

**BRIEF REMARKS BY THE MANAGING DIRECTOR & CEO
BANK OF INDUSTRY (NIGERIA) Ms EVELYN N. OPUTU ON
BEHALF OF THE CHAIRMAN AFRICAN BUSINESS ROUND
TABLE AND PRESIDENT NEPAD BUSINESS GROUP, DR
BAMANGA TUKUR AT THE FIFTH AFRICA – ASIA
BUSINESS FORUM IN KAMPALA, UGANDA 15TH JUNE,
2009.**

Observance of Protocols

I bring you the greetings of the African Business Round Table (ABR) and the NEPAD Business Group as well as those of Dr Bamanga Tukur who is the Chairman of ABR and President of the NEPAD Business Group. On behalf of Africa's Private Sector, we express our appreciation to the Government and people of Uganda, the government of Japan and the United Nations Development Programme along with its sister development partners within the United Nations System notably the United Nations Industrial Development Organisation, the United Nations World Tourism Organisation and indeed the World Bank for the enormous efforts put into organising this Forum.

The Africa Asia Business Forum series that were initiated to promote trade and investment between African and Asian entrepreneurs; as well as facilitate the development of Africa's private sector have come a long way in the ten years of this initiative - from Kuala Lumpur, Malaysia in 1999 to Kampala, Uganda in 2009. These four fora were attended by nearly 300 participants who signed Memoranda of Understanding (MOUs) of over \$300 million.

Regrettably most of these MOUs could not be actualised primarily because of financial challenges. We understand that because finance was identified from the outset as a possible major challenge, the Government of Japan and the African Development Bank (AfDB) in 2005, jointly launched the Enhanced Private Sector Assistance for Africa (EPSA) with the earmarked budget of US\$1 billion over a five year period to address this critical issue. ABR & NEPAD salute the government of Japan and AfDB for this laudable initiative.

However, whilst we are unaware of any empirical study on the impact of EPSA on the development of entrepreneurship in Africa, ABR and NEPAD are of the

view that there may be an urgent need for a review of its implementation. It would appear that most African entrepreneurs that EPSA was established to assist may not be able to access it to any appreciable degree.

Most African entrepreneurs, especially those who attended AABF fall into the Small and Medium Enterprises (SMEs) category. The average commercial bank find SMEs unattractive because of their perceived high risk profile. Our understanding is that only Commercial banks within the continent have been able to access EPSA. Most post conflict nations do not have strong commercial banks that can access EPSA as presently managed.

In view of the forgoing, is therefore not surprising that the targeted MSMEs have not been able to benefit from EPSA as was intended. This we consider unfortunate as many African SMEs who had attended AABF had very high hopes in EPSA

We believe that national and sub-regional development finance institutions (DFIs) may be better vehicles to intervene in this initiative.

This was the primary reason why the Bank of Industry of Nigeria, one of Africa's oldest and better managed

development finance institutions initiated the proposal that involved the setting up of an initial \$20 million fund to assist African Entrepreneurs in partnership with ECOBANK Transnational Incorporated . Under this initiative BOI would contribute \$10 million to be matched by another \$10 million by EPSA .

It was believed that BOI with its long term lending skills and ECOBANK with its presence in 25 countries could jointly assist African entrepreneurs in overcoming this critical financial challenge. These two banks together with officials of the UNDP/TICAD Bureau from New York undertook a joint mission to the head quarters of the African Development Bank in Tunis to explore how this initiative could be actualised. The matter is still a work in progress.

Our view is that if the Government of Japan is to realise its laudable objective of assisting African entrepreneurs it would need to urgently review and advance a more implementable funding arrangement. The Bank of Industry and ECOBANK are still committed to making their structures available for on lending development resources to African entrepreneurs, provided our funds would be matched by those of the Japanese Government.

Your Excellencies, ladies and gentlemen unless such realistic steps are taken, the gap between availability of opportunities and their accessibility would continue to widen. This leads me to the \$5 billion that was earmarked last year for Africa's development at the Fourth TICAD Conference in Yokohama Japan as well as the emergence of the new Japan International Cooperation Agency (JICA) with a combined resources of \$8.5 billion making it the biggest national donor agency in the world. We commend the Government of Japan for this very bold initiative and its decision to adopt a multilateral approach to development assistance by working closely with the World Bank and other multilateral and national development agencies.

However, by way of learning from contemporary developments, it is the kind of experience that we are having with EPSA that result in inconsistencies between policy pronouncements and their implementation. We hope the new JICA with its lofty and laudable objectives would guard against these and similar situations.

On our part, this is the right time for African entrepreneurs to come out of their comfort zones.

The global financial meltdown and the over maturation in the markets of the developed countries present very good opportunities that African entrepreneurs should seize along with their Asian and western partners by embarking on joint ventures in Africa – a continent whose investment potentials remain largely untapped.

And lastly, the fact that Africa is ready to host the World Cup next year confirms that we Africans CAN record monumental achievements and attain the Millennium Development Goals if we really MEAN to with the assistance of our ever willing development partners of which the Japanese have been quite outstanding, especially, with the TICAD process.

Thank you for your kind attention.