

Opening of Hewlett Packard Regional Office in Dakar
Ambassador Lewis Lukens
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Hotel Meridien President

Honorable Moustapha Guirassi, Minister of Telecommunications;
Mr. Antoine Barre, Vice President of Hewlett Packard;
Distinguished Guests

Thank you for joining me to celebrate the opening of Hewlett Packard's office in Dakar.

I am excited to welcome Hewlett Packard to Senegal. HP joins an impressive group of U.S. companies now doing business here including Google, IBM, GE, Pfizer, Citibank, Delta, UPS and Ernst & Young -- to name just a few. These companies have come to Senegal for very good reason, and I would like to share with you a few of them.

The International Monetary Fund, or IMF, predicts that in the coming decade, seven of the world's fastest growing economies will be in sub-saharan Africa. Standard Chartered Bank has stated that over the next 20 years Africa's average economic growth rate will be 7 percent, slightly faster even than that of China. And, economists at Goldman Sachs predict that by 2050, the 11 largest African economies will reach \$13 trillion USD, making them larger than Brazil and Russia combined.

Senegal has also experienced significant growth in recent years. GDP growth is projected to continue to rise at over 4 percent in 2011. Additionally, Senegal has a tremendous legacy of stability and democracy. This legacy bolsters its economic growth and makes it an attractive country for direct foreign investment. Senegal also enjoys better financial and telecommunications services than many other African countries. As a gateway to West Africa, it is easy to see why Hewlett Packard and others are establishing their regional offices in Dakar.

Furthermore, for many leading IT companies, Africa is the last frontier of significant growth. This is why many of the U.S. companies here in Senegal are information technology corporations. As a market of 1 billion consumers, 14 percent of the world's population, Africa can no longer be ignored by the world's leading companies.

Moreover, President Wade has made it a priority of his administration to decrease the digital divide. As a leading IT company, Hewlett Packard will continue to help diminish the digital divide by contributing to the development of Senegal's economy. No doubt HP can play an important role in improving Senegal's public services, such as healthcare and education, through the use of information technology. The recent signing of a Memorandum of Understanding between HP and the University Cheikh Anta Diop, to help develop the next generation of young IT professionals, is an example of HP's commitment to investing in education and the future of Senegal.

There are however persistent obstacles to economic growth in Africa and Senegal. According to a recent survey of U.S. business leaders by the U.S. Chamber of Commerce, the largest obstacle to doing business in Africa is lack of rule of law. As President Obama stated in his historic speech in Ghana two years ago, “No country is going to create wealth if its leaders exploit the economy to enrich themselves . . . No business wants to invest in a place where the government skims 20 percent off the top . . . No person wants to live in a society where the rule of law gives way to the rule of brutality and bribery . . . now is the time for it to end . . . Africa doesn’t need strong men,” he stated. “[Africa] needs strong institutions.”

Senegal needs to continue to strengthen its institutions and the rule of law. Authorities need to take actions to combat counterfeiting, money laundering and to enforce intellectual property laws. There must be no doubt that foreign businesses will be treated fairly and honestly as they operate in Senegal. Also, Senegal and Africa must continue to handle their internal conflicts peacefully, continue to build functioning institutions, and continue to strengthen the foundations of democracy, in order to become an important player in the next phase of globalization. As labor costs rise in much of Asia, and as capital begins to prospect for productive opportunities elsewhere – the world will be looking more closely at Africa.

What can the U.S. do to increase direct foreign investment in Senegal? The drivers of Africa’s recent economic growth have, in truth, not been the U.S. or Europe, but Brazil, Russia, China, India and the Gulf States. These emerging economies have taken advantage of investment opportunities on the continent because they view Africa as a trading partner and as a market for their wares. The U.S. business community needs to view Africa not just as an aid recipient, but as a trading partner. HP joins a number of U.S. companies that are leading this change in attitude.

U.S. direct foreign investment in Senegal is estimated at \$150 million USD. And from 2009 to 2010 the U.S. – Senegal trade balance increased slightly from \$213 million USD to \$218 million USD. I hope to see these figures continue to rise in the coming decades.

I am pleased to see the entrance of HP into Senegal. HP is investing in a series of landmark initiatives aimed at improving the lives of Senegalese through the use of technology. The U.S. embassy in Dakar will continue to support the growth of U.S. businesses in Senegal. I am confident that the U.S. and Senegal’s historic friendship of the past and present will continue to growth towards a bright economic future. Thank you.