



**Statement by the Chairperson of the African Union
Commission, HE Dr. Nkosazana Dlamini Zuma to the
BRICS Business Council Luncheon**

Sandton, Johannesburg, 20 August 2013

Programme Director, His Excellency, former President Chissano
Mr. Patrice Motsepe, Chairperson of the BRICS Business Council
Members of the BRICS Business Council
President Kaberuka, African Development Bank
Representatives from African business
Dr. Mohamed Ibrahim
Excellencies, Members of the Diplomatic Corps

Ladies and Gentlemen

On behalf of the African Union, it is a pleasure to address this first meeting of the BRICS Business Council, and to express a special welcome to those visiting our warm and friendly continent. Greetings also to business representatives from across the continent - including South Africa.

The BRICS countries are important economies within their respective continents, and Africa has special and growing relations with each of your countries. The relations between yourselves and the African continent did not start yesterday, whether it is Brazil, Russia or China. These relations range from being part of historical and current trade routes, having a large African Diaspora community like in Brazil, to supporting each other in our independence and anti-colonial struggles. More recently, with the shifts in economic power from the West towards other parts of our globe, including the BRICS countries, we are also consolidating economic and people to people cooperation, South-South cooperation and building a more just and peaceful global economic order, that benefits all.

We heard this morning about the various areas of possible cooperation, in the contexts of both prospects and challenges facing the African continent and our respective countries.

Africa has prospects in the form of sustained continental growth for the last decade, the increase in foreign and intra-Africa investments; the increase in public and private investments in infrastructure and improvements in governance. Africa also has vast untapped mineral, natural and human resources.

The continent has set itself the target to speed-up the process of integration in accordance with the Abuja Treaty, completing the third stage that include the establishment of common customs unions and markets in each regions by 2017 and addressing other constraints to the free movement of people, goods and services.

In addition, we are keenly aware that if we as Africans (governments and business) do not show confidence to invest in our own continent, it is difficult for others to take the lead and do so. It is important to note that Kenya, Nigeria and South Africa over the last few years have taken their place amongst major foreign investors into African countries.

The African Union Commission and the NEPAD Agency, together with its other strategic continental partners, the Economic Commission for Africa (ECA) and the African Development Bank (ADB) are therefore exploring practical ways to ensure that we mobilise African resources to drive our development. Two initiatives are already at an advance stage, the Africa50 Fund spearheaded by the African Development Bank and the AU Foundation, spearheaded by the AU Commission. We want Africans to show the lead in investing in these instruments, and we will also approach you as our partners in development to make a contribution.

Mobilising African and foreign investment remains a priority for the continent, because of challenges we continue to face, including catching up with the huge backlogs in infrastructure (transport, energy, ICT and other social and economic infrastructure); strengthening institutions; diversifying our economies; develop our human resources and invest in science, technology, skills, research and innovation; build our agricultural and manufacturing sectors; and ensure industrialization.

Since our people remain our most important resource, we are committed to invest in our young people and in the empowerment of women, so that we make use of all Africa's potential and

creativity. The area of human resource development is amongst the critical areas, in addition to industrialization and infrastructure; that we want to cooperate with BRICS countries.

This is why we value forums such as this BRICS Business Council, because it is an opportunity for us to build partnerships that are different from how the world engaged with Africa. Africa certainly has different expectations from the BRICS countries.

Ladies and Gentlemen

The BRICS Business Forum that was held on 26 March 2013 in Durban/eThekweni as one of its outcomes in a joint statement agreed that:

BRICS and Africa will forge a closer partnership for development integration and industrialisation. BRICS countries will actively support infrastructure development and industrialisation on the African continent in order to contribute to its development and to expand trade links between Africa and BRICS.

We welcome the close partnership with yourselves as businesspersons from BRICS, because it has the potential to result in a win-win situation. Returns on investment on the African continent in virtually every sector – despite the global economic crisis - is better than many other destinations in the world. And unlike in the preceding decades, resources only accounts for one third of that growth. The rest include growth from other sectors such as wholesale and retail, agriculture, transport, telecommunications, manufacturing and financial and other services.

Africa also has a growing and young population, and a growing middle class. It therefore makes business sense to invest in the continent.

At the same time, because Africans are talking about the transformation of our continent, we are mindful that we should not repeat old patterns of relationships that simply perpetuate our underdevelopment.

Foreign direct investment, including investments in infrastructure, in agriculture and agro-businesses, in our mineral, energy and

maritime resources, in our services and manufacturing sectors should therefore be accompanied by investment in skills and technology transfer, in beneficiation and local production, by paying fair taxes and through joint ventures with local African business.

From our side as African institutions and countries, we will continue to strengthen economic governance, address supply-side constraints including infrastructure, the development of our human capital and maintaining a growth orientated macro-economic environment.

We are furthermore, in the context of *The Action Plan for Boosting Intra-African Trade*, also paying attention to demand-side measures such as strengthening and/or the formation of trade and investment councils, sub-regional credit and insurance systems and sub-regional banks to finance production and trade. This is aimed at boosting intra-Africa trade, but will also help to create a better environment for investments into any country or region on the continent.

This approach, we believe, will contribute towards African growth and development, which is in the interests of BRICS countries as well, because it will also mean the growth of African markets.

Ladies and Gentlemen

In the context of strengthening Africa-BRICS cooperation, the African Union this year has visited China and Russia to discuss how to take forward this partnership. We met with your governments and in some instances with your private sectors, to narrow down the different sectors of common interests, and practical ways to take forward business and other linkages.

The African Union invites the BRICS business councils to partner with it in specific sectors – especially infrastructure, but also other priority sectors identified in the break-away sessions – to help bring together regional or continental groups to ensure that we move the partnership to a different level.

We offer to assist with facilitating specific sectoral meetings at the AU Headquarters. The doors of the African Union are open for

further suggestions and we look forward to hear the outcomes of your deliberations.

I thank you.