

Ambassador Marcia Bernicat

Remarks

American Chamber of Commerce Breakfast

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Pullman Hotel

Thank you all for allowing me to address you this morning. I always enjoy spending time with the American Chamber of Commerce in Dakar – and it's a bonus to be able to partake of a nice breakfast at the same time!

This morning, I want my remarks to inspire you. I want them to encourage you. I want you to leave here this morning ready to be drivers of change in Senegal. I'm going to challenge you to embrace your important role in shaping Senegal's future.

First, let's look at Africa, this bold continent full of potential. Some people talk about its "untapped" potential, but I know that this group sees more clearly than that. The American Chamber of Commerce in Senegal is a group that knows from experience what others are just beginning to understand.

We know that Africa is the future. In June 2010 the McKinsey Global Institute published a report called "Lions on the Move." The report paints a picture of Africa that is different from the usual images of crushing poverty and insurmountable challenges. Let me share a few of the report's findings impressive observations with you.

Did you know that African consumers spent \$860 billion in 2008? What about the fact that 360 million Africans became new mobile phone subscribers in the past decade? 20 companies in Africa have revenues of at least \$3 billion and Africa's collective GDP in 2008 was \$1.6 trillion – roughly equal to Brazil's or Russia's.

McKinsey and other analysts say that we are living in a part of the world that represents the future of business. According to the report, Senegal is a "transition country." It has a growing economy and a rapidly increasing services sector, with plenty of room to grow. Some transition countries are increasing their exports of manufactured goods, particularly to other African countries. The potential is tremendous, and as McKinsey says "global businesses cannot afford to ignore" it.

Of course, challenges remain. It is incumbent upon you – the heart of Senegal's business community – to help this country overcome these challenges. By and large, Africa still doesn't produce what Africa needs; and trade is more prevalent with other emerging countries, not within Africa itself. Senegal would do well to find ways to meet the demand of other African markets. Elsewhere on the continent, Foreign Direct Investment has begun to surpass remittances. Senegal needs to become part of this trend.

The prospect for business is clear. 40% of Africans will be middle class by 2020. That means translates into 128 million African households who will have discretionary income to spend on consumer goods. How can you make sure that your business benefits from these trends?

The good news is that many American businesses are well on their way to riding this wave of prosperity in Senegal. We've had a lot of trade successes. Some great American brand names have been here for a while, others are just arriving. In the past year alone, there has been 50% growth in US exports to Senegal.

Both IBM and Hewlett Packard are opening direct-hire offices in Senegal in 2011, joining Pfizer, Google, Citibank, Ernst and Young, UPS, and Delta, to name just a few.

In December 2010, GE Capital Aviation – a company out of Stamford, Connecticut – began leasing commercial aircraft to the new Senegal Airlines. This is their first venture in Senegal.

In January 2011, BSL Water, of Newport Beach, California, made their first sale of water purification equipment in Senegal. They are currently establishing a branch sales office in Dakar that will serve all of Francophone Africa.

In short, now is the right time for U.S. companies to invest in Africa. And much of the credit for this goes to President Wade. I congratulate President Wade for his vision to make Senegal a gateway for trade for the West African region. He has been advocating and building the infrastructure to make this vision possible. I am fond of saying that Senegal should be the Singapore of West Africa and it can be. It requires determination.

Before independence in 1965, Singapore had a GDP per capita of \$500 USD – half of the current GDP per capita of Senegal. Today Singapore's per capita GDP has risen to \$42,600 USD. Consider one of the principal reasons why: the World Bank ranks Singapore the world's top logistics hub. I see no reason why Senegal, with its improving infrastructure, should not aspire to be a logistics and business link between West Africa and the world.

However, there is definitely one thing that can prevent Senegal – and by extension all of you and your businesses – from succeeding. As we said in our 2010 Investment Climate Statement, corruption – or the perception of corruption – raises the costs and risk of doing business. Corruption exists in every country, but when vigorous concrete steps are not taken to combat it, corruption has a corrosive impact on the business climate. It deters international investment, stifles economic growth and development, distorts prices, and most dangerously, undermines the rule of law.

All U.S. companies, irrespective of their size, that do business in Senegal, are required to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to uphold their obligations under relevant international conventions by criminalizing their own companies' acts of corruption, including bribery of foreign public officials.

Your challenge, if you choose to accept it, is to make yourselves indispensable to your government at all levels. USAID and other donors are committed to promoting reforms, but after two and ½ years serving in Senegal, I don't see how the country can get to the front of the economic pack unless you members of the business community become effective advocates for the kind of economic reforms that will create an environment that is more business-friendly. In doing so, you will help improve the lives of all Senegalese. You need to convince your government that your expertise is vital to its success: when you profit, Senegal profits.

During this year of important change, more than ever, your advocacy is needed. Please do not miss this opportunity! Think of 2011 as a year of preparation, because every post-election year, regardless of who wins, creates opportunities for change. But now is the time to do the groundwork for that change.

Where to start? You might want to identify specific focus areas and set up working groups to list key concerns and draw on your corporate experience to illustrate to government officials how policy or procedural changes would address those concerns and improve the business climate. As members of the American Chamber of Commerce, you represent successful businesses which have a stake in a stronger Senegalese and regional economy. And, speaking with one voice, you will enhance your credibility and your influence with the government more than if you each pursue individual efforts.

I call on each of you to also have a positive impact on President Obama's objective of doubling U.S. exports by 2015. He has set a goal of increasing exports from \$1.57 trillion U.S. in 2009 to \$3.14 trillion in 2015. I urge you to do your part to help realize this goal!

Finally, as part of your effort to advocate for responsible business practices which can help secure Senegal's reputation as a preferred place to invest and trade, I would encourage the AmCham to prepare a report on Senegal's business environment, a report which would be shared directly with the government, prospective businesses, and the public. Again, no one knows this market like you do.

American businesses are seeing successes in Senegal and we want that trend to continue. Please strengthen AmCham's role as a liaison, ensuring that American investment meets the needs of Senegal and the region and that investors profit from this trend and inspire others to follow their lead.

I leave you to reflect and act on the challenge to help Senegal reach a higher level of development. I look forward to hearing from you in the weeks and months to come about the ways you have found to meet this challenge -- to the benefit of us all.

Thank you for your time. Thank you for your attention, and thank you for the role that you play to bring American companies here.

And remember... when you profit, Senegal profits. When you lead, Senegal wins. When Senegal wins, the world wins. I am confident you can help this country live up to its potential!

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