

The Honourable Minister of Economy, Finance and Planning, Mr. Amadou Ba, represented by the Secretary General of the Ministry.

Secretary General of FCI (Mr. Peter Mulroy),

Factoring and banking colleagues,

Ladies and Gentlemen of the Press,

Ladies and Gentlemen.

Bonjour!

Permit me to seize this opportunity to express on behalf of the President of the African Export-Import Bank, Dr. Benedict Oramah, our most profound gratitude for honouring our invitation to participate in this Regional Conference on Factoring in Africa being held in collaboration with FCI, the global representative body for Factoring and Receivables Finance Industry. Although we are already six weeks into the New Year, it is still apt to wish you all a happy and successful 2018.

We are excited that this Conference which we have dubbed ***“Domestic and International Factoring: Alternative Tools for Developing SME Financing in Africa”*** is taking place in this historic and beautiful resort city of Dakar. The vibrancy of this country, most importantly, is etched in the hospitality of its people (Teranga), which we have enjoyed since arriving here.

There couldn't have been a better location for the Conference!

Honourable Minister, Distinguished Ladies and Gentlemen,

Today's workshop is a continuation of the Bank's capacity building activities aimed at developing the skills of African factors, creating awareness on the potential benefits of the product and ultimately, promoting the emergence and

development of factoring businesses across the continent. This particular workshop is however, unique in that it will look concretely at the importance and effectiveness of factoring in developing SME financing in Africa.

There is overwhelming evidence that regional cooperation and integration remain the key instruments through which an African economic renaissance can be attained and marginalization mitigated.

Indeed intra-African trade and deeper regional integration provide impetus for the expansion of value chains through industrialization. This presents new market opportunities for enterprises, in particular SMEs. This is because Senegal's Industrial Park on the outskirts of Dakar can be the processing hub for Mali's cotton, yarn or even fabrics. Senegal can also process its groundnuts and those of the region; as well as its fish and those of its neighbours such as Mauritania. However, in spite of the potential upside, small and medium sized enterprises, and in fact whether in terms of regional or domestic supply chains, continue in Africa to face a large number of constraints chiefly the lack of access to finance.

Taking learnings from other regions, such as Europe, where SMEs account for the largest share of factoring volume which is the equivalent of 10.4% of the GDP for EU or 1.5 Trillion Euros, the opportunity exists for Africa to expand its regional value chains through factoring.

The paradox however is that Africa, a continent exceptionally endowed with both human and natural resources, presently accounts for a paltry 1 percent of the global factoring turnover.

Honourable Minister, Distinguished Ladies and Gentlemen,

It is within this context that the Bank is leading efforts to develop factoring in Africa. The Bank has a dedicated line to support factors in Africa. The Bank also sponsored the development and promotion of a Model Law on Factoring in Africa

that was launched in October 2016. The Bank partners key institutions across the continent to advocate for reforms in financial regulations to facilitate growth of factoring in Africa case in point being the collaboration with Nigerian Export Import Bank (NEXIM) in pushing for changes to the foreign exchange regime in Nigeria to admit Factors as dealers of foreign exchange in a bid to expand the modes of payment to include Open Account.

The Bank is also working with the Organization for the Harmonization of Business Law in Africa (OHADA) to institute and harmonize Factoring law among its 17 West and Central African member countries, using Afreximbank's model law as guide.

Government of the Republic of Senegal, through the ***Emerging Senegal Plan (Plan Sénégal Émergent)***, emphasizes financial inclusion and SME support as a critical pillar for structural transformation. The food and beverage industries in Senegal, for instance, which are already playing a critical role across regional value chains in West Africa, presents a blueprint for empowering SMEs through factoring as a tool for accelerating regional integration.

We believe that this Conference is an integral part in the journey to transform Africa. The knowledge we will garner in the next two days will be instrumental in equipping participants with relevant tools to support the growth of factoring in the continent.

As I close, please permit me, Honourable Minister, distinguished Ladies and Gentlemen, to use this opportunity to thank the Government of Senegal for supporting this Conference. I also thank our partner, FCI, as well as our event Sponsors, who have helped make this Conference possible. Our gratitude also goes to all Resource Persons. We also welcome attendees, some of whom have travelled from far distances. We will be pleased to meet and engage with you all and look forward to continuing dialogue into the future.

I trust that you will all find this Conference a rewarding learning experience.

I thank you.

Kanayo Awani

Managing Director, Intra-African Trade Initiative, Afreximbank

Chairperson of the Africa Chapter of FCI