded between **Force Leadership Africain** and the Association of **Black Engineers of Canada** in order to pool our efforts in the direction of the transfer of North American know-how and technology to Africa to participate in its industrialization.

Obstacles to overcome

Despite the promising prospects, several challenges remain.

The first is perception. Too many Canadian companies continue to view Africa primarily through the lens of risk rather than opportunity.

The second concerns financing. Industrial projects require patient capital and risk-sharing mechanisms adapted to African realities. In this regard, **new financial tools should be put in place to complement the role currently played by Export Development Canada, Fin Dev Canada and Canada Commercial Corporation.** It is also with this in mind that **Force Leadership Africain** is setting up its **FLA Diaspora Fund Inc**.

The third challenge is that of infrastructure, particularly in the fields of energy, transport and digital technology.

Finally, governments on both continents will need to continue their efforts to improve transparency, governance, regulatory predictability, and investment protection.

Building the economic corridor of the 21st century together

The economic history of the twenty-first century could be marked by the emergence of a true **Canada-Africa economic corridor.**

A corridor where Africa would no longer be just a source of raw materials, but also a land of transformation, innovation and value creation. A corridor where Canada would no longer be just an exporter of capital or technology, but a partner in industrial co-development. A corridor where businesses, governments, universities, financial institutions and diasporas would work together to create shared prosperity.

The time has come to move beyond the models of the past. The world is changing. Value chains are being redrawn. Growth centres are shifting. Africa is emerging and Canada is seeking to diversify its strategic partnerships. The combination of these two dynamics can give rise to a new economic alliance, based on productive investment, co-industrialization, innovation and sustainable wealth creation.

This is, without a doubt, the greatest challenge but also the greatest opportunity for the Canada-Africa business relationship for decades to come.

The future of Canada-Africa relations will not be built only on trade. It will be built on factories, laboratories, innovation centres, financial institutions and business partnerships that can turn resources into wealth, talent into businesses and ambitions into shared prosperity.