28 February 2017

The President
The White House
Washington, DC 20500

Mr. President:

As your private sector advisors on the President's Advisory Council on Doing Business in Africa (PAC-DBIA), we pledge our support and look forward to working with you and Secretary Ross in strengthening commercial engagements with Africa to promote U.S. economic and job growth. Sub-Saharan Africa is one of the few unsaturated markets left in the world and it merits priority attention by your Administration. Demographic trends are projected to spur a large consumer driven society with tremendous infrastructure needs, making the continent increasingly the focal point for global competition now and in the future for businesses and governments alike.

More than half of global population growth between now and 2050 is expected to occur in Africa. With a projected $100 billion per year in infrastructure needs as its GDP climbs rapidly from $2 trillion to $29 trillion, Africa will be home to 2.5 billion consumers. While U.S. companies should be Africa's partners of first choice, there are priority issues, as identified in the annex to this letter, which are preventing U.S. companies and African partners from realizing these opportunities fully. As a result, the U.S. has fallen behind other countries. For example, in 2015, EU exports to Africa totaled $164 billion and Chinese exports totaled $102 billion, while the U.S. exported only $17.8 billion in goods to the continent.

Given the promise of Sub-Saharan Africa's fast-growing markets and the chance to satisfy the continent's increasing demand for U.S. goods and services, taking time, cost, and risk out of business deals is essential. We hope to see the U.S. government and private sector work with counterparts in Africa to improve the business and regulatory climate and allow links between our countries and regions to flourish in energy, finance, infrastructure, technology, trade, and skills.

Commercial engagement with Sub-Saharan Africa, complemented by robust diplomatic and development programs, is a strategic opportunity for the United States that is too significant to ignore. In a vacuum, not only China, but also other competitors with strong governmental support from India, the Middle East, Turkey, Japan, Korea and other countries will continue to fill the void and take the opportunities and influence that U.S. companies should be enjoying with their African partners. Consequently, we recommend that the Secretary of Commerce or his designee join us on a fact-finding mission to one or more African countries that hold particular promise for U.S. companies, among them Ethiopia, Ghana, Kenya, Ivory Coast, Nigeria, and South Africa. Following this mission, we would report back to you with actionable recommendations for increasing U.S. business opportunities in Africa.

Working together with Secretary Ross under your leadership, we will drive U.S. exports and jobs through smart economic diplomacy and business acumen in Sub-Saharan Africa. If America does not step up now to lead in this fast-growth region, the United States will miss a once in a generation opportunity to develop deep, mutually beneficial relationships with African partners.

Sincerely,

Jay Ireland
Chair, PAC-DBIA
President & CEO, GE Africa

Laura Lane
Vice Chair, PAC-DBIA
President, UPS Global Public Affairs

ANNEX

Priorities for U.S. Business in Africa

Energy Availability and Reliability

As U.S. trade with African countries continues to rise and American companies increasingly look to secure business opportunities throughout the continent, energy availability, and energy reliability in particular, will play a central role in determining where U.S.-Africa investments and partnerships are most successful. The U.S. government, through Power Africa and other initiatives, has and can continue to contribute to positive energy sector reforms and transformations underway in multiple African countries. By helping to improve regulatory regimes and public utilities to incentivize investment in energy, championing mini-grids systems in rural areas, and promoting measures to lower the cost of energy, particularly in regions of high economic growth, American companies will be better able to turn opportunity into bottom-line gain.

Finance

There are substantial opportunities for U.S. businesses to export products and services, however gaps in finance can harm their competitive positioning. American companies would benefit from U.S. agencies and nongovernmental organizations partnering with local African banks to create risk pooling programs to support export financing. Local banks are often more familiar and better able to address local risks, but lack liquidity to participate in large infrastructure projects. Creating platforms linked with U.S. products and services that help African small businesses gain access to capital could create a substantial marketplace for U.S. products and services. To support capital formation, the Department of Commerce can facilitate technical assistance programs in Africa to develop electronic capital markets. The Department of Commerce and the U.S. Trade and Development Agency should also continue to organize trade and reverse trade missions that are co-funded by qualified U.S. private sector firms and focused on the promotion of U.S. products and services that fit within the funding programs above.

Infrastructure

Chinese contractors have won almost 55% in 2015 (up from 15% in 2004) of the total contracting business in Africa with their 'One Belt One Road' initiative and plan an estimated $1.6T investment over the next ten years, which has become a national priority. If the U.S. government doesn't find a way to reverse this trend, it will not be U.S. technology, equipment and standards that are used to close the infrastructure gap in Africa. Financing, policy and contractual frameworks must be improved to level the playing field for U.S. companies competing for infrastructure projects in Africa.

Technology

Africa represents a huge potential market for U.S. firms to identify and promote technology-infused solutions that transform lives and spark new business opportunities in areas such as agriculture, energy, transportation, healthcare, financial services, education, and e-government. However, only 26% of Africa’s population is connected to the internet, which is holding back people who we want to become the consumers of U.S. goods and services. The U.S. government can support widespread access to internet connectivity and broadband infrastructure and urge African government counterparts to ensure open and competitive policy and regulatory frameworks that support new technologies, electronic capital markets, and initiatives to enable greater access to financial services, including through mobile.

Trade Facilitation

Trade transaction costs are particularly high in Africa due to cumbersome and outdated customs clearance procedures at many African borders. Such border barriers can be particularly challenging for small and medium-sized businesses, which don't have the experience and resources to navigate them. We seek to focus U.S. government engagement on measures that will enable greater trade flows between the U.S. and Africa and allow goods to move more swiftly across borders. Full implementation of the WTO Trade Facilitation Agreement is a ready-made opportunity to support the changes that Africa needs to address administrative burdens that raise trade-related transaction costs to unsustainable levels. Looking ahead, the U.S. has only one free trade agreement in Africa (Morocco) today, but over time, there may be opportunities to broaden U.S. market access in Africa through new bilateral trade initiatives

Skills Development

A lack of human capital and workforce shortages prove to be a primary obstacle for U.S. companies seeking to capture business opportunities in Africa. University curricula are often not aligned with the practical needs of the private sector, resulting in a workforce skills gap that exists across industries and throughout employee skill levels. Through increased U.S. focus on developing workforce vocational and skills training, policy makers can help close the skills gap and unlock significant private sector growth from which U.S. companies are well positioned to benefit.

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