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**Teleconference of the President's Advisory Council on Doing Business in Africa (PAC-DBIA)
with Secretary of Commerce Wilbur Ross**

**Moderators: Ashley Bubna and Giancarlo Cavallo
August 22, 2017
2:00 pm ET**

Coordinator: Welcome and thank you for standing by. All participants will be on a listen-only mode for the duration of today's conference. Also too this call is being recorded. If you have any objections, you may disconnect at this time. Thank you. You may begin.

Giancarlo Cavallo: Hi, all. Just another note that a transcript of this call will be made available the week following the call. On behalf of my partner Ashley Bubna I'm Giancarlo Cavallo, one of the two designated federal officers for the PAC DBIA.

I want to thank everyone for joining. Do we have Jay Ireland on the phone? Okay, well Laura if you wouldn't mind as vice chair I'm going to turn it over to you to give some brief opening remarks.

Laura Lane: Fantastic, I think Jay may be joining us shortly. He may have had some of the same issues that I did. I just want to say thank you to Secretary Ross and to all the members of our council for coming together to walk through some of the important opportunities we have for greater trade growth and expansion and across the African subcontinent.

And we look forward to everybody's feedback in terms of some of the priorities that we have outlined as well as Secretary Ross' comments on how we can be working together to advance American interests in Africa and so with that Secretary Ross, I know everybody has your bio. We are so grateful for you joining the call and would like to turn it over to you for some comments to the council.

Jay Ireland: Laura, it's Jay Ireland, can you hear me now?

Laura Lane: Yes, we can hear you Jay.

Wilbur Ross: Yes, Jay.

Jay Ireland: Okay, so sorry Mr. Secretary. I just wanted to echo thanks for your support on this council and we had met with the Secretary about a month ago - a month and a half ago - at the CCA and had a great discussion about the potential for the council and for what we can do between for the U.S. in Africa and so I look forward to your remarks, sir, thank you very much.

Wilbur Ross: Well, thank you Jay and Laura for that introduction and thanks to all the members for your commitment to serve on this council. It's great to speak with all of you directly.

The administration shares your appreciation for the economic and strategic importance of Africa and we believe in the need for constructive dialogue between our public and private sectors so that our interests remain aligned and so that we are mutually well-informed.

This Presidential Advisory Council is a primary mechanism for achieving that coherence in Africa. Your insights help us develop a long-term strategy to make American companies more competitive in the region.

I have two main objectives for this call. First is to provide feedback to the letter you submitted to President Trump back in February at the onset of his presidency and second to provide you with formal guidance for the next phase of analysis and recommendations sought by the Administration.

We really do thank you for the time and effort you've put into the letter to the president. It was a very good thoughtful document so I forwarded it to him along with my endorsement of the PAC-DBIA as a valuable source of advice about our commercial relationships with Africa.

As you articulated in your letter, economic growth and demographic trends across Africa are translating into rising buying power and demand for high-quality products, services and infrastructure. American companies should be meeting this demand. However, it's not happening.

Last year U.S. exports to Africa hit a 10-year low just two years after an all-time high. Now I know that African imports are down but we are also losing market share. The market itself we can't control. We know that commodity prices have a strong influence on the total trade statistics with Africa but the part we can try to control is our market share.

And U.S. exports to Africa account only for around 2% of our total exports to the world but the demand is there and will grow and our competitors are capitalizing on it so there's vast potential for us to reverse this trend.

As you said in your letter, we must work together to drive U.S. exports and jobs. The outline you provided of U.S. business priorities in Africa was a very helpful initial breakdown. Focus by the U.S. government in these areas will help ensure that American companies can meet their logistical, financial, human capital and infrastructure needs.

It will also help make sure that American technology and standards especially standards developed by U.S. standards development organizations are integrated into the growth plans of new sectors but there remains a lot of work to be done.

American companies fall into three categories regarding Africa. Some have never even considered exploring opportunities in the region. Some know the opportunities and are actively pursuing a strategy to enter or expand in the market and others have been on the continent for decades with offices established in multiple countries and longstanding relationships with local partners.

Recognizing this range of perspectives my task for you is structured to draw on your experience in negotiating three different stages of doing business in Africa. First, approaching the market, second, competing for the market and third, operating in the market.

After identifying a few top challenges for each stage, I would like you to recommend action to deal with them. Second, what are the greatest opportunities you see for American companies in West Africa, in East Africa and Central Africa and in Southern Africa?

And for each of the three stages, I would request you to compile the keys to success that you can share with us and more importantly with other American

companies. As members of this council, you represent companies mainly that fall into the second and third stages.

Your companies did the analysis of the opportunities and the cost and they decided to approach and enter the market. Now you compete and operate there with some success. Your companies have negotiated their way through these stages of doing business and that is why your voices on this council are so valuable.

But you were selected to represent collectively the American private sector from small to large companies across all relevant sectors, not just your respective businesses and so I would like your feedback on the questions I have posed to be as broadly applicable as possible.

To that end and particularly when it comes to the approaching stage, I encourage you to gather input from other industry peers who are not members of the council. It would be especially useful to learn why some have at least tentatively decided not to enter these markets so that we can see if there's something we can do to change their view.

As you know your work will inform the Trump administration's economic and commercial strategy for Africa that's currently being developed by the National Security Council. The goal is to have that strategy in place by the start of Calendar 2018 and so we request you to deliver your report by the end of October this year.

We will hold an in-person meeting somewhere in that timeframe for the council to deliver and adopt the report. I proposed October 26th and would welcome feedback from the members of the council as to whether that date or some other date very close to it works for the majority of you folks.

Finally I want to mention that we took note in your letter to the President of the proposal for a fact-finding trip to one or more countries in Africa. I support this idea including the proposal that I or a designee would join the trip.

This could be something to look at and get organized for the second calendar quarter of 2018 and in fact in your report you might suggest an itinerary. Your work on the present tasking will pave the way for that trip and a more in-depth targeted analysis of specific countries.

I will conclude there with my thought, thanks once again for all of your time and your commitments to serving on this very important council. Thank you again.

Jay Ireland: Thank you, Secretary. Really appreciate those words and we obviously take your tasking to heart and we'll look forward to putting together the report for in a couple of months in October and then most importantly I think your support of actions for the fact-finding trip will be great.

2nd Quarter of next year will be an excellent timing. We will highlight a potential agenda or itinerary in countries that we think will have the most potential impact for your visit and for the council's further work which I think will be very important.

As you highlighted there's a tremendous amount of economic and strategic importance in Africa and we all as part of the council believe in that and have been working over the last year so and really continuing to establish our presence in the continent and we think that again a combination of economic growth can also help a lot of strategic objectives for the country as well.

I'm going to turn it over to a couple of people to make some comments. Bill Killeen of Acrow Bridge are you on?

Bill Killeen: Yes, I'm with you. You want me to comment on ...

Jay Ireland: Yes, do you, yes.

Bill Killeen: ... because I missed part of what the Secretary shared, something happened with the phone line. You know, one thing that the Secretary brought-up was why some have not entered the markets and because we're in the infrastructure side of business, I find here in the United States that many of the contractors have more than ample work so there's no reason for them to gravitate toward the African continent.

But for a company like Acrow, you know, we're a manufacturer of steel bridges and we design all of our bridges so that they can be packed-up into ocean containers and shipped abroad.

And that's why since the 1990s we've been able to build over 1000 bridges on the continent and most of those bridges are not the type that you might think of that you think of like the Tappan Zee Bridge in Greater New York or the Oakland Bay Bridge.

We're doing those small bridges on the rural roads that in feet are 80 to 200 feet long and they're there to truly help expand regional trade and connect people where 60% of the African continent still resides.

So Acrow has been very actively pursuing the African market because it is still a developing market and we recognize both personally through our

driving about the continent and also just talking with people that bridges are in dire need to provide that connectivity between countries between regions.

So that's what I could share with you. If you need to know more, we do work with XM Bank significantly on a couple of the projects in Cameroon and also in Zambia and those are finally flowing very well, those two projects.

Jay Ireland: Great. Well, thanks Bill. Okay, I know Dow Wilson at Varian, are you on?

Dow Wilson: I am, Jay, thank you very much. Thank you Mr. Secretary for joining us for just we really appreciate your support. You know, one thing that I'd underscore in terms of maybe why people aren't there is this has been a small market for a long time and one of the things that we see is just how fast it's moving.

And you know, five years ago our company we're in the healthcare space, we're a leading oncology company, about 70-80% of our product is made here in the U.S. or a good U.S. exporter but we've seen demand of our product grow immensely in Africa the last five years as, you know, they've gotten in healthcare they're making very good progress on communicable disease.

And now the focus of ministers of health in Africa is how do they finance and build basic healthcare infrastructure with an increasing focus on non-communicable disease? In any case the work that this council in the support of the U.S. government has been critical for us to grow in Africa and I think that's true for all of our healthcare sisters and brothers out there in the marketplace.

The competition is very real and especially coming out of Asia and, you know, to go in with both private industry and U.S. government support is just vital.

Jay Ireland: Thanks, Dow. I know that Takreem El-Tohamy from IBM is on.

Takreem El-Tohamy: Yes, I'm here Jay, thank you very much and thank you Secretary Ross. I appreciate your commitment to this council, share your views that it can be a helpful platform to advance U.S. business in Africa. We fall in the third category of companies you talked about so we've been in Africa for many years and today we have presence in 24 countries and have a range of facilities all over the place.

So I'd like very quickly to share briefly IBM's perspective on two things, the opportunity and also competition in Africa so first I see tremendous growth opportunities in Africa for IBM and for other U.S. firms to bring U.S. innovation to new markets and also the countries are very receptive to get our views of standards when they are setting-up their own standards.

Technologies like cloud and like artificial intelligence are transforming the way individuals, governments and companies interact and do business. Now companies of all sizes but particularly small and medium enterprises can export to Africa in ways that would have been impossible years ago.

And there is an appreciation and an appetite in Africa for digital (trades) and for innovative U.S. products and services. Now competition and as you lead us too some African nations are advancing trade agreements with economies that compete with the U.S.

Competition from non-U.S. companies especially those from China and India is increasingly common across sectors and countries in Africa and we should ensure that U.S. companies are not placed at a disadvantage when competing for business in Africa.

IBM hopes this council's work with your support Mr. Secretary can deepen and distinguish U.S. companies engagements and success in Africa. Thank you again and I look forward to contributing to the (PHT) work as you have outlined. Thank you very much.

Jay Ireland: Thank you, Takreem. Is there anyone else on the council that would like to say anything or make some comments?

Martin Richenhagen: This is Martin Richenhagen, AGCO Corporation. We are present in Africa already from the mid-1950s on. We have effectively we have a distribution network and for the sector of farm equipment manufacturers I will be interested or I volunteer to basically get information together the Secretary asked for.

I hope that we get a little bit more efficient because I'm a little disappointed that it took so long to have this first meeting today. Thank you very much.

Jay Ireland: Thank you, Martin.

((Crosstalk))

Israel Hernandez: ... from the Department of Commerce. Jay I think we're getting to the point where we may have to conclude this meeting.

Jay Ireland: Okay.

Israel Hernandez: Our team can stay on board longer if you wish and we can do that but we probably need to end this portion.

Jay Ireland: Okay, well let me just sum-up quick. Mr. Secretary again thank you for your support. I think you heard a broad range of industries from ag to technology, infrastructure, healthcare.

Again a lot of industrial potential where most of the companies you've heard from are in that Category 3 that you mentioned and we look forward to bringing many more from the Category 1 and help the Category 2s. We all believe that there's a lot of opportunities.

I think policies and enabling capability from the U.S. government is important such as XM, (OPIC), U.S. DDA which again we spoke about in June and look forward to your support of those enablement organizations.

So again thank you very much for your support and we will definitely look forward to late October to present you with our next report and then also most importantly setup our trip in the 2nd Quarter of 2018.

Ashley Bubna: All right, so that concludes our meeting today. I wanted to say thank you to everybody and that Giancarlo and I will be in touch via e-mail after this meeting with the next steps and as you know we have a staff representative planning meet scheduled for next Thursday, August 29th at 10:30 am where we'll discuss how the PAC will structure itself to address this tasking so thank you very much.

Wilbur Ross: All right, thank you.

Jay Ireland: Thank you, sir.

Ashley Bubna: Thank you.

Coordinator: That concludes today's conference. Thank you for participating. You may disconnect at this time.

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