

Speech by H.E. Fradique de Menezes
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Closing Plenary Lunch with
The Hon. Colin Powell, U.S. Secretary of State
Corporate Council on Africa
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Thank you, Mr. McGhee, for your kind introduction. I would also like to thank Mr. Stephen Hayes and his staff at the Corporate Council on Africa for organizing this marvelous Summit.

Excellencies, Heads of State, Mr. Secretary, Distinguished Guests, Ladies and Gentlemen:

As you can imagine, it is not often that someone from my small country - a country that most people have never even heard of – has the opportunity to address a group as important as yourselves, much less share the program with someone of the stature of the U.S. Secretary of State. I will, therefore, confess to you that I am a bit nervous up here behind the podium as I tell you what an honor it is to be with you today.

I was asked to address you on the topic of “Beyond War Into Prosperity.” Sadly war is a subject that, in recent times, rarely leaves the front pages of the newspapers here in the United States and around the world.

Also, if one relied on the daily news reports from Africa, one would think that Africa is nothing but war, disease, and drought, and that all Africans are poor, hungry, uneducated, and corrupt. Journalists seem to be goaded by their editors to feed a public hungering for proof of savagery. If you search for general books on Africa you will find titles like African Madness, Squandering Eden, The Road to Hell, The Graves Are Not Yet Full, Tropical Gangsters, and How Can Africa Survive?

Africa clearly has a major public relations problem. Perhaps you could loan us some of your experts to help us spin a better message! But, for now, Africa is still largely unknown in most parts of the world. In fact, in the United States most people seem to think that the entire continent is just one big country. We hear about Italian-Americans, Cuban-Americans, Irish-Americans, Mexican-Americans, but you, Mr. Secretary, belong to all of us in Africa as an AFRICAN-American. So we all get to share in the pride of seeing that although thousands of our ancestors were taken in chains onto boats to be sold like cattle, that their offspring have risen to become Martin Luther King, James Baldwin, Miles Davis, Thurgood Marshall, and Colin Powell.

Africa is the mother of all mankind. And today, despite more than our fair share of tragedies, Africa is a vibrant continent filled with shopkeepers, fishermen, farmers, bakers, bankers and businesswomen to say nothing of our world-class athletes and artists.

I am certain we all agree that none of Africa's problems can be solved by war. So rather than focus on the despair, distrust, and disappointment that dominate news coverage, let us think of the promise and hope that is the message of this Summit: building partnerships between the United States and the countries of Africa. That is what will lead us all to the second part of the subject today: prosperity.

Even in this age of globalization, Africa is still largely disconnected from the world economy. Africa has about ten percent of the world's population, but in 2001 sub-Saharan Africa received only zero point seven (0.7) percent of the world's foreign direct investment, and most of that was invested in petroleum and mining.

Until private capital begins to flow into Africa, few of the aid pledges will make a lasting difference. Economic development stalls without investment. Therefore, we need steps that will increase the return on capital invested in Africa to bring real growth. We would also benefit if the U.S. were to negotiate free-trade agreements with individual African countries. .

But we cannot talk about free trade when agricultural subsidies close western markets to African products, at the same time that tariffs protect everything from steel to sugar. AGOA is a good start, but many African economies would benefit enormously if all their products could enter the United States duty-free and quota-free. Tax relief for repatriated profits on new investments in Africa would also make investing more attractive.

And while there is general recognition of the wealth creating power of open societies, market liberalization, and free trade, economists have also discovered how much more difficult development is than just promoting trade and free markets. "Free trade agreements are at best only part of the solution," Robert Z. Lawrence of Harvard recently wrote. "They must be complemented with other reforms."

Clearly, African countries must also do their part. We cannot achieve prosperity through bad government, repressive regimes, corrupt officials and failed states. We must ensure that there is a rational allocation of national resources while we focus on real investments that need to be made to alleviate real problems that are barriers to progress: crippling health problems, weak legal systems, poor education, the lack of roads that cut off entire people's within our countries.

Democracy, good governance and free markets pave the way to a better life for our peoples. But one-size-fits-all strategies have had dismal results. As Professor Jeffrey Sachs of Columbia regularly notes, we actually need much more help with malaria and AIDS than macroeconomic management. And we must tap local strengths and package sound economic principles around local capabilities. Most importantly, political scientists agree that democracy rarely takes root when not accompanied by economic growth. And corruption and mismanagement are difficult to avoid when the average person in Africa earns less than one dollar (\$1) a day.

The only way out of this cruel cycle is the development of true partnerships that will bring Africa the foreign investment that we need, while we in Africa embrace good governance, encourage economic freedom, and empowering our peoples as our guiding principles.

These partnerships must go in two directions as well. To turn a phrase of President John F. Kennedy, we should not only ask what America can do for us, but what we can do for America. And there is much that Africa can do for America. Let us look at just a few things we have to offer you:

- With ongoing instability in the Middle East, African oil plays a valuable part in U.S. national strategic interests, as we offer a safe supply that will soon be some twenty-five percent of U.S. oil imports.
- We are a natural outlet for U.S. minority-owned businesses and we would welcome more small and medium-sized U.S. investments from this sector.

- We share your concern about the clear and present dangers to our national security, sovereignty and public safety from transnational criminal networks of terrorists, narcotics and arms traffickers, and alien smugglers. Their corrupting influence and destructive power cannot be underestimated. Many of today's biggest threats are truly stateless. We pledge our support to your efforts to eliminate these threats to all nations. We should not forget that long before the tragic attack on the World Trade Center, our citizens died with yours in attacks on U.S. embassies in Kenya and Tanzania.
- We are committed to establishing and consolidating democracies in Africa.
- We also support the guarantee of human rights for all peoples of Africa and the United States.
- We join in your concern for protecting the environment and human health.

Before closing I want to take a moment to talk about my own country: Sao Tome and Principe. We don't even appear on many maps of Africa. In fact, the last time that "The National Geographic" magazine did an article on Sao Tome & Principe was May of 1946!

We are small. We are also a very young country. We were still a Portuguese colony ten to fifteen years after most African states had gained their independence from European powers. But you should know that our small island-nation of some one hundred and fifty thousand (150,000) people is one of the most stable democracies in Africa. We have an open political system with free and fair elections, and robust political parties. We are blessed in that we have no racial strife, tribal turmoil, linguistic conflicts or territorial disputes. For many years my country was devoted almost exclusively to growing cocoa. Before becoming president I made my living as a trader of agricultural commodities. I trained at the Chicago Board of Trade and worked for several American companies before my country became independent from Portugal in 1975.

But I suspect that I would not be standing here today if my country were only in the chocolate business. We are strategically located in the most important petroleum area in the world today: the deep water off the western coast of Africa. As we turn from cocoa to “black gold” Sao Tome and Principe is facing a moment of opportunity that nations rarely encounter or have historically squandered.

I have promised my people that we will avoid what some call “the Dutch disease,” or “the crude awakening” or “the curse of oil.” Statistics show that resource-rich developing countries perform markedly worse in terms of GDP development than resource-poor countries. Their social indicators are also below average. In Sao Tome & Principe we are determined to avoid this paradox of plenty.

We want to partner with American business to make sure that we get it right. What is crucial to our success is the extent to which we can count on our corporate partners to see that they, too, have a real stake in the future of Sao Tome & Principe. We all share the responsibility for the overall effects of oil revenues on our nation. We ask that our partners set the highest ethical standards, transfer technical and managerial competence, and provide local employment opportunities, in an overall approach of being good corporate citizens and a real part of our community.

When I was elected president of my island homeland I took up the task in buoyancy and hope that my long-suffering people could finally begin to live with the dignity they deserve. I will not fail them. We also cannot fail the millions of other Africans yearning for a better life for themselves and for their children.

I say to you then, my friends, let us go forward together with our united strength, so that future generations will say of us, “**They did it right.**”

Thank you.

