



Remarks and address at International Development Corporation Business Event
Hillary Rodham Clinton
Secretary of State
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SECRETARY CLINTON: Thank you very much, and it's a great pleasure for me to be here. I want to express my appreciation to the IDC and to BUSA and to the government for having representatives and helping to make this event an important one on my schedule of visits throughout Africa, a real highlight extraordinary opportunities that lie ahead. So I wish to thank Jeffrey and Jerry and, of course, the minister.

My delegation has been referred to, but I want to highlight them for just a minute, because you will know some and you will get to know others. We have our new ambassador – we call him ambassador-designate because he hasn't actually presented his credentials, but we're very excited about having Don Gipp. If you would just stand, Don, so people can get a look at you. Don is a businessman and so he's particularly keen on working to follow up on any ideas we have about promoting greater business and investment ties and focusing on economic development here in South Africa.

In addition, you heard reference to our new assistant secretary for African affairs, Assistant Secretary Johnny Carson. He served as an ambassador in both Zimbabwe and Kenya during his very distinguished career. And I'm especially pleased that I have two members of Congress with me, because these two members are particularly interested in and very important in our efforts in the Obama Administration to really elevate the role of Africa in foreign policy, and particularly to concentrate on the opportunities for partnership with South Africa. Congressman Donald Payne, a longtime expert and visitor to Africa and Congresswoman Nita Lowey, who chairs a very important committee that oversees foreign aid in the House of Representatives.

Now, I am delighted to be back in South Africa. It's a chance to see old friends. I just had the opportunity to visit with Madiba and go through the archives part of the extraordinary Foundation that has been built not just to honor him and his achievements, but his view, and certainly I agree, even more importantly, is to continue the work of his life, the work of dialogue, the work of outreach, the work of problem solving and creative resolution and search for solutions on so many fronts. So I have had the opportunity to see old friends, but also to meet a new generation of leaders, activists, and entrepreneurs, including, of course, many of you in this room.

So let me begin by conveying the warmest of greetings from President Obama. He has a particular connection to Africa, of course, with his father being from Kenya. But he has a very deep level of interest in the development of Africa, and certainly in our strong relationship between the United States and South Africa. As a member of that Administration and certainly based on my previous lives, I share that commitment. I am very excited to be the Secretary of State at a time of both peril and promise to the world, and to be working in an Administration that recognizes the United States cannot lead by the example of our power so much as by the power of our example. And we are back to the business of working with and listening to our friends and allies, and creating not a multi-polar world, but a multi-partner world.

And of course, that leads me to South Africa, because the economic progress and prosperity and certainly the leadership that South Africa represents in critical not just to this continent, but to the world in the 21st century. As the trade minister said, my first stop on this trip was in Kenya, and I was privileged to address the AGOA Forum, and at it, we reaffirmed our support for AGOA. But we want to make it better, and we want to see it more effectively utilized.

South Africa has made the most of AGOA of any African country involved, but even here, there is so much more work to be done to make it possible for small businesses and entrepreneurs to take advantage of the duty free exporting to the United States. We talked at the AGOA Forum about the fact that there are 6,999 products that can be exported duty free from our African partners into our market. A relatively small percentage of those, however, are utilized for export. So we want to work with you. We want to work with organizations like BUSA and IDC, as well as the government, to look for ways that we can enhance the positive outcome of participating in AGOA. While also in Kenya I met with students and civil society activists at the University of Nairobi. One of the guests was a longtime friend of mine and a Nobel Prize winner, Wangari Maathai. And she posed a question by premising it with this comment: Africa is a rich continent, she said; the gods must have been on our side when they created the planet, and yet we are poor.

It is a painful truth of African history through colonialism and post-colonialism that the continent's riches have too often gone to the few and not the many. And that is not to take away from the hard work and industry, the ambition, and motivation of those who have built so much in Africa, but it is to recognize the reality that as rich as this continent is, the poorest people in the world reside here. And as the trade minister said, our task in the 21st century is to work for ways to expand shared prosperity, to recognize that talent is universally distributed, but opportunity is not. And too often, the opportunity has been undermined by poor governance and poor leadership and by a shortsighted approach in both the public and the private sectors.

But I am convinced that the past is not in vain, that there can be and will be, with leadership from civil society, the private sector, and the public sector, in a 21st century Africa where the possibility of lifting millions out of poverty becomes the reality. And the economic success of Africa to date as well as our future hope hinges in great extent on the economic success of South Africa. It is both a responsibility and an opportunity for all of you who lead the economic worth in this country.

South Africa, as a member of the G-20 and one of the most important emerging economies of the world, is uniquely positioned to advance its own economic trajectory and to propel economic growth on the African continent as a whole. Looking at the world map today, it isn't easy to find countries with financial and economic policies that have been as sound as South Africa's. And I know how difficult that is. But I also recognize that these policies have translated into good credit and low levels of debt, banks that are solvent and well-regulated and largely free of the type of bad loans that led to the bank failures in my country and others that helped to fuel this economic crisis that swept across the globe. Frankly, we could learn a lot from your example.

You have also taken other steps critical to economic progress that are all too rare on the African continent. You've shown a willingness to embrace political reconciliation and adopt a modern, progressive constitution, to diversify your economy, to include women more broadly as citizens and entrepreneurs, and to adapt new technology to the challenges that we face today. So these factors have all contributed to South Africa being able to expand trade, attract investments, create jobs, and build a dynamic economy that has become a springboard for investors not only here, but those looking for opportunities beyond your borders. But while other countries in Africa have also made impressive gains over the past decade, the global economic crisis has, you know well, stalled much of that progress and created dangerous instability in many places. It has taken a toll here as well in unemployment and other economic setbacks. But if you look at the underlying fundamentals, South Africa is in a promising position to move forward when we all move out of this global recession, to achieve its own recovery, and to help economies in the region as well.

Progress is underway for next year's World Cup which has, of course, given a big boost to the construction industry. That is an added benefit of being chosen as the host for the World Cup. And I can assure you, as I said at a press conference earlier with the minister for international relations, that there will be many Americans traveling here – some for their first time. So what can we do together to try to set us in our national interests, as well as regional and global interests on a path to not only long-term recovery but increasing economic activity? I think there are a couple of things that we should look at – three areas in particular, though, that I want to mention today: trade and regional integration, new technology and the promotion of conditions that leads to a more favorable business climate, from good governance to women's economic empowerment.

First, with respect to trade and regional integration, from our own bilateral relationship, we know the benefit of open markets and broader trade opportunities. And we seek to expand and deepen that bilateral relationship. We know that there are now 600 U.S. companies operating in South

Africa, and many using this country as a platform for doing business with the rest of the continent. And thanks to AGOA, over 98 percent of South African exports enter the United States duty-free.

And for its part, South Africa's economy is becoming increasingly international. There is not a more telling example than South African Breweries, which now owns Miller beer, an American staple and the beer that the President drank at the famous beer summit that was held at the White House about a week ago. But economic ties between the United States and South Africa have a lot of room to grow. One of the promising ideas is a U.S.-South Africa Business Council, or as you might prefer, South Africa-U.S. Business Council. And we intend to follow up on that. When a delegation comes to the Corporate Council for Africa meeting in Washington next month, we will begin with discussions that will lead, we hope, to the establishment of such a council.

We also wish to work closely with you on additional trade and investment opportunities. When the trade minister was in Nairobi, he had the opportunity to meet with Ambassador Ron Kirk, our United States Trade Representative. We are committed to completing the Doha round, but if that is not successful – and there are many obstacles to overcome to achieve that – then we want to work on a bilateral basis to develop even further trade opportunities between us. But we believe that South Africa has so much more economic potential and it cannot exist as an island of relative prosperity amid a sea of untapped opportunity elsewhere on the continent.

We can calculate potential benefits of more robust regional trade by doing some simple math. The United States represents a market of about 320-330 million people. Africa represents a market of more than 800 million people. It is the most undeveloped, untapped market in the world. And African countries trade among themselves at a lower level than any region in the world. So we need to support regional trade organizations and customs unions, and we will work with you to do so. There are so many opportunities that we should seize to lower trade barriers. And if the United States can be of help in promoting the work that would lead to that, we are ready to do so. We also want to support President Zuma's emphasis on rural development and infrastructure, because it's important that we recognize that without building up the infrastructure in rural areas, the economic potential of any nation will be less than it can be. Before my trip, I met with one expert who told me that Africa needs three things to succeed: roads, roads, and roads. I think that was a clever way of stating the obvious. When I was in Nairobi, one of the delegates told me that a businessman from Lagos can get to London faster than he can get to Nairobi. So it's not only roads, but it's also air transportation that has to be enhanced as well.

Multilateral development banks and private financial institutions can provide financing for infrastructure that will improve the free flow of goods. And the United States, along with international partners, can promote more regional coordination of programs such as the Millennium Challenge Corporation. But this needs to be a public-private sector partnership, and we look to work with you based on your priority listing of what you need, because we believe that the potential for developing rural areas has for too long been ignored, not only in my country, but in every country.

The problem of rural poverty has now become an urban problem. As people leave rural areas, unable to find work, seeing no future, come to great cities like Johannesburg, and reach a dead end, without the training and the preparation for the jobs that are available. So it is not just about people who live somewhere out there, it's about how people live right here. I also think that we need to link up to the great challenges of our time, climate change and energy security, possibilities for rural development. And of course, using new technology which is something that you're already doing here, can transform agriculture, it can improve the treatment of diseases even in remote areas, and deliver health services, creating jobs and opportunity along the way.

We see consortium bringing the benefits of affordable broadband access to millions of new internet users that can translate into new jobs in South Africa, and eventually to hundreds of millions of Africans who will be connected electronically. South African researchers and entrepreneurs are riding the technology wave, conceiving and producing everything from mobile technology to open source software to a promising HIV vaccine developed at the University of Cape Town in partnership with the United States National Institutes of Health.

South African companies developed and deployed the technologies that protect American troops from roadside bombs. Technologies that saves lives can also create jobs. But if we think of climate change and energy security as a means for producing clean, green jobs, we can see the benefits that would flow from making such a commitment. Think of the hours that women in rural areas spend looking for firewood – endless work that is repeated every day that deplete the natural resource whose depletion furthers the erosion and deterioration of soil and adds to the impact that climate change can have.

So imagine if there were practices that could be developed to create cheap pellets to be used for the used in stoves. And in fact, that is happening in some places. My husband ,who Ban Ki-moon, Secretary General of the UN, appointed to work on the devastating problems facing Haiti, saw a program in Port-au-Prince where people are employed to separate garbage to take the inorganic and to mix it with certain chemical compounds and to, after processing, create pellets that burn cleanly, that can be sold cheaply and obviate the need for collecting firewood in a country that has very few trees left. What is it that we can produce cheaply, employing people but providing a benefit to the very poor, is a business opportunity. How do we take small scale forward? The United States is sponsoring a demonstration program in the north of El Salvador, where solar panels are being hooked up to small homesteads in the mountains where there is no electricity, and are generating a few hours of electricity every day.

There are business opportunities in solving the problems of the poor, and there is a market. Because people are poor, doesn't mean they don't have any money. They may not have much money, but they do have some. And multiplying that millions of times over is an opportunity.

Third, I want to commend South Africa for promoting conditions necessary for businesses to succeed and people to thrive – both through the moral leadership and the smart policies and the strength of the private sector have been exhibited. Improving governance across Africa is one of the most important challenges we face. It is a simple fact that investors are not attracted to states with failed or weak leadership, crime and civil unrest or corruption that taints every transaction and decision. In the political decisions that were made in this country after apartheid, you can see an engaged citizenry that turned out in such huge percentages for the presidential election and the constitution. And therefore, South Africa has both the stature and the experience to bring to the dilemmas facing a lot of other countries. When I was in Kenya, I carried a message from President Obama about our distress over the post-election violence and the corruption that has impacted Kenya. And yet, it was the private sector and civil society that pulled that country back from the brink of disaster. If they had the governance that they need, think of what more could be done.

I'll be going to Nigeria. Nigeria, the fifth-largest producer of petroleum in the world, imports petroleum. There is so much that can be done if we can break the link of corruption and poor governance with the motivation and ambition of people who want a better life. I think that the example of South Africa's entrepreneurs and business leaders can sell the idea that openness, transparency, adherence to the rule of law, a fight that is never-ending against corruption, those are the conditions that will benefit investment. And let me echo the words of the minister about women. Building a thriving economy depends that women be drawn from the margins to the center of local and national economic life. It's a subject of great personal importance to me, and one that I

will be discussing at greater length this evening at dinner with the foreign minister, in honor of National Women's Month.

President Zuma's recent appointment of Gill Marcus as governor of the South African Reserve Bank highlights the important role women are playing in guiding and directing a large national economy. There are so many examples of successful women entrepreneurs in South Africa. From a founder of an auto parts company to someone who began selling premade food products in a local flea market and now exports them worldwide. So focusing on women is a central priority of our foreign policy, but it also makes sense to all of our other goals. We cannot have societies that value peace and stability and economic growth that marginalize their women. It just can't be done, and there are many examples that show how much of a failure it is. So we will do all we can to empower and support women.

Being in South Africa is not only a great personal pleasure of mine, but it motivates me and our team to do all that we can to make sure that our foreign assistance is well targeted and helpful to you in meeting your priorities, in reviewing our trade policies with you and helping to generate our public-private partnership, in sharing research and technology with you. One example of a public-private partnership in South Africa is Exim Dickinson and Company, which is working with PEPFAR, our Administration's programs that provide anti-retrovirals to people suffering from HIV and AIDS. This company is working with PEPFAR and the ministry of health on an \$18 million effort to upgrade laboratory systems and services and increase local capacity to combat diseases like HIV/AIDS.

And so there's much to be done, and I look forward to working closely with you, to being part of that interconnectedness that Archbishop Desmond Tutu spoke about so movingly and so often over the years, recognizing that we will do so much better when we actually partner on these important challenges confronting us.

So I look forward to your questions and your ideas and your suggestions about what we can do to strengthen an already durable relationship and to find new ways to create opportunities for our people, and particularly, people who have been left out of the prosperity and the progress that South Africa represents. Thank you very much.



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