

THE BROOKINGS INSTITUTION

FALK AUDITORIUM

RE-EXAMINING TRADE WITH AFRICA UNDER
THE CONTINENTAL FREE TRADE AGREEMENT

Washington, D.C.

Friday, July 13, 2018

PARTICIPANTS:

Introductory Remarks:

BRAHIMA SANGAFOWA COULIBALY
Senior Fellow and Director, Africa Growth Initiative
The Brookings Institution

Featured Speaker:

H.E. QUARTEY THOMAS KWESI
Deputy Chairperson
African Union Commission

Moderator:

WITNEY SCHNEIDMAN
Nonresident Fellow, Africa Growth Initiative
The Brookings Institution

Panelists:

DONALD KABERUKA
African Union High Representative on Finance and the Peace Fund

FLORIE LISER
Chief Executive Officer
Corporate Council on Africa

LANDRY SIGNÉ
David M. Rubenstein Fellow, Africa Growth Initiative
The Brookings Institution

* * * * *

P R O C E E D I N G S

MR. COULIBALY: Hello, good afternoon everyone. Good afternoon, everyone.

AUDIENCE: Good afternoon.

MR. COULIBALY: All right. So, I'm Brahim Coulibaly, senior fellow and the director of the Africa program, here at Brookings. Thank you for joining us for this exciting event. On -- we're examining trade with Africa, under the Continental Free Trade Area. So, we're particularly honored to welcome to Brookings, the deputy chairperson of the African Union Commission, His Excellency, Quartey Kwesi. (Applause) It's a great pleasure working with Ambassador Sharon Bordeaux to organize this joint event with the African Union.

As you know, the mission of the Africa program here is to provide some evidence based research to inform policy formulation in Africa, and toward Africa. And, to be an independent voice, a neutral partner, and broker for policy discussions on social economic developments of Africa. In this regard, our mission is well aligned with that of the African Union. And, our collaborations come quite naturally.

As I look at the world today, I see that it's going through really great uncertain time -- times of great uncertainty to say the least. The rule based international system, which has held the world together since World War II is being undermined. Cooperation, which has been the hallmark of global government structure is under challenge, and free trade is under assault. With the emergence of trade wars and other forms of protectionism.

In these uncertain times, Africa needs more than ever before. Its institution to play a more assertive role in advancing the continent's agenda. And, the African Union, the premiere institution of the continent, is placing greater leadership on continental issues in ways that we have not seen before. We had the privilege to welcome here last September -- for some of you who were here -- President Kagame to discuss the reform of the African Union. Our scholars have looked at the reform, studied them, and concluded that they were ambitious, and

they were bold. Precisely, the kind of reform that are needed for Africa to overcome its challenges, and unlock the continent's tremendous potential, as well as turn the aspiration of Agenda 2063 into reality.

The adoption of the historic Free Trade Area Agreement, is a testament to the AU's renewed assertiveness and determination to overcome the challenges that the continent faces. And, it sends a strong signal that African countries intend to speak in a unified voice, where their common interest are at stake. At the outset, I'm confident that Africa will overcome the challenge that it faces because African countries are not facing any issue today, which historically, has not been faced and successfully addressed by other countries. And, I do not see why, Africa would be exception.

Excellency Deputy Chairperson, I congratulate you and your colleagues at the African Union for this historic milestone, and for your leadership. With the passage of the Continental Free Trade Agreement, the time is right to have a conversation about its implication for trade with Africa, and the implications for the existing trade arrangements, such as AGOA.

So, with that as background, we'll begin our first session, which will be moderated by Professor Landry Signe. Landry is a David Rubenstein fellow in our Africa Program, by way of introduction, and he has several accomplishments, awards, and recognitions. Perhaps too many to list here. I just discovered this week as we were preparing for this event, that another one of his affiliations is a member of the African Union Youth Advisory Board. (Applause) He did assure us that that affiliation would not prevent him from asking tough questions. And then, following this session, we'll have a moderated panel discussion, with the moderator Witney Schneidman, who is a former state department official, and a fellow with the Africa program here at Brookings. So with that, I'll turn it over to Landry. Thank you. (Applause)

MR. SIGNE: Thank you very much for a very kind introduction. Your Excellency, thank you very much for honoring us with your presence. I am practically already enthusiastic

because I had the opportunity to interact with you in Ethiopia, and to see your commitment for Africa's future. So, thank you very much.

As all of you know, on March 21st, 44 African countries have signed the framework creating the African Continental Free Trade Area. Of course, removing -- the government will remove tariff on 90 percent of products or services to facilitate free trade on the continent. However, in order for the African CFTA to come into force, 22 countries have to ratify it. As of today, about 49 countries have signed the agreement, and six countries have deposited their instrument for the African CFTA ratification.

So, some observers remain pessimistic about the prospect for both regional integration, and successful implementation of the African CFTA. And, the AU has passed incentives, which the Counselor did look good on papers, however, did not go far in practice to argue that the AFC -- the African Continental Free Trade Area is not likely to succeed. Your Excellency, why should we expect the African CFTA to be more successful than the previous initiatives?

H.E. KWESI: Thank you. Thank you my brother. And, let me -- allow me to -- is this thing coming across well? Allow me to thank the organizers of this meeting. And for me personally, it is a privilege to be in the Brookings Institution, whose name I have heard about and read about as I was growing up and doing higher secondary education. I never in my wildest imagination thought I would be here addressing the Brookings Institution, and the people here. So, let me thank you for this privilege.

I believe that -- I want to talk about CFTA, I want to talk about integration -- the need to integrate, the need to trade among ourselves, which for me, seems to be the most logical thing. One must begin to wonder, why has it not always been like that? And, the answer to this, you have to go to the history of Africa. Africa has been termed various things. It has been termed the eternal question mark. (Inaudible) called Africa the great conundrum, the eternal

question mark. Even the shape of the continent is a question mark with a -- with Madagascar as a dot. (Laughter)

A continent so well endowed. For some reason, manages to be poor and destitute. And, it's almost inconceivable. You have seen Africans outside of the continent performing very well. And, you wonder how come? Because we never manage to get our act together. And, the reason I dare to suggest, lies in the history. And, I want to say that, if we say that we need to integrate, that in itself, is an admission that we are somewhat less than integral. And, logically, we need to seek to locate the source of that loss of integrity. And perhaps, we can begin to find answers to our problems.

I believe in looking at phenomena in history, the roots, the evolution, the development. So, I want to suggest that the lack of integrity, the lack of -- the absence of Africans trading with each other lies in the colonial history. The Berlin Conference who divided it up -- I read something, it was set by adverse rule who was supposedly, the French Minister for Commerce in 17th century somewhere. And, he was talking about -- he was defining what the colony was. And, the point that we're a colony, is for the colony to concentrate on producing one primary product to feed the metropole, and for the metropole to in turn provide everything that is needed in the colony. And, beyond that to prevent this colony from any interaction whatsoever with his immediate neighbors.

So conceptually, walls were built between the various colonies. In Ghana, for instance, where I come from -- and that's why I know something about -- we are surrounded by (inaudible) countries, and we have very little to do with them. I remember once, there was a little confrontation between a team from Ghana and a team from Cote D'Ivoire. And, the Ghana said - - what was Ghanan said -- that's because of strong language. The strong language is French. (Laughter). It just shows you the division between our people, and the deliberate, consistent efforts by the powers who held (inaudible) to bring their people to have any interaction among

them.

So -- and this has been replicated all across the continent. So, trade and the current relations have been from the colony to the metropole, and vice versa. And, it is only at a point of independence that nations began -- leaders began to meet each other -- began to find where they had common interests, and there was a need for them to trade together. I used to be secondary to President Mahama, and we paid a visit to Cote D'Ivoire. And, it was there that he saw a group of chiefs in Kenya. He merely assumed that these were Ghanaian chiefs. They turned out to be Ivorian chiefs. The same as Ghanaians. And, it turned out to him -- he found out that between his village, and (inaudible) in Cote D'Ivoire, we're only ten kilometers apart, they're from the same local dialect. Still, the Sultan says, I can tell you've (inaudible) into each other.

I'm saying that the absence of trade with them, and between African countries has a historical -- caused by historical origins. And, it is only now that we are seeking to unravel those walls that have been built, preventing us from interacting with each other. Physically, some of those walls are gone, but the greater walls exist in the minds of the people. So, the CFTA gives us background. Seeking to enlarge the commerce space by moving those tariff barriers. Because tariff and other the barriers are examples of state policy.

You know, I come from Ghana. You're going to go to Togo, and you try to go back to Cote D'Ivoire or go to Togo, there's a road block. Go to Bola, by six o'clock the panel is closed. The immigration forces are telling about you. You go to (inaudible), they split everything, unless maybe you can give them some sense of (inaudible), or something.

So, the history has this (inaudible) built corrupt practices, which are intended to prevent any interaction between them. So, for 44 countries to be able to sign a free trade agreement, with an aim of removing those barriers, and for them to be able to trade among themselves is a major step. Specifically, it will ensure that we're trading primary production to the metropole. But, whatever trade that will pass between us, tends to be goods with value added --

processed goods. And, even if it has been shown us that, it's as little as two percent increase in African trade, GDP --

MR. SIGNE: Your Excellency --

H.E. KWESI: Ten percent. Sorry.

MR. SIGNE: On that note following your explanation --

H.E. KWESI: Yeah.

MR. SIGNE: following your explanation, how will we measure the African Continental Free Trade Area success in the short or long term?

H.E. KWESI: In the short term, it can only be seen through an increase in trade among our people, and as a concerted effort to remove barriers, both tariff and nontariff, which hinders trade between two countries. You notice, in our relationship with Europe, the convention allows you to export primary commodities free of any extra duties to Europe. The moment you start to process an add value, the taxes come on. So, Europe itself, helps to consolidate, and prevent Africa from trading within itself. So, this process is now beginning, at least the law is passed, various details rose are foraging sources and all that have been addressed.

And, I believe that us trading with Africa increases specializations and comparative advantages we make. And, it will be more interesting for capital exporting countries to now sight industries within the African countries. I am beginning to imagine a situation where, for instance, creatively we can have -- between Ghana and Cote D'Ivoire, the two countries together produce about 70 percent of world cocoa production, and you told to look, Cote D'Ivoire is producing a million tons. You have to up your production. The price for us, they didn't understand. Now, the -- you've signed the strategic agreement, they began to process together.

MR. SIGNE: Absolutely.

H.E. KWESI: Now, the more process together, you could get China, for instance, to use your excess processing capacity to build factories around the borders because if they do

that, they have a guaranteed market, they have a guaranteed source of products. And then, you can have a situation where a billion Chinese kids are drinking chocolate every morning on a party. These are things that you can do, but you need to be creative, you need to be imaginative, and you need to be able to break the mold. And, you can be sure that those countries that have fed, fact, and enjoy it, what they call the shazgaree -- the French call shazgadee. These are special hunting grounds. They are going to face competition there, and it's going to open it up.

And then, in the process you find more interaction -- you know we have a situation in West Africa where the unemployment is rife. You find those unable to get jobs, they form a society -- they call themselves a society of unemployed countries, replete with a chairman, president, secretary, and all that. You have a similar situation in Cote D'Ivoire. Now, if you have a situation where Ghanaian graduates go to Cote D'Ivoire and teach English. And, you have a situation where unemployed men of Cote D'Ivoire come to Ghana to teach French. Very soon, you have a situation where you're using both languages that will affect the employment situation positively. The two of you get to know each other better, to find that actually, you are the same people. And, with that many more things will arise from this.

So, there are many factors now pushing in the direction of the Continental Free Trade Area, but you have to stitch it together softly, softly across countries which are developed by borders, hoping to make the borders into bridges of cooperation.

MR. SIGNE: Fantastic.

H.E. KWESI: Yeah.

MR. SIGNE: Some countries, and modern economies such as Nigeria, are not yet on board.

H.E. KWESI: Mm-hmm.

MR. SIGNE: So, do you think that this will affect the prospect for a successful implementation?

H.E. KWESI: I have no doubt at all that Nigeria will get on board. You know, Nigeria led this process. There was Professor Oksakwe from UNCTAD in Geneva, who spent a lot of his intellectual energies driving the very agreements to bring this about. And, I believe there is a certain misunderstanding between Nigerian labor and Nigerian industry that they might become the dumping ground. And so, there's this initial hesitation. But, I have no doubt that Nigeria will come around because potentially, Nigeria has the greatest industrial capacity in West Africa. And, the other countries -- it is the country most likely to benefit more than most people.

MR. SIGNE: Are you optimistic that all the African countries will sign and ratify in the end?

H.E. KWESI: I have no doubt at all about that. This is a hard economic fix, but you see, the countries need to see that their lives are getting better. And, there's nothing that inquiries will be better than seeing something in progress, and successful. So, we will -- I will say that success will bring more success. So, all we have to do is make sure that those who are in it, continue. And, when the benefits accrue, that will be the greatest emphasis -- the greatest encouragement for all of us to join.

MR. SIGNE: Fantastic. There are many challenges and obstacles for successful implementation for you.

H.E. KWESI: Uh-huh.

MR. SIGNE: What is the most salient one, and how can we address it?

H.E. KWESI: No, I think the most important is to see it's getting into action. And, you cannot expect progress to come with a big bank. It is what Henry Kissinger calls the slow, incremental creation of strategic advantage. And, that's really what is going to come. And then, as the momentum builds up -- momentum brings more momentum. That's a little physics I learned. (Laughter)

MR. SIGNE: That is well put together. So, what are your reflections on AGOA

Forum, and have you discussed the African CFTA with them?

H.E. KWESI: Yeah. AGOA has been interesting in many ways. And again, the question that arose is that the U.S. has given duty free entry to encourage African produce in the United States. And, the question has arisen, why has AGOA -- why has the promise of Africa not being transformed the way we expect it to? Now, you get to do free trade. You get to facilitate trade, but before you trade you have to produce. So far, African countries tend to produce, just primary, raw, unprocessed products.

But, to make AGOA more meaningful, African countries need capacity to process. To add value so that exports that will come to the U.S. market have not necessarily -- products which are of little value, primary products. Whose price and value tends to vary? Sometimes they go up, they go down, depending on the market. If -- what's we're saying, and that was a 10 of the discussion in the AGOA Forum -- was that we need to develop capacity.

We need to encourage United States companies to locate in Africa, but they're not coming to us for Christmas. They're coming to make profit, and they want to relocate in the place where there's capacity to man the machinery. That means, a minimum education. So, we in Africa -- it's up to us now, first of all, to focus on education, and to ensure that our mechanics -- our workers are able to man sensitive equipment with accuracy. So, we're asking for in Africa, every child is in school where the cultural and educational level -- the numeracy level has gone up. Because capital in a place must be able to ensure it has reached its (inaudible). And, to be able to do that you need workers who are efficient, they're literate, and hardworking and disciplined.

MR. SIGNE: Great. And, perhaps my final question.

H.E. KWESI: Mm-hmm.

MR. SIGNE: Can the African CFTA be harmonized with the Trump Administration vision of free trade acumen based on single countries?

H.E. KWESI: Yeah, we've been having discussions with very senior members of the Trump Administration. I had a very interesting discussion with a Mr. Lighthizer, just yesterday. And, I was trying to point out some of those problems to them. Their argument is that they're not going to wait until all of Africa is united for the -- they're businessmen, they want to do business now. They want to obtain profit. But, they must also recognize that even as -- you have to look at the larger African market. You have to do the reality as it is now. And, as it do that reality, you have to find ways to improve the situation.

So, a lot will depend on how quickly African countries themselves ratify and bring this logical workspace into reality. So, there's work for us to do as well, as much as there's work for the U.S. to do. We also have to ensure that our legal systems are fair and credible. And that, if there should be disputes, foreign companies who invest have a fair shake in the court system, which is open, transparent, and credible. So, there's work to be done on both sides. And, once you ensure you have a credible legal system, capital will come in because the rate of return in Africa is higher than everywhere else.

MR. SIGNE: On that note, thank you very much, Your Excellency. (Applause)

H.E. KWESI: So, can I escape now?

MR. SIGNE: Not yet.

H.E. KWESI: Not yet.

MR. SIGNE: I will now give the floor to the audience, taking three questions at a time. So, please be brief.

H.E. KWESI: That's the difficult part now.

MR. SIGNE: No comments, just questions. We'll start here. And, wait for the mic please, and introduce yourself before.

SPEAKER: First of all, I -- thank Your Excellency for coming. My name is Gustavo Undella. I'm with the Federation for Free and Democratic Equatorial Guinea. Three

questions.

H.E. KWESI: (Speaking Spanish)

SPEAKER: (Speaking Spanish). So, the first question is, for those of us in the diaspora, we're concerned that the African Union may have been coopted by China. As you know, there have been rumors that the Chinese bugged the African Union building, and we're concerned about that. Second of all, with regard to the future of African leaders, we know that there are many of our -- the leaders of Africa -- that's there's questions of free, fair, and transparent elections. Where does the African Union stand with regard to holding leaders that have been elected to task, so that a new generation of leaders can come in? Thirdly, where do we go from here as members of a diaspora, to be taken seriously by multinational companies, and the U.S. government, who seem to like the status quo of dictators, as opposed to free, fair, and elected leaders?

H.E. KWESI: Okay. Can I respond quickly?

MR. SIGNE: Please only one question, and be brief, to give the opportunity to other -- to --

H.E. KWESI: Actually, it's one question, only in three parts. (Laughter)

MR. SIGNE: Okay.

H.E. KWESI: Thank you, my brother. I remember the rather alarmist, antiquated (inaudible) who says that, it sort of gives the impression that at the end of the day, all the transactions of the African Union are deciphered in Beijing, or something like that. The truth is that, that is not what we are doing in Africa, keeping secrets, there is nothing that is secret whatsoever. Whoever is interested in finding out is welcome. We're trying to integrate a continent. We're trying to make the continents more receptive to foreign investment. We're trying to uphold human rights, we're trying to uphold leaders to deal with, we're trying to encourage elections, we're trying to prevent (inaudible). And, any leader who comes into power under Uncle

Shamas is automatically suspended. Automatically. So, the Chinese can read this every way they want, but I don't think it has any value to what they want. So, it's not really -- it's a red heron in my view. I suppose it effects the issue of free and fair relations. There's the convention on democracy and elections, which ensures -- which indicates that any exception to (inaudible) resorts in your automatic suspension. And, that is enforced. That is across the board.

Also, the question of diaspora, the diaspora you know is, of course, considered to be the sixth region. Now, there are various definitions of the diaspora. At one remove, you're talking about our brothers and sisters who are taking our slaves to build other people -- other countries. They are Jamaica, Barbados, Brazil, the United States, and all that. At another level, you're talking about Africans who have gone now, and they're working in America, or wherever, and acquire citizenship. And of course, they have a fondness for the continent, which is sometimes even stronger, and more passionate than those of us who live on the continent. So, there are two aspects of it, and we recognize all of them as part of Africa. And, the investment interest is very much worked on, and the issue now is how to channel this into a structural manner, for them to participate in the deliberations and affairs of the AU in a positive manner. That, I believe, is still a work in progress.

MR. SIGNE: Thank you. Yes.

MS. OKARU-BISANT: Yes. Hi. Valentina Okaru-Bisant. I had a question --

H.E. KWESI: Where are you from?

MS. OKARU-BISANT: Oh, Nigeria.

H.E. KWESI: Mm-hmm. Where in Nigeria?

MS. OKARU-BISANT: Oh. To remove the issue of --

H.E. KWESI: But, tell me, I'm interested.

MS. OKARU-BISANT: I'm an African, that's the best part. I'm a naturalized U.S.

(crosstalk) I will not tell you --

H.E. KWESI: My daughters (inaudible) my Nigerian voice.

MS. OKARU-BISANT: We'll talk -- we'll talk privately later about that. But I didn't want to -- this is the thing with Africa.

H.E. KWESI: Okay.

MS. OKARU-BISANT: They are always looking at where we are from. Some people think I'm Ghanaian -- it's better if we don't really --

H.E. KWESI: We're the same people.

MS. OKARU-BISANT: Yeah. I tend not to want to distinguish myself as to what I am because, it's --

H.E. KWESI: Okay. Okay.

MS. OKARU-BISANT: -- it makes us more united, right? That's what it's all about. Okay. So, on the question of the major challenges to this implementation of this CFTA, you said that there were legal -- you mentioned the legal. You also mentioned tariff, and then the colonial historical, and capacity. But, I wanted you to address the question of infrastructural challenges.

H.E. KWESI: Okay.

MS. OKARU-BISANT: How will -- how should Africa address infrastructure?

H.E. KWESI: Okay.

MS. OKARU-BISANT: By infrastructure, I mean, just beyond roads. Water, and energy, and all the other aspects of infrastructure. It's easier for an African to go from South Africa to England, than to go from South Africa to Mozambique next door. In terms of trade. So, how do we deal with that?

H.E. KWESI: Thank you.

MR. SIGNE: Thank you.

H.E. KWESI: I think this is a great question -- it's relevant. Historically, I'm trying

to answer it quickly before I forget.

MR. SIGNE: Okay.

H.E. KWESI: Historically, if you look at a place like Ghana. The railroad line, from the gold mine to the ports. Or the box sites, Manganese men to the port. Everything tells a story. You cannot get a railroad line connecting Ghana and Togo. It's from where it is to the ports. The aim of it is clear. To take the raw material and go. The question of the (inaudible) of the country, is of no consequence -- no business of them.

Energy. Between Ghana and Cote D'Ivoire, for instance, you can harmonize, and harness energy resources and to go to Nigerian to the West African (inaudible) energy pool. It is now being done. The moment oil and gas were discovered, the borders between Ghana and Cote D'Ivoire began to shift. It ended up in litigation. Fortunately, that litigation is over, and we are seeking now to harness and mobilize energy resources together. So, that is really what it seeks to do. But, it is -- your operating against a system that has been in existence for centuries. And, you're now seeking to turn it around. It's like a large boat, it takes a while for it to turn around. But, one of the (inaudible) to turn it around is there. You can do it. Now, perhaps you can tell me where you come from in Nigeria. (Laughter)

MS. OKARU-BISANT: I'll tell you later.

H.E. KWESI: Okay.

MR. SIGNE: Let me first change sides, and then I will come back to this one, please. Give it to the -- sir, there.

MR. BEECH: Thank you very much, Your Excellency. My name is Malcolm Beech, and I'm President of the Africa Business League of America. And, I have a question about the business diaspora. Do you think it's reasonable to have the business diaspora receive duty free exports into Africa as a way to increase trade between America and Africa? And also, to see if it's feasible to have business licenses issued by the embassy or the AU.

H.E. KWESI: How will I answer this? For business exposed from the diaspora to Africa without taxes, I believe that our revenue authorities may have a different take on that. It's probably something that is worthy of consideration, but if I know how internal revenue operates, I'd be surprised to (inaudible) that. What is the other question?

MR. BEECH: Whether or not -- some of the diaspora members have difficulty in getting business licenses in African countries. The question is whether or not you can do business licenses here the same way you do a visa.

H.E. KWESI: I think -- I think that in reality -- the reality is that, if you want to register a business --

MR. BEECH: Yes.

H.E. KWESI: You have to come institute. I don't know whether you are able to release a business from our side by electronic means. I don't -- I'm not sure about that, I don't know.

MR. BEECH: Technology, remember.

H.E. KWESI: I believe it ought to be possible, but to tell you the truth, I don't know how this is done yet. I really don't know. This is something, perhaps for businesses to think about, but promptly, I don't know.

MR. SIGNE: Yes, the lady at the end.

MR. BEECH: Thank you.

MR. SIGNE: Sorry?

H.E. KWESI: There's a gentleman here who --

MR. SIGNE: Yeah, (inaudible) today.

MS. SIBION: Hi. Eza Sibion with AECOM. I was wondering for the CFTA, what do you have planned as far as certification or standards? Do you plan on adopting international standards, or having your own regional standards? And, as far as certifiers, are each individual

countries having their own certifiers? Will you make a certifying body? And, how that would function.

H.E. KWESI: Standards of what? Can you articulate a little bit?

MS. SIBION: Trade standards.

H.E. KWESI: You are talking about quality of goods?

MS. SIBION: Yes.

H.E. KWESI: I believe that this is detail. And, just off the top of my head, I don't see immediately if Africa has done it yet. I think, what is going to happen is that the consumers of what you produce, will probably make a determination of the quality of your products by buying and continuing to buy it. And, demand and supply will determine whether your standards are up to speed or not. But again, these are details that I am not aware of. I'm sorry. The gentleman here wanted to ask a question.

MR. JA: Thank you, Your Excellence. My name is Reen Huay Ja. I am an economist at the International Monetary Fund. So, could you share your views on the impact of CFTA on the income and equality within African countries? And, what role does the large informal sector in play in this inequality impact?

H.E. KWESI: You are talking potential impact?

MR. JA: Exactly.

H.E. KWESI: This is very much in the future. I'm not in the business of predicting the future. I don't know if I can tell you. But, what I can say as we sit here is that, as the implementation process develops, businesses have a way of equalizing themselves. But, really, I don't know. Yeah. There's a gentleman here. Sorry, sir.

MR. FURY: My name is Samuel Fianco Fury, I'm a banker with Bank of America from Ghana. And, I was born and lived out my life in Tema, until I came here. And, Tema is very important because Tema happens to be the best part in Ghana. And, a gateway of Ghana. I'm

so very passionate about --

H.E. KWESI: I live in Teshie next door.

MR. FURY: Okay. I work for Central Bank of Ghana, so I'm always passing through Teshie for seven years.

H.E. KWESI: Okay.

MR. FURY: Okay. I'm very passionate about the discussion because, Your Excellency, we have been taken for granted for a very, very long period of time. And, I believe that for this trade thing to work for Africa, we need a revolution. That's right revelation -- I try to wait -- see when you have revelation --

H.E. KWESI: Are you talking about revolution or revelation? What are you talking about?

MR. FURY: Revolution, or literal revelation.

H.E. KWESI: I see.

MR. FURY: Revolution is a forceful turnaround.

H.E. KWESI: Okay.

MR. FURY: By that answer, we have a revelation of what we want to do, it will go far. I mention Tema because check this out, we have 28 lagoons in Tema.

H.E. KWESI: Mm-hmm.

MR. FURY: All over Ghana, we have 28 lagoons. We worship them. We pour libation in them. Israel have only one lagoon, and there are spots --

H.E. KWESI: You (crosstalk) lagoon?

MR. FURY: Yes.

H.E. KWESI: You do?

MR. FURY: We do. We do that in Tema, Ghana unfortunately.

H.E. KWESI: I see. No, I am not aware of that. I know I said -- and that's why I

said. I missed your question.

MR. FURY: So, what I'm trying to say is that after we come to a level where we change our paradigm in the way we behave, the (inaudible) go nowhere. Imagine Nigeria, which happened to be a superpower country in Africa, has still not joined. So, I want to entreat you. Help us so that our leaders will do the right thing for us, so we won't be taken for granted for long. Those of us here, we have become like a laughing stock. And, that's why we need you. And, that's why we need this. To address some of these problems.

H.E. KWESI: Okay. We need to start by stopping pour libation in the lagoon, I think. (Laughter).

MR. LANDY: Thank you. Stephen Landy, Manchester Trade. Playing -- paying identification politics, I have two grandchildren, Jewish African American. Twenty percent Nigerian, and 10 percent Canaan -- 10 percent Senegal, one percent Canaan. So, I appreciate the opportunity to respond to that.

So, I have one very short question, which hopefully will be an example for everyone else, and so on. And, that is, there is no question that the U.S. will benefit from continental integration. We can set up production units in Africa, we can bring our world class distribution chains, we can do supply chains, it's unbelievably cool for us. What can the United States do as the third country to help you obtain your ambitious goals for the continent -- for the African Continental Free Trade Agreement? Thank you.

H.E. KWESI: To tell you the truth, I think that the U.S. can help us by developing capacity. Developing capacity. I mean, the U.S. is at the cutting edge of science and technology. And, what we are seeking to do in Africa is to leverage science and technology, and production. Whether agree, or whatever. To add value to process. So, rather than the U.S. simply importing raw materials, we expect that the U.S. will set up industries within Africa, preferably industries to process goods to increase African trade, as well as export, process finished value added

scientific goods to the United States.

That would mean the U.S. contributing to education in Africa. And, to governors, and all that. Because, you know, capitalism thrives in a situation where governance is good (inaudible), everything is transparent. And, the judicial system is fair and free. And, politicians come to power as a result of having been willingly voted into power by the people. That is, they are governing in the best interest of their people. So, there are many ways that the U.S. remains an example to us. We would believe that the way Africa is now, in terms of (inaudible) arrangements. In terms of this intra African trade until this integration process. We are at the point that the U.S. met in Philadelphia in 1776. Seeking a much more integrated union. Seeking more intrastate trade, which forced you basically, by the Supreme Courts. In ruling against attempts to frustrate intrastate trade. This is really what we're trying to do. Seeking to enlarge the economic space, and get the fair level -- a level playing field for everybody. And, the U.S. remains the indispensable country, and the example par excellence.

MR. SIGNE: Perhaps, a final question from a lady? Yes?

MS. NITTIAN: Thank you. Hi, Your Excellency. My name is Karen Nittian. I'm here with the Washington Post, and I'm also of Ghanaian heritage as well, from Accra. I'm just wondering with everything that's in the news today about NAFTA, TPP, the European Union, Brexit, whether or not the leaders of Africa are looking at, perhaps, what mistakes, or what developments that have caused us agitation, I guess, against free trade, and against these agreements. And, what lessons, perhaps, can the African Union be learning from what's happening with the EU, Brexit, NAFTA, and just a backlash against multi-country agreements.

H.E. KWESI: Actually, we are concerned by what appears to us to be a retreat from multilateralism, and countries seeking to pursue their interest. It's getting bigger than our policies which are developing. We are small countries, seeking to develop, who believe that a free and fair industrial trading system is good for us. A fair (inaudible) all of us. And so, we are

instinctively, I guess, in the attempt to restrict freedom of trade.

Now, what we can learn from Brexit was that the campaign for Great Britain to leave the European Union was very much twisted with a lot of forced information. And, I think that's -- a lot of that we have been animated by the British people seeing too many non-British seeming to invade their country. In the process, Great Britain became great, precisely because of its adherence to free trade, and free movement of people. Became a country that sought to demonize outsiders.

Now, in history, any country that seeks to expel foreigners and restrict their movement, goes down. Because foreigners who come to live in your country are people who really want to come there. And, they are almost invariably, they are people who come and work very hard. That's why the U.S. as an immigrant country is a great success. And, that is why any attempt for the U.S. to restrict the flow of immigration, the flow of people who will come here and seek to make this country great, will be shooting yourself in the foot. The same way that I think Brexit -- by engaging Brexit, the UK shot itself in the foot. And, they are beginning to see the results now. Yup.

MR. SIGNE: So, thank you very much, Your Excellency, for making time to be with us. Honoring us with your presence today. (Applause)

H.E. KWESI: Let me say it has been a privilege being here. Thank you so much. You are such a pleasant audience. Thank you very much. (Applause)

[OFF THE RECORD]

[SIDE CONVERSATION]

[ON THE RECORD]

MS. SCHNEIDMAN: Okay. Well, that was -- that was a great discussion. We'll now move on to part two of the panel discussion today. Again, my name is Witney Schneidman, I'm a Nonresident Fellow here at Brookings, and thrilled to be here. You met Landry Signe, who

is also the David Rubenstein Fellow, introduced earlier. And, to my -- to Landry's left is Florie Liser, President and CEO of the Corporate Council on Africa, which is the largest trade association of U.S. and other companies investing in Africa. And formerly, before that, she was Assistant U.S. Trade Representative for Africa. So, we're thrilled to have you here, Florie.

(Applause)

MS. LISER: Thank you.

MR. SCHNEIDMAN: Now, I'm told that Donald Kaberuka is on his way. So, if he pops down from the sky, or walks in the door, we'll just bring him into the conversation. But, I think we should get going, because there's a lot to discuss. And, Florie, I'm going to start with you.

MS. LISER: Mm-hmm.

MR. SCHNEIDMAN: You know, cool from the outset, I think, rightly articulated the chaos that's going on in the global economy. And, the disruption of trade, and the challenges to multilateralism. But, as it concerns U.S./Africa trade, I'm sensing a bit of a buzz. And, I'm just -- I'm just wondering if you -- if you're feeling it too, where you sit.

And, here's what I would point to. Two weeks ago, there was -- in Washington -- the Africa Trade and Investment Global Summit, where more than 1,000 small and medium companies from the continent came to Washington at the Ronald Reagan Center. It was extraordinary, really. Just looking for connectivity, looking for deals. The Commerce Department just finished a very successful four country trade mission to Africa. Ghana, Côte d'Ivoire, Kenya, Ethiopia, where I gather they did about a \$1 billion worth of business. The Build Act is making its way through Congress, which will double the size of OPEC, and allow for equity investments. The -- of course, the AGOA forum was this week, and just to throw some evidence into the case, U.S./Africa trade was up six percent over last year, to nearly \$40 billion, two way.

MS. LISER: Mm-hmm.

MR. SCHNEIDMAN: So, just interested in your take -- what you're hearing from companies, both in the U.S. and Africa, about the current trading environment.

MS. LISER: So, I think that's a good question. I think that when we look at the issue of trade generally, the reason that it becomes so critical, both within the African regional context, and in the global context is that trade has always be an engine for economic growth. It is the thing that pushes countries from a low level of development, to a point where they're able to be more developed, to attract more investment, employ more people.

And so, Africa trading more with each other, I think they're now -- used to be 12 percent, but I think they're up to about 18 percent in terms of trade amongst themselves. And, this is important because it means that they're becoming more competitive regionally. And, that means that that's also going to be a platform for them to be competitive globally. In terms of U.S./Africa, I think that whatever the issues are that are out there on trade -- that many American companies, and many CCA members recognize that Africa is a really critical market for them. They are there because of all the opportunities in a range of sectors from infrastructure to health, to services sectors.

This is critical for U.S. companies, and a lot of them will tell you that their bottom lines going forward and growing their companies depend on having a strategy in Africa. And, they're competing with lots of companies from other countries around the world. Not just China, either. People focus on China all the time. But, companies from Europe, and Brazil, India, et cetera, Japan, are all there, pushing to make a way into that very important market. And, that is one of the things CCA is always trying to work with its members -- and others, to help them be competitive in that market.

I think that it's also important when we're looking at Africa, to see that they are also becoming more integrated -- this comes to AGOA -- becoming more integrated into global value chains. And, I think that this is really critical because currently, Africa still only accounts for

about only three percent of all world trade, but if you look at particular sectors that have been growing in terms of their exports to the U.S. market, you'll see that American companies are sourcing more from Africa. Footwear, apparel, value added agricultural products. And so, if there is a buzz to be talked about, it's I think because a trade is so critical to economic growth. There's more trade happening in Africa. And then, there's more African trade, I think, happening now, in terms of the U.S. market, at least.

A lot more that can be done. I don't think that anybody wants to claim that the vision for AGOA has been fully realized. But, I think a lot of conversation that happened this week was about that, how to go beyond AGOA in terms of enhancing the U.S./Africa trade and investment relationship. So --

MR. SCHNEIDMAN: Right. Great.

MS. LISER: We hear and feel the buzz.

MR. SCHNEIDMAN: Yeah, good. Before I get to AGOA, Landry, let me ask you. One of the conversations at the AGOA Forum this week was the U.S. proposing a model free trade agreement with one country. And of course, Africa there as 49 signatories to the Continental Free Trade Agreement. And, USTR made the point that, well, Africa's not really in a position to negotiate a free trade agreement as one body. It's not organized that way. So, we want to take this nation by nation approach. What do you say to the USTR argument that Africa is not organized enough to negotiate a free trade agreement with the U.S.?

MR. SIGNE: So, that is a very good question. As presented by the Chairperson of the African Commission, the African Continental Free Trade Area, still needs to come into force. So, for that, we need about 22 countries to ratify it. So, perhaps as of today, it is very difficult to negotiate -- to have a negotiation between the United States and Africa from a continental perspective under the African Free Trade Area.

However, for the past 2015 AGOA perspective, I think that negotiations should

start now. Of course, the British Chairperson didn't want to predict. But, by 2030 Africa will have about 1.7 billion people. And, by 2030, the country will also have a combined consumer and business spending of about 6.7 trillion USD. So, this is huge. And, I believe that American corporations are also more likely to support the continental approach.

And, this is for many reasons. Just to reduce the cost of doing business, we have a single market entry. It also facilitates transactions instead of entering and -- having multiple points of entry, given a company can easily access a broader market, among other advantages. And, having also a continental perspective facilitate the development of infrastructure, which may not be a predictable if only focusing on a single country. So, I definitely think that although the continent may not have a continental path that would set us up today under African Continental Free Trade Area. However, the U.S. should move away from the bilateral country basis acumen toward a more natural and continental perspective with Africa. Both sides will benefit from this type of approach.

MR. SCHNEIDMAN: But how does that happen? I mean, how does the U.S. engage Africa on a continental basis?

MR. SIGNE: So, we have an institution, the African Union, which is working -- which has been efficient. So, it is supported by other African organizations such as the African Development Bank among others. So, one of the critical things to do is to create a council of higher representatives from both sides to negotiate such type of framework. And, even within African countries, one of the policy options that I recommend is to create a president, a prime minister, advisory counselor, which will discuss and accelerate the implementation of all the trade related questions including the African Continental Free Trade Area, and the AGOA perspective. So, it is not easy.

MR. SCHNEIDMAN: Mm-hmm.

MR. SIGNE: It may take time. However, it is the best approach.

MR. SCHNEIDMAN: Mm-hmm. So, Florie, I don't think there's anybody in the U.S. as intimate with AGOA as you are. And, I'm just curious how you think about between now and 2025. Because we know that in terms of getting legislation passed through Congress, 2025 will be here, like tomorrow morning.

MS. LISER: Right.

MR. SCHNEIDMAN: And, if we're sort of not ready for a new trade framework, we'll be in disarray.

MS. LISER: Mm-hmm.

MR. SCHNEIDMAN: And so, in a perfect world, if you could advise the U.S. Administration, if you could advise the African Union, what kind of vision would you put out that both sides should be looking for? So that there's a smooth transition to a trade relationship that continues to take into account the developmental challenges from the continent, but moves to a more reciprocal based agreement.

MS. LISER: Right. So, I think, two parts. The first part is, there are seven years remaining -- a little more than seven years remaining under AGOA. And, one of the reasons why we pushed hard to have a 10 year extension was because we knew that, indeed, if buyers and those who are responsible for sourcing from all around the world -- and we're looking at Africa -- knew that they had a long period of time to benefit from AGOA, then the kind of investments that we were hoping would happen around the continent, would indeed happen. And, my understanding is that since 2015, there's been quite a bit of new investments into a number of African countries that are AGOA eligible. Ethiopia is certainly one, Kenya is seeing investment, Ghana is seeing investment. Last year, Ghana doubled the amount of apparel exports it sent to the U.S.

So, you know, there is this remaining seven years -- and you are right it will go by very quickly -- but I do think that it also gives those AGOA eligible countries that have done the

homework, that have AGOA utilization plans -- I'm always surprised to hear this, but only 15 out of the 40 AGOA eligible countries have a plan for how to use it. But, those who are ready, those who have looked into see what they could sell in the U.S. market competitively, are beginning to do more of that. And, I think buyers are also looking at Africa. Also, there are Asian manufacturers who are a part of key value chains who are shifting production from China as the labor rates go up to Africa. And, we are seeing more of that happening. So, I think there is that part of it, which is, let's try to do all we can, put in place the kind of capacity building support on this side, and then the Africans on their side. Supporting their entrepreneurs, small women businesses. This is really critical that everybody really put in all the effort that they can to make AGOA more successful, and better utilized in the seven years that remain. And of course, we don't know what Congress will do. Perhaps they will extend it, maybe they won't. If they do extend it, it may not apply to everyone who is eligible now. We just don't know what they'll do.

I think the other piece of it, though, has to do with, while that's happening what do we do to prepare for a potential post AGOA relationship between the United States and Africa? And, I think that's where it's going to be very important, I think -- you know this is just my view of it -- it is not possible to negotiate with 55 countries at one time, nor is it possible to wait until after the 55 countries of Africa have come together under the African Continental Free Trade Area. It is very important that we support it, so I'm not saying it's not critical -- very important. And, U.S. companies really want that to happen -- commercially viable market coming together, offering them better opportunities than they have now.

But, in the interim, I see the potential for having some countries on the continent be, sort of, the champions in different regions. Those who are more ready, who actually can see a way forward beyond AGOA. And, I think that if you have conversations that start with the Africans. Maybe the African Ambassador is here. I understand that that was something offered by the U.S. government, that they would continue to have consultations here. But, also to reach

out to the regional economic communities. To SAKU, to EAC, COMESA, et cetera. And, start to have conversations. And, you would look to the champions in each one of those. So, if Kenya wants to be at the forefront in the EAC, so long as you don't leave the rest of the EAC out, let Kenya sit down and start to talk about it. And likewise, in West Africa, East Africa, et cetera. I think that there are champions. And, I think that -- the last thing I would say is that, even amongst the Africans, if you listen to them, they recognize that there are some economies that are large enough, that need to move forward.

MR. SCHNEIDMAN: Right.

MS. LISER: And, South Africa just signed on the other day, on July 1st to the CFTA. And, we heard just yesterday that President Buhari said that he would be signing for Nigeria. So, the Africans themselves realize that, and you've got key countries like -- the reason I'm mentioning this -- South Africa and Nigeria -- who I think, recognize that they have to be a key part of it as well.

MR. SCHNEIDMAN: Yeah. So, let me ask you one other question. Ambassador Lighthizer, during the Gulf War, proposed a model FTA.

MS. LISER: Mm-hmm.

MR. SCHNEIDMAN: And, he said, it can -- we don't have a blueprint, but I think we know that FTAs are well blueprinted. You know, there's not a lot of flex in there. Do you think it's possible to come up with a free trade arrangement -- a free trade agreement more specific to where African nations are, that Congress would support?

MS. LISER: You know, I really do think that that's possible. I think for two reasons. One, all of the free trade agreements that the U.S. has negotiated thus far, even when it does it with a group, there's always been some room and flexibility to treat different countries different ways. Maybe it's around the fact that they are a little less developed than the others. For example, in TPP, there were some things that people were willing to do with Vietnam that

were a little bit different. Sometimes, it's a recognition that an economy is small, CAFTA DR, the reason the DR got kind of pulled off was because they saw themselves as the least developed in that group. And, my understanding through the years of doing trade negotiations is that we're always willing to do some amount of flexibility. Not necessarily, to do something totally different.

MR. SCHNEIDMAN: Right.

MS. LISER: But, some amount of flexibility. So, I think on Africa, it would be interesting to see whether or not we could take some of the best features that have come out of other negotiations for countries that are considering developing, or less developed than the others, and see whether or not from the very start, those might be more applicable for an African free trade arrangement.

The last thing I would say though, is that -- and this came up this week during the AGOA forum -- one of the reasons why the Africans were willing to negotiate the Economic Partnership Agreements with the Europeans, was because the Europeans linked to it technical support for trade, and for the trade negotiations themselves. They said, okay, we will help build your capacity. And so, the willingness of the Africans -- a lot of them were reluctant to be honest, but getting them to the table, a part of that was linking it to the support that they gave.

And, I just want to say from my own personal perspective, that the United States has a lot of support that it gives to African countries. It's just done in lots of different silos of support. There are countries -- billions of dollars that have gone under MCC compacts. There's the work that AID does. There's a regional trade and investment hub. There's the work that U.S. TDA does, et cetera, et cetera. But, nobody packages that all up together.

And today, from the perspective of companies, it would be great if we can go in and say, okay, we want to help you build this railroad, or this bridge. Or help you build this hospital, or provide a certain kind of new telecom services to you. And, here's the deal that we're bringing to the table. You let this happen on your side, and from our side, we're going to have

OPEC with us, we're going to have AID with us. If you've got an MCC compact, we're going to try to make sure that elements of it address what your constraints and needs are. And, I just think that a more -- I guess you would call it -- holistic approach to trade with the Africans that also pulls in the element of where they are developmentally would probably be more well received by the Africans than just let's just do FTA, and let's use the model that we've always had.

MR. SCHNEIDMAN: Yeah. With -- just to say -- with all your examples, you make it sound like the U.S. is in the game in Africa, in a way that it might not seem to be. But, Landry, go ahead. You wanted to make a point.

MR. SIGNE: Yes, I just want to discuss from my perspective, what Florie has presented. The -- my concern with adopting a country focus FTA between the U.S. and African countries is power asymmetry. We had a similar thing happen in Rwanda. When Rwanda decided to ban import of secondhand clothes and shoes. So, from this perspective, how would you envision a fair partnership? One of the advantages of having a Continental Free Trade Area on the continent -- in Africa, is to prevent such type of asymmetrical relations, to make Africa be able to speak and to better negotiate an agreement. But, when we have the United States, the greatest power in the world, negotiating with some of these small African countries, I'm quite concerned that even despite the good will, the outcome is likely to not be optimal for both sides. What do you -- how do you --

MR. SCHNEIDMAN: Let me just jump in here, because I think we've seen situations where there have been pretty intense disputes that have been resolved. Certainly, vis-a-vis South Africa and chicken parts, and you know, the dispute over secondhand clothing wasn't resolved with Rwanda, but it was with Kenya, and Tanzania, and Uganda. So, I think to your point --

MR. SIGNE: It was not resolved, they had to give up. They just had to say, okay we're not -- we will not be fighting the U.S., we are not strong enough. We will just have to accept

the conditions that you are imposing to us.

MR. SCHNEIDMAN: Right, but I think you raise a good point about the need for a dispute mechanism.

MR. SIGNE: Yes.

MR. SCHNEIDMAN: Dispute resolution mechanism.

MR. SIGNE: Yes. And, that is definitely a great one. Because the older interests of having a Continental Free Trade Area is a possible -- is the future dispute resolution mechanism, which will be put in place. And, it is critical because, first, we don't have -- most of the African countries do not even have the resources to pay for a lawyer to represent them. There are no resources. So, that's why out of all the disputes globally, African countries are almost not represented. Perhaps, South Africa, and a few other countries. But, most of the African countries, when they see a challenge, they rather give up than going through a dispute resolution mechanism to a formal process. Because they just don't have the resources. So -- and for this reason, I believe that it's very important to have a continental approach because then the African Union -- or the original committees will be able to eventually join efforts in addressing such concerns.

MR. SCHNEIDMAN: Yeah. So, before we open up --

MS. LISER: If I could just --

MR. SCHNEIDMAN: Go ahead.

MS. LISER: Just one quick point. Because I think everybody knows I'm a huge supporter of Africa's regional integration, and also it's integration into the global economy. But, I do think that -- I like that -- the power asymmetry. Power asymmetry is something that happens even on the continent.

MR. SIGNE: Mm-hmm. Mm-hmm.

MS. LISER: Okay. It happens in almost every set of negotiations, whether it's

with your neighbor to the north, Canada, or a neighbor to the south, Mexico. In East Africa, everybody sees Kenya as the 800 pound gorilla in that region. Nigeria, and ECOWAS is viewed a particular way. South Africa tends to be viewed a particular way across the continent in terms of how it engages with others. And, I only mention that to say that it doesn't prevent -- even when there is power asymmetry -- it doesn't prevent countries from being able to sit down and negotiate ways that are mutually beneficial. I think the key becomes, can we find -- if you're big and I'm small, you're medium size and the other guy is micro size -- can we find ways that are mutually beneficial for our businesses and our people? And, I would just posit that with any country that we want to sit down with, we can find some ways to make it mutually beneficial.

And, I want to mention one example in terms of Rwanda. Because I've visited factories in Rwanda. I went to see where the women were making the Kate Spade bags. I know what Rwanda can do, and they are definitely a leader in a number of areas there. And recently, and this is something we should think about -- recently Volkswagen of South Africa invested in building cars in South -- in Rwanda that will be shipped from Rwanda to South Africa and the region. Now, those cars are not yet headed to the U.S. market, but right now under AGOA, Rwanda could be shipping automobiles to the U.S. And, I am absolutely confident that those automobiles, and the jobs they've created, are more than the jobs that are involved in secondhand clothing. So, I vote for that, frankly. And, that's not to say we don't want to see their textiles and apparels coming into the U.S., but I think that is a sign of the kind of integration that is going on in Africa.

And, AGOA -- last point I'll make -- AGOA was made -- we weren't thinking about it completely in the context of how things work today, we were thinking about Africa benefitting from making the final products that get shipped to the United States. So, it had to be assembled in Africa. But, think about if the car seats that I saw at a factory in Lesotho, that were being shipped to South Africa for their autos that were being shipped to the U.S. under AGOA. Those

car seats -- those leather car seats don't count as AGOA trade. But, they are really AGOA trade. They go into a product that's coming into the U.S. So imagine in Africa, where -- these regional value chains, and the final product comes from one place, but you have three, four other African countries that are providing the intermediary products to that one country that then ships it to U.S., EU, Brazil, India, wherever. That's what I'm talking about for Africa. So, that's my final thing.

MR. SIGNE: That sounds good.

MR. SCHNEIDMAN: So, let me just open it up on that note for some inputs from the audience. Let me start in the back there. Maybe we'll take a couple questions at a time. Please identify yourself and your affiliation.

MR. JAI: Okay, hi everyone. My name is Shia Jai, and I own Africa International. My question to everyone inside this room is about visas among ourselves. I mean, I (inaudible) went to school in Ghana, and it was very easy for me to do a road trip just to go to school. Now, in the middle of the night -- sometimes I do road trips at night because I just want to get to Nigeria in the morning. So, there are lots of women with their babies that go to buy products from other countries like Burkina Faso, and I meet them overnight at the borders trying to get visas. When we can't -- the business is (inaudible), I can get one trip sent among ourselves if we can make it easy for each other. And, the second thing is to my diaspora brothers, the door is open for everyone to do business. Everyone can easily get a visa and buy a plane ticket, to come down there. Thank you.

MR. SCHNEIDMAN: Yeah. Great. There's a hand in the way back. Sir?

MR. CHILANGO: My name is Motale Chilango. I work with AECOM. I've done U.S.A. funded trade projects for the past 18 years. And, I'm sorry to say, but I'm very, very pessimistic with this whole Continental African Trade Agreement. Just based on my experience in working on the West Africa trade hub, the South Africa trade hub, where ECHOAS, and even

Eastern Africa, EAC, where there's all this regional integration bodies. EAC, ECHOAS, and a lot of them are really stuck. So, if they can't even move forward at the regional basis, I'm just very pessimistic how we can negotiate a continental contract -- I mean a trade agreement with 55 different countries.

MR. SCHNEIDMAN: Okay, point taken. Ma'am?

MS. SEGERO: Good afternoon ladies and gentlemen. My name is Rosemary Segero. I'm the President of Segero's International Group. Mr. Schneiderman, Brazil -- I think you've been there for AGOA -- you've had about AGOA. Now that African continental is coming - - agreement -- what about if AGOA fails today? I believe if African continental signed this agreement, and they can sign up with the U.S.A., then of course, how are we going to advocate for AGOA? We have fought for AGOA from the beginning to the end. Extension. So, we will be doing the same seven years, it's like two years now, people exporting -- teaching people how to export. I believe and -- I believe that African continental should work hard to unite so that it signs up an agreement with the U.S.A. (inaudible). We have African Union there, we have African there, but what we are doing with AGOA, I don't see it working as much as we had at the (inaudible) this week. So, let's work with African Continental Agreement and make Africa grow and be greater again. Thank you.

MR. SCHNEIDMAN: Yeah, thank you. (Laughter) Okay, let's just respond to those. Maybe I'll respond first. Ma'am, I agree with you completely. I mean, Africa today in 2018 is really different than when AGOA was passed in 2000. You know, just the metrics are very different and I think we need to, we need to move to a more reciprocal relationship in the context of AGOA. But, one that also supports the integration of the continental free trade Agreement. And, that's not going to be easy. I sort of subscribe to what Landry was saying. We need to take time and really look at this. We need to appoint a high level panel that hears from government, that hears from the private sector, that hears from civil society, that hears from different interest

groups, women and others, so that we can move forward with a strategy that accelerates economic development on the continent, and certainly leverages the role of the private sector.

I don't think we have the blueprint yet, but I'm certainly one that we have to start looking beyond 2025 to a different kind of relationship. And, the time to start that is now. So, I'll go to my fellow panelists. Two other questions were put on the table. One about visas, and the other was a pessimistic note from the back about, can this really be done? So, Landry why don't you take the first bite?

MR. SIGNE: So, it is a legitimate concern. I think I asked the same questions to the committee chairperson, and I have to give a -- to speak with Witney. That was on Monday, preparing the Senior Civil Servant from Africa, and the Minister of Committees addressing on various issues related to AGOA. My point was -- the following one -- the world is watching. You have to be accountable. You have to succeed. You have no other options. And, that is why I asked the question today to the committee chairperson. So, it is extremely important. Yes, there are reasons to be concerned because in the past we have seen many incentives which were not optimal. But, I believe that the continental initiative is more likely to succeed than a separation of (inaudible) or the original communities for many reasons. First, in -- of course, we also see that in the (inaudible) but in the original economic community's level, you have competition between countries. Some work better than others. And, the market is still small.

Let's speak about Central Africa. When you put the countries from SEMAC together, it is barely 50 million people. So, it is still not significant enough to unlock the business potential. However, I believe that despite challenges, it is critical to look at the elements which can help succeed. And, let me explain a few of them. So, one of the points -- importance of it -- the first one is the fact that when Africa trades with the rest of the world, they mostly export raw materials. But, when trading between African countries, over 40 percent of the projects are manufactured.

MS. LISER: Exactly.

MR. SIGNE: So, this is extremely important, which means that trading between African countries, and AGOA has also contributed -- and I think well described by Florie -- by trading between African countries, we increase -- we create jobs. As you know, about 70 percent of the African population is below poverty. Seventy percent of them live below the poverty line. And, there are -- young people are twice as likely to be unemployed than the current generation of working people. So, despite -- do we have challenges? Yes. Should they be addressed? It is extremely important in order to give Africa a real shot to compete globally.

And, my last point -- even if Africa trade -- between different African countries trade with each other, it is only about three percent of the world trade. So, Africa should also trade with the rest of the world. With the United States, with the European Union, China. So, it is extremely important to making this be successful.

MR. SCHNEIDMAN: Yeah, great. Florie --

MS. LISER: I -- you know, I was thinking that in context, the Africans have been putting in place some of the building blocks for the African Continental Free Trade Area for a while. And, perhaps in fairness, it would -- we could say that those earlier attempts -- the EAC has twice done a free trade area. Now, they're at a customs union this second time around. And, really have made a lot of progress. And, the point that Landry made about 40 percent of intra African manufactured goods actually says that, as Africa trades more with each other that -- and these regimes -- I know the gentleman back there was pessimistic -- but as these regimes, the EAC, COMESA, ECOWAS, SEMAC, et cetera, SAKU become more integrated among themselves, they're also becoming more competitive. And, I think the way that this will work is that that will provide the platform on which they can then be more competitive globally. So, if they can ship manufactured products to each other now -- now what they have to do is be able to take it to the next level. And, to be able to meet the standards that the global economy is looking for --

if they can do that, then I think they will, indeed, capture more of the global trade. But, it will happen, not just because of commodities, it will happen because of value added products. Light manufacturing, et cetera. And, you're seeing it -- it's happening all across the continent. I've been to factories that are producing these things --

MR. SCHNEIDMAN: Just a couple examples.

MS. LISER: Well, so the factory I told you about Lesotho producing leather seats. There were probably 600 workers in that factory. I didn't even know there was such a factory. I didn't visit it myself, but there's a factory in Botswana that's creating -- it's some sort of a -- it's like an arm, a piece that goes into the car. I don't know much about cars. But, it's another input into automobiles. They have a factory that's doing that as well, and being integrated in.

You see, Dangote Industries is producing cement. I've been to factories that are producing value added agricultural products, pepper sauces, fruit juices, dried fruits. I went when I was just last week in Cote D'Ivoire, somebody said to me, there's a cashew processing plant that just opened up three months ago that will be producing more cashews than all of the cashew plants in Cote D'Ivoire presently. So, I went. And, I don't have my iPad with me -- incredible. They had the best machinery that separates out the best cashews from sizes, and colors, and this and that. And, they were only at one line. They're built to do four lines. I saw mostly women working in there.

So, to that point, I'm just saying that it is happening. Africa's industrialization process is happening. And, is it where we want it to be? No. Is there much more potential? Absolutely. But, I think, if you don't see it, and the numbers are so small that you think it's not actually happening. But I want to assure all of you that Africa actually is becoming more integrated, is becoming more industrialized. And more and more people are benefitting from trade in Africa, which as I started out earlier saying is the key to economic development.

MR. SCHNEIDMAN: That's great.

MS. LISER: So, that's my -- I'm a real optimist about Africa, so --

MR. SCHNEIDMAN: Okay. We got time just for a couple more questions.

Please keep it brief. Sir.

SPEAKER: (Inaudible) with the Committee for Free and Democratic Equatorial Guinea. I want to applaud you for the new leadership and corporate council in Africa. With regard to power asymmetry, Equatorial Guinea negotiated its contract with Exxon Mobile. The people -- the oil companies came in with Harvard, Yale educated. The people from Equatorial and Guinea were guys who had eighth grade educations. That's usually the dynamic. How do we create more of an equitable structure in negotiations? Because we know national security interest is basically a code for -- you have something that we want.

MR. SCHNEIDMAN: Sixty seconds. Question?

MR. STOUT: I'm Brian Stout with Foreign Policy Magazine. As the African Union takes its first big step toward economic integration, how much longer does it make sense to continue to negotiate with the EU as a member of the Africa Pacific Caribbean Group under the Cotonou framework which is up for renegotiation in 2020?

MR. SCHNEIDMAN: Okay, and let me -- sir.

MR. ARIBE: Ginz Aribe, policy analyst in private practice. I'm Nigerian. I find the whole talk about CFTA and AGOA very interesting. Only, ladies and gentlemen before, I don't know what we want to do with that because we live here and now. And lives need to be changed. If we're going to believe that all the CFTA business and AGOA, its stakes are evolutionary. It's of an evolutionary nature that is going to take us another 50 years or 100 years to get there. We don't manufacture as much in Africa that we're going to become real trade partners. In discussion with other trading blocs. My point is, we have already things that work in Africa at the moment. Finance and technology.

MR. SCHNEIDMAN: What is your question?

MR. ARIBE: That's the question. Why don't we stress those points? Finance and technology. Equity firms are rushing into Nigeria, into South Africa --

MR. SCHNEIDMAN: Okay.

MR. ARIBE: They are making profits of 60 percent a year. We have, again, technology. Where there's trade between -- it's really -- exchange between African countries. Kenya, Nigeria, South Africa, why don't we push those aspects?

MR. SCHNEIDMAN: Okay, good question.

MR. ARIBE: Thank you.

MR. SCHNEIDMAN: So, Mr. Kaberuka has just come.

MR. KABERUKA: (Inaudible)

MR. SCHNEIDMAN: Are you sure? Would you like just to come up and --

MR. SIGNE: Yes, yes. Please.

MR. SCHNEIDMAN: Yeah, please come on up. (Applause)

MR. SCHNEIDMAN: I've got a question.

MS. LISER: Well, then ask him a question. He'll answer.

MR. SCHNEIDMAN: Okay, so anyway, we're almost out of time. And, let me ask you to respond to some of these questions here we had about the power asymmetry, the role of the EU in Africa. And, this question about regional integration in the financial sector.

MR. SIGNE: Yes. The question of power asymmetry, I think I discussed that during the session with Witney. And, I will let Florie elaborate more on it, because I know she's a great friend of Africa. And, she has been working hard to make policies fairer. However, it is not easy. So, they are Ghanaian ACP. I think they are putting the U.S. at a disadvantage because a privilege acumen between African countries and the European Union is not in the best interest of American corporations.

So, that's why Witney and myself, have published a note last Friday where we

were discussing some of these questions, so it's on Africa -- the Africa Growth Financing Initiative website. So, you can look at it for more elaboration, but the idea is a reciprocal partnership between Africa and the United States is more likely to be of advantage for Africa because it also gives leverage. In the case of AGOA, the U.S.A. is offering a lot of things to Africa. But, Africa doesn't have a room for maneuver in case of disagreement. Not a lot, but a tiny one. However, a partnership is reciprocal, the possibility to react if there is a disagreement. And, adding to that the fact that if it is at the continental level, we will also have a dispute resolution mechanism which will facilitate the organization.

MR. SCHNEIDMAN: Florie, do you want to take on any of those issues?

Particularly about the EU. I think you're well positioned.

MS. LISER: Yeah. I think that there's been a long history, obviously of Africa's engagement with the EU. And, I think that the frameworks that they put in place -- I remember when there was the announcement in the -- I want to say it was in the early 1990s that they were going to negotiate these economic partnership arrangements. And, every time it got close to the end of the timeframe when it was supposed to have happened, then they extended it further. And, I think that that was a reflection of the fact that the Africans were reluctant. I think it was a reflection of how difficult it is to try and transition a relationship from one that's been economic dependence to one that's more interdependent and mutually beneficial.

And, I think that the Africans are in a very different place now. That's my personal view. They've gone through different sets of these negotiations. I know, for example, SACU has negotiated twice with the EU, and have an updated trade agreement with the EU. I know that they have one with Mercosur. They're looking at doing one with China. And, I remember talking with some of the East African community colleagues who were going back and forth to Brussels for theirs. And, really beginning to get a sense of what it takes to be at the table across from the EU.

Now, does that mean you get everything that you want? Of course not. No one in a trade negotiation gets everything they want. But, I think the Africans are more ready now to do that. And, I remember leading from the U.S. side. The U.S./SACU free trade talks from 2003 to 2006. A lot of people don't know, but we made a lot of progress. We really did. And, we had several chapters that had gotten very close to the end.

Let me end my point about why it's important for the Africans to move to another level, which is similar to what I think you all are saying, though I haven't read your piece yet. Any relationship where you're dependent on the other person to give you something unilaterally, and where every year, you have to earn it again, and again, and again. Again, I think most of the African countries under AGOA have remained eligible the entire time. So there have been a few countries here and there who have lost eligibility and come back in as eligible. Madagascar, Cote D'Ivoire. So, it's not like every year somebody is getting kicked out. But, the point is that every year there is an annual review. And now, under the 2015 legislation, you have industries that can also file petitions and ask for out of cycle reviews. That's how the whole thing happened with Rwanda.

So, my view is this. That Africa has grown up. They're not little kids on the block anymore. They've got some more experience. They've got good leadership in a lot of countries - - AU leadership. New leadership in a number of countries. We're seeing incredible things happening in Ethiopia, et cetera. And so, what I would say is if I were -- I'm just going to use one example.

South Africa -- I was looking at this recently, and it was amazing to me. Forty-one percent of South Africa's products that they export to the U.S. come in duty free, either under GSP, or AGOA. And, the U.S. is their number two market in the world. So, here's what I would be -- if I were advising the South Africans, and I had 41 percent of my exports to my number two market that was dependent on a unilateral program, I'd be at the front of the line to negotiate a

two way agreement where I'm an equal at the table with you. And, where I can decide what I want to negotiate that's best for my people, and all those workers in South Africa who are linked to those 41 percent of their exports -- they exported over a billion dollars in automobiles to the U.S. last year. Just autos. Then you look at all the other products that they export.

So, here's my point. Africa is more mature. They need to be able to have more mature relationships with all their partners whether it's the EU, China, India -- because there's some things they need to fix with China too, in my opinion. But, why not have a relationship with the U.S. that is one where they are equals at the table and get to decide what's best for them. And, work that out. And, I would recommend it. And, I wouldn't wait until the last minute when AGOA expires in 2025 because what if Congress doesn't extend it again?

MR. SCHNEIDMAN: Right.

MS. LISER: What if the U.S. Congress decides they don't want to do it anymore? And then, what would you do? Even if five percent of your exports to U.S. depend on it. But, that's my -- that's my suggestion. Africa is ready. They can do it.

MR. SCHNEIDMAN: And, we've made a lot of progress here this afternoon too. And, fortunately much more to discuss, but we've run out of time. So, just please join me in giving our panelists a round of applause. (Applause) Thank you all for coming, and please tune into the African Growth Initiative Blog.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2020