

**Remarks by President Ellen Johnson Sirleaf
at the Investors Forum
Washington DC
February 15, 2007**

Ladies and Gentlemen:

I would like to thank you all for coming to the private sector portion of our meetings today. It means a great deal to all of us to see so much interest from the private sector in investing in Liberia. We in Liberia believe we have great economic potential; and your presence here today shows that you believe it as well. We are thankful for your interest.

I would like to especially thank the IFC, OPIC and the Corporate Council on Africa for working so tirelessly with the Minister of Commerce, the Chairman of the National Investment commission, the Liberian Ambassador to the United States and others on the Liberian team to organize this event.

I would like to discuss three broad topics with you today: our broad vision about the role of the private sector in Liberia's recovery; the great potential for private sector investment; and some key steps we have in mind to strengthen the environment for private sector investment going forward.

First, let me be absolutely clear: a strong and vigorous private sector is absolutely central to Liberia's economic growth and development. To put it simply, we cannot achieve our goals of job creation, poverty reduction, income generation, infrastructure building, and government revenue generation without robust private sector growth leading the way

Our vision is for the Liberian economy fully integrated into the global economy through strong trade, investment, and financing linkages. We would like to create an environment that is welcoming to investment, both domestic and foreign. We want investment that brings with it new ideas, technology, innovation, and financing. We want to establish firms that can compete in regional and global markets and create new jobs for the Liberian people. We want firms that are prepared to add value to our raw materials and we would like to see productivity, wages, and profits grow over time.

We see the private sector as a crucial partner for our recovery and development. We need your ideas and your inputs alongside your investments. I want to establish the foundation for regular dialogue and discussion with key investors and private sector firms.

Just 18 months ago, a meeting like this would have been inconceivable. Liberia had been destroyed by war. Our infrastructure was in ruins. GDP had declined more than 80% because of the conflict. There was very little economic activity to speak of, and not much reason to invest.

But all of that has changed. The economy is on the rebound. Stores are opening up. People are rebuilding their homes and their businesses. Restaurants and hotels are expanding. Our donor partners are investing around the country, further stimulating economic activity. Roads are slowly being rebuilt. Trade is increasing rapidly. The economy grew by nearly 8% in 2006. Government revenues are up 48% in one year. And as everyone here knows, we have completed negotiations with Arcelor Mittal steel for an iron ore concession agreement that will provide investments of \$1 billion over seven years. Similar negotiations with Firestone are starting this week. All we want in these negotiations is an equally fair deal for the country and the investor.

Ladies and Gentlemen, what all this means is that Liberia is back in business and is welcoming business.

That brings me to my second point. We have vast economic potential. Liberia is not a poor country – it is a country that has been managed poorly. The huge drop in economic output since 1980 has a silver lining: it demonstrates the huge upside potential for investment and economic expansion. And we need all of you – we want all of you – to take advantage of these opportunities, make profitable investments, contribute to an expanding economy from which you will benefit.

We aim to quickly restore the traditional engines of the economy – rubber, timber, mining and cash crops – and ensure that increasing purchasing power accrue to the many and not to just a few. We are working hard to revitalize agriculture as the bedrock of the economy, as it provides livelihoods for the majority of Liberians and is essential for reducing poverty. We believe we can create an environment that eventually will attract manufacturing firms that can export to our neighbors, to Europe, and to the United States. Some of our partners are considering the establishment of a Free Zone where processing and assembling can be made possible. There are opportunities in restaurants, hotels, transportation, infrastructure, construction, business services, financial services – in short, in almost every economic activity.

There are many opportunities right now, but to create the environment we want for long term growth and to reach our vast potential, we recognize that we have much work to do. Let me mention some of the key areas that my team is beginning to work on to strengthen the environment for private business.

- First, we are beginning to rebuild our road and transportation networks. We have a long way to go, but with the help of the UN, the World Bank, the US, the Chinese, and others, we are beginning to make progress.
- Second, we need to improve our supply of power and electricity. As many of you know, last July we turned on electricity to parts of Monrovia for the first time in 15 years. But we have a long way to go to expand the network and to bring down electricity prices to much more reasonable level.
- Third, we need to reexamine both our tax code and our investment code to update them, make them more compatible with each other, and make them more supportive of business activities, while at the same time maintaining the integrity of our revenue base and our tax system. We are committed to reforms of both the tax and investment codes over the coming year. We

intend to harmonize with countries in the ECOWAS community to broaden our markets.

- Fourth, we want to take a hard look at our business regulations, and eliminate any unnecessary red tape that adds to business costs and reduces profits.
- Fifth, we want to streamline customs and ports operations. We recognize that delays and obstructions at the ports make your business operations both more costly and less predictable, and we are determined to streamline the customs process.
- Sixth, our financial sector is extremely weak. We need to restore our financial system, strengthen our banks, improve their capacity to deliver business services effectively to private firms in Liberia.
- Finally, we will continue to address and weed out the cancer of corruption which undermines and distorts valid business transactions.

We realize that there are some risks to investing in Liberia. But we also see that there is great opportunity. We are delighted to be working with our partners at OPIC, the IFC, and other organizations that can help us to maximize those opportunities. And we are especially pleased that all of you are showing such interest in Liberia. I

hope we can work together to bring Liberia back to its full potential,
and along the way make a little profit for both of us.

Thank you very much for your kind attention.