

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

March 12, 2013

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

The President's Export Council recognizes the importance of increasing U.S. commercial engagement in Sub-Saharan Africa. The forty-nine nations of Sub-Saharan Africa collectively represent the largest untapped markets in the world, with nearly a billion potential consumers of U.S. products. Seven of the faster growing economies in the world can be found in this region. While U.S. merchandise exports to Sub-Saharan Africa for 2011 totaled \$21.1 billion, up 23 percent from the previous year, this figure pales in comparison to the potential opportunities, including the possibility of domestic job creation, particularly given that top export categories include manufacturing, vehicles and parts, aircraft and parts, and non-crude oil.

Building on the Administration's June 2012 strategy on Sub-Saharan Africa, we recommend that the government engage closely with industry to develop an action plan to promote two-way commercial trade and investment with the fast-growing markets of Sub-Saharan Africa. We support the November 2012 launch of the Administration's Doing Business in Africa campaign in Johannesburg. We see a clear avenue for private sector input to build on this campaign's foundation and stand ready to advance this initiative.

We are committed to working with the Administration on a long-term planning approach to increase investment and trade in Sub-Saharan Africa. Strengthening the private sector in Africa is one of the most sustainable and important approaches we can take. The following steps are the highest priorities:

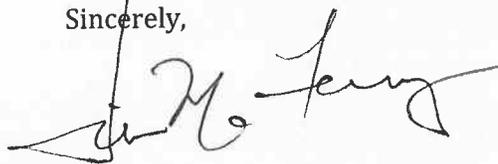
1. **Regional Markets:** Sub-Saharan African nations have already taken the first step – establishing the Common Market for Eastern and Southern Africa, East African Community Regional and South African Development Community as regional groupings meant to promote a harmonized regional approach to trade and economic growth. However, results to date are uneven. With the expertise of the U.S. agencies operating in the region and the private sector, we can work cooperatively to build regional approaches on key issues.
2. **Regional Convergence:** Incorporate regulatory coherence principles and commitments to develop a streamlined, coordinated regulatory system in support of better access for products and services to market. Enhance customs administration focus, including capacity-building measures to develop e-filing systems; promote draft regulations for comment; reduce corruption by streamlining implementation and enforcement; and develop harmonized rules of origin. Expand intellectual property enforcement measures to specifically target counterfeit goods, employing the talents of the regulatory agencies to enforce their regulatory approval processes by denying counterfeit goods to market. Focus trade agreements on future markets and the exporting of high-value products, not just current models of resource and agricultural product exports.
3. **Enhance Coordination:** Corporate investment and philanthropy in Sub-Saharan Africa dwarfs government assistance, but better coordination is needed to ensure that development priorities are met. Coordination between the United States Agency for International Development, the Millennium

Challenge Corporation, other development agencies, and the private sector would maximize investment resources and technology to solve long-term development challenges in Africa.

4. **Increase Financing:** Currently U.S. exporters face unique challenges in securing financing. Some financing institutions are reluctant to support investment, either through exports or through investment. We commend the U.S. Export-Import Bank for its support of many major exports to Sub-Saharan Africa, and its efforts need to be expanded so that it can support a far broader range of U.S. businesses seeking to export to Sub-Saharan Africa. Other means of increasing financing for U.S. exporters should be examined and developed, as well as working with agencies like the Overseas Private Investment Corporation (OPIC), which support U.S. investments in Africa.
5. **Infrastructure Development:** This is a core need in Sub-Saharan Africa. Aligned with encouraging regional approaches to trade and development of common markets, the United States Government should work in concert with the private sector to support regional approaches to shared infrastructure – roads, ports, rail, and airports. Additional project resources should be developed, such as the U.S. – Africa Clean Energy Development and Finance Center, an innovative initiative recently launched by the U.S. Trade and Development Agency (USTDA) and OPIC to provide a coordinated approach to clean energy project development in sub-Saharan Africa. USTDA and OPIC have in-country representatives that are collaborating virtually with the U.S. Export-Import Bank to provide U.S. companies and African project sponsors with a centralized means to identify and access U.S. government resources for clean energy export and investment needs.
6. **Energy Infrastructure:** With the vast amount of hydrocarbon resources available in Sub-Saharan Africa, but uneven distribution across all countries, the United States Government and the private sector could support sustained economic growth by focusing on key areas of American expertise, namely developing energy infrastructure and regional grids, investing in Smart Cities and energy efficiency programs to reduce energy consumption, and building energy-efficient infrastructure. Aligned with development and financing goals, these are areas to build Sub-Saharan African infrastructure and support a positively enabling environment for industry.

The PEC supports the Administration's recognition of the importance of Sub-Saharan Africa to the American economy. The PEC recognizes a sense of urgency to support the U.S. private sector towards far greater economic engagement. Inaction and the reliance on a traditional approach to Sub-Saharan Africa will serve as a detriment not just to our economic interests but to our foreign policy and security interests as well. The PEC is committed to working with the Administration in its efforts to support the growth of the private sector in Sub-Saharan Africa and expand markets for U.S. exports to the continent. ⁱ

Sincerely,



Jim McNerney

ⁱ Please note this letter was prepared by the private sector appointed members of the PEC.