

**THE 17TH ANNUAL GENERAL MEETING OF THE
AFRICAN TRADE INSURANCE AGENCY**

**SPEECH BY H.E PRESIDENT UHURU KENYATTA PRESIDENT
OF THE REPUBLIC OF KENYA**

11TH MAY, 2017 AT KEMPINSKI HOTEL

Your Excellency Hon Patrice Talon-President of the Republic of Benin,

Chairman of the Annual General Meeting and Minister for Finance of the Republic of Rwanda Hon.Claver Gatete,

Honorable Ministers,

ATI Board of Directors,

Distinguished Guests,

Ladies and Gentlemen

1. I am happy to join you this morning at the opening of the 17thAnnual General Meeting of the African Trade insurance Agency (ATI). I extend a warm welcome to all of you and invite you to feel at home in Kenya.Let me begin by expressing my very deep and sincere appreciation to H.E Patrice Talon, President of the Republic of Benin forchoosing to attend this year’s Annual General Meeting of ATI in Kenya. Mr. President, on my own behalf and on

behalf of the people of Kenya, I welcome you to our country. Your presence is a clear demonstration of Benin's commitment to ATI and to supporting its role of facilitating trade and investment on the continent.

2. I understand your Excellency, that recently Benin has increased its equity capital in ATI by a significant amount, thereby strengthening the capitalization of the company while at the same time making it possible for ATI to support larger volumes of trade and investments in Benin.

3. Let me say that we in Kenya are always happy to host this annual event because we too have seen the tremendous benefits of being a member of ATI. In the last year alone, ATI facilitated the financing of trade and investments in Kenya valued at close to US dollars 800 million which represents around 1.2% of our GDP. This is a very significant contribution to our economy. It demonstrates real benefit because these financial flows could not have been realized without the support of ATI.

4. **Ladies and Gentlemen,** I see three reasons why all ATI member countries should commit themselves to supporting the organization.

- Firstly, I believe we appreciate the very low level of intra-African trade, its insignificant share of global trade and its high external orientation. Intra-Africa trade accounts for about 10% of Africa's total trade compared to about 60%, 40% and 30% of intra-regional trade achieved by Europe, North America and the ASEAN countries respectively. Africa's share of global trade has been stuck at about 3% of the global trade. African countries signed up to the Continental Free Trade Agreement, which aims at pushing for more significant growth of intra-Africa trade, as well as assisting African countries to benefit from trade as an engine of growth and sustainable development. This can only be realized when key institutions like ATI are made to function at their full potential. ATI is well positioned to facilitate both intra-regional and external trade between the continent and the outside world through its risk mitigation mechanisms that give confidence to domestic and foreign investors.
- Secondly, we all appreciate the need to reduce Africa's vulnerability to external shocks. This can only happen if we address the issue of the continent's dependence on commodities as well as foreign aid. The bulk of Africa's trade with the outside world is heavily concentrated on primary commodities. The recent

collapse in commodity prices and its devastating impact on countries whose economies are driven by commodity exports underscore the need for our countries to reverse this structural impediment. There is clear evidence that diversified economies where services sector and manufacturing play an important role in GDP growth are usually better able to navigate global headwinds. Again ATI has a critical role to play in this respect. Indeed ATI has contributed towards this diversification by insuring very significant amounts of investments in manufacturing, and agro-processing that has a higher value added and is less sensitive to exogenous factors. By insuring banks and businesses that are lending and trading within its member countries, ATI has been able to create vast opportunities for value added intra-regional trade.

- Thirdly, ATI is emerging as a center of excellence in the energy sector and is currently the beneficiary of a European Union funded program to enable it become a reliable channel for SE4All related projects. We all appreciate that the lack of electricity in Africa as well as the deficit in infrastructure remains one of the biggest barriers to the region's development. ATI is supporting a huge amount of projects in the energy and infrastructure sector including roads and air

transport. In the energy sector, ATI has underwritten investment in the electricity sector in the range of US\$240 million. Meeting our sovereign obligations as governments when they fall due will give ATI greater confidence to continue making these very significant contributions in bridging the energy and infrastructure gap in our member countries.

5. On our part as a country, we pledge our continued support to ATI to enable it fulfill its mandate more effectively. We have stood with ATI since its inception by initially paying for its office space and contributing financially and logistically to previous Annual General Meetings.

6. Ladies and Gentlemen, let me also take this opportunity to congratulate Cote D'Ivoire for completing its membership process in ATI and paying the necessary equity capital that now allows ATI to begin underwriting business in Cote D'Ivoire. I wish to encourage other countries especially those in West Africa that have expressed interest to join ATI to take the necessary membership steps in this direction. We stand ready to work with them to hasten the process. As ATI's membership expands across the continent, ATI will be better positioned to play a key role in closing the gap in

inter-regional trade and investments in Africa and facilitating more business activities between the various regions. I wish to express my appreciation to the ECOWAS block which has decided not to establish another multi-lateral trade and investment insurance entity similar to ATI, but to support ATI's initiative to recruit members in West Africa whilst playing a bigger role in shaping the future of the Agency as a pan-African institution.

7. I also wish to congratulate Ethiopia, and Zimbabwe which joined ATI last year. I am aware that within a short period of time since the two countries joined, ATI has supported very large investments valued at more than 400 million US dollars which included Ethiopian Airlines. This represents a significant contribution to the economies of Ethiopia and Zimbabwe and an indication of the potential benefits that other prospective countries stand to gain.

8. Let me also thank the African Development Bank sincerely for providing the necessary equity capital to enable these new countries to join ATI. I wish to particularly acknowledge AfDB's commitment to funding South Sudan's membership to ATI. The key challenge faced by many of our countries in Africa is the low levels of development, which triggers social tension. Subsequently, any initiative that helps our countries to focus attention

away from conflict and embrace development also helps in resolving conflicts. We look forward to welcoming S. Sudan as a full-fledged member.

9. Let me close my remarks by wishing the AGM very fruitful deliberations as you discuss the future of ATI in the next one year.

I thank you.

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