

Remarks by Secretary of the Treasury Janet L. Yellen at Ford Silverton Assembly Plant in Pretoria, South Africa

January 26, 2023

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Thank you for that introduction. And thank you for having me here today at Ford. It's great to be at an American business in South Africa. This factory is a strong example of how deepening economic integration between the U.S. and South Africa — and the continent more broadly — can produce good jobs and boost economic growth for both of us.

I began this trip in Senegal. There, I explained that the United States' strategy toward Africa is centered around a simple recognition: that Africa will shape the future of the global economy. And I explained that the United States is ready to work with Africa as an equal partner — defined not by what we can do for each other, but rather what we can do with each other.

We know that a thriving Africa is in the interest of the United States. A thriving Africa means a larger market for our goods and services. It means more investment opportunities for our businesses, like this Ford plant, which can create jobs in Africa and customers for American businesses. And it means that more Americans can benefit from the dynamism and creativity of people in Africa.

A key pillar of the U.S. strategy toward Africa is boosting mutually beneficial trade and investment. The United States is South Africa's third-largest trading partner and a major destination for South African investment. In turn, South Africa is our largest trading partner in Africa. In the coming years, we intend to build on that strong foundation to promote even deeper economic integration here, as well as with other African countries.

Indeed, the United States sees tremendous economic potential in Africa. Across the continent, people are becoming more connected to the world than at any other time in history. Importantly, Africa is undergoing a significant demographic boom. By 2050, Africans are projected to make up a quarter of the world's population. Africa's working-age population is rapidly growing at a time when other regions face the challenges of aging populations. This presents an extraordinary economic opportunity.



Our work to boost trade and investment begins with facilitating business between Americans and Africans. For over two decades, under the African Growth and Opportunity Act, the United States has provided eligible Sub-Saharan countries with duty-free access to our market for thousands of products. South Africa was the biggest beneficiary of this arrangement last year. And since 2021, the United States has helped close more than 800 trade and investment deals in Africa — totaling \$18 billion.

Some of America's biggest companies are doubling down on their commitments in Africa. As you know, Ford recently began production of vehicles made possible by its \$1 billion investment here in South Africa. Technology companies like Cisco, manufacturing companies like General Electric, and financial firms like Visa have also made new announcements. We believe that leadership in the industries of the future requires close partnership with companies and people in Africa.

Prosperity in Africa also requires promoting more trade within Africa. As Africa's middle class grows, the continent will become a bigger market for its own goods and services. Trade between African countries has the potential to boost good jobs and economic opportunity. And it enables more Africans to benefit from the innovations of their neighbors. That's why the United States strongly supports the African Continental Free Trade Area. Estimates indicate that this Free Trade Area could boost real income by roughly 9 percent by 2035.

As we deepen our economic ties, we believe that sustained trade and investment depends on continued economic development. Trade requires quality roads and bridges; businesses cannot operate in the 21st century without reliable broadband and electricity; and a skilled workforce requires quality education and training.

Africa's infrastructure gap is estimated at over \$100 billion annually. To invest in global infrastructure, the G7 has announced a Partnership for Global Infrastructure and Investment. This initiative aims to mobilize \$600 billion into a variety of quality infrastructure projects by 2027 — including in Africa. Through the Millennium Challenge Corporation and the Development Finance Corporation, the United States has over ten billion dollars of active commitments and programs in Africa, in areas from telecommunications to renewable energy production. And I have personally convened the multilateral development banks to urge them to step up policy and technical assistance — as well as financing — in infrastructure.

Last month, President Biden announced an initiative on digital transformation. We intend to invest over \$350 million and facilitate over \$450 million in financing for this continent. Funds will go toward expanding Internet access as well as enabling a vibrant digital ecosystem through



digital skills and literacy. Strengthening Africa's digital economy has the potential to unlock innovation, particularly by leveraging the talents of young workers that are early adopters of technology.

Let me be clear: we do not take our investments lightly. Our projects and partnerships are motivated by our mutually beneficial, long-term partnership. That's why we have rigorous accountability, transparency, and technical standards. And that's why we assist countries with policy reform and capacity building. We believe these steps help attract private sector investment and deliver better economic returns. We know that people in Africa are interested in economic arrangements that are fair and open – ones that produce projects that are high quality and sustainable over the long term. And we also share a recognition of the importance of strong, open, and accountable institutions that deliver well for people and businesses.

I've spoken about why U.S. integration with Africa is important for our economic interests. Let me speak briefly about how it furthers our security interests as well.

Over the past three years, we have seen how disruptions in one part of the world can shake the global economy. COVID-19 brought the world's economic activity to a standstill. Russia's brutal war against Ukraine has raised energy prices and exacerbated food insecurity. These shocks have taught us about the importance of secure and resilient supply chains.

As we continue to vigorously promote global economic integration, the United States is pursuing "friendshoring" policies aimed at mitigating vulnerabilities in supply chains. We are addressing the over-concentration of the production of critical goods in certain markets – particularly those that may not share our economic values. To do so, we are deepening economic integration with the many countries that we can count on. That includes our many trusted trading partners on this continent – like South Africa. We believe that this policy can help increase the resilience of both our economies.

Success in Africa means success for all of us. A thriving Africa helps support a thriving America. The United States is committed to working with you to deepen our ties: not for show, not for the short-term – but for the long haul.

Thank you for having me.

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