

AFRICAN EXPORT-IMPORT BANK
BANQUE AFRICAINE D'IMPORT-EXPO
(AFREXIMBANK)



SPEECH DELIVERED BY

**DR. BENEDICT ORAMAH, PRESIDENT AND CHAIRMAN OF
THE BOARD OF DIRECTORS, AFREXIMBANK
AT THE OPENING CEREMONY OF THE 22ND MEETING OF THE
BANK'S ADVISORY GROUP ON TRADE FINANCE AND EXPORT
DEVELOPMENT IN AFRICA**

July 22, 2016, Mahé Island, Seychelles

H.E. Mr. James Michel, President of the Republic of Seychelles

H.E. Mr. Danny Faure, Vice President of the Republic of Seychelles

H.E. Chief Olusegun Obasanjo, Former President of the Republic of Nigeria

Your Excellencies, Ambassadors and Heads of Diplomatic Missions;

Honourable Governor of the Central Bank of Zambia and Chairman of the General Meeting of Shareholders, Dr. Denny Kalyalya;

Honourable Ministers;

Honourable Parliamentarians;

Governors of Central Banks;

Distinguished Representatives of Shareholders

Members of the Board of Directors of the African Export-Import Bank

Former Presidents of Afreximbank, Messrs. Christopher C. Edordu and Jean-Louis EKRA

Executive Vice Presidents, Management and Staff of Afreximbank;

Ladies and Gentlemen of the Press;

Distinguished Ladies and Gentlemen

Some twenty-two years ago, the pioneer President of the African Export – Import Bank, Mr Christopher Edordu, conceived the idea of an *Advisory Group on Trade Finance and Export Development* for the Bank. His intention then was that the Group would provide an intellectual compass to guide the strategy of the Bank, which was then hardly one year old. The first meeting of the Advisory Group held in Cairo in late 1994 set the pace, outlining strategic priorities the Bank should focus on. Afreximbank is what it is today, thanks to the wonderful insights arising from that debut meeting. Subsequent meetings have built on that success. So this year, as Afreximbank begins its deliberate effort towards pursuing its key mandate of promoting intra-African trade, it is not surprising that the subject matter has been made the theme of the deliberations of the Advisory Group. And which better place can offer the best atmosphere for a deep introspection than the tranquil and

warm Seychelles. I will like to thank His Excellency, President James Michel and the people of the Republic of Seychelles, for accepting to host us and for their tremendous support towards the organization of an event of this magnitude.

As I said earlier, a few months ago, we began an important journey; a journey contemplated some twenty-three years ago; a journey whose time is now right; a project we can only postpone at our peril. Ever since the 1960s when many African economies gained political independence, Africa has remained a region of promise; a continent of enormous potential. Many have often wondered why the generally acknowledged boundless potentials have not been converted to kinetics; why the promise is proving illusory, a mirage to some who have lost the will to fight or wait.

Your Excellencies, Distinguished Ladies and Gentlemen,

I hypothesize that the reason for this sorry state of affairs is Africa's fractious nature. With 54 countries, Africa is the continent with the highest number of constituent countries; it is the continent that is least interconnected in terms of infrastructure; it is the region with the least intra-regional banking relationships; and no wonder it is the continent that trades the least with itself. Despite the significant growth in Africa's merchandise trade over the past decades, the level of intra-African trade remains low at 15 percent. In comparison, intra-regional trade share of total trade of Europe is at 67 percent; 55 percent in Asia and 37 percent in North America. I dare say that this state of affairs has contributed to the continent's low level of industrialization.

Your Excellencies, Distinguished Ladies and Gentlemen,

We do not need a fortune-teller to predict that a continent with low levels of trade and industrialization can only be

found at the lowest rungs of the development ladder. It is therefore not surprising that Africa occupies this unenviable position today! As a Pan African Institution, we are firm believers in the power of **UNITY** in resolving Africa's development challenges; we believe that greater intra-African trade will foster that unity and put Africa on the path to industrialization, sustained economic growth and structural transformation and greater relevance in global affairs. Boosting intra-African trade will also reduce the exposure of the region to recurrent commodity price shocks.

At the African Export-Import Bank, we have made a deliberate choice to promote intra-African trade to serve as the pivot around which the continent's developmental aspirations will revolve. It is within this context that we chose this theme for the 22nd Meeting of the Bank's Advisory Group on Trade Finance and Export Development

to be ***Intra-African Trade and Structural Transformation of African Economies.***

By way of background, distinguished Ladies and Gentlemen, in April this year, we unveiled our intra-African Trade strategy, which sets out our intra-African trade promotion intentions and how we plan to convert those intentions into reality. The launch of the plan approved by Afreximbank Board of Directors in early April this year puts us on a **Journey of No Return.**

Your Excellencies, Distinguished Ladies and Gentlemen, the Plan is founded on Key pillars of **CREATE, CONNECT AND DELIVER, with an ancillary pillar of Measure.** The three key pillars confirm Afreximbank's intentions of intervening across the value chain of intra-regional trade while the ancillary pillar indicates Afreximbank's commitment to ensure that most of the trade is recorded. I would like to

assure all of you gathered here that Afreximbank is committed to being the **INTRA-AFRICAN TRADE BANK** as envisaged by its founding fathers. The Bank has developed solutions that touch the producers of goods and services, the traders and the buyers. We will be there from “farm to mouth and from factory to the home”; ensure that goods are bought and sold from Dakar to Dar Es Salam and facilitate intra-trade payments and funds transfer from Cape to Cairo! We realize that **INTENTIONS** are **KEY** but that **ACTIONS** are **KING. WE WILL THINK CLEARLY AND ACT DECISIVELY.** We want to ensure that in the foreseeable future, never again will intra-African trade be in the periphery of Africa's international trade; never again will Africa's economic fortunes be heavily tied to commodities; and never again will African economies be mere appendages of other markets.

The momentous and definitive journey we have embarked upon is intended to convert us and all like-minded

individuals from faithful believers to men and women of action – committed to a seemingly arduous, but achievable goal of contributing to increase intra-African trade by 50 percent to about 250 billion US dollars and from its current share of 15 percent of Africa’s total merchandise trade to 22 percent.

We recognize the determination and sacrifices that are required to drive intra-regional trade towards our goal; we are mindful of the resource requirements; we recognize the risks and the passionate intensity required. But we are in this race in full agreement with J. K. Rowling, who contends that “*We are only as strong as we are united, as weak as we are divided*”; and with Gwendolyn Brooks who posits that “*we are each other's harvest; we are each other's business; we are each other's magnitude and bond*”. Strengthened by a shared value, we aim to harness and unleash the power of some unifying forces we believe all Africans share, namely the hatred against poverty, the

hatred against de-industrialization, the hatred against the drownings of our brothers and sisters in the Mediterranean as they desperately seek for a better life they cannot find here in our continent.

Distinguished Ladies and Gentlemen, it is said that it is a drastic change that unleashes revolution and not the other way round. We hope that the economic challenges many African economies are currently facing as a result of commodity price shocks will create the change that will drive the intra-regional trade revolution our strategy is actively championing. The time is ripe; we must seize the moment.

It is because we understand the enormity of the tasks ahead; and the intellectual capacities required for implementing the choices we have made that we decided to present this as a subject matter for discussion at this meeting. We recognize that a broad debate would generate

ideas that could make the seemingly impossible possible; and the difficult, easy. We are therefore pleased to have you all here and welcome an active debate.

Your Excellencies, distinguished Ladies and Gentlemen, the rest of the day will therefore be devoted to discussions around intra-African trade as a catalyst for accelerating the process of structural transformation of African economies. I would like to encourage all of us to contribute to the discussions so that we can have a common understanding of the state of affairs and our common expectations. Speakers have been drawn from various fields and regions in order to broaden the debate and enhance cross-fertilization of ideas.

I thank all the speakers, panellists and moderators for agreeing to join us here and for voluntarily granting us the benefits of their knowledge and expertise. I would like in particular to thank Professor Joseph Stiglitz, Columbia

University Professor and 2001 Nobel Laureate in Economics, Professor Justin Lin, former Snr. Vice President and Chief Economist of the World Bank and Director of the Center for New Structural Economics at Peking University in China for joining us today. I would also like to use this opportunity to thank Afreximbank former Presidents, Messrs, Christopher Edordu and Jean Louis Ekra for finding time to be here with us to share their deep knowledge and experience on the subject matter of this conference. Special appreciation also goes to H. E. President Olusegun Obasanjo, the Former President of the Federal Republic of Nigeria.

Please allow me to thank Honourable Ministers and Central Bank Governors who, despite other pressing engagements created the time to be here with us. I would also like to thank all of you who have contributed and continue to contribute in diverse ways to make this event a success.

We totally owe the success to you and hope you will leave here fulfilled that your objectives of contributing to the process of structural transformation of African economies through trade would be met.

Your Excellency Mr. James Michel, Your Excellencies, Distinguished Ladies and Gentlemen,

As I close, let me remind all of us that our mission is to restore the glory of Africa fully aware of the fact that as Jomo Kenyatta said ***“our children may learn about the heroes of the past. Our task is to make ourselves the architects of the future”***.

I thank you all for listening.

Dr Benedict Oramah
President and Chairman of the Board of Directors