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"DOING BUSINESS FROM CAIRO TO CAPETOWN:
TRADE AND INVESTMENT OPPORTUNITIES IN AFRICA"

KEYNOTE ADDRESS OF DR. SALIM AHMED SALIM,
SECRETARY-GENERAL OF THE OAU
ENTITLED
"AN OVERVIEW OF THE CLIMATE FOR TRADE AND
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Mr. Chairman,

Distinguished Panelists,

Members of the Committee of African Affairs of the Association of the Bar of the City of New York,

Honourable Learned Friends,

I want to begin by thanking you all, and especially Mr. Robert F. Van Lierop, the Chairman of the Committee on African Affairs of the Association of the Bar of the City of New York, for inviting me to this important conference on the theme of **Doing Business from Cairo to Cape Town** and to speak on **The Climate for Trade and Investment in Africa.**

I take note that the objective of your Conference is to provide an opportunity to Lawyers and businessmen interested in the trade and investment potentials of the African continent to reflect on the legal framework, the operational modalities, the political and economic factors that may influence the decision of yourselves and/or your clients to do business in Africa.

In this regard, allow me to congratulate the organizers of this Conference. Indeed, the holding of the Conference is timely because of the following considerations. First, this initiative comes immediately after the conclusion of the Uruguay Round of Multilateral Trade Negotiations and the Marrakesh Agreement and its Final Act which came into force on January 1, 1995. Significantly, with the conclusion of the Uruguay Round of Negotiations and the establishment of the

World Trade Organization, a new multilateral trade regime has come into force, replacing the GATT Agreement. It now constitutes the legal framework within which Africa will have to participate at the new international marketplace.

A point of concern to African countries regarding this new trade regime is the reduction in Tariffs which will reduce the marginal preference enjoyed by the export from African countries under the current unilateral preferential arrangement such as the Lome Convention or the Generalized System of Preferences. There is no doubt that Sub-Sahara Africa‘s gain from Uruguay Round will be limited by the low proportion of manufacturers in its export.

Obviously, the benefits are most likely to favour developing countries with more open economies and those that have the capacity to adjust and take advantage of trade effects as a result of trade liberalization in the agricultural sector. But, some developing countries, particularly in Africa may lose market share through the erosion of trade preference. In this regard, Africa must develop a new level of competitiveness in order to ensure sustainable market access of Africa‘s products to the global market place. This will require more investment in research and development.

The second significance of this initiative is that this Conference is taking place when the Treaty establishing the African Economic Community has entered into force. This Treaty aims at market integration and cooperation. It is a framework for regulating trade and investment relations between the member states of the Community with their external partners, such as the USA, the European Union, Asia and Latin America. But, more importantly the Treaty seeks for the expansion of trade and investment opportunities within and outside Africa. I believe market integration results into market expansion and market expansion provides better opportunities for investment. This, indeed, is the aim of the Common Market envisaged in the Treaty as a penultimate step to the African Community.

The third significance of this initiative is that the Conference is taking place when South Africa has been re-integrated into the international trade system after the establishment of a democratic system in that country. South Africa presents greater trade and investment opportunities to the rest of the world. It has a relatively high GDP per capita. It has advantage in terms of natural resources endowment and it has fully developed infrastructural facilities. Moreover, South Africa is more advanced in terms of market-size and growth as well as entrepreneural institutional capabilities.

A Conference such as this one provides an opportunity for serious reflection on the possibilities for market diversification through the identification of new trading partners and investors. Africa must now look beyond Europe in order to make maximum use of its trade and investment potentials.

Most significantly however, I consider this as an important initiative, especially taking into account the existing misconceptions on trade and investment opportunities in Africa. As you know, there are those who hold the view that Africa is a continent in crisis and therefore it is risky to trade or invest in Africa. The level of poverty in the continent and the protracted political conflicts and ethnic rivalries are often sighted as factors constraining trade investment in Africa. Africa's trade and investment detractors also point to regular drought and famine on the continent, low-level of infrastructure development, lack of adequate system of communication, and corruption as disincentives for trade and investment in Africa.

But, to us it is clear that the African continent is the continent with tremendous but thus far not fully exploited potential. This is why, many, both in the continent and outside, refer to it as the continent of the **future. Statistics speak for themselves**. Africa produces 54 per cent of the world's cocoa, and 20 per cent of its groundnuts and coffee. Moreover, Africa, mainly West and North-Eastern Africa, account for about 16 per cent of the world's production of industrial roundwood. Furthermore, Africa as a whole contributes one-fifth to more than half of the world's known reserves of platinum, chromium, manganese and phosphates and more than half of the world's gold, bauxite, cabal, uranium vanadium and vermiculite reserves. In addition, Diamond deposits in Africa are the richest and among the most extensive in the world. With all these natural resources Africa is, indeed, a rich continent full of trade and investment potentials. The continent's resources remain by and large, unexploited presenting Africa with many opportunities for trade and investment.

Mr. Chairman,
Distinguished Learned Friends,
Ladies and Gentlemen,

In examining the trade and investment climate in Africa, I intend first to look at the recent international trade performance of Africa; secondly to examine regional perspectives for trade and investment climate in Africa. Thirdly, I shall examine the recent trends in foreign direct investment in Africa, as well as the investment opportunities that exist in the continent. And finally, I shall provide an overview of the potential areas for trade and investment in Africa.

Mr. Chairman,

For historical reasons, including those of colonial legacy, most of Africa's trade is conducted with countries of the European Union. Some African countries depend on the European Union for over 50 per cent of their foreign exchange earnings while others depend on that market for more than 90 per cent of their export earnings. This trading relationship has been governed by successive

Agreements - the current one being the ACP-EU Lome IV Convention. In 1993 African countries in the Africa-Carribean-Pacific Group derived about 60 per cent of their annual earnings from their commodity exports to the European Market. Since 1975 when the Lome II Convention was signed African countries have sustained persistent decline in their share of the European market. For example in 1975, the ACP share of extra-European Union imports was 7 per cent but after 20 years, the ACP share of the extra-European Union imports fell to about 3.8 and now stands at about 2 per cent.

Still, on the international trade climate of Africa, one notes that Africa's preferential trade arrangements, with the USA and Japan which assure market access to African countries under the Generalized System of Preferences, have not been exploited to full advantage. Yet, with the coming into force of the New Uruguay Round Agreements it is anticipated that Africa's preferential tariff margins with the USA and other Organization for Economic Cooperation and Development countries would be severely eroded.

When we talk of trade and investment in Africa one must also address the problem of Africa's external debt. In this respect we note that at the end of 1994 the total debt of Africa stood than US$300 billion which is double what it was in 1987 with Nigeria, Cote d'Ivoire, Sudan, Zaire and Angola, accounting for nearly half of the total debt of sub-Saharan Africa. This has resulted from accrued interest that has been capitalised over the years. That factor has eroded the capacity of African governments to attract private foreign investment.

Against this background, a lot of effort has been deployed in the recent years to undertake economic reform programmes geared at creating the enabling environment for the promotion of trade and investment in Africa.

The Treaty establishing the African Economic Community (AEC) was signed on 3 June 1991 in Abuja - Nigeria. It entered into force on 12 May 1994 when more than two-thirds of the OAU Member States had ratified it. The objective of the African Economic Community is, **inter-alia**, to promote the integration of the African economies. It aims at establishing, on a continental scale, a framework for the development, mobilization and utilization of the human and material resources of Africa.

To this end, the Treaty calls for inter-African cooperation in the fields of trade, customs, monetary and finance, transport and communication, agriculture, industry, science and technology. The Community is to be established within a time-frame of thirty-four years. This process is to be undertaken beginning with the harmonization and coordination of policies among existing and future African Regional Economic Communities (RECs).

The existing Regional Economic Communities have been designated as the building blocks of the African Economic Community. These are the Economic Community of West African States (ECOWAS), the Common Market of Eastern and Southern African States (COMESA), the Southern African Development Community (SADC), the Economic Community of Central African States (ECCAS) and the Arab Mahgreb Union (UMA).

For the purpose of brevity, permit me to focus my attention on only the first three of these economic communities with special emphasis on their trade and investment policy frameworks.

The Economic Community of West African States (ECOWAS) which was established in 1975 adopted a Trade Liberalization Scheme (TLS) that outlines the ECOWAS Tariff Reduction Schedule. Technically speaking, the scheme became operational on 1 January 1990 and it has, in principle, entered its second phase - the phase for total trade liberalization. This Trade Liberalization Scheme is based on three-product types and three groups of countries, that is the unprocessed goods, traditional handicrafts and industrial products, respectively. The implementation of the third stage of the gradual liberalization of industrial products have met with problems of Rules of origin, listing of agreed or accredited enterprises and products and classification of Member States into the three groups. The unilateral and uncoordinated adoption of the Structural Adjustment Programmes (SAPS) by some, if not all members of ECOWAS, has not contributed to the implementation of its regional Trade Liberalization Programmes. However, this is being seriously addressed and the list of manufactured products is being expanded annually, thus creating great opportunities for investment and trade.

ECOWAS groups a market of 16 countries including Nigeria, Ghana and all, the Francophone West African countries with a population of nearly 202.9 million. There is now free movement of people in the region and most of the countries in the region are now linked with roads and telecommunications. In spite of some administrative problems there is a new commitment in ECOWAS states to revive their cooperation.

Given the free movement of people a new phenomenon has appeared in ECOWAS and indeed in Africa. This phenomenon is the unrecorded trade. It is estimated that the share of unrecorded trade in the external trade of ECOWAS countries is at about 20-35 per cent as compared to only 5% of the recorded trade. Hence, the ratio
of unrecorded trade to official inter-regional trade is about 200 per cent to 300 per cent. The enterprising spirit of the people of the region has contributed to this huge volume of unrecorded trade.

In the area of investment climate of the region it is important to note that with the Structural Adjustment Programme being implemented in the region far-reaching privatization programmes have been adopted in such countries like Cote d'Ivoire, Ghana, Guinea, Nigeria, Senegal and Togo. This has provided exceptional opportunities for investment. For example, 27 enterprises had been slated in the Cote d'Ivoire for full privatization whereas in Nigeria over 110 enterprises are expected to be either fully privatized or commercialized and others partially divested through the Nigerian Stock Exchange.

At the ECOWAS level the following priority industrial sub-sectors have been identified for investment. They are: food industries; agro-chemical industries; agricultural machinery; building materials industries; wood industries; petro-chemical industries, especially gas; pharmaceutical industries; iron and steel industries; automobile and allied industries; solid minerals industries; transport and communications particularly coastal shipping.

Besides, specified resource-based industries, that can also attract foreign direct investment are - petroleum, gas, salt, phosphate, caustic soda, gold, diamond, kaolin, iron ore, bitumen and marine products. The region abounds in these resources which are in commercial quantities.

In the services-sector - a sector which has become extremely important in the new international trade system coming in the wake of the Uruguay Round Agreements, ECOWAS region has opportunities for foreign direct investment in such areas as Finance, Banking, Insurance, Consultancies, Leisure and Maintenance Services.

Meanwhile the ECOWAS itself has put in place a number of financial instruments that should enhance investment Cooperation, Compensation and Development, the West African Clearing House which has become the West African Monetary Agency and aims at providing a temporary solution to the currency inconvertibility problem of the region involving over ten different currencies.

Again in West Africa, another innovation in aid of the private sector is the Guarantee Fund for Private Investment which was established only in December 1994. Its founding shareholders include the West African Development Bank the French Development Fund, the French Ministry of Cooperation, European Development Fund (EDF), the European Investment Bank, and the German Development Foundation.

Finally, the introduction of the Network Banking System by the establishment of the ECOBANK Group aims at giving a boost to cross-border trade and investment in the region which could be fully exploited for foreign direct investment.

All these qualify the ECOWAS region for serious consideration both for individual countries within the region and for investment to cater for the needs of the whole region taking into account the regional liberalization of trade and the concessions, customs and otherwise, given to countries in the region.

Mr. Chairman,
Ladies and Gentlemen,

In East and Southern Africa the Preferential Trade Area (PTA) was established in 1982 and its successor the Common Market of Eastern and Southern African States (COMESA) came into force in 1994. It groups together 20 countries in Eastern and Southern Africa with a population of 294.4 million.

The PTA/COMESA region abounds in most of the world's gold, diamonds, platinum, chrome and manganese. It has reserves of 300 billion tons of coal; over 170 billion cubic metres of natural gas; over 200 billion tons of petroleum and large quantities of uranium, nickel, copper and cobalt, not to mention the volume and diversity of its agricultural products and the fact that it has some of the most developed agriculture in Africa.

Against this background, the PTA Trade Liberalization Programme (TLP) started in 1984, and was expected to be completed by end of September 1992. The initial tariff reductions were 10 per cent on luxury goods; 30-40 per cent on manufactures; 70 per cent on consumer goods of economic significance. On raw materials the tariff reduction was 50-60 per cent. On intermediate goods it was 65 per cent while capital goods, excluding transport equipment was 70 per cent. These tariff reductions were to be followed by reductions of 25 per cent every two years. Quantitative restrictions and other non-tariff barriers were to be relaxed and eventually removed by 1992, although this was not defined in a programme.

Supply and demand surveys carried out by the International Trade Centre (ITC) have revealed that, of the US$15 billion worth of goods imported in 1991 into the PTA/COMESA region, only 4.4 per cent were purchased from within the region and of the US$1 billion worth of goods that were exported in 1991, only 6 per cent were sold to PTA/COMESA countries. The practical meaning of that state of affairs is that more than US$2.4 billion worth of business is transacted with non-PTA/COMESA countries. It has also been estimated that goods worth about US.$1.8 billion that are exported by the countries of this region to non-PTA/COMESA countries, are, on the other hand imported by other PTA countries from non-PTA/COMESA sources. This offers excellent opportunites for trade which are being addressed by COMESA. It is to be noted also that as a result of the Structural Adjustment Programme, unilateral trade liberalization, administrative controls on inputs have been eliminated or extensively relaxed. With their new tariff schedule in place, a minimum tariff has been introduced, the maximum tariff reduced and the number of tariff bonds have been narrowed in the PTA/COMESA countries. Thus, the liberalization of trade regime in the region was accompanied effectively by the introduction of a system of low average tariff rates.

It should be noted however that regional trade statistics for the region as a whole do not reflect the fact that trade between some of PTA partners far exceed these figure. Trade between Kenya, Uganda and Tanzania and Trade between some Southern African countries members of COMESA are cases in point.

This market extending from Eritrea and Sudan in the north and including some of the world's richest mineral resources countries - Zaire, Angola, Zambia and Zimbabwe has undeniable advantages. The regional machinery put in place include a trade information network linking all the countries and providing trading opportunities and detailed information on all companies, suppliers and importers within the region, an efficient clearing house to enable countries to use local currencies and clear their transactions balance only in hard currencies, a Trade and

Development Bank to finance new investments and a regional trade fair organized every two years have changed the nature of doing business in the region. Now products from local food-stuffs to automobiles produced regionally have a great advantage over imports. American investors will be missing a golden opportunity if they do not start seriously to explore the potentials of this market which has among its members many countries with well-established capital markets such as Kenya, Zimbabwe and Mauritius and where the majority of countries have nacent capital markets and a serious commitment to private capital and industry.

Mr. Chairman,

In the Southern Africa Development Community (SADC), the membership coincides with that of PTA/COMESA - except for South Africa and Botswana. It includes countries extending from Tanzania to South Africa, Angola, Namibia and all the countries to the South. It has a population of 114.3 million. The region has some of the most developed industrial and infrastructure sectors in Africa.

In the region, Botswana, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe all have bilateral trade arrangements with one or more of the SADC Member States. Although the Southern Africa Development Community has recently undertaken activities in the trade sector, per se, it is noted that some of the countries have experimented with a variety of measures to increase intra-SADC trade. These included Regional Export Credit Facility, and Export pre-Financing Revolving Funds and others.

During the period 1988-1993 twenty-one African countries - almost half of the number of countries on the continent registered positive per capita growth. Out of this, about half achieved 4 to 5 per cent rate of growth. Some of these included Tanzania, Ghana, Uganda, Botswana, Mauritius and Guinea-Bissau.

Mr. Chairman,
Distinguished Participants,
Ladies and Gentlemen,

Let me now turn to the issue of foreign direct investment. This issue has risen to become the single most important component of external resource flows to developing countries. In respect of Africa, records show that Africa remained the developing region that attracted least attention from the Transnational Corporations. In 1994 this situation had not changed as foreign direct inflows to Africa remained within the US$2-4 billion range, a feature which characterised inflows to the continent since the late 1980s. Since inflows to developing countries, as a whole, increased considerably during the same period, Africa's share has declined from 14 per cent in 1982-1986 to 10 per cent in 1987-1991 and to about 5 per cent in 1992-1994. This, in practical terms means that the share of

Africa in the total stock of foreign direct investment to developing countries had declined from 13 per cent in 1985 to 10 per cent in 1993. In addition, the oil exporting countries of the African continent continue to dominate inward flows of foreign direct investment accounting for about two-thirds of its stocks and flows.

Another significant element was the almost total absence of portfolio equity investment flows to Africa whereas in contrast to other developing countries foreign direct investment has risen to the largest component of net external resource flows. Disappointingly, Africa, and especially sub-Saharan Africa continues to rely on grants and official loans, which constitute the bulk of its external resources inflows, while foreign direct investment accounted for only about 12 per cent of the total in 1993.

This notwithstanding, I can say with full confidence that the African continent, as a market of opportunities for investment, still holds its attraction. This is because of its complex diversity in terms of market size and growth, natural resource endowments, entrepreneurial and institutional capabilities, social and economic infrastructure, political stability and economic policies.

Mr. Chairman,
Ladies and Gentlemen,

I now turn to investment potential at country level sector and industry levels as well as at the level of the enterprise in Africa.

Regarding potential at the sector and industry level we observe that in the primary sector, since Africa is richly endowed with natural resources more than half of foreign direct investment in Africa has traditionally been oriented towards resource-based activities. This is evident in the mining sector for highly valued minerals, such as gold and diamonds, rare earths and petroleum. Africa is noted to be prominently hosting foreign direct investment and still holds great potential for future foreign direct investments.

Indicators show that pertroleum reserves are large. Furthermore, a World Bank report noted that exploration activities in Africa have demonstrated high success rates compared to other regions of the world. So also it is reported that important deposits are likely to be discovered in other parts of Africa. Namibia has large reserves of uranium, and Guinea alone holds about three-quarters of the world's bauxite reserves.

In the manufacturing sector the most attractive natural resources in which Africa abounds are metal products, textiles, paper and wood products, rubber products and building materials.

In the services sector, we recognise that demand for many services is growing fast in Africa while local supply of many services is limited. This contrasts with the deficit that exists in the labour market for highly professional business services who are essential for service industries such as telecommunications, modern hotel services, transportation etc. So far, only about 30 per cent of the stock of foreign direct investment in Africa in the late 1980s was in services. This is roughly equivalent to the position in Latin America, but well below the proportion in Asia.

Tourism is yet another sub-sector that deserves to attract foreign direct investment because the African continent abounds in a rich variety of tourists attraction such as beaches, wild-life, eco-tourism. While other locational attractions such as safari tourism are being exploited a large proportion of it still awaits investment in tourism infrastructure in countries like Zimbabwe, Kenya, Tanzania and Ethiopia. Furthermore, tourism related demand for goods and services in the tourism sector such as lodging, food and catering, transportation, communication, car rentals, can only be partially met in most African countries by domestic suppliers and it is in the remaining gap that the potential exists for foreign investors. In this regard, whereas Transnational Hotels like Hilton, Inter-Continental and Sheraton are operating in some African countries, mainly through non-equity arrangements, most of the foreign direct investment potential in this sector has not been fully exploited.

Infrastructure has yet to be fully developed in Africa. It is therefore a sub-sector that holds a lot of promise for foreign direct investment. It also holds prospects for co-financing in partnership even with African entrepreneurs and governments so that the investment risk can be spread. In this regard, one would want to suggest investment in road construction, railways, air and maritime transport.

Privatization programmes can serve as vehicles for foreign direct investment flow into host countries. In the case of Africa, unlike in Asia and Latin America, privatisation programmes which accompanied structural adjustment programmes have not been able to attract the required foreign direct investment. Areas where foreign participation is sought in this respect are natural resource sector, including agricultural raw materials, infrastructural projects, such as public utilities, particularly water supply, electricity, telecommunications and air transport. These are areas where experienced firms are being sought to invest their capital resources, technology and skills.

Mr. Chairman,

Investment obviously will not flow to Africa except if we have the appropriate policy framework to enhance investment climate. After three decades of independence we in Africa have realised that we may have the vast domains of natural and mineral resources. Yet unless we put in place the right macro-economic policy and the right foreign direct regulatory framework, it will be difficult to attract the necessary capital and technology to exploit those resources. It is for this reason that the on-going economic reform programmes in most

African countries have included, **inter-alia**, the liberalization of existing economic policy frameworks and the adoption of new investment codes, the simplification of administrative procedures applicable to foreign investors, the conclusion of bilateral investment protection and promotion agreements and accession to various multilateral treaties facilitating and guaranteeing foreign direct investment flows, such as the Multilateral Investment Guarantee Agency.

This kind of policy package, obviously seeks to improve the investment climate and conditions in Africa. It is clear however, that a lot still needs to be done to exploit to the fullest the investment opportunities that exist in Africa. This would require recognition of differentiated investment opportunties which ought to be looked at on country-to-country basis. Whereas some Governments would need to make efforts at restoring or maintaining economic and political stability, as a general pre-condition for increased foreign direct investment, others would need to continue with the liberalisation of foreign direct investment policies and increase the efficiency of administrative procedures.

At this juncture, let me reiterate that Africa holds great potential for investment in agriculture, industry, infrastructure, minerals and services.

In agriculture, Africa needs to expand investment in its traditional exports and regain its share of the market. New investments, which will bring in new and more efficient techniques and varieties and which are available in other regions such as South East Asia in cocoa and palm oil and new management techniques can reap huge returns to investors and benefit both parties. Opportunities also abound in both vertical diversification and horizontal integration in agriculture. Processing African agricultural products, export commodities, livestock products including leather products, forestry products is still at a rudimentary stage holding great opportunities for investment. Packaging, preservation and transportation even for African traditional food-stuffs for local and regional markets also offer huge potential. African traditional exports processors such as coffee and cocoa can find excellent opportunities in Africa to relocate some of their processing activities in Africa to meet the new challenges of hightened competition and the opening of markets worldwide.

Agriculture also offers excellent opportunities for horizontal diversification into new products and developing new niches in special products such as organic grown foods which are now becoming a new and fast-growing market. American agriculture technology and American agro-business will also find Africa an excellent market for the development of new seed varieties, propagation of seeds, many of them developed by African research institutions, but have not reached the farmers due to lack of the infrastructure to propagate a market for them. I can go on and on in the potential of agriculture but I hope the few areas and examples I have given will receive the serious consideration of the American investors.

In the industrial sector excellent opportunities are available in food industries, agro-chemical industries, wood industries, agricultural machinery, building materials, petro-chemical industries, especially gas, pharmaceuticals, iron and steel industries, automobile and allied industries, mining and mineral industries. These areas are needed for African markets as well as for export. A number of products in these areas are already under serious consideration in some of the Regional Economic Communities; for example a gas line project to supply Nigerian natural gas, currently flared to extract oil, to other West African nations is in an advanced stage of preparation and investors are needed to enter in a joint venture with ECOWAS and the concerned countries. Africa is poised for the renewal and expansion of its infrastructure. This opens a whole new world for investors for production facilities in Africa in the basic inputs such as steel, cement needed for these activities, for suppliers of equipment and those who are in the infrastructure business in general to participate in renewing Africa's old intra-structure. Road, rail, air and maritime transport; telecommunications - including computers, E-mail, Fax, Telephone and all the new technology related to information, super-highways also offer a virgin area of investment.

Resource-based industries - petroleum, gas, salt, phosphate, caustic soda, gold, diamond, bitumen and marine products in which Africa is rich, provide yet another field for the serious investor.

In the services sector, Banking, Insurance, Consultancies, Tourism as well as all sectors of transport, the investor will find huge opportunities. These services are very underdeveloped in Africa. Africa is changing every day for the better. Economic reforms are taking root. Political reform has also taken root in the majority of our countries. The time is now to enter into a serious compact with Africa. Many of our countries are waiting with open arms to the serious investor and have put in place machineries and institutions to facilitate this task. Africa is now firmly convinced that it has to compete to attract foreign direct investment and is doing everything possible to facilitate its attraction and retention.

Finally, I wish to seize the opportunity to recommend that American business community should endeavour to participate in the 4-yearly All-Africa Trade Fair that we organize in OAU Member States under the auspices of the OAU. They should also participate in the biennial regional trade fairs of the PTA/COMESA and the ECOWAS. These fora abound in trade and investment opportunities as buyer/seller meetings are organized as well as investment promotion meetings.

For the purpose of this Conference, I wish to conclude by saying some reflection should also go into the use of the African-African/American Summit Forum which meets biennally but does not seem to have any concrete follow-up mechanism. I suggest that this Conference may want to formulate a clearcut follow-up mechanism on this Forum so that trade and investment could be promoted between Africa and the USA through this channel.

Mr. Chairman,

As we reflect on trade and investment potentials in Africa we have to bear in mind that Africa is not a monolithic continent. There are are rich and poor regions; there are areas with mounting conflicts and areas with relative peace and stability. Within Africa, there are those countries which have in place the necessary macro-economic framework that provides the enabling environment for trade and investment but there are others that are in the process of doing so. The democratization process is gaining ground in the continent and we are determined to put an end to conflicts and create the necessary conditions for peace, security and stability. Within this process democratic institutions are being strengthened while the judicial system is being restructured and consolidated. The respect for law and order and the promotion of justice and equity have gained currency.

Africa is, indeed, not a continent of doom. The gloomy picture that is being painted on Africa is a mirage. Africa is a strong and rich continent with abundant resources, recognized values and a strong culture of work. But Africa does not have the requisite resources to fully exploit the continent's potentials. This is where, you ladies and gentlemen come in.

I thank you.