

## Remarks to African Business Leaders in Dar es Salaam, Tanzania July 1, 2013

*The President.* Thank you. Good evening, everybody. Please, please have a seat. I apologize that we're a little bit late, but some of your colleagues had many things to say, and they were all extremely valuable. And I wanted to spend at least as much time listening as I was speaking.

Let me begin by expressing our gratitude to President Kikwete and the people of Dar es Salaam and Tanzania for their incredible hospitality. Thank you to our hosts, the Corporate Council on Africa, for bringing us here together. And I want to acknowledge the Secretary General of the East Africa Community, Richard Sezibera, and the President of the African Development Bank, Donald Kaberuka. I want to thank both of them for their incredible leadership. So please give them a round of applause.

And I want to welcome all of you who have come from across the region—Kenya, Uganda, Rwanda, Burundi—and beyond, including the United States.

I'm pleased to be joined by leaders from across my administration, including my new U.S. Trade Representative, Mike Froman. Mike, where are you? The—stand up so everybody knows—[*applause*]—because Mike will be very busy working to increase trade and commerce between the United States and Africa. We've also got USAID Administrator Raj Shah. We've got a son of Ethiopia who achieved great success in America and now leads our Millennium Challenge Corporation, Daniel Yohannes. And President of the Export-Import Bank Fred Hochberg; Director of U.S. Trade and Development Agency Lee Zak; and our Executive Vice President of OPIC, Mimi Alemayehou.

Now, we just had an opportunity to have a terrific conversation with some of you about what we can be doing together to promote investment between our countries and economic growth here in Africa. And that's what I want to just speak on briefly today.

This is my final leg of my visit to Africa. And at every stop, one of my main messages has been that even as this continent faces great challenges, this is also a moment of great promise for Africa. And it's a tribute to the extraordinary drive and talents and determination of Africans all across the continent. So yesterday, in Cape Town, I said that I believe this creates opportunities for a new kind of relationship between the United States and Africa: a partnership rooted in equality and shared interests. And it starts by building on the progress that we're seeing and empowering Africans to access even greater economic opportunity.

And that's a worthy goal in its own right, but I'm also here because, in a global economy, our fortunes are linked like never before. So more growth and opportunity in Africa can mean more growth and opportunity in the United States. And this is not charity, this is self-interest. And that's why a key element of my engagement with Africa, and a key focus during this trip, has been to promote trade and investment that can create jobs on both sides of the Atlantic. And I believe we can accomplish that, because we've got an enormous opportunity to unleash the next era of African growth. And many of you know it better than I because you're at the forefront of it.

Africa is home to many of the world's fastest growing economies. Sectors like retail, telecom, and manufacturing are gaining speed. And here in East Africa, over a decade, the region's economy quadrupled. The world's investing in Africa like never before. In fact, we're close to reaching a historic milestone where foreign aid to Africa is surpassed by foreign investment in Africa. And that's great news.

And that growth is changing lives. Poverty rates are coming down. Incomes are going up. More Africans are joining a growing middle class. African consumers are spending more and creating new markets where we can all sell our goods.

So I see Africa as the world's next major economic success story. And the United States wants to be a partner in that success. That's why OPIC has tripled its investments in Africa, from hospitals in Ghana to biomass power generation right here in Tanzania. We launched a campaign to encourage more American companies to do business here. And we've increased the value of our financing and support for trade and investment dramatically, to more than \$7 billion.

And we've seen progress. Over the past decade, under the African Growth and Opportunity Act, African exports to the U.S. have surged and support jobs across the continent. Our exports to Africa have tripled, with Caterpillar, for example, from my home State of Illinois, selling mining trucks to Mozambique. Boeing's selling airplanes to Kenya—Kenyan Airways. America-made solar-powered water treatment systems sold in Senegal and Cameroon, they're supporting jobs back in Pennsylvania.

So we're making progress, but we're here because we know there's a lot more work that has to be done. There's a lot of untapped potential. The entire GDP of sub-Saharan Africa is still less than \$2 trillion, which is about the same as Italy. Our entire trade with Africa is about the same as our trade with Brazil or South Korea, countries with a fraction of Africa's population. Of all our exports to the world, only about 2 percent goes to Africa. So I know we could be doing much more together. And let me suggest a few ways where we can make progress.

First, to keep our trade growing, we need to renew AGOA. But we've also got to make some decisions about how we can make it more effective. Today, the vast majority of our trade with Africa is with just three countries: South Africa, Nigeria, and Angola. We need to broaden that. We need to make sure more Africans are taking advantage of the opportunity to export to the United States. And one of the best ways to do that is to make sure more African goods can compete in the global marketplace. And that means more opportunities for small and medium-sized companies and entre-

preneurs and merchants and farmers, including women. And so I'm pleased that Mike Froman will kick off this process at the next AGOA Forum next month in Addis.

But let me be candid: Improving AGOA is not going to be enough. The real answer to unlocking the next era of African growth is not in Washington, it's here in Africa. And during the discussion with business leaders, we've got some terrific ideas about how we can release that energy.

First of all, African governments are going to have to take the lead, not because the United States says so, because—but because that's what works best. And for those willing to do the hard work of the necessary reforms to create a vibrant market economy and business environment, the United States is going to be a steady and eager partner.

So, for example, the vast majority of Africans working in agriculture, that's potential that has not been fully tapped. So we need country-led plans that can attract private capital so we're boosting the income of small farmers, which can fuel broad-based economic growth and lift 50 million Africans from poverty, putting some money in the pockets of the agricultural sector: small farmers, small shareholders. Suddenly, you've got customers for a whole range of products, and that gives additional opportunities for African manufacturers or telecom companies or insurance. Tidjane, he always wants me to talk about insurance. [*Laughter*]

*Audience member.* [*Inaudible*]

*The President.* Yes.

For the overwhelming number of Africans who are young, we've got to make sure they've got skills and the networks and the capital to realize their ambitions. So that's one of the reasons I'm announcing the expansion of the Young African Leaders Initiative, so we're investing in the next generation of African leaders in government and nonprofits, but also in business.

We know that it has to become easier to do business in Africa. This is something that we had extensive conversations about, and all of you know this better than anyone. You've figured out how to work around the constraints,

but we need to tear down these constraints. It still takes way too long—too many documents, too much bureaucracy—just to start a business, to build a new facility, to start exporting. And one of the useful comments that came during our discussion is, if we're going to, for example, build a lot of power around Africa, we can't have a 7-year timeframe for building a power plant. We've got to move. Things have to go faster. And government can have an impact on that, for good or for ill.

So, as part of our partnership for growth, we're working with countries like Tanzania and Ghana to make sure rules and regulations are encouraging investment, not scaring it away. And by the way, if we can synchronize regionally between countries so that there is some standardization of how business gets done, that's helpful too, because then people don't have to try to figure out and unlock a different bureaucracy and a different system and different paperwork for even the most routine tasks.

We know that strengthening good governance is good business as well, and this is something that I've been emphasizing throughout my trip with leaders and with citizens in Senegal and South Africa and now in Tanzania. No one should have to pay a bribe to start a business or ship their goods. You shouldn't have to hire somebody's cousin who doesn't come to work just to get your job—get your business done. [*Laughter*] You shouldn't have to do that.

So as part of our global effort against corruption, we're working with countries across Africa to improve governance, advance open government, uphold the rule of law, because trade will flow where rules are predictable and investment is protected.

We also know that unleashing Africa's economic potential demands more access to electricity. That's how businesses keep the light on. That's how communities can literally connect to the global economy. And more than two-thirds of the people in sub-Saharan Africa have no access to electricity, even as Africa's potential to produce energy is vast. And that's unacceptable in 2013.

So that's why yesterday I announced Power Africa, our initiative to double access to electricity in sub-Saharan Africa. And I want to thank the African Development Bank for its partnership, as well as many companies that have stepped up with commitments, including some here. And I have to say, those who are involved in this process, they continually tell us the problem is not going to be private sector financing. The problem is going to be getting the rules right, creating the framework whereby we can build to scale rapidly. That's what we're committed to doing.

We're starting with countries that are making progress already with reforms in the energy sector: Tanzania, Ethiopia, Kenya, Nigeria, Ghana, Uganda, Mozambique, and Liberia. And with a focus on cleaner energy, we will initially add 10,000 megawatts of new electricity generation, which expands electricity to 20 million homes and businesses.

We also know that many of the greatest opportunities for growth are often in markets right next door, right across the border. But if it's easier for you to sell to Europe than it is to the folks right next door, we've got a problem. That's a constraint on African development and growths. So here in East Africa, by reducing tariffs and pursuing a customs union, you've already doubled trade between your countries in recent years. But we've got to keep working. It should not take longer to ship products between African countries than it does to ship to Europe. A company like Ford shouldn't have to transport cars to Kenya from South Africa by airplane because it's so expensive or unreliable to do it by road or by rail. So you've got to create a situation in which is easier to trade within Africa.

So today I'm announcing a new initiative, Trade Africa, to boost trade with and within Africa, starting with the East Africa Community. And as part of this effort, we'll negotiate a regional investment treaty with the EAC. We'll launch a new program to facilitate trade by focusing on moving goods across borders faster and cheaper. We'll work with the countries involved to modernize customs; move to single, more efficient border crossings; reduce bottle-

necks; reduce the roadblocks that stymie the flow of goods to market.

And we're focused on specific goals. So moving goods faster between ports like Dar es Salaam and Mombasa to Burundi and Rwanda in the interior; or reducing the wait times that truckers endure at the border; increasing East African exports to the United States under AGOA by 40 percent; and not simply increasing trade within East Africa—doubling it. That's our aim. That's what we're—those are the goals we're setting for ourselves under Trade Africa and here in East Africa. And we intend to be—we intend this to be the foundation for similar progress regionally that we can do across the continent in years to come.

And finally, we're going to sustain our efforts. I'm making this trip early in my second term because I intend for this to be the beginning of a new level of economic engagement with Africa. So I'm announcing today that my new Commerce Secretary, Penny Pritzker, will lead a major trade mission to Africa in her first year. My Treasury Secretary and my Energy Secretary will come to the region as well. We will bring American investors and businesses together in a major conference on doing business in Africa. Other American trade missions next year will focus on forging new partnerships in agriculture and energy and infrastructure. So across the board, we want to step up our game.

And the bottom line is this: I want to make sure we're doing everything we can to encourage the new growth we're seeing across Africa

and more trade between our countries. And that's what your companies represent. That's what the incredible young men and women from across Africa who I met at our town hall in Soweto represent. I was hearing their stories and the impact they're already having and listening to their hopes and seeing their determination to build their lives and their communities and their countries, and it just reinforced everything I believe about Africa and its people.

If people across this continent are just given a chance, if they're just empowered with the skills and the resources and the capital, and government is accelerating and advancing their opportunities as opposed to it being an impediment, they can achieve extraordinary progress. And that's what I believe. And I know that's what you believe.

And that's why the United States is going to keep investing in efforts that unleash that potential and its greater—greatest natural resource, which is its citizens. When we do, I'm absolutely convinced it won't just mean more growth and opportunity for Africa, it will mean greater prosperity for the United States and indeed the world. So thank you very much for participating. Appreciate it. Thank you.

NOTE: The President spoke at 7:30 p.m. at the Hyatt Regency Dar es Salaam, The Kilimanjaro. In his remarks, he referred to Tidjane Thiam, group chief executive, Prudential plc; Secretary of Commerce Penny S. Pritzker; and Secretary of Energy Ernest J. Moniz.

## Remarks at a State Dinner Hosted by President Jakaya Mrisho Kikwete of Tanzania in Dar es Salaam *July 1, 2013*

Well, President Kikwete, Madam First Lady, distinguished guests: On behalf of myself and Michelle, our delegation, our daughters, we want to thank you for the incredible warmth and hospitality with which you've greeted us throughout the day. We could not be more grateful.

I am not the first American leader to visit this beautiful country. Other Presidents and

prominent citizens have come before me. We just came from South Africa, where Robert Kennedy famously spoke of how every time we stand up for an ideal, we send out a "tiny ripple of hope." Less known is that after that trip to South Africa, Robert Kennedy also came here to Tanzania. It was a little different back then. Kennedy and his wife Ethel rode in the back of