

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Remarks of Secretary Lew at the U.S.-Africa Business Forum**

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*As prepared for delivery*

**WASHINGTON** - It is a pleasure to join my colleagues in welcoming everyone to Washington, D.C. We have business leaders and entrepreneurs from across Africa and the United States here. I want to thank all of you for joining us today. I also want to thank all those at Bloomberg Philanthropies and at the Commerce Department who have made today's forum possible.

Right now, Africa is undergoing a swift and dramatic transformation. Africa is the second fastest growing region in the world and home to six of the 10 fastest growing economies. This growth reflects the hard work Africans have done to lay a solid economic foundation that supports investment. And the potential for expanded U.S. – Africa economic ties offers tremendous opportunities for the people of our two continents.

Before talking more about investment in Africa, let me say a few words about the United States economy. Recent data demonstrates the growing strength of the U.S. economy. We saw strong GDP growth reported for the second quarter last week, and our economy is now 6.6 percent larger than when the recession began in 2007. Our private sector has created nearly 10 million new jobs over the past 53 months. We are now in a six-month stretch with at least 200,000 new jobs each month—the first time that has happened since 1997. Over the past 12 months, job growth has been higher than in any year since 2006, and the unemployment rate has fallen 1.1 percentage points.

Overall, U.S. companies are hiring, the auto industry is thriving and the housing market is fighting its way back, with fewer homes underwater. Manufacturing is rebounding, with more than 700,000 jobs added since February 2010, the strongest job growth over any comparable period since the late 1990s. We produce more oil at home than we import, and we are now the world's leading producer of petroleum and natural gas. With the Affordable Care Act in place, health care costs have risen at the lowest rate in nearly 50 years. And our budget deficit has been cut by more than half.

Private sector economists expect this trend to continue, with strong growth in the second half of the year and through the end of 2015. Nonetheless, despite this substantial progress, millions of Americans continue to struggle. Unemployment is still too high, and for far too many families, this does not feel like a recovery.

The President has put forward a number of initiatives that would accelerate growth, propel job creation, and expand opportunity. These include common-sense ideas like rebuilding our infrastructure for the long-term, making student loan payments more affordable, and raising the minimum wage. And at the Treasury Department, we are helping to meet the President's goal of strengthening working families, which will help foster broad-based prosperity, and we will keep taking steps so our economy can continue making strides. For example, Treasury is working with the Department of Housing and Urban Development to support the construction and preservation of affordable rental housing.

All told, thanks to the decisions this Administration has made and the determination and resilience of America's workers and businesses, the United States has recovered faster than almost any other advanced economy in the world. And that is why, according to the IMF, the United States is a primary driver of global growth. That is good news beyond our borders, especially in Africa, because an expanding global economy provides opportunities for African companies, and it gives investors around the world confidence to look at new markets, including Africa.

Of course, with a young, dynamic population and a burgeoning private sector, Africa is already a vital market for foreign investors. And that is why we are here today. We want to drive more U.S. investment in Africa, increase trade between Africa and the United States, and spur job creation both here and in Africa. In a few moments, you will hear from an outstanding panel of experts about different approaches we can take to deepen Africa's financial services sector, reduce risks, improve investor confidence, and unlock access to capital markets.

The fact is, to expand growth and attract greater investment, Africa will need to develop more open, secure and competitive capital markets that can provide access to financing for governments, businesses and families.

Because of strong macroeconomic fundamentals and reforms that have been put in place, African countries—and companies—are expanding their access to international capital markets. Africa attracted more than \$50 billion in capital inflows in 2012. To retain and build on this access, Africa will need to pursue further economic and governance reforms, while building a more welcoming and predictable investment climate. As President Obama has said, governments that are more open and transparent, respect citizens' rights, and abide by the rule of law grow faster and draw more investment than those that don't.

The challenge ahead is to build robust, secure and transparent capital markets and financial sectors. As everyone here knows, financing is critical to building Africa's infrastructure, to fueling the next wave of entrepreneurs, and to improving the standard of living for families across the continent. The point is, open capital markets are vital to channeling savings and investment efficiently, and they provide safe opportunities for African investments in Africa. With the rapid growth and innovation in the African financial sector, we must also bear in mind the need to protect our financial systems from terrorists, money launderers, corrupt officials, and other criminals. We look forward to continued and growing cooperation in this important work to promote both economic and national security.

I am pleased that African Development Bank President Donald Kaberuka is with us for this session. The United States is working closely with the African Development Bank to advance reforms and attract private investment and finance as part of President Obama's Power Africa Initiative, which will bring reliable electricity to 20 million families and businesses. And to meet this goal, we are going to need strong capital markets that attract long-term investors.

In closing, let me say that the United States and our development partners want our relationship with Africa to be defined by our shared economic interests. To play a part in Africa's success, we must invest in roads, bridges, and power lines. We must provide training and support for young entrepreneurs. And we must improve access to capital for small businesses and manufacturers. By strengthening our economic ties with Africa, we can fuel growth, alleviate poverty, and foster stability.

Now, I want to turn this session over to President Kaberuka for what I know will be a valuable discussion.

Thank you.

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