

As Prepared for Delivery

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Jambo!

I am delighted to be able to return to Kenya. I know this is a beautiful land, with warm and friendly peoples, rich in history, and infused with the spirit of *harambee*.

My visit marks the first time a United States Trade Representative has traveled to sub-Saharan Africa. It is fitting that I should start in Kenya, because Kenya and America have been *marafiki* for many, many years.

I am pleased that Minister Biwott could be here today. Last year we worked closely together on both the African Growth and Opportunity Act, AGOA, and to launch a new global trade negotiation for the WTO at Doha. I told him then that I wanted to visit him in his wonderful country.

I want to thank the many distinguished members of Kenya's government who are with us today: The Minister of Foreign Affairs; the Minister of Finance; the Minister of Agriculture; and the Attorney General.

I also want to thank Ambassador Carson. He is well known and respected in Washington, and we are fortunate that he is here to draw Kenya and the United States closer together.

Thanks as well to the hosts of this event: the Kenyan Association of Manufacturers; the American Business Association; and the Organization of Women in Trade. I appreciate all that you are doing to advance economic development in Kenya and throughout the region.

There is another, sadder tie that links my country with yours. We have both seen and been hurt by the inhumanity of terrorism. We have bound our wounds together, as brothers and sisters, friends and strangers who became warm partners.

My country is grateful to President Moi and the Kenyan people for your words of support following the

terrorism of September 11. We know that your feelings are from the heart. And we know that together we will overcome this evil scourge.

Listening and Learning

The nations of sub-Saharan Africa, encompassing almost 650 million people, are confronting critical questions about the years ahead: How will you draw the benefits of globalization? How will you promote long-term economic growth and development in more open societies? And how will you tap the genius and energies of the African people so as to raise the living standards of all Africans?

Many people, from many parts of the world, speculate about the answers to these questions. Too often, the loudest voices come from outside Africa. I think the people of Africa must be heard, and their ideas must provide the basis for the answers.

That is why I have come to Africa. I want to hear how Africans think they can most effectively connect free trade to Africa's economic rebirth, its regional integration, and political reforms. I want to hear the dreams of the upcoming generations of Africans and what they think about their future in the global economy.

Therefore, my first purpose in Africa is to listen and learn. I was honored to meet with President Moi earlier today, and in the week ahead I will be meeting with President Mbeki and President Mogae, and senior government leaders from countries throughout east and southern Africa. And I will hear other voices of Africa: students; environmentalists; journalists; local leaders; factory workers; farmers; medical workers and patients; and computer trainees.

From these sessions and others, I hope to hear how the United States and sub-Saharan Africa can strengthen ties in practical ways today while laying the groundwork for an African and American strategy for tomorrow. In particular, we would like to explore five avenues:

First, we want to strengthen AGOA and America's trade relationship with Africa.

Second, we would like to encourage the development of African structures and capabilities to participate in, and benefit from, global trade.

Third, we seek to advance our common objectives in the new global WTO trade negotiation launched at Doha.

Fourth, we want to hear African perspectives on exploring the possibility of free trade agreements with South Africa and the members of the Southern African Customs Union,

Fifth, we want to learn more about and highlight the contributions of trade to economic development

and overcoming poverty in Africa.

Trade and the African Tradition: Looking Forward

During my one year as the U.S. Trade Representative, I have seen that African governments are taking a more assertive, and constructive, role in the global trading system.

In doing so, a new generation of Africans, many of whom came of age after the struggle against colonialism, are tapping deep into the roots of African culture. Through the ages, Africans have been some of the pioneers of open commerce, and trade has been part of the fabric that weaves Africa together. Long before Arab traders crossed the Sahara – before the age of European imperialism – African peoples were participants in far-reaching economic networks and the architects of indigenous regional bonds. Indeed, in studying African history, I was struck that trade spurred the first great African civilizations:

- Ancient North Africans were among the world’s first truly international traders, reaching across the Arabian Sea, the Indian Ocean, and the Mediterranean.
- From the 8th to the 11th centuries, the civilizations of Ghana, Mali and those living along the Niger River delta exchanged gold, ivory and kola nuts for North African salt, horses, fruits, and copper.
- The emergence of Ghana’s empire in the 10th century stemmed significantly from its place on one of the most active trans-Saharan trade routes.
- Beginning in the 10th century, the people of Mapungubwe – along the Limpopo River in what is today South Africa – maintained extensive trade contacts with the Indian Ocean coast, where they exchanged cattle products for goods from far away Asia.
- Between 1000 and 1500, communities that stretched from Somalia to Mozambique became the linchpin between eastern and southern Africa and the Asian trade networks that extended from the Mediterranean to China – exchanging gold and ivory for Arabian cloth, Persian beads, and Chinese porcelain. Indeed, Swahili – a name derived from the Arabic word for coasts – reflects this rich heritage of Bantu language and Arabic trade.
- In the 13th century, Great Zimbabwe directed the export of gold to Indian Ocean ports in modern-day Mozambique and Tanzania.
- In the 14th century, Sofala, Kilwa, Mogadishu, and Malindi were linked through an active trade in gold.

For much of Africa’s pre-colonial history, trade was conducted almost entirely free of intervention from

local leaders. Like some of Africa's new thinkers today, earlier Africans recognized trade to be an engine of economic growth and a vehicle for spreading new ideas and technologies. The forerunners of Africa's new outward-looking generation also learned through experience that trade must be encouraged, not commanded: When the leaders of the Kingdom of Dahomey, in what is now Benin, started to place high taxes on trade late in the 19th Century, the locals moved their trade elsewhere, and the kingdom crumbled.

Africa's vibrant culture of trade was interrupted by a shameful period in human history that spanned nearly three centuries, when millions of Africans were forcibly abducted from their native lands and shipped across the Atlantic Ocean. America, too, was ripped asunder by slavery, paying the price, in Lincoln's words, of the "bond-man's two hundred and fifty years of unrequited toil" with blood drawn by lash and sword. Yet through this ongoing struggle, every segment of American life has gained from the sons and daughters of Africa.

The passing of slavery as an institution loosely coincided with the imposition of another – the European imperialists' colonial system. Yet the struggle for independence continued, and the peoples of Africa ultimately secured their freedom.

Nelson Mandela – a truly heroic figure of the 20th Century – has pointed out that as African leaders were waging their battles against colonialism, they were distracted from another enemy that could be equally oppressive: poverty. Some post-independence leaders were attracted by a supposedly new economic model of socialism, government controls, and autarkic production. Trade followed the COMECON model of balanced barter, not market growth. These experiments weighed down the African spirit, creativity, vitality, and ability to generate and freely exchange property and prosperity.

One of Africa's challenges in the 21st Century, said Mandela, will be "for the continent to focus energies and resources on shaping its own development." This struggle, he has said, is being led by "a new generation of African leaders, capable men and women who are not prepared to accept as inevitable the current condition under which the ordinary African lives." Whether through a New Partnership for Africa's Development, the economic empowerment of African families, or other ways to promote peace, investment, trade, and freer markets, there are exciting opportunities – but also challenges – for Africa's next generations.

I have had the pleasure of meeting, and working alongside, some of those who belong to this new generation of leaders. A decade or more ago, when I was serving in the U.S. Treasury and State Departments, many Africans were still fearful of moving beyond protectionism and economic isolationism. The subdued tones I heard then have been succeeded by a choir of African voices, singing about the virtues of open markets, free trade, and economic and political liberty.

Some, of course, are singing louder than others. There are discordant sounds at times. But my work with Africans over the past year has affirmed my belief that there are forces stirring in this continent –

among entrepreneurs, students, and governments – that will not shrink from the challenge. They want to liberalize trade and deepen ties with the global economy so as to draw from the world, contribute to it, and help Africa grow stronger by looking ahead. These Africans recognize the words of Kofi Annan: “The poor are poor not because of too much globalization,” he said, “but because of too little.”

America and the New Africa

A new breeze is blowing between the United States and Africa. While our relations were once marked by fears, suspicion, and inattention, today they are animated with a potential for dynamism, cooperation, and mutual respect. The United States and the nations of Africa have natural ties. Born in struggles for independence from colonialism, we both need to draw strength from our diversity. We both are proud of our traditions, but recognize that our future depends on reinventing ourselves within larger global changes.

President Bush is committed to strengthening America’s economic and political bonds with Africa, and is leading by example: Last year, he met with nine sub-Saharan African heads of state, and he will meet with three more later this month at the White House. I am the second member of President Bush’s Cabinet to come to Africa, following Secretary Powell’s trip here in May. Secretary of the Treasury Paul O’Neill and Secretary of Commerce Don Evans are looking forward to visits in coming months.

The United States recognizes the valuable role African nations, and African peoples, can play in promoting a more peaceful and prosperous world. In the 19th Century, the European perspective dominated: Strong countries kept other nations weak so that they could dominate them. In the 21st Century, there must be a new perspective: Healthy, prosperous, and confident nations will benefit from stronger and more successful partners around the world. Troubled nations export problems such as disease, flows of displaced persons or illegal immigration, environmental damage, crime, narcotics, and violence. Healthy nations create stronger regions through economic integration and political cooperation. And while I do not believe the evil of terrorism has its root cause in poverty, broken and impoverished societies can feed those who foment destruction instead of creation.

As President Bush said last May at the inaugural U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum, “We Americans want to be more than spectators of Africa’s progress. We want to encourage a brighter future through policies that nurture and support freedom and democratic reform.”

Fulfilling the Potential of U.S.-African Trade: The Gateway of AGOA

Africa and America are already doing business together, although there is potential for much growth. One out of every six dollars worth of Africa’s exports go to the United States, making America Africa’s largest single export market. The United States is also the largest foreign investor in Africa. The United States imports roughly the same amount of oil from Africa as we do from the Persian Gulf. And the

value of U.S. exports to Africa is greater than American exports to the former Soviet Union.

The African Growth and Opportunity Act illustrates the tremendous potential of the U.S.-Africa trade relationship. AGOA extends duty-free and quota-free access to the U.S. market for nearly all goods produced in the 35 eligible nations of sub-Saharan Africa.

Enacted less than two years ago, AGOA is helping to transform the economic landscape throughout Africa: It is stimulating new trading opportunities for the region's businesses and entrepreneurs, creating jobs for people who have never worked for a weekly wage, and bringing hundreds of millions of dollars in new investment to some of the poorest parts of the world. AGOA is promoting ties between the United States and Africa based not on the old formula of aid and dependence, but through trade and opportunity. Consider the numbers: Imports of products covered by AGOA totaled \$8.4 billion in the first 11 months of last year, an 1,100 percent increase over the same period in 2000. Anecdotal evidence suggests that AGOA's incentives have generated nearly \$1 billion in investment.

Here in Kenya, exports to the United States increased by more than 20 percent during the first nine months of last year, compared to the same period in 2000. There is a Kenyan proverb that says "seeing is different than being told." I know Kenya has been told how it can benefit from trade; it should now be much easier for Kenyans to see how they are benefiting from trade. Thanks to AGOA, Kenya has attracted \$13 million in new investments, estimates Kenya's Ministry of Trade, and investments in the years ahead are expected to generate directly and indirectly an estimated 200,000 jobs.

Kenya has been among the most active in utilizing the opportunities AGOA creates. Kenya was the first country to take all of the steps to qualify for AGOA's apparel benefits, and Minister Biwott and Permanent Secretary Chemengich have tended carefully to the seeds planted by trade.

As the most developed economy in East Africa, with a well-educated population, a tradition of entrepreneurship, and a bustling port in Mombasa, Kenya's potential benefits from deepening its regional and global trade ties could help transform its economy if matched by complementary reforms. The rays of opportunity created by AGOA shine bright through much of sub-Saharan Africa:

- Uganda recently announced that AGOA is a major factor in the country receiving a \$20 million investment in a spinning mill. The mill will employ 500 people and benefit local cotton growers.
- Thanks to AGOA, Lesotho has attracted over \$120 million in new investment in one year – four times the amount of its annual foreign aid. One new mill investment in Lesotho is expected to generate 5,000 new jobs.
- South African exports to the United States under AGOA were almost \$700 million during the first nine months of 2001 – an increase of almost 60 percent over the same period in 2000. South Africa's clothing and textile association predicts that AGOA will create about 66,000 jobs in South

Africa's clothing sector in the coming years.

- U.S. imports of textiles from Madagascar grew from \$22 million in 1998 to \$155 million in the first ten months of 2001, a 700 percent increase in 4 years.
- And U.S. textile and apparel imports from Malawi are up 161 percent.

The *Wall Street Journal* wrote recently about how AGOA has invigorated Madagascar's economy: It has helped to generate 30,000 jobs; U.S. imports from Madagascar rose over 1,300 percent during the first nine months of 2001 compared to the same period the previous year. Retail analysts predict that by 2005 apparel factories in Madagascar could employ more than 70,000 workers and contribute up to 10 percent of the country's GDP.

The growth in Madagascar's textile exports to the United States has produced a classic multiplier effect: More factories are being built, which means more construction and engineering business. And even more benefits are expected to materialize as shipping companies see Madagascar as presenting new opportunities for commerce. Altogether, Madagascar has experienced a 10 percent rise in employment since AGOA's enactment, generating valuable tax revenues.

The new jobs – in Madagascar and throughout Africa – also provide something of unquantifiable value: hope, backed by a sense that Africans can move beyond colonial legacies, dependency, and frustration . . . to empowerment, responsibility, and opportunity. And AGOA is benefiting women, as they compose much of the workforce in key export sectors: 70 percent in apparel production; 80 percent in agriculture; and 90 percent in food processing.

AGOA's success is comprised of real stories about real people. Consider the difference AGOA made for Tokki de Beers, a former South African police detective who in 1998 opened a food processing factory in the Western Cape town of Wellington. A year ago, his company, Trufruco, had four employees. Today it has 45, and AGOA spurred its growth: The reduced tariffs on food products implemented through AGOA helped Trufruco secure a lucrative contract to sell sugar-free fruit bars to a California company.

Or take the case of another South African company, Dynamic Commodities, which sells a specialty ice cream. Andy Varty, the company's owner, has said that because AGOA eliminated a 20 percent tariff on his ice cream, he landed a valuable contract to sell his new product to a major American food outlet. And Marieta van Heerden, the owner of a Cape Town-based company, Solz Sandals, reports that over the past year she has won a number of contracts with U.S. companies, owing to the reduced duties on footwear ushered in by AGOA.

The flower of economic development is beginning to bloom in Africa, but we would like to see that blossom bursting with the full life and color of this continent. Twelve nations have instituted the customs

and visa reforms to qualify for lifting all duties on eligible apparel products, and last week we added two more nations to that distinguished list: Mozambique and Tanzania. And we are working with the U.S. Congress to strengthen and improve AGOA.

The Bush Administration will work with Kenya and other African nations to connect the trade openings created by AGOA to an integrated strategy: capacity-building; export financing; investment insurance; and financing for equity and infrastructure. We cannot have a truly global trading system unless we include the 10 percent of the world's people living in Africa within this network for prosperity.

African nations are not, however, the only nations with their eyes on the U.S. market. With quotas on apparel and textiles set to disappear in 2005, African countries must gain a foothold now if they are to remain competitive with producers from other developing nations, such as China and Pakistan. African nations will need to continue with their reforms – economic and political – if they are going to realize the full long-term gains from trade with the United States.

Africa's Stake in Global Trade and the WTO

In 1990, the International Monetary Fund classified 75 percent of African countries as operating “restrictive” trade regimes; none were classified as “open.” Today, the IMF deems only 14 percent of Africa’s trade regimes “restrictive,” and 43 percent are “open.”

The growing movement for openness has helped to deliver higher living standards in pockets of Africa. Over the past few years, a number of countries achieved economic growth rates exceeding five percent, while keeping inflation in single digits: Benin; Botswana; Burkina Faso; Cameroon; Mauritius; Mozambique; Senegal; Tanzania; and Uganda.

As more African countries integrate their development strategies with the opening of global trade, they may wish to channel more of their development efforts through the World Trade Organization. The WTO is one of the key pillars of international economic openness and commercial fair play. Membership, acceptance of WTO disciplines, and behavior consistent with WTO purposes enables countries to draw strength from the international trading system while enhancing the organization from which we all gain. The WTO is of particular benefit for developing nations, because it puts all 144 member economies on a level playing field and provides a neutral forum for setting rules and adjudicating disputes. Indeed, the WTO agenda is a diary of topics of greater consequence to the daily lives of ordinary people than that of most any other international assembly.

A few years ago, President Mbeki urged his fellow African leaders to “insert ourselves into the international debate about the issues of globalization and its impact on the lives of the people and make our voice heard.” As the largest single regional grouping within the WTO, African nations can utilize it to accelerate their integration with the global economy, while easing the occasional stresses of doing so.

African governments took this approach at the WTO Ministerial meeting in Doha this past November, playing a key role in its success. I worked closely, and cooperatively, with Minister Biwott, and Ministers Bello of Nigeria, Erwin of South Africa, Seretse of Botswana, Simba of Tanzania, and many others to launch the Doha Development Agenda. I am looking forward to building on these networks in the months and years ahead to sustain that momentum. Indeed, when I visited the WTO in Geneva last month, I made sure that I sought the counsel of the African Ambassadors posted there.

The WTO meeting in Doha also marked another significant accomplishment: The African ministers communicated that they will not be spoken for by other representatives of the developing world.

African nations have much to gain from the ambitious mandate for the global trade negotiations just getting underway. Consider the following:

- In agriculture, the new negotiations are aimed at opening markets and cutting trade-distorting subsidies. With many African economies – including Kenya’s – still heavily dependent on agriculture, opening new markets to their farm exports could do much to counter poverty throughout the continent. The U.S. Department of Agriculture has estimated that complete elimination of distortions in agriculture trade would produce a 27 percent increase in the annual agriculture exports of developing nations.
- In manufacturing, the negotiating mandate is to reduce or eliminate tariff and non-tariff barriers on industrial products. The effect for consumers will be more choices of goods and lower prices. For developing countries, there can be new opportunities to fit within global supply chains and integrated production networks.
- In services, liberalization offers three primary benefits for African nations: It will improve their overall investment climate, open a sector that offers the best long-term prospects for job creation, and accelerate the introduction of industries such as telecommunications, energy, and financial services that are critical to economic development.

In pursuing these WTO negotiations, the United States also recognizes that poorer and developing nations warrant unique attention, including special and differential treatment that helps Africa through a transition to open trade. Furthermore, at the urging of African ministers, the WTO is establishing a Working Group to examine the interconnection among trade, debt, and finance. For example, as African farmers move into global markets, we need to help them with commodity risk management.

Yet special treatment should not become an excuse for stifling African economies with costly tariff and regulatory barriers. These taxes on trade add costs for African consumers and businesses. They permit privileged and favored firms to avoid competition, reaping extra gains while most Africans pay the price. And extra licenses and approvals offer the lure of corruption.

The average tariff rate throughout Africa is 19 percent, whereas the global average is 12 percent, and among industrialized countries the figure is five percent. Although 43 percent of African trade regimes are classified as open, 61 percent of countries outside Africa and 100 percent of developed nations are rated open. Africa has not kept up with the competition in liberalization sweeping the globe, and there has been a high price: In the 1960s, Africa's share of global trade was about 5 percent; today it is less than 2 percent.

The Doha Meeting also produced a significant political declaration highlighting how developing nations can access medicines to treat pandemics such as HIV/AIDS, tuberculosis, and malaria. From its first days, the Bush Administration has been attentive to the challenges of countering these terrible plagues. We have stressed that the international WTO Agreement on intellectual property (the TRIPs accord) contains flexibilities for developing nations to obtain access to critical medicines to help address public health emergencies. In Doha we worked closely with a number of African nations to develop the political declaration that highlights these flexibilities. And as part of our larger commitment to help thwart HIV/AIDS, tuberculosis, and malaria, the United States is providing over \$1 billion per year on related research, and has given the largest donation, \$500 million, to the international Global Fund to Fight AIDS, TB, and Malaria.

At the same time, we have urged that tapping the flexibilities within the TRIPs accord should not become a justification for undermining intellectual property. Maintaining effective intellectual property protections is in the self-interest of all our nations, as these rules are essential for providing incentives to find and develop cures for deadly diseases. Moreover, intellectual property protections are important to establishing a hospitable investing climate in the developing world; if businesses cannot be sure their innovations will be protected in certain markets, they will avoid them.

Building the Capacity to Benefit from Trade

The WTO Meeting also stressed the critical need to provide African nations with the tools and training to help them participate more fully in the global trading system and reap the full benefits of trade liberalization.

This is a top priority for the United States. Over the past three years, the United States has deployed \$192 million toward trade-related capacity-building assistance for sub-Saharan African countries. This money is being devoted to a host of projects, including the training of trade negotiators and assisting African governments in the drafting and implementation of economic and regulatory reforms.

Today, I am pleased to announce today that the United States will be contributing almost \$10 million more: \$8.7 million to an AGOA/trade capacity building fund for the Southern African Development Community; \$500,000 for AGOA technical assistance to the Common Market of Eastern and Southern African States (COMESA); and \$300,000 to support the COMESA Court of Justice, which handles

disputes related to the Common Market.

But there is much more to be done – by countries and the international financial institutions. Before leaving, I discussed with African representatives to the World Bank how we can cooperate. They pointed me to the special role that can be played by the private sector, including local businesses and export associations. On this visit, I hope to see and hear for myself what assistance Africans need to fully share in the opportunities and benefits of global trade.

Trade & Development

Trade germinates many related seeds that can grow in a garden of development.

Trade networks can encourage regional integration, helping nations meet cross-border challenges, such as immigration and environmental protection. These networks can lead to improved transportation, telecommunications, and energy grids. By working together, developing neighbors can better prepare for the opportunities – and challenges – of the global economy. And trade and economic integration can help unite regions with diverse religions, peoples, and experiences.

Therefore, it is encouraging that a number of regional initiatives have been launched in Africa, and others are emerging. COMESA, SADC and ECOWAS are contributing to structural reform by creating incentives for removing restrictive trade practices, streamlining customs procedures, integrating financial markets, and harmonizing tax treatment. Through the New Partnership for Africa's Development, African nations are taking ownership of their future and responding to the challenges of globalization with an integrated and determined approach. To support this effort, this morning I co-hosted the first meeting between the COMESA countries and the United States under our new Trade and Investment Framework Agreement with COMESA.

Improved trade is also the prerequisite for more investment. Businesses build plants, bring in machinery, and supply technology – all creating jobs – if they can trade their products.

Development depends on the ability to attract capital. And capital is a coward – it flees when confronted with corruption, disregard for the rule of law and private property, and unsound institutions and tax structures. Foreign investment has already generated thousands and thousands of jobs across the African continent, and can generate many thousands more. Coca-Cola has created over 100,000 jobs in Africa – making it the largest private-sector employer in Africa.

Investment will also prompt associated benefits: Foreign investors press local companies to boost their competitiveness and productivity. They generally adhere to higher labor and environmental standards. And new investors generate economic activity benefiting the local economy.

Expanded trade and investment also bring new technologies. For example, biotechnology holds out tremendous potential for Africa and the rest of the developing world: It can increase food security and production through higher yields and the reduction of the need for fertilizer and pesticides. New discoveries can add vitamins to foods, and counter malnutrition and disease. Hassan Adamu, Nigeria's

former minister of agriculture and rural development, has written in the *Washington Post*:

Agricultural biotechnology . . . holds great promise for Africa and other areas of the world where circumstances such as poverty and poor growing conditions make farming difficult. . . . To deny desperate, hungry people the means to control their futures by presuming to know what is best for them is not only paternalistic but morally wrong. . . . Millions of Africans--far too many of them children--are suffering from malnutrition and hunger. Agricultural biotechnology offers a way to stop the suffering.

The Ringing Revolution

Investment and technology in the telecommunications sector presents special opportunities for African nations; indeed, a well-functioning communications system is a prerequisite for attracting foreign investment. Moreover, studies from the developing world have found that every dollar invested in the telecom sector spurs up to six dollars of associated economic activity.

Africans have licensed more than 70 new networks for mobile telephony since 1995, and the competition has helped boost choices and reduce prices. Annual growth in cellular subscriptions is exceeding 100 percent in countries such as Kenya, Morocco, Nigeria, Uganda, and Cameroon. Telecom analysts predict that, by the end of the year, Africa will have more subscribers to mobile phone service than it does to fixed, landline services.

Africa's cellular boom is generating other benefits. It is putting new pressure on the landline sector – there was a 26 percent increase in the number of fixed lines in 2000 – which in turn will boost access to vital information-age economic development tools, such as the Internet. Nearly 60 African countries offer web access today, up from 11 in 1996, and Internet use in Africa increased by nearly 100 percent in 2000.

Expanded telecom access is also bringing new communications opportunities to people and regions that often realize the benefits of new technologies belatedly, or not at all. According to the *Financial Times*, an Israeli company, Gilat, has installed more than 3,000 VSAT terminals for the South African telecoms authority over the past few years. As a result, schools and businesses in five of the country's northern provinces now have greatly enhanced telecommunications capabilities.

Cellular phones are also driving political reform. In Senegal's presidential election last year, journalists and local election observers used cell phones to rapidly convey vote counts to the country's new FM radio stations, which provided regular updates. When it appeared the incumbent president had lost, he could not credibly challenge the results and conceded to his opponent, ending 40 years of one-party rule.

Exploring a U.S.-Southern Africa Free Trade Agreement

On this trip, I also want to explore the possibility of connecting negotiations on a free trade agreement with Southern Africa to these countries' development strategies. The United States has relatively few FTAs, unlike the approach taken by others; given the quality of our FTAs, they send an important signal to the world.

There are some significant potential benefits for southern Africa of an FTA with the United States: It would lock in and expand benefits currently offered by trade preference programs; provide enhanced access to the largest export market in the world, leading to fuller business, marketing, and technology networks – all leading to increased productivity and higher wages for workers; facilitate the participation of southern African firms in global production chains; help to attract foreign direct investment, especially given the United States' place as the largest source of FDI; lead to increased participation by U.S. firms in privatization processes; connect trade to structural reforms and economic liberalization, reducing the risks of setbacks and lowering country risk perceptions; increase the region's bargaining power with the rest of the world; and signal the commercial importance of and opportunities in both South Africa and the southern Africa region.

If the countries of the Southern African Customs Union wish to explore this option, we will seek to do so in a way that supports their own regional integration.

Conclusion

African countries have begun to write a new chapter in their histories. The democratic ranks are expanding throughout the continent; the majority of African governments are now headed by popularly-elected leaders. The African Union has taken an important step by declaring that it will exclude any head of state who assumes power undemocratically. Elected leaders throughout Africa are pushing for greater regional integration and enhanced commercial cooperation.

Yet Africa is still struggling to overcome a tragic and frustrating past. Corruption continues to gnaw away at many political systems, armed warfare continues to threaten tens of millions of Africans, and economic slowdowns – if not contractions – have consigned millions to poverty.

President Mbeki has articulated a vision for an “African Renaissance” based on democracy, human rights, opposition to dictatorship, free and fair elections, equality of opportunity, curtailing corruption in government, increased living standards, improved infrastructure, and better terms of trade.

I want to hear more from Africans about their agenda. I would like to learn how the United States and Africa can work arm-in-arm to turn this dream into a reality.

A new generation of leaders has new ideas for the new Africa. Nelson Mandela reflects my hopes when he said that, "Africa's position in the world today will depend on what Africa does. . . . In the end, that is why we do remain confident in our determination that we are at the dawn of the African century."

As we look to that future, we can find no better guidance than the timeless ideas expressed in Kenya's national anthem:

"May we dwell in unity,
Peace and liberty. . . .
Let all with one accord
In common bond united,
Build this our nation together."

Thank you.