

WORKING VISIT TO THE UNITED STATES

(Washington DC, from 12 to 15 December 2022)

**MILKEN INSTITUTE -
INVEST AFRICA US PRIVATE ROUNDTABLE**

HEAD OF STATE'S KEYNOTE ADDRESS

Washington DC, 12 December 2022

First and foremost, let me thank the President of the United States of America, Joe Biden, for inviting his African counterparts to this Second United States – Africa Leaders Summit.

I also wish to thank Messrs Michael Klowden and Paul Hinks for their invitation to this private roundtable.

As per the agenda, we are expected to brainstorm on "How finance can be a force for good in addressing Africa's most pressing challenges and opportunities, and contributing towards resolving seemingly irresolvable global problems".

The subject is topical in view of the current state of the global economy and the impact of health and security crises on our national economies.

The thorny issue of availability of financing features among the obstacles to Africa's economic development.

Yet Africa is endowed with a huge natural resource potential. The said potential is either under-tapped or tapped to the exclusion of local processing that would generate value added and wealth on the continent.

Africa accounts for barely a tiny portion of the financial resources in circulation globally. Accessing such resources is possible only at exorbitant rates, and often under conditions restricting the sovereignty of our States.

Africa remains overly dependent on official development assistance which no longer seems to meet our needs.

Generally speaking, the legal framework governing access to funding is extremely constraining, heightening our fiscal and institutional stability risks. As an example of such constraints, we are sometimes required by investors to mortgage some natural resources.

The financing models and instruments used further contribute to the re-export of capital through loans, without movement of funds to the continent, but with inevitable foreign exchange outflows during reimbursement.

One solution is to finance the exploitation and processing of Africa's natural resources on its own soil.

To that end, Africa needs a substantial volume of long-term capital.

Accordingly, there is a need to work towards establishing a veritable African capital market capable of providing suitable tools for Africa's development, thus enabling its structural transformation and progressive independence from development assistance and export credits.

While wishing you success in your deliberations, I thank you for your kind attention.