

THE BROOKINGS INSTITUTION

**A CONVERSATION ON THE U.S.-AFRICA LEADERS SUMMIT**

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P R O C E E D I N G S

MR. O'REILLY: (in progress) in Sub-Saharan

Africa and issues related to economic growth and prosperity on the continent.

Dr. Amadou Sy is a Senior Fellow in the Africa Growth Initiative and currently serves as a member of the Editorial Board of the Global Credit Review. His research focuses on banking, capital markets, and macroeconomics in Africa and emerging markets.

Dr. Vera Songwe is a Nonresident Senior Fellow in the Africa Growth Initiative and currently the World Bank Country Director for Senegal, Cape Verde, the Gambia, Guinea-Bissau and Mauritania.

Her areas of policy interest include economic growth and structural transformation, capital markets and financial regulation, and governance with an emphasis on energy and agriculture issues.

We'll start with some brief remarks from our experts and then we'll leave the rest of the time for questions. So, please do jump in when the time comes.

For those who are dialing in, if you need any clarification on who is speaking, if you could do let us know. This is all on the record, and with that, I'll hand over to Dr. Schneidman.

DR. SCHNEIDMAN: Great. Thank you, Neil. Thank all of you for being here and dialing in. This summit is a long time coming. I co-chaired the Africa Experts Group on the Obama Campaign in 2008 and one of the recommendations that we made was just this, to have a summit between the U.S. leadership and the leadership from the continent based on the recognition that the U.S. has summit mechanisms with virtually every other region in the world except Africa, and Africa had summit mechanisms with virtually every other region in the world except the U.S.

And the time had come that we should address that and have our own summit mechanism. So, I think from that perspective, this is an important event. And I think it's also important to see this summit in the context of the Obama policy toward Africa. It was a little slow in starting for the first four years, but

with the reelection effort, it's really gained momentum and the Obama initiative -- his initiatives really consist of four major ones, one is Feed the Future, which is focused on food security and uplifting 50 million people out of poverty.

The second is Power Africa, which proposes to extend electricity to at least half of the 70 percent of the people on the continent who do not have access to reliable source of electricity. The third initiative is the Young Africa Leaders Initiative. Currently there are 500 young leaders from Africa in Washington right now finishing six weeks of leadership training, some other 50,000 young leaders from the continent have expressed interest in participating in this initiative.

And the fourth initiative is the Trade Africa, which is the U.S. effort to develop a trade investment strategy with the East African community.

So, I think President Obama's initiative is broad gauging, the private sector is involved in each of these initiatives, business will be a very big

focus of the summit, on the fifth there will be a whole day devoted to meeting with CEOs from the U.S. and Africa, and then the sixth will be the President with the African leaders to focus on trade and investment, peace and security, governance and development.

So, it promises to be, I think, a wide-ranging set of dialogues. There are at least 100 other side events. Brookings is doing a day long conference on the fourth and it's really actually quite an exciting time for anybody who is interested in Africa and I think it will really help to move the U.S.-African relationship to a new and more positive footing.

So, with those few remarks, let me pass it to my colleague.

DR. SY: Thanks, Witney. Well, to me this summit is a historical one. President Obama is the 44<sup>th</sup> President of the USA and this is the first time having such a summit when other countries like China and Japan have had similar events for a while.

So, you know, I think that the emphasis on business, on trade, is also historical because typically the relationship with Africa is typically focused on, you know, security issues or aid issues, so I think that the Tuesday, August 5<sup>th</sup> event, U.S.-Africa business forum, is a very important date. And in there, you know, I think what's important is that, you know, to keep the momentum and -- for example, the Power Africa Initiative is very interesting because, you know, it's not about the U.S. -- nobody expects the U.S. government to put in public money as the Chinese or the Japanese would do, but I think having this approach where the public sector, you have 12 government agencies coordinating in this Power Africa and leveraging the weight of the public sector, not the money, but the influence and the knowledge, to bring in the U.S. private sector is something which is very interesting.

And I think it's a model, actually, that could be very useful for other countries going forward, especially when aid money is at risk of going

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down.

So, the potential is there. The U.S. puts less than 1 percent of its foreign direct investment in Africa, actually, 0.7 percent, so you can see the potential for up side there. Most of the money goes to, you know, Nigeria, Angola, South Africa, it mostly goes to the oil sector, again, potential for other sectors.

So, you know, with this I will let my colleague, Dr. Songwe, follow up.

DR. SONGWE: Thank you, Dr. Sy. I think that this is -- I just arrived in Washington today, Vera Songwe speaking, and I came from Senegal where I think what we're worrying about is agriculture and growth and jobs on the continent and in some sense it was very interesting to come and arrive directly to do this because I feel like I'm bringing a little bit of that curry from the continent, what is the feeling of the continent as they prepare to land in DC next week, and my sense is one of the things that everybody is worrying about is jobs.

We have, on the continent, a youth population that, I think, we're all talking about the demographic dividend and how wonderful this year's population is going to be. I think the estimates are that, you know, about 60 percent of the population will be below 20 in 2020 and we will have 10 million young Africans. The estimates vary between 10 and 15 million depending on how you do the analysis -- young Africans looking for jobs every year.

So, you have 10 to 15 million, beginning in 2020, getting on the job market. This is the potential that stares us in the face, but it's also the crisis that stares the continent in the face. And the potential there is what probably the U.S., the EU, and everybody else, is seeing in Africa. It is a rising continent. We are the fastest growing continent now. We are growing at almost 5.5 percent, some of us, and it's not just sort of a one-off. We have at least 15 countries on the continent that have been growing at above 5 percent sustainably for the last 10 years. So, this is not a blip, this is not, you know, we grew



well last year and we won't do that again.

So, there is, I think, considered a comfortable comfort in the fact that the continent now has reached at least where you can actually take of and take off sustainably.

But Witney mentioned two things that I want to come back to, one of them is the two President Obama initiatives, one is Trade Africa and Power Africa, the two are intrinsically linked. Why? Because you cannot Trade Africa if you cannot Power Africa. Today, in Senegal, Senegal's electricity costs are 30 cents per kilowatt and in the United States it's eight cents per kilowatt, so by definition, when you start the race, Senegal cannot compete. Mali cannot compete. And so the biggest issue that we have, even to put the young people to work, is to solve the energy crisis.

Basically, it takes 30 percent of all agriculture production is energy, 60 percent of all Internet and ICT production is energy. So, everywhere you turn, even in the -- the reason I talked about the Internet and ICT, as we have seen, Nigeria has re-

based its economy so the service sector is one of the fastest growing, but even when you talk to Nollywood they say, energy is our biggest problem. So, even in the fast growing sectors, energy is a problem. You go back to the all natural resources sectors like mining, in mining, half of the goldmines shut down when the gold prices went below 900 because the energy cost becomes prohibitive.

So, for every place you turn on the continent, for production, we need power. And I think that right now we have a huge opportunity, and President Obama's last trip to Africa I think demonstrated, the fact that he went to East Africa, Tanzania, Mozambique, Kenya, that whole area of natural gas discoveries, Mozambique now has the largest deposit of natural gas in the world, it has discovered that, what we begin to see is a huge turn in the competitiveness of the continent. But we need U.S. expertise. This is where the trade part comes in.

To power we need to trade, and this is why I think that that link between U.S. expertise, the big

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U.S. industrials -- General Electric is already on the continent proposing to do 10,000 megawatts of Power Africa initiatives, is really where, you know, your expertise makes our development cheaper. Your expertise, the U.S. expertise, makes Africa development faster, makes the kids going to school much more possible to be able to think, to create. I think that the creative capacities on the continent have not been unleashed because there is not enough energy.

The second issue with the U.S. that we have is the issue of democracy and governance. The youth now are looking for jobs, but they're also looking for voice and they want to be able to participate, consciously and tangibly in the transitions process, and one of the things that I think we have seen is that not all the African presidents are invited to the U.S. next week. We have a few that are not -- that have not been invited and this is, I think, a little bit of the governance side. The U.S. hasn't gone, I think, as far as some people would have wanted to say,

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you know, maybe, Obiang Nguema should not come to the U.S. because Obiang Nguema, as we know, has been president for 30 years, sits in probably one of the richest countries in Africa, but inequality is the highest. And the question is, that is a country with poor governance. We have Gabon as well.

And so I think that one of the things that we are struggling with in this U.S.-Africa summit is how we deal with the issue of governance. When President Obama went to Africa he said, Africans want strong institutions, not strong men. We are receiving strong men in the U.S. next week and the question is, are we going to have an important message for the strong men in terms of whether we need to begin to move towards transitions? And I think that we have very good examples of the continent -- Cape Verde is one, Senegal is another, Ghana is another, Tanzania is another, Mauritius is another -- we have had these transitions and the transitions have also brought growth. All the countries I've named are also among the fastest growing countries on the continent.

And so, in some sense, it will be interesting and useful that there is a real, I think, democratic transitions governance debate that happens next week when the leaders come and this is, I think, why it is quite an exciting time for us.

MR. O'REILLY: Thanks very much. So, we'll move to questions. We have a few people joining us in the room, so any questions from you guys before we go out to the line?

QUESTIONER: Actually, if I can ask you to touch on one thing. First off, thank you for doing this. These are valuable sessions before summits like this. Can you talk about the President's relationship with Africa? I mean, he's a son of Africa. I assume there was great pride when he was first elected. Has that worn off and has it become a more normalized relationship? Do they feel that he's paid attention to Africa? I mean, President Bush got a lot of credit for the AIDS initiative and so on. You know, talk about the relationship if you can.

MR. SCHNEIDMAN: I'll start with that. I

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think, first of all, we've never had a President of the United States as knowledgeable about Africa as Barack Obama, you know, from his family, his father, he's been to the continent several times, so I think that's sort of an important point of departure.

Having said that, you know, the President isn't like Bill Clinton and he's not like George Bush and he doesn't have sort of the back-slapping relationship that those two presidents had. I think during the first four years there was a feeling that Africa was being neglected. The expectations were so high. There's no way they could have been met anyway, and his focus on extricating the U.S. from Iraq and Afghanistan, responding to the fiscal crisis in the U.S., I think, really constrained his ability. But now that he's turning to the continent, I think it's being well received. I think a number of heads of state will be here, very important leaders are coming, and I think that's going to set the scene, really, for a very important dialogue next week.

DR. SY: If I could just add a few points.

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First of all, the financial crisis during the President's first mandate was to such a level that he had to focus on domestic issues. So, I think we can understand that. Now it's his second term, so he's having the summit, he's visited Africa, so I think we welcome this.

The second point is that he has actually renewed all the initiatives that his predecessors set. I mean, PEPFAR with President Bush, Al Gore, President Clinton, they are still here and he's still supporting them.

If you look at President Obama's own budget, right, you can see in the figures that Africa is a priority.

DR. SONGWE: Yes, I think clearly there was a lot of expectation when he took over and my sense is that he hasn't -- I don't think that the continent sees it as neglect. The first thing that he did was just the fact that he was able to take over in the U.S., the American dream became global, you know, for the first time you have black -- African president, as

President of the United States, and I think that alone created the sense of can-do on the continent that maybe we cannot measure in terms of value, but I think the impact has been quite huge.

The second thing that he had done, which he has done consistently, is back again on the issue of governance, he has received every year or every two years, four of the democratically elected presidents. He received Togo, he received Liberia, he received Niger, he received Senegal, he received Cape Verde. So, I think sending a very quiet and very strong message, I suppose, if everybody wants to have a clear meeting with the United States President, they are not going to get it at the U.S.-Africa summit, but he did give it when he received the democratically elected leaders, which means that he sends a signal that he actually believes and wants to stand by this transition.

And then as Amadou said as well, I think one of the things that we've seen is clearly much stronger leadership from the U.S. in terms of bilateral and



multilateral organizations leading the fight on the global agriculture during the crisis he actually -- with the Italian Prime Minister, Berlusconi, they launched the Agriculture Initiative, the GASFE which has now led into the Feed the Future or the others, which basically turned around the economies of Rwanda, Burundi, took them from food deficiency countries to (inaudible).

So, I think he's been doing a lot but been doing it -- again, a lot has also happened around the MCC but in terms of improving the private sector environment. I think there has been some consistency that it hasn't been, maybe, as headline gaining as we have seen with the PEPFAR, but Power Africa now is all over the news and so I think that the time has finally come for maybe the crescendo of that relationship.

MR. O'REILLY: Thanks very much, Vera. Any follow up? Okay, we'll go out to the line. If you could just identify your name and affiliation before you ask a question, that would be super.

QUESTIONER: I was wondering, you know, when  
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you talk to U.S. officials, one thing that they've emphasized is that people shouldn't expect the kind of splashing announcements that, you know, (inaudible) China conference, although certainly we expect to see, you know, some ramp up in terms of Power Africa and maybe some private business deals.

Can any or all of you speak to, what does it mean to have kind of an important meeting like this but not have as many of the deliverables that you generally had in kind of very big international meetings?

MR. SCHNEIDMAN: I think this is an important -- it's a very important question. You know, I think what the Administration is trying to do is to really enter into a dialogue with the leaders from Africa to identify critical areas that they can work on together. You're absolutely right, this is like a non-China summit, this is not going to be about big A-packages being rolled out.

On the fifth, the Commerce Department will announce a series of private sector deals that is

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expected to reach at least a billion dollars. So, I think that's important, but I think the Administration is really looking to establish some goals and targets on infrastructure development, security issues, health and governance, that they can work on together, that can be announced afterwards, and to really chart a new path here.

So, it's not a set piece, it's not like a summit with Latin America or the Asian states, it's really a one-off and I think there's going to be some creativity and I think that's to be welcomed.

There's been some push back from the African side about no bilaterals, but if you think about it, there are 50 delegations coming. If each delegation got 15 minutes, that's 12 and a half hours. I mean, is that really how people want to spend their time? I think the Administration is trying to do something different and they should be applauded for that.

DR. SY: Maybe just quickly, I mean, if you look at the data on Africa, the number of aid-dependent African countries is going down. Aid is no

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more -- Africa is less aid dependent and I think we understand with the situation here in Congress and Senate that getting U.S. taxpayer's money for Africa is not an easy task. That's why I think we should applaud this focus on the private sector. You know, yesterday Earl Gast announced that maybe around \$14 billion is being committed for Power Africa and the interesting thing is that that money includes money from the U.S. private sector but also the African private sector. You have the likes of Dangote from Nigeria, one of the richest men in Africa, you have Standard Chartered Bank.

So, I think, you know, accelerating the private sector money to Africa in a sustainable way, that's really the way to go.

This said, some post-conflict countries like, you know, Liberia, Sierra Leone, need aid money. We've seen the situation recently like with Ebola, for example, so that's still welcome, but we need to do more on the private sector front.

QUESTIONER: George Condon again. Can you

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talk about the leaders -- you mentioned the leaders that wouldn't be there. I mean, who are they? Is it controversial in Africa that they aren't invited? I mean, does it send a message?

DR. SY: Yeah, I think it's consistent. Basically what they did is look at those leaders that the African Union does not really recognize or those who are not in good standing with the U.S. So, you have the likes of the president of Sudan, president of Eritria. The one, you know, which is a pity is the president of Central African Republic, because the U.S. is very devoted to solving the crisis there in the CAR, but unfortunately she wasn't really democratically elected and AU does not recognize her.

That's why we recommended in one of our first blogs that if the U.S. doesn't invite some heads of state maybe could engage, you know, lower level cabinet members in terms of, you know, to be constructive.

QUESTIONER: Are those the only -- just those three?

MR. SCHNEIDMAN: And Zimbabwe.

DR. SY: Yeah, Zimbabwe also.

MR. SCHNEIDMAN: And Algeria -- but you know, just to add on to this, it's very interesting in the Washington Fellows Program, the 500 that are here, they have youth leaders from Sudan, Eretria, Zimbabwe, and these countries. And CAR.

DR. SONGWE: I think that, I mean, there is a very consistent approach, which is the approach of saying that the United States is following the region on leadership and now one of the things that we are celebrating on the continent is finally that the African Union is now saying, you know, we will not recognize leaders that come into power through coup d'états and are not democratically elected. It's taken them 20 years to get there.

So, I think it would have been undermining that concept even to have brought the Central African Republic, even if I think that many of us believe that she's a transition leader and she's still trying to -- anyway, the peace deal broke down, so it's not clear

where she stands. So, I think it is consistent and I think if they had done that then we will start asking questions about who was willing to bring.

Egypt was not invited in the beginning. They finally got invited because Egypt was not initially welcomed into the Community of Nations of Africa before the elections happened, now if we agree that that's democracy, then he has been invited.

So, I think that clearly that shows the changing nature of the invitations countries that didn't get -- Guinea Bissau was not invited either in the beginning because they had a transition government that was out of a coup, but now they have an elected president and so they also got --

MR. SCHNEIDMAN: And same with Madagascar too.

QUESTIONER: Are these leaders paying a price for not being invited? Are they complaining or is it something their -- I mean, what?

DR. SONGWE: No, they will pay a price because clearly, I think, as we were talking about, a

lot of what is going to happen in the next three days is a lot of private sector interest in those countries and the fact that they are not here at the table to have discussions, Sudan for example has huge potential in oil and gas and possibly would have been able to, if they had the right representation here, been able to get some good deals for their country which they will miss out on.

So, I think the price is quite stark for countries like Sudan including Zimbabwe as well because they have a huge agriculture economy, which could benefit from getting more investments into the country.

MR. O'REILLY: Do we have any other questions on the line?

QUESTIONER: Yeah, this is Don Lee from the LA Times. I'd be interested to know what you see as -- you mentioned oil and commodities, obviously, which America and other foreign companies have been interested in Africa. What are the economic business opportunities where you see the most promise and what



are the Americans particularly looking to do there?

DR. SONGWE: I could go. Let's start with gas -- oil and gas, which is the big one, I think that there is a whole discussion around doing the five lines if we are going to do -- if we talk about oil and gas in Nigeria, that's the biggest economy, that's the economy that has the biggest investment from the U.S. on Africa.

I think one of the things that -- you have the whole string, you have the studies, so you have a lot of the consulting companies that can do the work. We have the whole discussion about how you use pipelines, how you transform pipelines and the dual use of pipelines for both sending the energy through but also using them for the ICT, and I think that the U.S. companies are leading -- I think there is actually a misconception in the U.S. and abroad about how much China is doing because when you look at Cimendo the hydro power plant, a lot of the work that's being done with the iron ore and the hydro power, the technical work is done by China's firms --

sorry, the building work is done by Chinese firms, but the technical study is actually being done by U.S. companies. So, there's a lot of pairing going on and I think one of the things that's going to happen this week is that kind of looking at the new technology still exists and still comes from the U.S. It doesn't come from China. The Chinese can do it faster, but they use U.S. technology and increasingly they are realizing that.

I think one of the big things that we're hoping natural resources is the Inga damn in DRC, and I think under the Power Africa initiative, this is possibly the biggest, most transformational investment that can happen on the continent, but it is anywhere from \$20 billion to \$40 billion investment, but it will power from Central Africa all the way down to South Africa with enough energy.

I just want to say that there is only about eight countries in Africa today that have more than 60 percent access to electricity. We have 589 million people in the dark, so it is not only 32 percent of

the population has access to energy, so when we talk about energy, we're actually talking about how you transform health. You cannot freeze milk, you cannot store food, even when we have to delivery emergency food, you can't do it because we don't have enough energy.

So, this is really the central issue, I think, in my understanding and it links a little bit to one of the initiatives that President Obama has, which is the Climate Initiative. We are coming to a moment -- I think it's called the Global Climate Initiative, one of the new ones that has just been launched, and they knew it was a big debate about whether we should be doing hydro, and is hydro good, is it friendly, but my sense is that on the continent, we cannot afford not to look at hydro, we must look at hydro as one of the cheapest sources. We are not doing coal. I think most countries are going away from coal. South Africa is still doing, Zambia, because they produce it, but -- and so, I think if we do that -- the housing boom which is going to come on the

continent is going to need iron, it's going to need ore, to do all the rods.

I think U.S. companies now have -- there's a new technology which can make the iron more flexible and you have the best technology for that. And so, in some sense, one of the things the continent wants to do is go from just exporting agro resources to transforming on the continent, but we don't have the technology, so we're going to need to partner with U.S. firms to tell us and to explain how you can do that transformation.

So, my sense is this is the best time as the African countries begin to say we don't just want to ship the iron ore and the gold and the platinum over to China or to Europe, we want to transform it before we ship it, I think is the best time for U.S. companies with the cutting edge expertise to come in and partner with the continent to do this, and I think this is what we're seeing more and more of. We're seeing that in Mozambique where we have companies now pairing with DeBeers to do the diamond and the diamond

cutting and structuring, which is increasing the value of the exports of diamonds from Mozambique.

DR. SY: Maybe just quickly, I mean, traditionally, the U.S. is in Africa for the oil and the gas. It's -- you know, 37 percent of foreign direct investment is in Nigeria, 15 percent in Angola. So, but, you know, two things. All the African policy makers agree that infrastructure is a priority, so there's a lot of -- there's a big financing gap even when it comes to infrastructure, so it's power, including renewable energy, but it's also transport. Like a company like GE makes most of its revenues outside the U.S. and GE is in Africa, it's having very good contract let's say in South Africa. Boeing, you know, is really selling in Africa too.

The second trend, really, which could be a very good game changer, it's the African middle class. There are, of course, differences in how you define it ranging from somebody earning \$2 per day to \$20 per day. But we've seen some movement there in the retail. You know, Wal-Mart is in Africa now. The French

Carrefour is in Africa. The clothing change, European, H&M is in Africa. ICT, Google is in Africa, Microsoft is in Africa. So, I think that's also something that could be a game changer. And it's really amazing, I've seen a report by an investment bank of satellite pictures of Lagos, right, and showing who is where, the richest people in Lagos live in this neighborhood, middle class, and the poorest, and what type of -- where do we build the mall, and so on. And so it's changing.

MR. SCHNEIDMAN: And let me just add one point to I think what has been covered very well by my colleagues and to add that, you know, the whole American approach to business in Africa is almost the opposite of the Chinese approach because when American companies like Microsoft or Proctor and Gamble or GE go into Africa to invest, they hire Africans, they train Africans, they create jobs, they promote Africans, and this has an incredible ripple effect and it helps to create skills, it helps to create this middle class, and it helps to establish a business

ethic, as it were, that really contributes to the economic development process.

So, I think U.S. companies are very conscious about not only investing in the economies, but investing in the people themselves and this is why there's such a desire to see more U.S. trade and investment, because not only do they invest in the people, but they help to create supply chains that connect African producers to the global economy, and that's a very important part of the economic development process.

QUESTIONER: Two unrelated questions, one, Africa is in the headlines today because of Ebola. Does that force health onto the summit agenda more than it would have been otherwise? And secondly, would I be too cynical to suggest that one of the reasons the United States is discovering Africa in this summit is because they suddenly realize that China has been so much more active and more influential recently?

MR. SCHNEIDMAN: I think health is always going to be on the agenda. It's not just today's

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crisis, but you look at the U.S. response to the HIV/AIDS epidemic and before that health and our investment in Africa's health sector has always been part of the U.S.-African relationship, so that's not new.

And I guess I would just challenge you, you know, this is not about competition with China. This is not a zero sum proposition. In fact, the U.S. investment stock in Africa is larger than the Chinese. Now, the Chinese have grown -- their trade has grown much more rapidly over the last decade than the U.S., but still, the African market is so large and there's such an opportunity there and there's so many different needs that I think it's really about how do we get more U.S. companies into the continent, into the African market, and how do we use this summit as a vehicle for doing that?

DR. SY: Yeah, I would just add that, you know, it's -- looking at Africa just through the prism of China, I mean, I think would lead to some misconceptions. Again, with \$31 billion U.S., the U.S.



has the largest stock of FDI together with France in the continent, but all the movement, all the growth that we're seeing can be attributed a lot to China.

But let's take, for example, the oil sector, right, if you look at upstream, the Chinese cannot really compete with the U.S. because of the technological advances of the U.S. in the Deep Water and so on, and actually what they do is they come later and maybe try to buy some concessions and so on.

So, I think, you know, there is room for China, for the U.S., but I think the key issue is, are Africans really sitting down and getting the best out of the deals? You know, is it consistent with their strategies? I think I would rather focus on that.

DR. SONGWE: I think in some sense your question is not as naughty as it sounds because one of the things that has happened, really, I think is post-crisis -- I mean, the world was falling and what we saw was that basically because China continued to grow at 9 percent, China was holding the world market and everybody then focused on them. I mean, we cannot

neglect the fact that they have \$13 trillion in reserves. This is a lot of resources to put around. And in some sense what happens with markets, if you look at globalization, has made us all one big market and what happens in globalization is that everybody is vying for the same resources and Chinese are using them up. And then we will begin to look at where are they getting their resources from and Africa is one of those destinations.

And I think that it would not be honest to say that some of the reaction to Africa today is because China exists, and I think that it's good because what it's doing is it's giving us -- it's a bit more of a global governance framework, it's bringing China into the multilateral discussion on how one does trade and how one does aid, but it's also rethinking the Bretton-Woods and the other institutions and how they did aid and how they did trade.

So, my sense is this kind of -- the stability and emergency of sort of the multi-polarity

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of the world, if you want to call it that, as I think Pascal Lamy is call it these days, has allowed everybody now to sort of begin to look at -- and this brings me to the issue sometimes of the U.S. Congress and sometimes how difficult it is for people like OPIC or EX/IM Bank to do business because the legislation in the US makes it so difficult. It's so much easier to go to China EX/IM or the China guarantee firm, and I think that kind of competition, as it begins to grow, will maybe force the U.S. as well to make it easy for U.S. business to be able to do business on the continent, because right now, even U.S. participation is not making it easy.

And I think one of the things that the leaders will be talking about is precisely how difficult it takes OPIC to go from, you know, agreeing to invest in a business to actually closing it as opposed to if they were doing that with a Chinese business together, the Chinese or even the French will be sort of first on the other side than the U.S., and I think that is useful for the U.S. to come and

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rethink its strategy.

The second thing, I think, is even for U.S. businesses now beginning to ask themselves, how come Chinese businesses can go in and why aren't we? Are we so risk-averse? And maybe changing the risk equation, because sometimes I think the discussion around Africa has been a very distant discussion. Bringing the U.S. businesses and the African businesses together to begin to talk is going to help unlock that and this is only possible because China is doing it as well.

So, China has been an important catalyst for what we're seeing today is what I will say.

DR. SY: If I just could add a quick point. One should not also forget the power of the dollar. You know, Africans are trading more with China, but the financial flows have to go through the U.S. because the trade is in dollars, so, I think you've seen the BNP (inaudible) slapped with a \$9 billion fine, I think that's something also. I mean, as long as the Chinese Renminbi is not internationalized, everything has to be done in dollars and it has to go

for clearing and settlement to a U.S. bank.

MR. SCHNEIDMAN: And I just had one other point. It's not just the U.S. and China, it's also India, it's Brazil, it's the EU, it's Turkey, it's Korea and other countries that are understanding that the African market is a place worth being in.

MR. O'REILLY: We probably have time for a couple more questions. Are there any other questions on the line? No. Any from in here? All good.

Okay, well, thank you so much for joining us. I would just flag to you we are holding an all day event on August 4<sup>th</sup> in advance of the summit. If you or any of your colleagues would like to register for that, please just drop us an email and we'll be happy to accommodate. And do check out our blogs leading up to the summit as well looking at FDI, trade, and other key issues in advance of the summit.

Thanks very much and have a good day.

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