SPEECH BY HIS EXCELLENCY HON. MWAI KIBAKI, C.G.H., M.P., PRESIDENT AND COMMANDER-IN-CHIEF OF THE ARMED FORCES OF THE REPUBLIC OF KENYA DURING THE OPENING OF THE 8TH AGOA FORUM, KENYATTA INTERNATIONAL CONFERENCE CENTRE, NAIROBI, 4TH - 6TH AUGUST 2009

Mrs. Hillary Rodham Clinton, The U.S. Secretary of State, Mr. Tom Vilsack, The U.S. Secretary of Agriculture, The Right Hon. Raila Odinga Prime Minister of the Republic of Kenya, Excellencies, Distinguished Ladies and Gentlemen,

I am delighted to join you this morning on the occasion of the official opening of the 8th AGOA Forum. On behalf of the people and the Government of Kenya, I welcome you all and wish you a memorable stay in Kenya during this Forum.

I am glad to see that the U.S. government has sent a powerful and huge delegation led by Secretary Hillary Clinton. Equally, it is notable that all AGOA eligible African countries have sent high powered delegations to this forum.

Kenya is indeed honoured to be the host of the 8th U.S. Sub-Saharan Africa Economic Forum. We are grateful to have been accorded this opportunity, and wish you all a pleasant and rewarding time in our country.

The hosting of this forum in Africa provides the business people and Government officials from the United States of America with an opportunity to have first-hand experience of Africa's needs and challenges in regard to AGOA. It is my hope that this Forum will deliberate on how to overcome existing challenges, and enable African countries to benefit more from the African Growth and Opportunity Act.

Ladies and Gentlemen,

The launching of the African Growth and Opportunity Act in October, 2000 was a clear demonstration of the commitment of the Government of the United States of America to support economic development in Africa.

The duty and quota free market access to the large American market worth trillions of dollars for textiles and over 6,400 other products under the generalized system of preference, is indeed bound to be a remarkable boost to African economies. Africa is grateful for this bold initiative.

Indeed, AGOA is the most significant U.S. legislative initiative that has the potential to dramatically transform the economic fortunes of Africa. It is encouraging to note that eight years after its launch, AGOA has stimulated a dramatic increase in Africa–U.S. trade. Thus, the total AGOA imports, including other products under the generalized system of preference, amounted to about 51 billion U.S. Dollars in 2007, which is more than six times the amount in 2001.

However, petroleum products still account for the largest portion of the AGOA imports. It is our hope that other non-oil products such as apparel, footwear, fruits and nuts, prepared vegetables, cut flowers, leather products, prepared seafood and essential oils can consist of a larger portion of the exports.

It is also worth noting that only a small fraction of the 6,400 eligible products, are being exported into the U.S. market from Africa. As African countries, therefore, we seek to increase the volume of exports and also diversify the range of exports with more value added components.

To further increase and widen the benefits arising from AGOA, agriculture, which accounts for about 35 per cent of sub-Saharan African GDP and about 40 per cent of exports, need to be promoted through targeted technical assistance, which will address existing supply and demand

side constraints. Similarly, small and medium scale enterprises need skills development and access to micro-financing, to enable them expand production and improve the quality of their products.

Ladies and Gentlemen,

There are constraints on both the supply and demand side which need to be addressed urgently to enable African countries take full advantage of the huge American market. The challenges facing trade under AGOA include inadequate financing for exporters, inefficient production techniques on the supply side, stringent procedure for certification of standards by the U.S.A market and high transport costs on the demand side. This forum offers an ideal occasion to look into ways and means of tackling these obstacles, which are cross cutting among AGOA qualifying countries.

Towards addressing these challenges, it merits mention that not many Americans invest in Africa under AGOA. I wish to take this opportunity to urge American investors to increase their investments in Africa as part of the effort of supporting development in the continent. I am aware that the current global economic downturn has led to decreased investments. However, I am confident that those firms that invest now in spite of the current global economic downturn, will reap enormous benefits when the world economy improves.

Excellencies, Ladies and Gentlemen,

As will be appreciated, we are all committed to improving the economies of our countries. Kenya, for example, has manifested her commitment to faster development through VISION TWENTY THIRTY. This is a development blueprint that aims at making Kenya a newly industrialised middle income nation by the year TWENTY THIRTY.

The vision has three pillars, one of them being the economic pillar. The economic pillar aims at achieving prosperity for all Kenyans through an economic development programme aimed at achieving an average growth rate of 10 per cent per annum over the next 21 years.

I am confident that partnerships between Africa and the U.S. business communities will go a long way in boosting Africa's capability to export to America in a big way. It may be important for the US to go an extra mile to facilitate enhancement of the goals of AGOA.

Some of the manufacturing for the US market may require the importation of certain equipment, materials and parts. In this case, extension of 3rd country provision may be required before African countries fully develop their capability to manufacture for the US market.

Similarly, the US will find it useful to support African business capacity building. This may involve arrangements for skills and technology transfer in production of goods of direct relevance to the U.S. market. It may also involve the provision of financial capital on easy terms. This will help start-up businesses for export.

In the same manner, and with adequate support in form of technical training, product inspection can be done at the country of origin in order to lower the cost of the exercise and, therefore, encourage more African business persons to join export trade to the U.S.

Ladies and Gentlemen,

We are meeting at a truly remarkable time. Over the last few years, Africa has witnessed dramatic changes in both the political and economic landscapes. We have ushered in new democratic leadership, opened up freedom of press, liberalized our economies and reformed our trade and investment environment. We wish to thank the international community including the United States for supporting us throughout this process.

In the endeavour for reform Kenya has not been an exception, for we have introduced several reforms in our electoral system, media and human rights record. Many other institutional reforms have been started and we are committed to complete them in the shortest time possible. This will significantly change our security, judicial and democratic processes and attain full accountability for all government actions. These and other reforms are genuinely Kenyan, and Kenyans are driving them forward in earnest for the good of all.

With these assurances, I envisage fruitful engagement between American and African business and Government leaders in a bid to make sure that African countries truly benefit from AGOA.

In conclusion, ladies and gentlemen, it is clear that the vast U.S. market is at the disposal of Africa. It is incumbent upon the African countries to grab the opportunity and produce the 6,400 exports envisaged under AGOA for the U.S. market. It is, therefore, up to this Forum to come up with ways of overcoming the obstacles hindering full utilization of AGOA opportunities by both the United States and Africa.

At this juncture, all may wish to note that Africa has wonderful tourist attractions. I urge you to spare time to sample the warm hospitality of the people of Kenya, as well as the reknown fauna and flora unique to this country which many say is the cradle of mankind.

With these remarks it is now my pleasure to declare the 8th AGOA Forum officially open and to wish you all fruitful deliberations.

Thank you and God Bless you all.