

## **The US-Africa summit – investing in the next generation**

As home to some of the world's fastest growing economies, Africa is increasingly becoming a force to be reckoned with as an emerging business hub. The recent US-Africa summit confirmed Africa's imminent status as a trading partner rather than as a previously-colonised continent seeking financial aid. Amongst other things, the summit aimed to define the continent's path to growth with partners; expand trade and investment initiatives; promote inclusive sustainable development and in the process, encourage cooperation on peace and security issues.

From the summit, it is clear that the growth prospects for the continent are endless. Despite the current economic climate, the opportunities for the business world are endless and a better life for all is possible. The summit yielded a number of tangible outcomes, with the US making a number of concrete commitments to the continent that are sure to strengthen our position as a player on the global platform.

Perhaps one of the most important agreements from the summit was the commitment towards the Doing Business in Africa (DBIA) campaign, aimed at strengthening the US's commercial relationship with the continent. As it is, Africa is already outpacing global economic growth, making it an attractive investment hub. With just over \$33 billion already pledged at the summit, it is up to players on the continent to make themselves attractive to investors seeking to grow their capital. Most of the commitments made towards driving business in Africa came from private sector companies who are keen to trade on the continent.

The Obama government committed to negotiating with congress for the renewal and expansion of the Africa Growth and opportunity Act (AGOA). The act, which has been in place since 2000 and is set to expire in 2015, was intended to give sub-Saharan African exporters duty-free access to US markets; facilitate the integration of the region into the global economy and to improve relations between the US and the region. The continent remains hopeful that President Obama will be successful in convincing congress to extend this act. When renewed, it remains to be seen how long the extension will be for and the conditions thereof.

As the continent with youngest population in the world, the success of the African continent is highly dependent on its leadership and skills ability to carry the continent forward. As the theme of the summit indicated, all leaders acknowledged the importance of paving the way for the next generation towards freedom and prosperity. Both US and Africa leaders committed to allocating significant resources towards enhancing education, leadership skills, bolstering entrepreneurship and opening up opportunities for these young people to effectively contribute towards the economy.

During the summit, President Obama also renewed his government's commitment to the Power Africa initiative, a campaign launched in 2013 aimed at doubling electricity access to sub-Saharan Africa. It is expected that as basic infrastructure development improves, the continent will be in a better position to trade and make doing business with the continent easier.

The summit also noted peace and security issues as a recurring threat to the prosperity of the continent. As such, leaders resolved to address causes of conflict and agreed to create a new peace-keeping rapid-response project to enhance the continent's ability to defuse these conflicts. With Africa's complex security challenges, the project will also work towards professionalising security forces on the continent and using holistic approaches to resolve issues.

Other issues that received attention include the advancement of women on the continent. The US committed to further supporting women's progression in business, their participation in peace-building activities and promote women's rights.

Most critics agree that the summit yielded actual tangible results beyond just words. With expectations high, it remains to be seen whether we will be able to transform these agreements into growth for the continent. Crucially, the continent will need to continue working towards strengthening its ability to compete on a global scale by ensuring a stable economic environment for potential investors. As other players such as China and Europe also see the economic potential Africa brings to the table, it remains up to us to harness these opportunities to our best advantage. Going forward, all parties committed to making this a recurring event in an effort to keep up the momentum.