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Statement by AU Commission Chairperson  
H.E. Dr. Nkosazana Dlamini Zuma

To the  
**BUSINESS FORUM**

US-Africa Leaders Summit  
5 August 2014. Washington, DC

Check Against Delivery

Honorable Michael Bloomberg

Honorable Penny Pritzker, Secretary of Commerce of the  
United States

Excellencies, Representatives of the US Government and  
Congress

Excellencies, Heads of State and Government

Chief Executive Officers of US and African Companies,

Leaders of Delegations and Ministers,

Ladies and Gentlemen:

I am delighted to address this Business Forum, on the occasion of the historic USA-Africa Leadership Summit. This engagement between governments and business is an important stepping-stone towards evaluating and strengthening the relationship between Africa and the United States, which is the purpose of our endeavours this week.

This engagement comes at an important moment in the continent, when many economic, social and political indicators are moving in the right direction, and there is general consensus amongst the leadership and citizens that Africa can take charge of its destiny to navigate a different course.

This consensus is largely reflected in the fifty-year vision, Agenda 2063 and in the sectoral strategies on critical priorities such as agriculture, industrialization, mining, and infrastructure development.

We also agree that concerted efforts are necessary to make these changes irreversible, in order to realize the vision of an Africa that is integrated, prosperous and peaceful. These

concerted efforts are reflected in our Pan African priorities, which form the basis of the partnerships we seek to build.

Africa has recorded sustained growth of 5% over the last decade, not only in the resources sectors, but also in infrastructure and consumer-facing sectors. Intra-Africa trade in West, East and Southern Africa has reached over 20% and intra-Africa investments now account for 18% of total FDI. Public and private investments in infrastructure projects have grown exponentially over the last couple of years.

However, in order to eradicate poverty and create decent jobs, Africa needs growth at sustained levels of growth of above 7% in order to double incomes and eradicate poverty in one generation.

It therefore has no choice but to transform the structures of its economies, through industrialisation and diversification of its economies. The private sector in the continent has an important role to play in this, and so do foreign companies investing into the continent.

### **Excellencies, Ladies and Gentlemen**

The transformation of African economies thus informs all our priorities and forms the basis of our actions, as African states and at regional and continental levels.

Firstly, Africa's most precious resource is its over one billion population, the majority whom are young, and over halve who are women. Investing in their health, education, access to basic services and infrastructure is therefore critical to governments, Regional economic communities and the African Union alike.

More specifically, we are encouraging an African skills revolution, to train hundreds of thousands of young Africans in science, technology, engineering, innovation and research, so that they can take part and take charge of the social and economic transformation of the continent. Skills shortages are often mentioned in competitiveness surveys as amongst the reasons for low business confidence, whilst at the same time, Africa needs to develop skills in all priority sectors it seeks to develop and grow.

Agriculture and agroprocessing is a second priority, and we spoke at length about this yesterday, about accelerating the Common African Agricultural Development Programme (CAADP) and now the Malabo Declaration targets, of increasing investments and productivity in the sector.

Infrastructure is of course the third priority, transport, ports and harbours, energy, irrigation and ICT. The infrastructure projects are critical to power and grow industries and agriculture, and to connect markets in the continent. Infrastructure projects on the continent are one of the fast growing sectors, and one of the areas of partnerships we continue to explore.

The beneficiation of natural resources and the development of manufacturing are the main components of Africa's industrialization strategies. We therefore proactively seek investments beyond mining, and seek to link mining and other extractive industries more closely to the rest of our economies.

Many speakers have made this point this week, but its worth repeating that key to African development is its capacity for domestic resource mobilisation. This includes a focus on

improving revenue collection and expenditure, as well as stemming illicit flows from the continent.

Studies indicate that, at the very least, Africa loses in excess of \$60 billion every year due to this practice. What is more, multinational corporations account for over 60 percent of these illicit transfers, while 30 percent and 8 percent respectively are due to activities of organized crime and official corruption. Put in context, the amount lost in illicit capital flight out of Africa every year is higher than development aid.

We must therefore work together to ensure that companies make profit, but at the same time ensure that Africa can develop based on its resources.

The empowerment of women has featured prominently in our discussions yesterday. No country or region can be successful if it operates at half its capacity. Investing in women, their access to land, capital and other productive capabilities are therefore critical, in every sector of the economy.

Finally, African governments, the African Union and RECs are making concerted efforts to build and develop the private sector, including providing platforms for engagements between African governments and the African private sector. These efforts can and should be strengthened and we look forward to your inputs in this regard.

## **Excellencies,**

The US remains the largest foreign direct investor in Africa, larger than the European Union and China. These investments have however remained relatively static; the

structure of investments have not change, it remain primarily in natural resources, and predominantly fossil fuels, and it is highly concentrated in a few countries.

As we therefore move forward in our engagements with the US, this should also be an opportunity review this structure of US FDI, so that investments are also directed in areas of beneficiation, value addition and manufacturing and agribusinesses in Africa.

Yes, Africa is open for business and we encourage foreign direct investment to participate in the development of the continent. Such investment must be predicated on a “win-win” philosophy, it must be a partnership that benefits Africa’s transformation in as much as it does the investor.

A prosperous, integrated and peaceful Africa is as much in the interest of current and future generations of Africans, as it is in the interest of humanity and of the US.

We look forward to the deliberations of this Business Forum.