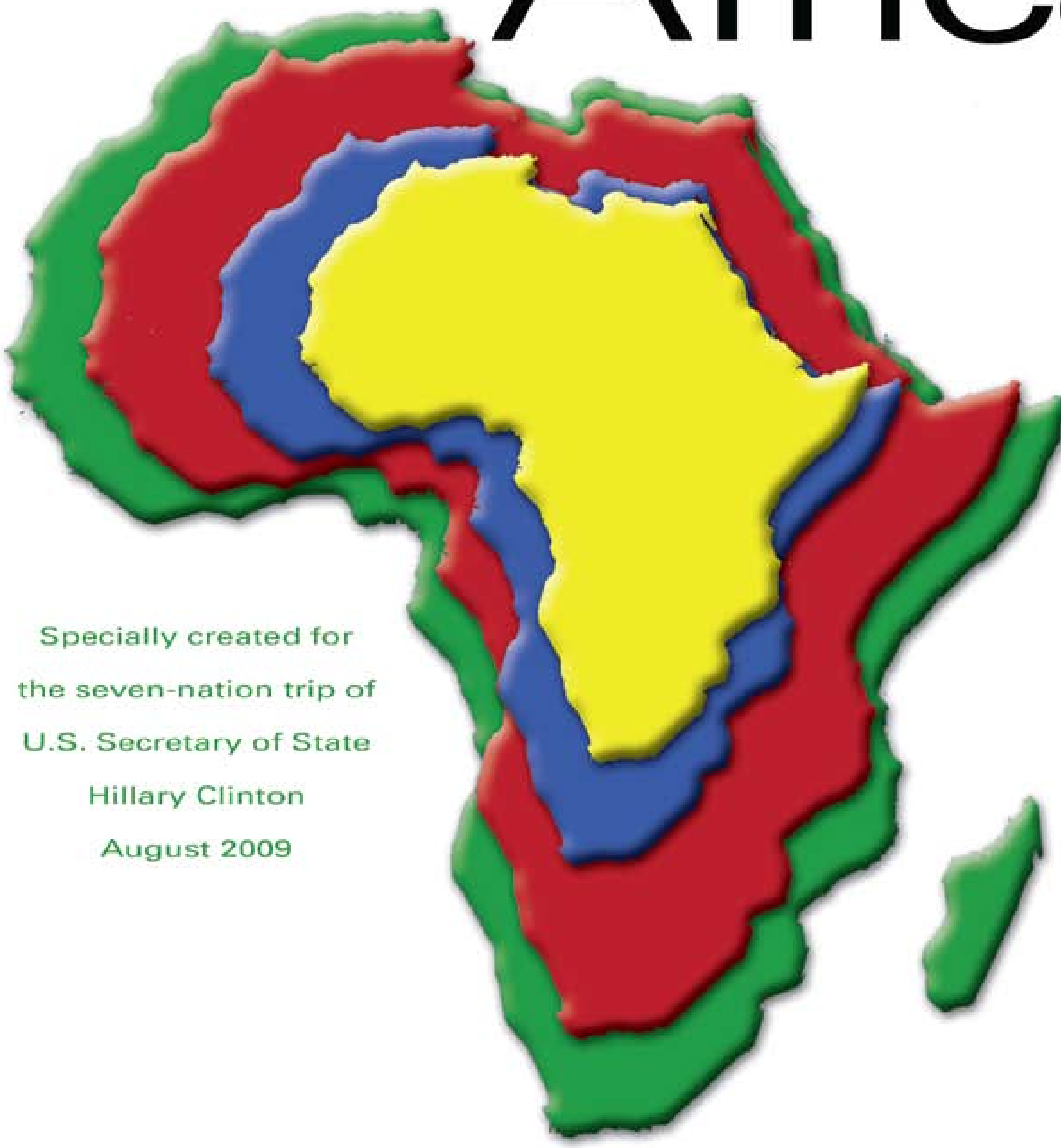
Economic Growth in Africa



Specially created for
the seven-nation trip of
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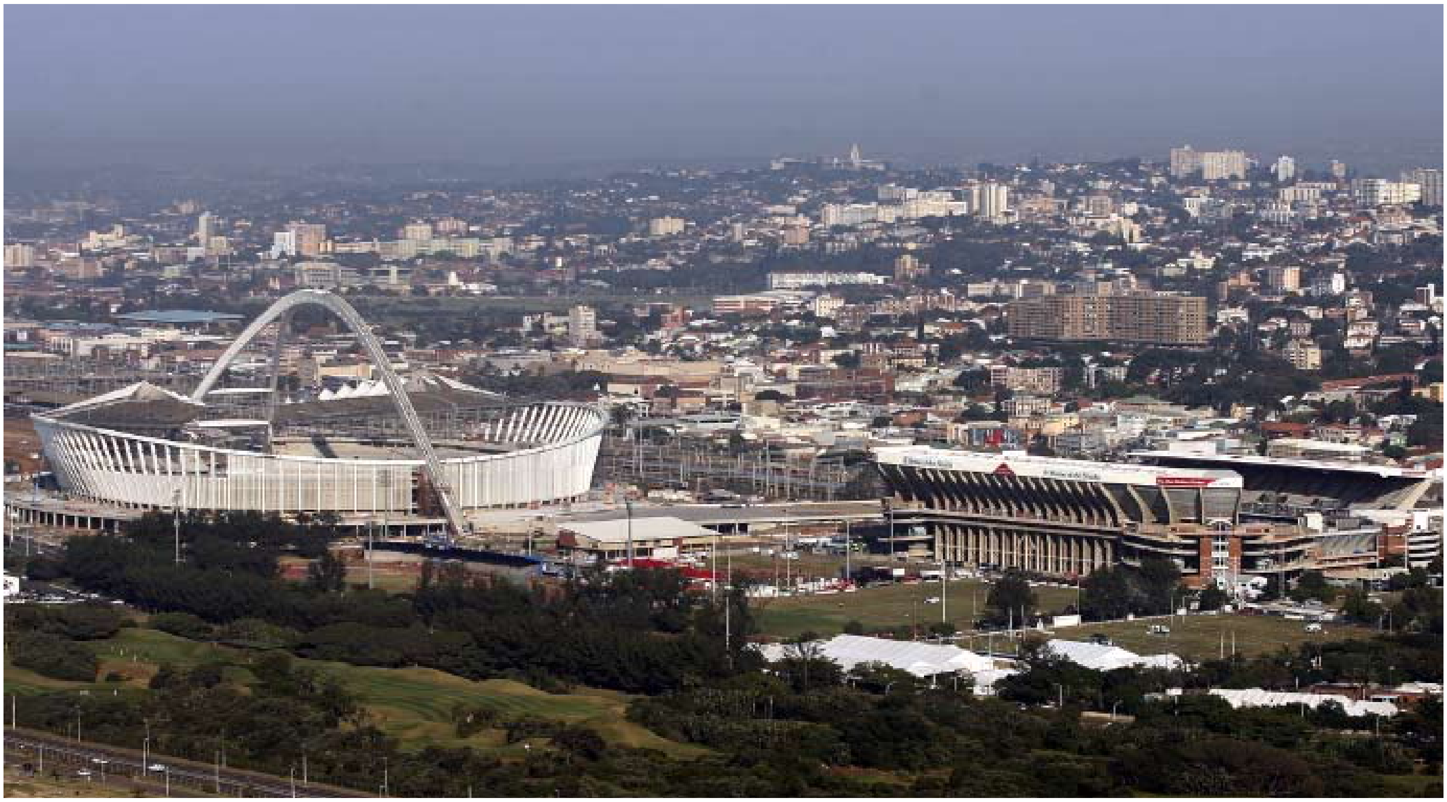


Durban, South Africa, prepares for the 2010 World Cup soccer tournament. (© AP Images)

AGOA Promotes Economic Cooperation, Trade in Sub-Saharan Africa

By Merle David Kellerhals Jr.

The primary goal of the African Growth and Opportunity Act (AGOA) — which was signed into law as part of the larger Trade and Development Act in 2000 — was to help increase both the volume and diversity of U.S. trade with sub-Saharan Africa.

"AGOA also promotes economic cooperation and trade among the countries of sub-Saharan Africa by encouraging intraregional trade among AGOA beneficiary countries," Assistant U.S. Trade Representative Florizelle Liser testified at a recent congressional hearing. Two-way trade between the United States and sub-Saharan Africa was $104.6 billion in 2008. This was more than triple the amount in 2001, the first full year of AGOA implementation, she said.

Total U.S. trade with sub-Saharan Africa in 2002 under AGOA totaled $23.92 billion, and it has risen each year since then, according to U.S. government reports.

However, Liser said, the United States recognizes that trade with Africa has dropped as a result of the global economic crisis and declining oil and commodity prices. Many more African nations are taking advantage of the liberal trade opportunities under AGOA, she said, but some are facing significant challenges in their efforts to increase trade.

"We are continuing our efforts to increase the number of AGOA-eligible countries taking advantage of the program, and we are also trying to address the many supply-side constraints the Africans face, and to help them increase the range and quality of products being traded and improve Africa's overall competitiveness," Liser said.

The 8th AGOA Forum, held August 4–6 2009 in Nairobi, Kenya, is part of the AGOA law. There is an annual meeting between the United States and African nations known as the AGOA Forum. The August forum is the eighth such event. Its theme focuses on encouraging private investment that will help expand trade and economic growth for the AGOA countries.

Liser said that if sub-Saharan Africa increases its share of global trade by just 1 percentage point to 3 percent, it would generate additional export revenues of $70 billion annually. "This reflects the importance of trade as a critical platform for Africa's economic growth, which is nearly three times the amount of current annual assistance to Africa from all donors" she said.

Economists believe that striking a critical balance between trade volume and diversity of the exports is essential to long-term regional economic development and growth.

AGOA — which has been modified several times since its original enactment — was designed to extend preferential treatment to imports from eligible countries that are pursuing market reform measures, said Danielle Langton, an international trade and finance analyst with the U.S. Congressional Research Service, in a recent analysis of AGOA. "Data show that U.S. imports under AGOA are mostly energy products, but imports to date of other products have grown," she said.

The AGOA law also directs the U.S. president to provide government technical assistance and trade-capacity support to AGOA countries, Langton said. Government agencies with roles in helping African nations include the U.S. Agency for International Development, the Office of the United States Trade Representative, the U.S. Overseas Private Investment Corporation, the U.S. Export-Import Bank, the U.S. and Foreign Commercial Service and the U.S. Trade and Development Agency.

Liser said that exports from the continent are concentrated in primary commodities such as petroleum, minerals, cocoa and coffee. She added that "there is little of the manufacturing engine in sub-Saharan Africa that has fueled economic growth and reduced poverty in other regions of the world."

And Liser said that agriculture, which is regarded as Africa's strong suit, has not been a positive contributor to export trade. In 2005, she said, the region switched from being a net exporter to a net importer of farm products.

"We believe that export diversification and further processing of agriculture products into higher-value exports could help improve food security in the region by addressing issues of availability and stability of food supply," Liser said.

U.S.-AFRICA TRADE PROFILE

U.S. total trade with sub-Saharan Africa, which includes both exports and imports, rose 28 percent in 2008 from the year before, as both exports and imports grew, according to a U.S.-Africa trade profile published by the U.S. Commerce Department's International Trade Administration (ITA). In 2008, U.S. exports totaled $18.6 billion, compared with $14.4 billion in 2007, and imports in 2008 reached $86.1 billion, compared with $67.4 billion in 2007, the ITA report said.

Exports were driven by demand for machinery, vehicles and parts, wheat, noncrude oil, aircraft and electrical machinery, which included telecommunications equipment. U.S. imports of African products were led by crude oil and passenger vehicles, the report said.

Port workers unload a a cargo of rice in Conakry, Guinea. (© AP Images)

Infrastructure is Crucial to Development

By Charles W. Corey

Infrastructure development is an essential building block in Africa's long-term economic growth and development, and that goal can best be accomplished through both a regional and continentwide approach.

This was the overriding theme expressed by a variety of specialists and experts attending the 2008 U.S.-Africa Infrastructure Conference, entitled "Connecting the Continent," which took place in Washington October 6–8. The event was sponsored by the Corporate Council on Africa.

Addressing the conference were U.S. Department of Transportation Deputy Secretary and retired Vice Admiral Thomas J. Barrett and retired U.S. Marine Corps General Anthony Zinni, who has worked in more than 70 countries worldwide and now serves as an executive vice president in charge of business development for DynCorp International.

While Africa is a continent of great potential, "unlocking that potential remains complicated and an enormous challenge," Barrett told his audience of business executives and potential investors.

"To make the most of the many opportunities and the great potential that is there," he said, "Africa is candidly going to have to become a continent much more on the move. The inefficiencies and the deficits with respect to transportation infrastructure are going to have to be worked on and overcome a bit if the potential of the African continent is to be realized."

To that end, he said, the U.S. Department of Transportation has been working both in the United States and Africa to establish some effective transportation partnerships — "partnerships that can be effective and that can make a real difference in terms of transportation networks and the people of Africa."

During a recent African Growth and Opportunity Act (AGOA) Transportation Forum in Cape Town, he said, both government and business representatives "renewed a commitment to growth" and agreed on a series of principles to aid in the development of integrated transportation networks.

Integration of transportation networks is important, Barrett said, because one of the major problems now facing Africa is port infrastructure. He cautioned that the issue is not just getting goods to the docks, "it's getting stuff off of the dock into the country or from the interior of the country to the dock whether by rail, road or truck." For that to be successful, he explained, networks must be integrated and work collectively.

Barrett saluted African governments for realizing the important role that transportation plays in developing economies and building nations. "If you look … back in the history of the United States, back to our founding, you will see things like the development of canals, transcontinental railways and interstate highway systems — networks if you will — to connect the country. We think that encouraging that type of progress is essential and a necessary precursor to growth." In the United States, he said, an increasing number of public-private partnerships are helping to expand infrastructure in the United States. "We think that [approach] can be done highly effectively in Africa as well, if done well," he said. "What we see … are projects delivered faster … at lower costs. We see projects that make more sense to the businesses that have to operate on those networks so they become effective and efficient."

Barrett pledged to help Africa "embrace a similar approach." While working and investment capital is often in short supply in the public sector, that is not often the case in the private sector. With its knowledge and funding commitments, the private sector can be employed to help Africa enhance its transportation networks. Whether it is road, rail or ports, "the opportunity is there" to be seized, he said.

The role of government, Barrett said, is to "set the conditions for successful investment by these private partners. You need positive and reliable conditions for investment … to succeed," within a reliable environment where contracts are honored and the rule of law is observed. A regional approach and alliances to minimize costs and maximize benefits and safety are also advantageous, he said. In closing, Barrett reminded his audience that "transportation is an underpinning of economic growth. … Working on those networks, making them efficient, safe and reliable, is a path toward economic development and growth."

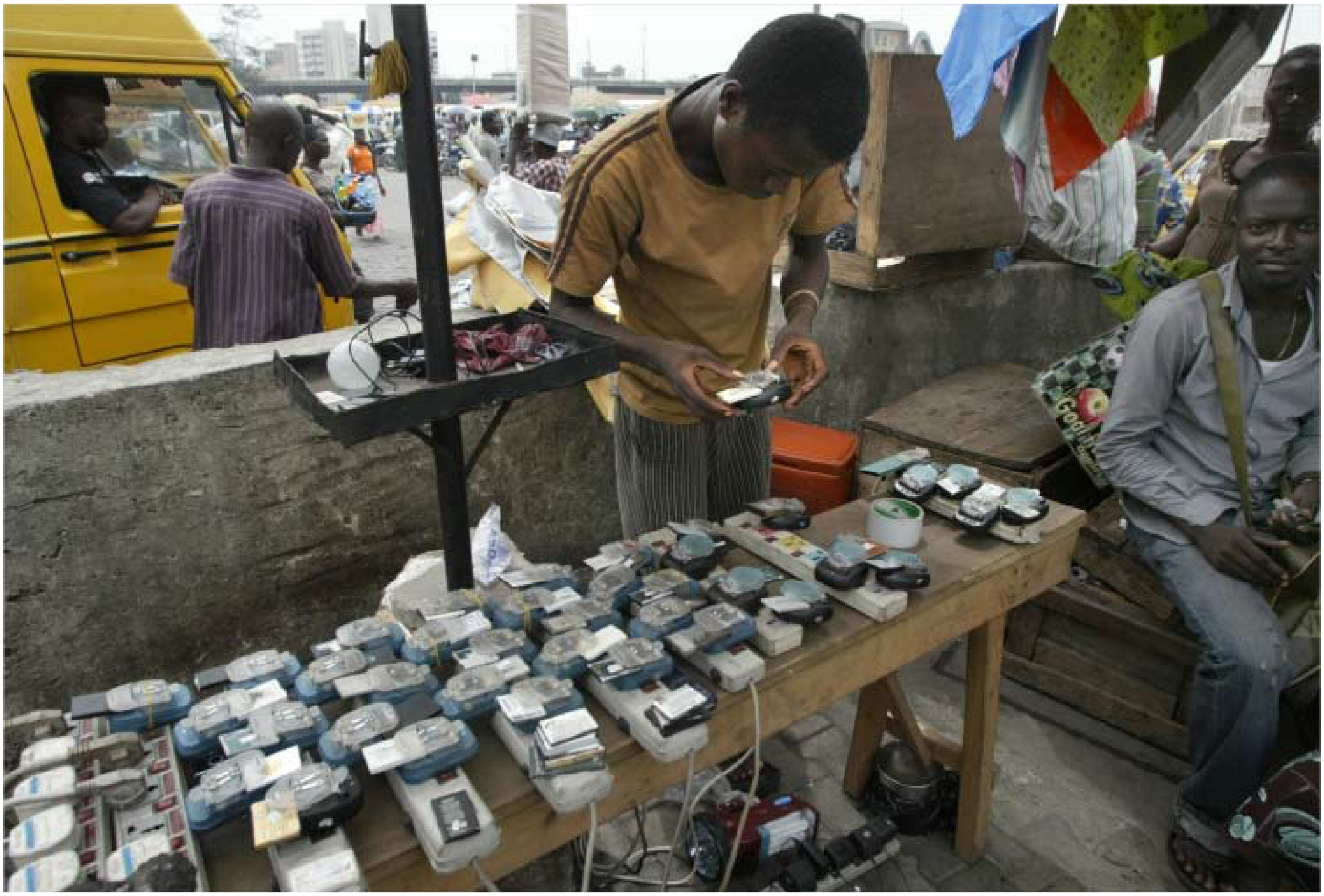
Also addressing the opening session, Zinni identified four key factors necessary for Africa to build infrastructure and encourage investors to become involved:

• One — The use of vision and strategic design on a regional basis to construct commercial corridors that not only transport goods from point to point but also feed smaller businesses and spur economic growth all along the network. "It is important," he said, "to mobilize subregional organizations" that already exist across Africa to address the issue of transportation infrastructure.

• Two — Building skills locally to develop capacity. "The ability to plan, train, educate, to deliver the work force" from the local population is essential. Local people must be invested in the system, he said.

• Three — The securing of resources and the encouragement of investors to build for the long term in such a way that those networks benefit both investors and the local population.

• Four — An environment of effective governance, security and regional coordination, which is essential to any investor. At this point, he said, everybody has a role, from African governments to investors to the donor community, in ensuring that projects are meaningful, risks are acceptable and transportation networks are sustainable.


A vendor charges mobile phone batteries in Lagos, Nigeria. (© AP Images)

New Technologies Strengthen Africa's Economy

By Megan Neff

Across Africa, new technologies are being joined with local customs to strengthen the continent's infrastructure and economy.

Using information and communication technologies (ICTs), such as mobile phones and the Internet, Africans are finding business and trade to be easier and more affordable, said Sala Patterson, a policy analyst at the Paris-based Organisation for Economic Co-operation and Development (OECD).

Patterson, along with representatives of the U.S. Agency for International Development (USAID), the African Development Bank and Africare, spoke with Congressmen Donald Payne and Charles Rangel and the European Commission's Ambassador John Bruton June 18 on Capitol Hill. The panel discussed the annual "African Economic Outlook," a study that examines Africa's economic development over the past year and makes projections for the coming year.

In Africa, where communications networks have been limited, things are beginning to change, according to Payne. New ICTs, such as text messaging, are surpassing old communication networks in Africa, which have been handicapped by geography and politics.

These new ICTs are enabling Africans to access information on health and agriculture and services such as online banking, and to connect more effectively with the rest of the world. European companies, such as the United Kingdom's Vodafone and France's Vivendi and Orange, are turning their attention to the African market, where only 40 percent of Africans own a cell phone. By contrast, cell phone usage in Europe is at nearly 100 percent, said Laura Recuero-Virto, an economist for the OECD. Nokia, Intel and Microsoft are also investing in the African ICTs.

Projected economic growth for Africa in 2009 is 3 percent, down from 6 percent last year, said Leonce Ndikumana, research director for the African Development Bank. A report cited by the African Economic Outlook study shows that increased use of ICTs in Africa is helping to sustain parts of the African economy during this time of economic turbulence.

For example, mobile phones in Niger, one of the poorest countries in Africa, are being used as marketing tools. Farmers are able to text and use the Internet to communicate with markets around their farm and find the best prices for their goods. This has helped to reduce prices and it allows farmers to bring goods where they are most needed and where they will get the highest profit.

Online banking has also helped to sustain African communities through the recession, and there have been significant strides in increasing the affordability of money transfers. Where a Western Union transfer of 1,000 Kenyan shillings (about $13) would cost the user a 500 shilling transaction fee, Patterson said, with M-Pesa, a new money-transfer service available between cell phones, Kenyans can send the same amount with a transaction fee of 30 shillings to 75 shillings (about 39 cents to 97 cents). The lower transaction fees offered by M-Pesa have attracted 5 million users to the service in the past two years. M-Pesa is seeking to expand in East Africa and Afghanistan.

Africa still faces challenges with Internet accessibility and technical infrastructure. According to the panel, less than 7 percent of Africans have Internet access, and the Internet that is available is inconvenient and expensive, accessible only along the fiber optic lines laid along the west coast of Africa or through satellites. Limited Internet resources and lack of competition among Internet providers have led to exorbitant costs, the panel said.

But, Patterson said, broadband connections should be more widely available in Africa as the infrastructure expands. It is hoped that a web of fiber optic cables will be able to connect all of the main metropolitan areas in African by 2012.

For this expansion to take place, the African Economic Outlook study found, local government involvement will be extremely important to ensure that price drops are passed on to the consumers, and that ICTs are properly integrated into overall infrastructure development.

Businesswomen check their wares at an herbal medicine market in Lagos, Nigeria. (© AP Images)

Entrepreneur Shares Business Tips with African Women

By Charles W. Corey

The ability to manage effectively, work hard and continue to hold a sincere passion for your business are the three most important traits for any entrepreneur, according to a business consultant.

Rachel Allgood, entrepreneur and chief creative officer of Isocurve, a consulting firm she founded in 1996, made that point in a U.S. Department of State webchat with women entrepreneurs March 19. Many of the webchat participants were from Africa.

Allgood was one of three women business owners who recently represented the United States at the 2009 International Women's Entrepreneurial Challenge in New Delhi.

"I think it is imperative to love what you do," Allgood told women entrepreneurs in Zambia and Uganda. "That is first and foremost for me. Money has never been a driving force. … It is the excitement of working in new technologies and being a part of innovative branding programs that promote one's particular brand of products," she said.

It is also important, she said, "to be willing to mentor and nurture employees and allow them to take the spotlight whenever possible. That is what will allow you to step into new areas and allow the business to grow. If you try to control every detail, the business will stagnate. So, you have to be willing to make mistakes yourself and let others do the same. That is how we all learn."

Asked about starting a business, Allgood said any entrepreneur first must ask a series of questions: "What do you want to do? And is there a market need for it? Do you have funding in place? Once you figure out the nuts and bolts of your business model, then you will find your answer. You need to put pen to paper and write down all of your pros and cons, what you have in place and what you need to do. This is not a decision you make effectively without doing the basic homework first," she said.

Asked for some tips on how to run a business and keep it healthy, Allgood said business owners must ensure they have enough cash on hand to operate and be able to maintain an educated, well-trained staff. "A business is similar to the human body," she said. "When one component is out of balance, the rest tends to suffer."

She continued: "I think the reason many business fail is the inability to be agile. Nothing is absolute. The world is constantly changing as is technology, as is business — the ability to move swiftly and adapt allows for survival."

Asked what prompted her to start her own business, Allgood said "Entrepreneurship takes a certain kind of optimism. Not fake but real. There are challenges every day, from lack of cash to an employee with personal problems. Each has to be tended to. At the end of the day, we have to find a purpose in what we do — that helps light the way."

Many women entrepreneurs face significant challenges when balancing home and business responsibilities, Allgood said. "Some women seem to do this very well. They have extremely supportive families, husbands, and co-workers. Others struggle and get caught in the cycle of being overwhelmed and not truly succeeding at anything. This is a choice that each woman has to make for herself.

"Each person has to examine her internal and external resources and also her business choices — does the work require enormous amounts of travel, long hours, employees, or is it an idea that can be brought to fruition part-time from home?"

Asked what women entrepreneurs have contributed to the world, Allgood told her audience, "I think it is not just women entrepreneurs but women in all lines of work" who have made such contributions. "Women have had to work under the radar for centuries — funneling scientific ideas through their brothers and husbands. These women have paved the way for all of us.

"Women entrepreneurs," she continued, "have found a way to make money and affect community in unique ways — just look at Anita Roddick, the founder of The Body Shop International [seller of soaps and beauty products] and all the work she does to help disadvantaged communities. And Mary Kay Ash [the founder of Mary Kay Inc., a cosmetics company] who has helped millions of women find a way to own their own businesses.

"We all, men and women, need to remember that our businesses are intrinsically connected to our communities and it is our responsibility to give back and help those who may just need a helping hand," she said.

Asked how women in business can function during an international economic crisis, Allgood said, "Crisis always brings opportunity. It is not just about working hard, but smart. What do people need that you can offer? … Also crisis is a great time for innovation. People are more willing to listen when they are in need of good solutions."

Four presidents arrive at the 2nd East African Investment Conference, in Nairobi, July 29, 2009. From left to right: Kenya's Mwai Kibaki, Burundi's Pierre Nkurunziza, Paul Kagame of Rawanda, Abied Karume of Zanzibar. (© AP Images)

African Countries Must Compete for Investment Capital

By Charles W. Corey

Africa faces competition for U.S. investment capital in a highly competitive global marketplace, but the continent also is seen by many American business executives as a market that cannot be ignored — the "last frontier for growth."

Those are two of the main conclusions in "A Conversation Behind Closed Doors: Inside the Boardroom. How Corporate America Really Views Africa," a report recently released by the U.S. Chamber of Commerce.

The report's authors polled top decisionmakers in 30 leading multinational corporations in business sectors from aerospace and health care to media and transportation. Anonymity was guaranteed to all respondents. The U.S. Chamber of Commerce is the world's largest business federation, representing more than 3 million businesses and organizations of every size, sector and region, as well as 112 American chambers of commerce (American business groups) in 99 countries.

Competition for America foreign direct investment is high, the report says. “Countries from all regions showcase their advantages, align their offers to U.S. needs, clamor for attention, and invest in their own countries to attract additional investment. Consequently, U.S. corporations do not lack investment choices, and rarely consider African nations.”

The report states that news media reports about Africa often focus on chaos and unrest, and “Africa is not active or aggressive enough about attracting investment; the voices of the few countries that are making an effort get lost in the surrounding negative noise.”

However, the report credits some African countries for making special efforts to assist foreign countries that invest in Africa and particularly praises Nigeria’s government for regularly engaging local leaders of foreign companies to help cut through cumbersome and sometimes meaningless bureaucratic requirements imposed by local governments.

“U.S. corporations need a strong and specific draw from Africa to make investment worthwhile,” according to the report. “This can be the lure of a robust market, or a belief that there is a competitive advantage to early entry into African markets. The survey data show that few of these pulls exist or are not sufficiently enticing to be effective in the near term.”

ACCENTUATING THE POSITIVES, OVERCOMING THE NEGATIVES

The survey identifies several key factors for influencing and attracting foreign direct investment:

• a strong rule of law with an independent judiciary that can arbitrate any disputes in an unbiased manner;

• a pro-investment environment that breaks down trade barriers and promotes the free movement of people and goods;
• a promise of rewards that outweigh the risks undertaken by investors; and

• a supportive business framework with transportation and communication infrastructure, trained or trainable human resources, and equitable trade, investment and employment practices.

Impediments to investment cited by the report include an image that many African countries are fraught with difficulties such as poor investment climates and corruption, with “the apparent lack of political will to curb it.” Additionally, “executives do not believe that they are at a competitive disadvantage because they are not investing in African countries” and therefore are reluctant to invest.

The report, based on polling of private sector entities, is the first of two planned on Africa’s investment climate. A second will be based on a survey of the public sector, which will be conducted over the next several months.

Africa is home to 14 percent of the world’s population. More than 1,000 languages are spoken in Africa, and the continent encompasses some 53 countries, covers 20 percent of Earth’s total land area and contains about 30 percent of its mineral reserves.

Yet U.S. investment in sub-Saharan Africa stands at a “very small percentage” of worldwide total U.S. investment, according to a Congressional Research Service report to Congress published in 2008. At the end of 2006, the report says, U.S. investment in sub-Saharan Africa stood at $13.75 billion, or less than 1 percent of total U.S. investment abroad.

U.S. investment in Africa is heavily weighted toward natural resources, with 47 percent (excluding Egypt) in the mining and petroleum sector, compared to 13 percent in manufacturing, 22 percent in holding companies and 5 percent in wholesale trade.

Women gather in a market in Niger. (© AP Images)

United States Seeks Expanded Economic Growth in Africa

By Merle David Kellerhals Jr.

A central objective of U.S. trade relations with sub-Saharan Africa is to create a platform for expanded African economic growth, says a senior U.S. trade official.

"Sub-Saharan Africa's current share of global trade is less than 2 percent, down from 6 percent in 1980," Assistant U.S. Trade Representative Florizelle Liser testified June 24 at a congressional hearing.

"If sub-Saharan Africa were to increase that share by just 1 percentage point to 3 percent, it would generate additional export revenues of $70 billion annually, which is nearly three times the amount of current annual assistance to Africa from all donors. This reflects the importance of trade as a critical platform for Africa's economic growth."

Liser said that exports from the continent are concentrated in primary commodities such as petroleum, minerals, cocoa and coffee. She added that "there is little of the manufacturing engine in sub-Saharan Africa that has fueled economic growth and reduced poverty in other regions of the world."

And Liser said that agriculture, which is regarded as Africa's strong suit, has not been a positive contributor to export trade, and that in 2005 the region switched from being a net exporter to being a net importer of farm products.

"We believe that export diversification and further processing of agriculture products into higher-value exports could help improve food security in the region by addressing issues of availability and stability of food supply," Liser said.

Liser said that the African Growth and Opportunity Act (AGOA), a U.S. trade law enacted in 2000 by the Clinton administration, is a tool that has helped to increase both the volume and diversity of U.S. trade with sub-Saharan Africa. Economists believe that striking a critical balance between trade volume and the diversity of the exports is essential to regional long-term economic development and growth.

"AGOA also promotes economic cooperation and trade among the countries of sub-Saharan Africa by encouraging intraregional trade among AGOA beneficiary countries," Liser said. Two-way trade between the United States and sub-Saharan Africa was $104.6 billion in 2008, counting exports and imports, which was more than triple the amount in 2001, the first full year of AGOA implementation, she said.

However, Liser told the congressional hearing that the United States recognizes that trade with Africa has declined as a result of the current global economic crisis and declining oil and commodity prices. Many more African nations are taking advantage of the liberal trade opportunities under AGOA, she said, but many more are facing significant challenges in their efforts to increase trade.

"We are continuing our efforts to increase the number of AGOA-eligible countries taking advantage of the program, and we are also trying to address the many supply-side constraints the Africans face and to help them increase the range and quality of products being traded and improve Africa's overall competitiveness," Liser said.

U.S.-AFRICAN TRADE PROFILE

U.S. total trade with sub-Saharan Africa, which includes both exports and imports, rose 28 percent in 2008 from the year before, as both exports and imports grew, according to a U.S.-African Trade Profile published by the Commerce Department's International Trade Administration (ITA). In 2008, U.S. exports totaled $18.6 billion, compared with $14.4 billion in 2007, and imports last year reached $86.1 billion, compared with $67.4 billion in 2007, the ITA report said.

Exports were driven by demand for machinery, vehicles and parts, wheat, noncrude oil, aircraft and electrical machinery, which included telecommunications equipment. U.S. imports of African products were led by crude oil and passenger vehicles, the report said.

The top five African destinations for U.S. products were South Africa, Nigeria, Angola, Benin and Ghana. U.S. imports from the oil-producing countries grew in every case from Nigeria, Angola, Republic of Congo, Equatorial Guinea, Chad and Gabon, the report said.

Dock workers load bananas in Bukoba, Tanzania. (© AP Images)

AGOA, MCC Spur Trade, Investment

By Charles W. Corey

The African Growth and Opportunity Act (AGOA) and the U.S. Millennium Challenge Corporation (MCC) are cornerstones of the Obama administration's development policy for Africa because they are complementary and have the potential to stimulate trade and investment across the continent.

Jeri Jensen, MCC's managing director of private-sector initiatives, and Jonathan Bloom, deputy vice president for Africa programs at MCC, described the importance of AGOA and MCC in a recent interview with America.gov.

The MCC is an innovative and independent U.S. foreign aid agency that is helping lead the fight against global poverty. Created by Congress in January 2004 with strong bipartisan support, MCC is changing the conversation on how best to deliver U.S. foreign assistance by focusing on good policies, country ownership and results.

Jensen said the trade preferences for some African products under AGOA "are really only part of the equation." Companies looking to invest in Africa also look beyond the trade breaks. For trade preferences to be effective, Jensen said, "they must go hand in hand with the infrastructure that a company needs to lower costs, to increase competitiveness, to get [its] goods to market. Most MCC countries have chosen to invest in infrastructure, and that is supportive of the same goals that AGOA is trying to accomplish in terms of increasing Africa's competitiveness in the world."

Currently, 11 of MCC's 18 compact countries are in Africa, with $4.5 billion of its $6.3 billion invested in Africa, Jensen said. A compact is a five-year grant agreement between the Millennium Challenge Corporation and an eligible country to fund specific programs targeted to reduce poverty and stimulate economic growth. MCC also awards smaller grants as part of its threshold program. Currently, MCC has granted $440 million in assistance as part of its poverty-reduction threshold program in Africa and countries worldwide.

Jensen said these "programs combine agribusiness and infrastructure. There is no [other] program that actually does both that I am aware of." Increases in gross domestic product that come from agriculture-related projects, Jensen said, provide twice as much poverty reduction as other types of projects provide.

Jensen estimated that 70 percent of MCC's portfolio is agriculture-related, and many infrastructure programs the agency funds also boost agriculture in some way.

Bloom said MCC only does one thing: poverty reduction through economic growth. "There are lots of other valid purposes for American assistance," he said, "but that is all we do. It is pretty simple to state, but is pretty hard to do. It is focused on generating economic growth in poor countries for poor people in the country — which in turn benefits the country and along the way the United States."

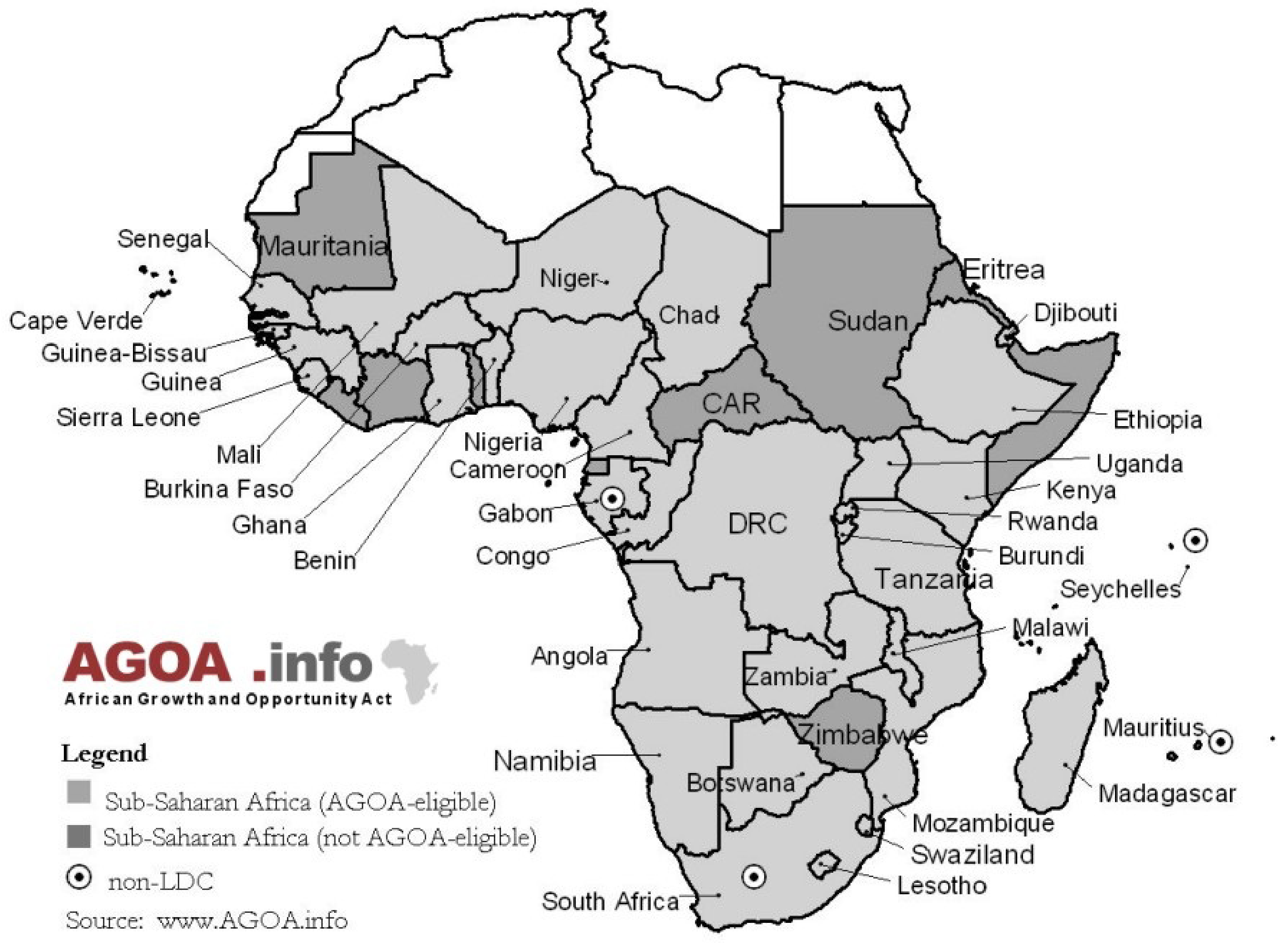
Bloom said MCC operates on three key principles. First, MCC only works in countries with strong policies supporting a free political system and a sound economic system and that invest in their people. Second, once MCC goes to work in a country, the country designs and owns the program it originated. Third, because results matter, the agency takes measurements before and after the program to create a "disciplined environment in which people want to invest."

MCC is often the largest donor operating in a country, using significant grant funding that can total as high as $700 million, and it is predictable over five years. If a business wants to take advantage of MCC or AGOA, there is certainty that the funds will be there for five years, Jensen said.

Illustrating that point, Bloom cited Ghana and President Obama's visit to the nation July 10–11. The president's message, Bloom said, "was that Ghana has taken a lot of the hard steps toward good governance. That made Ghana eligible as an MCC country in the first round. ... Ghana has built a strong political and economic climate to encourage private investment. The MCC grant to Ghana of $547 million — which at the time we signed it [in August 2006] was the largest to date — has a comprehensive set of investments to build on the agriculture value chain and in particular their trade capacity and to attract private investors."

Additionally, Bloom said, MCC is engaged in transport-infrastructure improvement critical for trade — such as roads in Tanzania that run to the Kenya border and the rehabilitation of important ports in Benin and Cape Verde, "both of which are critical trade hubs for both of those countries." In Mali, he said, MCC is also supporting the rehabilitation of that landlocked country's airport, which is its critical link to the outside world.

Economic Growth in Africa



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