Keynote at the International Economic Forum of the Americas

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1. Good morning, Ladies and Gentlemen.

It is a pleasure once again to be in Toronto, a vibrant city I last visited when Canada was hosting the G20.

Thank you Gil Remillard for the invitation.

I hope I am forgiven for my two year absence from the Conference de Montreal.

Allow me first to extend our compassion to the People of Canada for the terrorist attack in Ottawa.

A number of African countries have suffered similar attacks, including Kenya and Nigeria.

So we understand the pain, and that is why our determination to work together to overcome this common enemy is one of strong resolve.
2. This morning, I am particularly honoured to be speaking alongside Minister of State for Finance of Canada, Kevin Sorensen.

Canada is an important member of the African Development Bank; and plays a key role, and I wish to thank you Minister and your Government for the long standing cooperation with African countries.

3. You have asked me to share with you how Africa is coping with the slowdown in the global economy, in particular the large emerging markets such as China, to sustain her emergence; what are the risks and how those are being addressed.

And you have instructed me to do this, all in ten minutes!
4. Before I do so let me just add a rider; when one talks about Africa, one has always to contend with several issues:

4.1 MANAGING PERCEPTIONS vs REALITY where the gap remains quite large.

4.2 COMPLEXITY and DIVERSITY of AFRICA and her 54 countries all so different.

4.3 ISSUES around DATA, which leads to lots of subjective assessments and anecdotal evidence.

5. Nonetheless my first message this morning, to Canadian business, to North American business, here at this Symposium and beyond is this:

We are battling with Ebola in three West African countries, which is threatening lives, livelihoods in that sub Region.
However, Africa is 54 countries and still very much open for business and Ebola free.

As Raj Panjabi of Last Mile Health beautifully put it recently, and I quote:

"This is not West Africa versus Ebola. This is Humanity against a virus. West Africa is just the frontline".

6. As I speak to you now the pandemic of fear and the associated doomsday scenarios, is causing unnecessary damage; in lost business, unnecessary loss of confidence, disruption of trade and supply chains.

The rapid spread of this epidemic is easily explained: two reasons - the slow initial response; too little too late, in a Region that was recovering from a decade and a half of civil war and bloodletting.
International response is now shaping up much better, more robust.

We can, all of us, do more and we must.

I take the opportunity to thank all Governments who are bringing forward a whole range of capacities and competencies.

The actions by hundreds of gallant health workers from all over the World, who have volunteered to help save other people’s lives at the risk of their own, truly commands respect.

We ourselves are throwing in everything we can. The African Development Bank has committed so far 220 million dollars, to provide budget support and deal with the macroeconomic shocks.

We are working hard, together with the countries affected and the African Union, to get in more health workers.
I am confident we will overcome this epidemic.

It is one of the most difficult epidemics the World has had to deal with.

However, the World has the means, the knowledge and the resolve to prevail.

There will be lots to do after.
Repairing the economies of the sub Region and especially rebuilding the health systems.

7. My second message: Despite headwinds in the global economy, fragile and modest global recovery, slowdown in Emerging Markets, geopolitical conflicts, etc. prospects for Sub Sahara Africa remain extremely favourable.

The Region’s economic growth is still on course for 6.5%; indeed some countries are growing faster.
As for the impact of Ebola, we need to remember that the three affected countries account for less than 2% of GDP of Africa.

Of late, given the slowdown in China and what appears to be the end of the commodity super cycle, a question often asked is whether Africa can maintain progress in that environment.

I acknowledge the impact of the slowdown in the emerging economies as is the rapid decline in commodity prices.

The "China factor" is a major consideration.

But this must be put into context.

While strong export growth demand has contributed significantly, investment (public
and private), and domestic demand responding to urbanisation as well as the logistics around the extraction of natural resources have played a key role and will continue to do so.

But I am the first to agree that economic growth is only a means - the end is trade and the prosperity of the people.

In this respect, Africa still has huge challenges. In terms of the key components of the emergence criteria; per capita GDP, diversification and the degree of Integration in the global financial system, the much needed structural transformation and hence the jobs for the growing population.

Nonetheless, if current trends are maintained there is a very strong chance of eliminating absolute poverty in countries outside conflict zones over the next two decades.
After all, remember Ethiopia, has cut absolute poverty by half in only 15 years.

8. My third message to this symposium is this - There is life after oil, gas and mining. Africa and business opportunity is not simply about natural resources. Of course, when well-managed, revenues from these finite resources can be deployed to build infrastructure and develop human capital.

Indeed two of the fastest growing countries in Africa - Ethiopia and Rwanda- are not well endowed in the extractives.

It is the Sub Sahara demographic dynamics that provides the real opportunity and potential for growth across a whole range of markets.

A study done by McKinsey in 2014, in Nigeria observed that, it is conceivable that by 2030 Nigerians numbering 160 million (out of the 273) would be living in households with
enough discretionary spending (defined as $7500 per annum) to exercise a significant consumer power.

That number is equal to the populations of France and Germany combined.

If you make the same projections for Ethiopia - and add 80 million Ethiopians - that is equal to Germany, France and UK combined!

This consumer power, provided, but buttressed by sound macroeconomic and social policies - an enabling environment - would be a power to reckon with.

For the skeptics; and there will be many, remember this; if anyone in the late 1980s had posited that today Africa would be the fastest growing market for mobile phones, few would have thought that as a credible scenario.
And yet that is exactly what happened following the deregulation of the sector.

9. Let me be clear. None of this, of course is pre-ordained. We are aware of the downside risks, those that are known as well as the idiosyncratic.

To borrow the phrase of that famous American “there are known knowns and known unknowns”.

Among all those we know; chronic instability in certain Regions, and inequalities that thwart the growth of the middle-class and consumer power.

The one risk which we must definitely find imaginative solutions for is poor infrastructure that raises the cost of doing business, thus hampering growth of firms and diversification.
So is the slow growth in Africa’s single market.

Among those we do not know would be how bad the new shocks in the global economy would be, or the likelihood of sudden outbreaks of violence or new epidemics.

This is why some of these are at the core of the African Development Bank new Ten Year Strategy; geared at promoting growth that is inclusive, deepening the single market, reducing the costs of doing business and crowding in investments.

That is also why we have increased the volume of our lending to business, the range of our products and the support to improve the business environment in Africa.

At this moment, we are particularly keen to mobilise Africa’s pool of long-term savings to invest in infrastructure.
We have just created a vehicle which we also hope will help investors recognize the attractiveness of African Infrastructure as an asset class which offers security and good return.

I look forward to the opportunity to engage more on Africa50 with Institutional Investors here today.

10. This August I was privileged to attend the USA-Africa Summit called by President Obama.

It was a turning point.

It was a meeting focused on opportunities, on trade, investment and how to make it possible for more American Companies to expand into Africa’s Infrastructure, energy, logistics, agribusiness, financial services etc.
It is in that same spirit that I am here in Canada today.

So at a time of weak global growth pulses, we Global, Regional Political and Business Leaders need to take a closer look at the opportunities that African countries offer.

Africa is more than ever open for business.

11. The Toronto Forum offers an opportunity for us to further our dialogue, to better understand the opportunities, which promise to be mutually fulfilling.

The African Development Bank, now the leading development finance provider in Africa, is well positioned and prepared to be that special partner in turning those opportunities into a reality.

Thank you.