



**Plenary Speech
Leocadia I. Zak, Director
U.S. Trade and Development Agency**

**“Facilitating Trade Through Investment in
Infrastructure”**

**August 2, 2010
2:45 – 4:00 pm**

Good afternoon everyone. I would like to begin by extending my special thanks to the co-Chairs of this panel – the Honorable Minister Tetteh and Secretary LaHood – for inviting me to join you this afternoon.

This morning, I had the pleasure of speaking with you about how the U.S. Trade and Development Agency promotes projects of mutual economic benefit to both the United States and sub-Saharan Africa. Now, I would like to focus along with my fellow panelists on transportation, and the importance of transportation infrastructure for trade.

I attended my first AGOA meeting in Ghana in 2007. Frankly, I did not know what to expect. I was fascinated by this significant trade agreement that involved such a large region and excited about the prospects of what the agreement could do for the economic development on the continent. However, in conversation, I heard from delegate after delegate that the benefits of the AGOA legislation were not being fully realized because of the high cost of transportation, resulting from the

lack of infrastructure. I returned to my office convinced more than ever, that transportation infrastructure in the region should be a priority of USTDA and our partners.

Since then, I have encountered others who share that perspective. As was mentioned this morning, in early May, I had the pleasure of participating in the 10th anniversary celebration of AGOA on Capitol Hill. It was an event that was attended by many of the original leaders in our Congress who worked so hard to get the AGOA legislation approved. The event also included numerous present-day supporters, including Ambassador Ron Kirk and his Africa team. But for me, the most meaningful part of the celebration was Ambassador Kirk's closing remarks. Throughout the event, many of the speakers looked back and applauded the passage of AGOA 10 years ago. In closing, Ambassador Kirk looked forward and noted that infrastructure development is critical to improving Africa's trade competitiveness. I was pleased to hear this, because his analysis reflected that of the African delegates I heard from at the prior AGOA Forum.

Almost everyone here today is familiar with the key transportation constraints in Africa. Many of us have personal anecdotes – delays at border crossings; ships that wait days – sometimes even weeks – before they can come into a port; and then, as my co-panelists have mentioned, there's the frustration of flying across the continent just to get a connecting flight to a country that's right next door! As you have seen, working together we can change this, and working together we have already devised some creative solutions to transportation challenges.

As I mentioned this morning, two years ago, USTDA launched its *African Trade Lanes Partnership*. The *Partnership* resulted from our dialogue with you – you

told us that improving Africa's transportation infrastructure required regional solutions and most importantly, regional integration. We responded by working with you to identify *your* priorities for transportation corridor development. We also responded by engaging the resources and technical expertise of the U.S. private sector, as well as our U.S. government partners, especially the Department of Transportation. Together, we are making progress toward building Africa's infrastructure for trade by addressing a number of Africa's most difficult transportation challenges.

The East African Community, for example, is working to integrate the customs unions of its five members (Burundi, Kenya, Rwanda, Tanzania, and Uganda). And we have been proud to support many of the EAC's goals through a series of corridor development activities. We have funded training on intermodal transportation and trade for the region's port operators. We have also funded technical workshops on integrated border management and the use of information and communication technology to expedite the flow of trade, and to reduce border crossing times.

As many of you are aware, USTDA funded a feasibility study to upgrade the railroad along Tanzania's central development corridor. When implemented, this railroad project will not only expedite freight traffic in the region, it will also help open export markets for landlocked countries such as Rwanda and Burundi, as well as alleviate congestion and the physical deterioration of regional highways.

Building the infrastructure for trade also requires attention to transportation safety and security issues. In no other area is this more important than in aviation. According to World Bank data, Africa's aviation accident rates are more than

twice those in the Middle East and Latin America, and nearly 10 times higher than the rates in the United States. As economic growth rates continue to rise across Africa, more and more people will be taking to the skies.

Over the past five years, aviation has represented about 15 percent of USTDA's total investments in sub-Saharan Africa. In addition, we are proud of the whole-of-government approach to aviation sector assistance that we have developed with the Federal Aviation Administration and the Department of Transportation's Safe Skies for Africa Initiative.

Minister Tetteh – Ghana stands out for USTDA as a partner in the development of regional aviation infrastructure. We first started working together over a decade ago to develop investment plans for three of Ghana's airports. As we speak, USTDA is now working closely with you to support: the redesign of the Kotoka International Airport Terminal; the development of a new Air Traffic Control Center; and the expansion of the Ghana Meteorological Agency's weather forecasting services and capabilities. When implemented, these three projects will greatly enhance Ghana's ability to meet international safety and security standards, while boosting trade, investment, and economic development along one of West Africa's most important transportation corridors.

USTDA has worked with many of you in this room. We have seen your commitment to improving Africa's infrastructure and your commitment to improving people's lives. We share your goals and your dedication. I am thrilled that USTDA has been able to play a role in so many important transportation development projects across Africa. Working with you and your counterparts at home, we are addressing real challenges that Africa faces today. I can assure you

that USTDA has long been, and will continue to be, your partner. I sincerely thank you for giving us this opportunity to be a part of Africa's future.