



THE 2016 U.S.-AFRICA BUSINESS FORUM

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SUMMARY

- The second U.S.-Africa Business Forum (ABF) will take place on September 21, 2016 in New York City, on the margins of “high-level week” at the United Nations General Assembly. Co-hosted by U.S. Secretary of Commerce Penny Pritzker and Michael Bloomberg, the event is aimed at strengthening trade and financial ties between the U.S. and Africa.
- President Obama is expected to attend, as are his counterparts from Africa’s largest and most promising economies including President Zuma of South Africa and President Buhari of Nigeria. They join 50-100 leaders of major U.S. and African corporations, and other industry advocates including the U.S. Chamber of Commerce.
- The forum is taking place against a complex background in which several of Africa’s fastest growing economies have stagnated, or in some cases, are even facing recessions. With major elections scheduled next year in many of the continent’s major markets, 2017 could prove to be another tumultuous year.
- Featured sectors are expected to include finance and capital investment; infrastructure; power and energy; agriculture; consumer goods; and information communication technology – all sectors with the potential to catalyze the continent’s development. New announcements of both private sector investments and government commitments can be expected.

ABOUT ASG

Albright Stonebridge Group (ASG) is a leading global business strategy firm. We help clients understand and successfully navigate the economic, political, and social landscape in international markets. ASG’s worldwide team of commercial diplomats has served clients in more than 110 countries.

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2016 ABF: WHAT YOU NEED TO KNOW

Following the successful inaugural ABF held on the margins of the 2014 African Leaders Summit, Bloomberg Philanthropies and the U.S. Department of Commerce are once again partnering to co-host another U.S.-Africa Business Forum. The 2014 forum resulted in announcements of [several billion dollars](#) of investment in Africa, including major deals to build critical infrastructure, and provided an opportunity for American CEOs to liaise with their African counterparts and better understand the immense capability and opportunities in African markets. The 2016 forum, to be held in New York City on September 21, comes at an inflection point in Africa’s economic outlook, as long-term optimism has been clouded by short-term pessimism in a number of markets – including those that have traditionally been seen as the continent’s powerhouses, including South Africa and Nigeria, sub-Saharan Africa’s two largest economies.

After a decade of strong, sustained economic advancement, Africa is set to experience its second consecutive year of slow growth. In 2015, Africa grew at approximately 3.5 percent – its lowest rate in 15 years. The IMF and World Bank expect the continent’s growth to fall to only three percent during the 2016 calendar year. Over the last year, Africa has been hit by sharply declining oil and commodities prices, much of which was related to the slowdown in the Chinese economy, and exacerbated by severe drought conditions in East and parts of southern Africa due to El Niño, which will only worsen with the impact of La Niña expected in early in 2017.

The impact of these shocks varies greatly by market, but with the “Africa rising” metanarrative in question, some investors who lack a longer-term perspective have put a hold on planned investments. Nonetheless, bright spots of impressive growth remain in non-commodity driven economies, such as in Cote d’Ivoire and Rwanda. Experienced investors will remember that there is no single economic story that can accurately capture the diversity of Africa’s 54 unique markets.

What is the ABF?

The 2016 ABF will be a day-long event focused on trade and investment opportunities across the continent of Africa, with a number of related side events held by private sector stakeholders. Similar to the 2014 ABF, the forum will include North African countries in addition to those from sub-Saharan Africa. Several of Africa’s most promising economies are likely to be highlighted during the event. Sessions are also expected to highlight the continent’s strongest performing economies and companies, new opportunities for partnerships and investment, and best practices for reducing barriers to regional integration and diversification. Expected sectoral focus areas include: finance and capital investment; infrastructure; power and energy; agriculture; consumer goods; and information communication technology. Networking will be the primary goal for many participants seeking to deepen relationships with key African private and public sector players.

As in 2014, new announcements of both private sector investments and government commitments can be expected. Late in Obama’s last term, U.S. government efforts may be more limited than during the last forum, which, as corporate deals grow in scale, may be framed as an appropriate evolution in trade ties.

Why now?

For the U.S. government, the 2016 ABF represents a culmination of the Obama administration’s commercial Africa policy, which has substantially (though, according to some critics, belatedly) begun the effort to deepen ties through such initiatives as [Power Africa](#), the [President’s Advisory Council on Doing Business in Africa](#), an increase in trade missions, and the launch of the business forums. The [2014 U.S.-African Leaders Summit](#) was the first summit any U.S. president has held with African heads of state, built upon the positive momentum of President Obama’s extended 2013 trip to the continent. The concurrent inaugural U.S.-Africa Business Forum was hailed by many African leaders as the highlight of the summit due to its deviation from the traditional, static U.S.-Africa dialogues which are generally dominated by issues of development and security. The [Global](#)

“AS THE OBAMA ADMINISTRATION SHARPENS OUR FOCUS ON SHIFTING THE RELATIONSHIP BETWEEN THE U.S. AND AFRICA FROM ONE BASED ON AID TO ONE BASED ON TRADE, WE WILL CONTINUE TO SUPPORT EVENTS, PARTNERSHIPS, AND INITIATIVES THAT DEEPEN OUR TIES OF COMMERCE AND INVESTMENT.” – SECRETARY PRITZKER



[Entrepreneurship Summit](#) – another major administration initiative – was held on the continent twice since its inception in 2010: Morocco in 2014, and Kenya in 2015. The ABF also comes at a critical time for the [African Growth and Opportunity Act](#) (AGOA), the momentous and, at times, controversial trade agreement between the U.S. and Africa. With the ABF taking place one year after the hard-fought ten-year renewal and immediately preceding the 2016 annual AGOA Forum in Washington, DC (September 22 – 26), post-AGOA bilateral trade is likely to be a major topic of discussion this year and in subsequent administrations.

Who will attend?

Attendance is by invitation only and, similar to the 2014 ABF, participants are expected to represent the highest levels of U.S. and African governments and global companies. President Obama's attendance has already been [confirmed](#); co-hosts Pritzker and Bloomberg are additional prominent attendees. President Obama is expected to be joined by a number of his counterparts from the across the continent, and possibly the African Union, looking to attract foreign investment, signal their interest in public-private partnerships, and promote specific market opportunities.

In addition to the nearly 50 heads of state, numerous global CEOs have also been invited. Major economic players in Africa, such as Blackstone, Caterpillar, Dangote Group, EcoNet, General Electric, and Standard Bank, can be expected to attend. As in 2014, smaller, private dinners for attendees to facilitate deeper discussion will be held, as well as receptions by the U.S. Chamber of Commerce and other stakeholder groups.

Why is the ABF important?

Africa watchers expect the ABF to once again showcase how U.S. companies are partnering successfully with both counterparts in the region and African governments region to increase bilateral trade, reduce market barriers, and solve critical challenges with the goal of encouraging additional partnerships. The agenda will have public, private, and social sector components – all of which are critical to transformative growth in the developing world.

The ABF is taking place during a challenging period in Africa's economic landscape and serves as a critical point for the continent's political stability.

- **South Africa** recently reclaimed its position as sub-Saharan Africa's largest economy, although it faces a zero percent growth projection for 2016 and political turmoil in the wake of elections that reduced the longtime dominance of the ruling party.
- **Nigeria** – now back in the number two position – has recently slipped into a recession, amid low oil prices, militant attacks on oil pipelines in the country's Niger Delta region, a humanitarian crisis in the north, and monetary challenges due to high inflation, rapid fall in the naira, and a decrease in the Central Bank's foreign reserves.
- **Ethiopia** has been lauded as one of the world's fastest growing economies, largely due to its aggressive state-led development plans; however, the country recently found itself the subject of



international headlines after an Ethiopian Olympic athlete made a protest gesture at the games in Rio, shining a spotlight on the ongoing anti-government protests.

- In **Tanzania**, critics suggest that President John Magufuli, initially praised for his staunch anti-corruption stances, has become increasingly authoritarian, potentially undermining Tanzania's strong democratic traditions.
- Critical national elections are expected to be held in late 2016 and in 2017 in the Democratic Republic of Congo, Ghana, Kenya, Liberia, Rwanda, Senegal, and Sierra Leone, while Tunisia and Algeria will hold legislative elections. If credible, these elections have the potential to solidify democratic gains and encourage regional investment; if marred by violence or allegations of corruption, the contests could weaken hard-fought political and economic progress—and investor confidence—in commercial hubs.

Against this backdrop, the Obama administration is rigorously pursuing partnerships to strengthen U.S.-Africa economic ties. The timing of the ABF underscores the administration's optimism for Africa's future and an awareness that the continent is increasingly important to U.S. strategic interests. It is an acknowledgment that Africa's current economic slowdown is a snapshot, not the full story, and does not reflect Africa's strong growth over the past decade nor the full trend lines going forward. Mindful of the growing African middle class and a workforce that is expected to exceed that of China by 2040, the ABF stands to refocus investor attention on the region and highlight Africa's continued prospects of becoming the next great global economic success story. Bringing U.S. and African public and private sector leaders together offers an opportunity to move forward in harnessing that potential.

“AFRICAN MARKETS HOLD MANY UNTAPPED OPPORTUNITIES FOR U.S. INVESTORS AND COMPANIES – AND CAPITALIZING ON THEM WOULD CREATE JOBS AND IMPROVE THE LIVES ON BOTH SIDES OF THE ATLANTIC. THAT’S THE GOAL OF THIS YEAR’S FORUM – TO FOSTER THE STRONG TIES BETWEEN THE U.S. AND AFRICA THAT WILL DRIVE GREATER ECONOMIC GROWTH AND LIFT EARNINGS IN BOTH PLACES.” – MICHAEL BLOOMBERG

In seeking to forge partnerships and strengthen ties between the U.S. and Africa by promoting trade, accelerating job growth, and encouraging greater investment across the continent, the ABF is part of a larger U.S. government effort to help the continent move past the current slowdown and back onto a positive trajectory of growth. If it is able to accomplish even a fraction of that, the forum has the potential to catalyze meaningful economic development on the continent and solidify President Obama's Africa legacy as one of the most forward-leaning on trade and investment in the region in U.S. history.

ASG's Africa Practice has extensive experience helping clients navigate markets across Africa. For questions or to arrange a follow-up conversation please contact Desirée Cormier at dcormier@albrightstonebridge.com.

