

The AFRICA JOURNAL

SPRING 2007

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Since the early days of its formation in 1993, the Corporate Council on Africa (CCA) has been the leading American nonprofit, tax exempt organization dedicated to enhance trade and investment ties between the United States and the 53 countries of Africa. The visionary founders of CCA - from business and government - foresaw the importance of trade and investment as the driver for growth and development in Africa. The imaginative, enterprising, skillful, and risk taking mindset of the private sector was then - as it is today - the main locomotive for tangible results. Governments can and should set the framework but it is business enterprises and individual entrepreneurs that make things happen on the ground - they invest, transfer skills, create jobs, and pay taxes.

CCA's mission has remained constant - it is a membership organization that adds value to the initiatives of its member companies. Over time CCA's priorities, programs and emphasis have evolved to adjust to the changing realities on the ground - here and in Africa. I had the honor of serving as Chairman of CCA from 1999-2001 and I feel privileged to come back in that position to work closely with CCA's dedicated staff and the remarkably enterprising companies and individuals that compose CCA's distinguished roster of members. From the largest U.S. corporate giants to small and medium size companies to individuals with an idea or a service to render, CCA members look at Africa as an area of opportunity that deserves attention, investment and commitment of human and material resources. Success stories far outweigh the inevitable failures that are part and parcel of those of us who live in the universe of risk/reward decisions - in fact successful African investments generate some of the highest rates of return on capital deployed.

The Africa Journal is one of the many ways CCA reaches out to business and government leaders as well as to the media here and in Africa. It is an important platform to fulfill CCA's role as the facilitator of dialogue and flow of ideas between Africa and the United States. The Spring 2007 edition is dedicated to "Rebranding Africa." It is a theme but more importantly it represents a focus on reality. All of us who work in Africa know that more often than not success stories - and there are many - are ignored while failure and sensation command the headlines. This is not a criticism of the media - just a reflection of today's competitive environment in the news business. So, this issue of *The Africa Journal* is a call to action to all of us in business, government and the media, here and in Africa, to take stock of what is going well - while at the same time not ignoring the things that require correction or change. We who invest our time, energy and resources on a daily basis know this, but it is important for us to share this so that others can gain from our experience and perspective.

In this context CCA plans to take a further pioneering step by hosting our flagship event - the biennial *U.S.-Africa Business Summit* in Cape Town, South Africa from November 14-16. So far this effort is receiving enthusiastic support from government and business in the United States and in Africa. But in the end, the support of our members and sponsors will determine success - and we are counting on that support to be forthcoming, as we feel strongly that the results will justify the risk. Taking our *U.S.-Africa Business Summit* to Africa is the best way to signal to one and all that the U.S. relationship with Africa and Africa's relationship with the U.S. has matured. What better way to trumpet success for both sides?

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The Africa Journal, initially a tabloid publication, was founded by Abdoulaye W. Dukulé, PhD. In 2003, all rights were purchased by CCA from Mr. Dukele, and the publication was converted to its present magazine format.



PRESIDENT'S MESSAGE

With the "Rebranding Africa" edition of our quarterly publication *The Africa Journal*, we hope readers will be informed and inspired to develop their business interests in Africa. One of the Corporate Council on Africa (CCA)'s major challenges continues to be the lack of engagement in Africa by the American private sector. I believe this reluctance often reflects a lack of access to

complete information. Many American businesses are still unaware of the diverse opportunities available on the Continent, and some companies are intimidated by the perceived risks. The nations of Africa are as diverse as the nations of the Americas.

The goals of our "Rebranding Africa" edition are to motivate U.S. businesses to re-evaluate old business models, and to explore innovative ways to mitigate risks. By highlighting the successes of Chinese and South African business models, we hope to encourage U.S. companies to develop new business strategies to increase American competitiveness in Africa. America continues to lose market shares in Africa to other competitors- including China, India, and other new entrants. We believe this need not be inevitable.

In our special Liberia section, we explore specific business opportunities that are emerging within the country. Liberia's political turnaround is a prime example of the changes that have occurred on the Continent and the opportunities that can be utilized for mutual benefit. This edition also features other success stories that continue to change Africa's image and testify to the spirit of entrepreneurship that is palpable throughout the Continent.

During 2007, CCA will also take its commitment to rebrand Africa as a Continent of opportunities a step further. For the first time in the history of the organization, we will host our flagship event, the biennial *U.S.-Africa Business Summit*, in Cape Town, South Africa from November 14-16, 2007. South Africa is an important gateway to both South African and African businesses. I would like to encourage all U.S. businesses to use this historic opportunity to explore new partnerships and new markets. In the process, I am confident that you will also discover a vibrant Continent with diverse cultures and numerous business opportunities; a place where positive changes continue to take place. These are exciting times for Africa. ●

Stephen Hayes, *President*
The Corporate Council on Africa

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The contemporary, Africa-inspired furniture on the front cover and on pages 14 & 15 is manufactured in South Africa. The chairs are known as "Zulu Mamma" chairs. The images appear courtesy of Noleen Kutash, owner of the CA-based company PhasesAfrica www.phasesafrica.com Also visit www.kyadesigns.com for African contemporary home decor on pages 12, 13 & 46. Courtesy of Gail Thalmann.



Mission Statement

The Africa Journal is a quarterly publication of the Corporate Council on Africa, a non-profit membership organization dedicated to enhancing trade and investment relations between the United States and the 53 countries of Africa. The Africa Journal aims to raise Africa's profile as a business destination with numerous and diverse opportunities.

The Africa Journal's Objectives are to:

- Provide a synopsis of important trade policy and political developments in Africa;
- Introduce key figures and stakeholders in the U.S.-Africa business & government community;
- Feature analysis and in-depth features on current economic & political developments;
- Highlight CCA member companies and businesses' success in Africa; and
- Inform readers of CCA's programs, services and events.



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Zimbabwe—Zimbabwe is to nationalize diamond mining. South Africa's Better Mining to invest \$100 million in diamond projects in Zimbabwe.

TRADE DEVELOPMENTS

Benin, Nigeria, and Togo—have formed a new regional body known as the Co-Prosperity Alliance Zone that is aimed at fast-tracking the integration of their economies.

SACU—European Free Trade Association and the Southern African Customs Union have concluded a free trade agreement that should come into effect later in 2007.

INFRASTRUCTURE

Democratic Republic of Congo—The DRC government is to sell state-owned assets, including water, transport, and electricity utilities, to private investors.

Nigeria—\$7.3 billion is being committed to the construction of power plants across Nigeria as part of the National Integrated Power Project and the Mambila Hydroelectric power project in Taraba state.

Tanzania—A consortium is to take over the operations of the Tanzania Railways from Dar es Salaam to Kigoma and Mwanza, electrify the railway line, and modernize its services.

TELECOMMUNICATIONS AND IT

Libya—Libyan mobile phone companies Al-Mada and Libyan are to be privatized.

Uganda—MTC Group, owner of Celtel International, is to increase its investment in Africa from \$8 billion in 2006 to \$10.5 billion in 2007, including more than \$40 million in Uganda alone. The Uganda Communications Commission is to spend over \$100 million on the

development of Information Technology infrastructure in rural areas.

FINANCE

Liberia—The U.S. government forgave Liberia's debt of \$391 million.

Mozambique—The Chinese government has written off \$20 million debt incurred up to 2005. Norway granted \$33 million for electrification projects to the country.

Nigeria—Nigeria is to redeem most of its remaining debt to the London Club of Commercial Creditors.

Uganda—Uganda's parliament approved borrowing \$26.4 million from the World Bank in order to improve the railways, transport, border crossings, customs operations, and trade in East Africa as well as a \$37 million supplementary loan from the African Development Bank for a road linking Uganda to Rwanda and the DRC. Uganda's foreign debt has dropped from nearly \$4.5 billion to \$1 billion, thanks to the World Bank's \$3.7 billion debt waiver that started on July 1, 2006.

Zimbabwe—The IMF has given the government of Zimbabwe six months to repay its debt and to undertake policies recommended by the institution or face expulsion.

USEFUL STATISTICS

Egypt—African companies continue to invest in China with Egypt's Orascom buying 19% of Hong Kong-based Hutchison Telecom.

Ghana—70 Chinese investment projects worth \$33.44 million were registered in Ghana at end 2005.

Kenya—The Kenyan Diaspora remits Sh 65 billion home each year, 10% of the country's national budget.

South Africa—South Africa reported its first ever budget surplus of R5 billion or 0.3% and predicted another in the next tax year. SABMiller continued its beer foray into China.

MINING AND MINERALS

Algeria—The United Arab Emirates and Algeria are to jointly build an aluminum smelter complex.

Mozambique—BHP Billiton scaled back the Corridor Sands titanium project due to cost pressures.

Nigeria—Vetco International, the UK oil and natural gas services company, was fined \$26 million for paying \$2.1 million in bribes.

Republic of Congo—Burren Energy plans to sell its Congolese assets to Italian energy group Eni.

Senegal—Arcelor Mittal signed agreement to develop iron ore mining in Senegal; Kumba Iron Ore is disputing the agreement claiming prior rights to the deposit.

South Africa—The South African government and De Beers announced a joint development in Namaqualand.

Tanzania—Xstrata Nickel is to invest an additional \$95 million in the Kabanga nickel project.

Zambia—Zambezi Resources has completed the definitive joint venture agreements with Glencore. The Zambian government has increased mineral royalties from the current 0.6% to 3% effective April 1.

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The Government of Uganda has completed the penultimate phase of the roll-out of the Oracle Integrated Financial Management System (IFMS) to 32 ministries and local governments; thus creating a fully-integrated platform to manage budgets, expenditure, and non-tax revenue in the country.

The system is flagged as a first for Africa. It not only eliminates disparate systems, but also creates a standardized, fully-integrated system across the key business processes of government financial management: from the early stage of budget preparation where the input of all stakeholders are consolidated, through the release of funds, the cash management, the non-tax revenue management to the procurement, and the payment of expenditure items.

"Oracle IFMS allows monitoring and management of funds across the entire government, be it central or local," said Magued Mahmoud, Consulting Manager at Oracle African Operations. "The IFMS project is also unique in that a single government department, the Ministry of Finance, Planning, and Economic Development, was entrusted with the complete deployment of the project, taking the role of ensuring compliance with legislation, managing implementation, and testing and training of users in all departments."

As a precursor to the project, the government scrutinized and changed its legislation for public finance, put in place a uniform chart of accounts for all departments, and thereafter launched a change management program to inform government personnel of the project and its impact on their work. A financial management study was undertaken to document the business processes needed to support the implementation.

Thereafter a tender was issued through an international competitive bidding process.

"We visited other governments in Africa that had undertaken financial management projects, and realized that if we were to implement the system quickly and achieve the level of standardization and integration we wanted, we would have to manage implementation centrally," said Mr. Isaac Mpoza, IFMS Project Manager, Uganda Ministry of Finance, Planning and Economic Development.

WORLD TRADE CENTER INSTITUTE HONORS CCA BOARD MEMBER BARBARA KEATING

Computer Frontiers, Inc.

Barbara Keating, President and Founder, of Maryland-based Computer Frontiers, Inc. was recently given a leadership award by Maryland's World Trade Center Institute (WTCI) as part of its annual program to recognize international business leaders.

The coveted awards are given to company leaders who have demonstrated exceptional business leadership, determination, and creative strategy in international business. The winners, who received their awards on March 29, 2007, were selected from a highly competitive roster of business leaders and voted on by WTCI's International Business Leadership Awards Committee.

Keating was specifically honored for leading her company's efforts in international development initiatives that include establishing affiliate companies in Uganda, Ghana, Senegal, and South Africa. Computer Frontier's African companies provide call centers, virtual help desks, information technology consulting, IP telephony solutions, visa processing services, and web development support throughout the continent.

In addition, Keating's company has established numerous partnerships with other external organizations to support international development, and these accomplishments were also given consideration in the awards process.

DYNCORP HIRED FOR SOMALIA PEACEKEEPING



On March 7, 2007 FORBES.COM reported that the State Department hired CCA member Dyncorp International to help equip and provide logistical support to international peacekeepers in Somalia. Reportedly, the Virginia-based DynCorp will be paid \$10 million to help the first peacekeeping mission in Somalia in more than 10 years. According to the Associated Press, DynCorp will help to move supplies and personnel engaged in the Somalia mission. The company will also supply tents, vehicles, and generators, DynCorp spokesman Greg Lagana told the Associated Press.

"We have an overall contract for African peacekeeping, this is a specific task order for Somalia," he said. "But we are also present in Liberia and southern Sudan."

The Associated Press story also detailed other DynCorp operations in Africa, including a program to disarm and rehabilitate former soldiers in Liberia, while advising the government on the reconstitution of the army. According to DynCorp's website, the company also supports peacekeepers in southern Sudan, and is working with the U.S. Embassy in Ethiopia to help the African Union create a standby military force to respond to emergencies.

Members are encouraged to submit their Africa-focused press releases to diffley@afriacncl.org

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BUSH BUDGET REQUEST CALLS FOR AID INCREASES

By Phillipe De Pontet

The Bush administration released its budget request for fiscal year 2008 on February 5, 2007. It includes substantial increases for the foreign operations budget, although some of these are likely to be cut somewhat by Congress. Highlights from the budget request include the following:

- The PEPFAR budget for HIV/AIDS spending under the proposal will jump to \$4.5 billion. This has clearly become the favored aid initiative both with the administration and Congress in recent years. The 16 PEPFAR nations should benefit from the increase in resources.
- The budget seeks \$3 billion for the Millennium Challenge Corporation (MCC). Based on precedent and democratic inclinations, this funding target will likely fall short by about \$1 billion - some of the MCC money will be "raided" for other programs.
- Development Assistance (DA) for United States Agency for International Development (USAID)-categorized "developing" and "transforming" countries will fall by \$450 million, or one-third, from last year. Funding for Ethiopia will be

highest among African nations under the DA rubric, at \$39.8 million. As for Child Survival and Early Health funds, Nigeria is slated to receive \$31 million, the highest allocation in Africa.

- Economic Support Funds (ESF), largely for geo-strategically significant or rebuilding states, will be increased from \$2.6 billion to \$3.3 billion. The rising ESF request and lower DA request may reflect the State Department's greater authority over USAID. The ESF budget allocated for Sudan's reconstruction is \$246 million, by far the highest in Africa
- The budget requests \$300 million for the Bush administration's Malaria Initiative, which seeks to halve malarial deaths in select African nations.
- The Bush administration's Global Peace Operations Initiative (GPOI) for peacekeeping, training, and equipment would get \$95 million under the proposal.
- Various agriculture programs, including Bush's *Initiative to End Hunger in Africa (IEHA)*, would receive \$124 million in the budget.

The Bush administration's budget proposal is something between a wish list and an actual blueprint for next year's budget. Many, if not most, of the proposed allocations noted above will be altered by Congress during the budgetary process in coming weeks. Foreign assistance is often vulnerable to cutbacks

by members of Congress eager to secure funding for their priorities and 'pet' projects. Key players in this process, in addition to members of the Congressional International Relations Committees, will include Nita Lowey, the chair of the House Foreign Operations Appropriations Committee, and her counterpart in the Senate, Patrick Leahy. The budget request does indicate that the Bush administration is seeking to increase Economic Support Funds, at least partly at the expense of traditional Development Assistance. This may well reflect the consolidation of USAID within the State Department, formalized with USAID director Andrew Tobias' dual role in both organizations - a change which will likely give the State Department more authority over aid funds.

Earmark reform, if it moves forward, may indirectly strengthen the hand of the State Department as well. Under the proposed reform, funding for earmarks (to pet projects desired by individual lawmakers and their constituents) would devolve back to the relevant departments. In practice, this could give the State Department bolstered authority in supporting (or opposing) spending initiatives traditionally championed by members of Congress.

USAID PRAISES MOZAMBIKAN GOVERNMENT'S RESPONSE TO FLOODS

By Katherine Constabile

During the week of March 9, 2007, U.S. Charge d'Affaires Daniel Johnson declared a humanitarian emergency in Mozambique. Since December 2006 the country's lethal rains have flooded the Zambezi river, impacting approximately 300,000 people (displacing 114,000). Only weeks after the flood, Mozambique was hit by the cyclone Favio, which hit the Inhambane province and affected another 100,000 people.

Jay Knott, head of the USAID in Mozambique, recently



praised the country's government for its timely and organized response to the two natural disasters, stating that Mozambique's response is a model for the rest of the Continent. The flood is the worst the country has faced since 2000 and this time the government was much better prepared. It set up 41 shelters along the Zambezi river valley, and civil employees and government troops transported all 114,000 displaced persons. The government's preparation for this particular flood included an early-warning system that was established in October 2006, and the creation of an eight-year national strategy for disaster prevention and mitigation.

USAID provided disaster response assistance such as malaria nets and water purification chemical distribution, but the

Mozambican government's efficient efforts are largely responsible for the successful management of the crisis.

USAID's most important contributions were its consistent technical assistance and its development of government capacity to respond to and professionally manage such crises. Three of the agency's priorities in the country are rural development, improvement of local governance, and amelioration of health problems. USAID has been involved in the country since 1984 and was one of the most active development agencies in the country following the 2000 floods, providing \$137 million in emergency funding. In contrast to the 2000 floods, USAID's contribution to the recent floods has thus far been miniscule. In 2006 the U.S. government contributed \$150,000

to the Mozambican government, and plans to contribute an additional \$200,000 in 2007.

Mozambique still faces challenges in managing the crisis, however, the government recently issued a consolidated appeal for an additional \$17.7 million in aid. Nonetheless, fewer than 100 Mozambicans have died during the recent natural catastrophes, in comparison to more than 700 during the 2000 floods. •

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REBRANDING AFRICA: A CONTINENT OF POSSIBILITIES

< By Ilda Diffley >

What is branding? Is there a business case behind “Rebranding Africa?” This article investigates the role of the media, and argues that it is not only the media’s responsibility to change Africa’s existing brand. Instead, rebranding must be an essential part of any company’s marketing and business strategy in Africa. And ideally, African governments and businesses should explore partnerships to market Africa as a destination for business.

The American Marketing Association (AMA) defines a brand as a “name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers.”

Branding is the foundation of marketing and is inseparable from business strategy.¹

Rebranding implies that one has to change existing perceptions and shift ideas about an existing brand. Any African government, business, or organization involved in either selling African products, or selling Africa as a business destination, needs a strategy to counteract the Continent’s existing brand in the U.S. mainstream media.

THE ROLE OF THE MEDIA

Africa’s depiction in the American mainstream media has traditionally centered around images and stories of a continent in crisis, a continent challenged by wars, corruption, poverty, and disease.

However, journalists would not be doing their jobs if they did not cover the conflict in Somalia, Zimbabwe, or Sudan. Following the Rwanda genocide, outcries were heard all over the world about the lack of reporting on this crisis. The media is expected to act as society’s watchdog by exposing corruption and drawing attention to HIV-AIDS, floods, droughts, violent conflict, and poverty all over the world.

The real issue is the lack of reporting on Africa. Carol Pineau, journalist and producer of the documentary *Africa: Open for Business* published an editorial called *The Africa You Never See* in the Washington Post of April 7, 2005 that summarized this sentiment:

“Yes, Africa is a land of wars, poverty, and corruption. The situation in places like Darfur, Sudan, desperately

cries out for more media attention and international action. But Africa is also a land of stock markets, high rises, Internet cafes, and a growing middle class. This is the part of Africa that functions. And this Africa also needs media attention if it’s to have any chance of fully joining the global economy².”

Pineau pointed out that journalists are reluctant to pursue “positive stories.”

“But what’s happening in Africa doesn’t need to be cast in any special light. The Ghana Stock Exchange was the fastest-growing exchange in the world in 2003. That’s not a “positive” story, that’s news, just like reports on the London Stock Exchange. I imagine a lot of consumers would have found it newsworthy to learn where they could have made a 144% return on their money.⁴”

Ethan Zuckerman, a journalist and blogger, in association with the Berkman Center for Internet and Society at Harvard Law School conducted an illuminating study entitled *Global*



Attention Profiles (GAP) Research that proved that Africa traditionally received the least amount of media attention in the world.⁵ In this study Zuckerman establishes a direct link between global media attention and its impact on trade.

Zuckerman further demonstrates that there is a connection between the lack of global media attention and the

inability of businesses in Western developed nations to take African countries seriously as destinations for investment and business.⁶

Zuckerman states, "In a globally interconnected economy, there are at least indirect economic consequences to the distribution of media attention."

He emphasizes that as trade becomes global, it becomes crucial for nations to be globally visible as possible trading partners.⁷

"Some middle-income nations have been engaging in branding that is almost corporate, producing inserts for magazines like *Newsweek International* to promote their nations as products."⁸

India's effective branding campaign targeted at international investors is a good case study. Zuckerman points out that India's IT revolution has been a triumph in marketing by

branding Bangalore and Hyberabad as global Information Technology (IT)-centers.

The research suggests a good business case to embark on a full-fledged "Rebranding Africa" campaign in order to attract business to Africa.

POSITIVE STEPS IN THE MAINSTREAM MEDIA

Africa has recently secured an unlikely ally in the mainstream media. On February 27, 2007, newswire service Reuters announced the launch of a new website called Reuters Africa.

Reuters Africa editor John Chiahemen told *The Guardian* newspaper that "We want to show that Africa can be covered as a business story, not just a disaster story."⁹

The new Reuters website features an interactive map to access local Reuters news across the Continent, organized by country. Extensive economic, business and financial news, and data, including stock and currency market data can be accessed through the website.

In the wake of this new wave of interest in Africa, other media outlets are likely to follow suit. *Vanity Fair* magazine just announced its Africa issue to be published in early June with rock star Bono as the first ever guest editor of *Vanity Fair*.

Vanity Fair Editor Graydon Carter said "'We'll be telling great stories about Africa's successes and turnarounds.'"

OVERHAULING AFRICA'S EXISTING BRAND

Who is really responsible for changing Africa's image? It is counterproductive to complain about the media, and unreasonable to expect the mainstream media to revamp Africa's image. It is not the media's role to establish or promote a brand - media relations are merely a component of a marketing strategy.

In recognition of this, countries like Uganda, Nigeria, and South Africa have all launched major media campaigns in recent years with influential media outlets in order to change their image abroad. Others have contracted public relations firms tasked with changing their countries' image.

During the 2006 World Economic Forum, a session entitled "Strengthening Branding and Changing Perceptions²" was dedicated to Africa's international image. Simon Anhalt, Director of the Institute of Nation Branding and Public Democracy in the United Kingdom, participated in the session. He warned that governments' efforts to promote their countries can be easily dismissed as propaganda.

Instead, Anhalt believes governments' role is to engage all stakeholders in brandbuilding and utilize all the channels available, including tourism, people, culture, investment promotion and talent seeking, governance and diplomacy, and

Photographs for this article were provided by www.kyadesigns.com. All products are manufactured in Mozambique and South Africa.

Continued on page 46

REBRANDING AFRICA: BEYOND BRAND DEVASTATION

< By Esther Armah >

Branding is the way in which an organization communicates, differentiates, and promotes itself to its audience. Rebranding means taking a product or a service and redefining its purpose, its content, and its reality.

As a journalist and member of the Ghanaian Diaspora, Esther Armah is all too familiar with the portrayal of Africa in the mainstream media. Esther points out that “Africa’s brand was not self-determined, it has been in the hands of an unelected leader, the mainstream media.” She offers her perspectives on Rebranding Africa.



“Brand Devastation” has been Africa’s primary media image for decades. This brand has been powerful, persistent, and without penalty for those who maintain it. It has been destructive for the Continent and the Diaspora economically, culturally, spiritually, and emotionally. It has also been cancerous for trade and development.

The media has been the public relations wing of “Brand Devastation” and repetition its tool. A diet of stories featuring the same images of hopelessness and helplessness ensured Western audiences’ loyalty to Brand Devastation. Change has happened in many countries in Africa, but it has not been reflected in the media menu that invaded our small screens, nestled on the pages of our newspapers, or emerged from our airwaves.

So many of us who have travelled to different countries in Africa, are constantly amazed at just how different the real Africa is in comparison to images of Continent via the pages of the press or the remote control. The media does not offer facts, it offers perspective. The only perspective the media chooses to sell is that which is consistent with “Brand Devastation.”

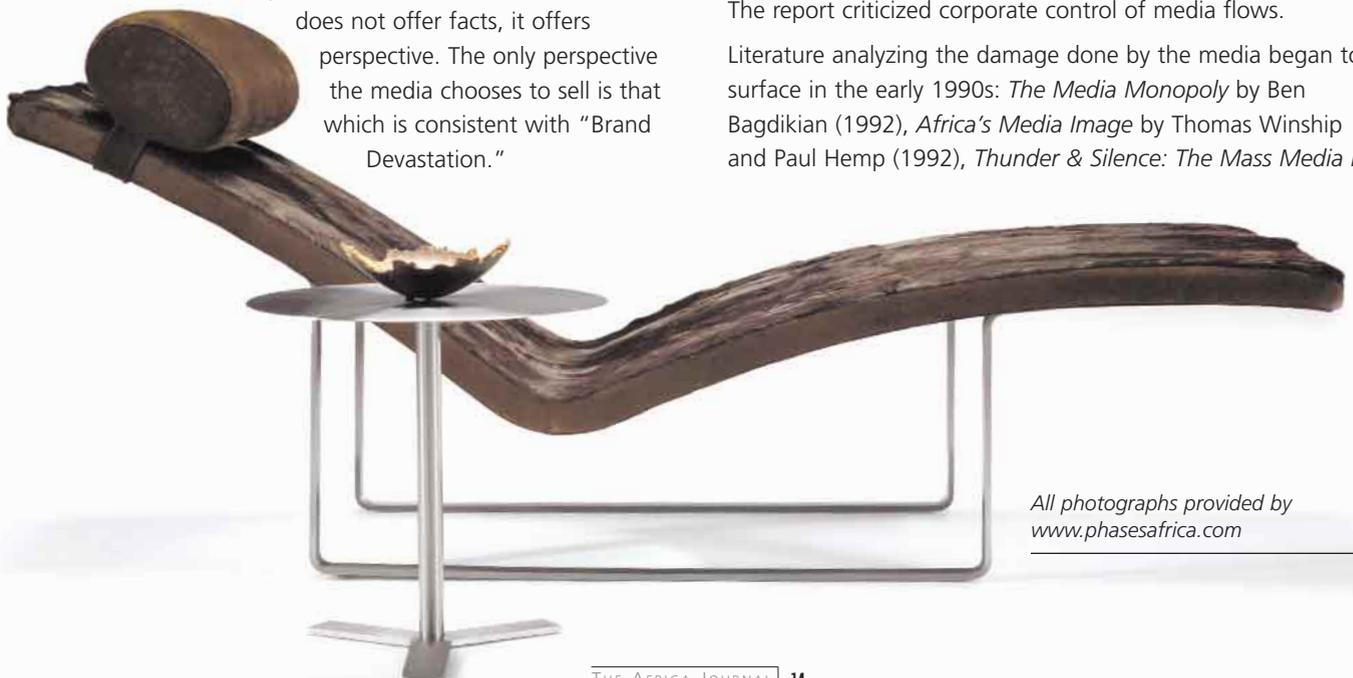
BRANDS ARE BUSINESS

For some “Brand Devastation” has even created business and profit over the years. And, of course, that is why brands are developed. The business model has been to market Africa as a product to the West by branding it as a place of devastation. Many have reaped the returns: for some the brand enabled regular export opportunities, others benefited through access to natural resources, in some instances the brand enabled business for the charity world, profit for the ngos, and so the business cycle of “Brand Devastation” has continued virtually unabated for years. In “Brand Devastation” there has been and continues to be opportunity.

REACTIONS TO “BRAND DEVASTATION”

As far back as 1953 UNESCO published a study *The Flow of News* shedding light on the power of communicating “one truth” about a continent, despite the existence of “many truths.” In 1980 a second UNESCO study by the Macbride Commission was released entitled *Many Voices One World*. The report criticized corporate control of media flows.

Literature analyzing the damage done by the media began to surface in the early 1990s: *The Media Monopoly* by Ben Bagdikian (1992), *Africa’s Media Image* by Thomas Winship and Paul Hemp (1992), *Thunder & Silence: The Mass Media in*



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Africa by Professor Dhyana Ziegler and Molefi Kete Asante. Much of the literature dissected and contextualized "Brand Devastation." It offered historical perspectives, added context to assist in better understanding the complexity of the issue. Other published books offered good news stories and fresh perspectives, but still were publicized as a reaction to "Brand Devastation." So, "Brand Devastation" continued untouched by literature.

Then came the conferences and debates. The media was denounced for portraying a recycled reel of stories out of Africa. Deemed important and valuable, these conferences were in essence sometimes little more than an investment in paralysis. Panelists articulated the issue and emphasized that the mainstream media's 'negative stories about Africa must stop', again and again. These conferences have taken place all over the world. I spoke at many in London, I was on panels and even hosted some conferences. Some took place in the States. South Africa played host to the first International Media Forum at Johannesburg's Sandton Convention Centre in 2006. At this event, the Western media was chastised and then pleaded with to change.

IMAGE OVERHAUL: "BRAND BENEFACTOR"

Live 8, G8, and the global questioning of certain World Bank and International Monetary Fund's policies, meant that "Brand Devastation" needed an image overhaul. It came via the messianic figures of Bob Geldof and lead singer of Irish pop band U2, Bono. Together, they created "Brand Benefactor." As the world closed in on "Brand Devastation," our media became filled with the good deeds of "Brand Benefactor." Debts wiped clean from countries ill-equipped to pay them received precious inches in newspaper columns.

REBRANDING: CREATIVE MEDIA AND NEW BUSINESS MODELS

To resell the Continent, to re-brand Africa to a mass audience, will require the creative use of the media. It requires a repackaging of Africa, the recent history, achievements, and possibilities in a dynamic and vibrant way that can then be experienced by a mass public.

My focus, and I would suggest a major focus for Rebranding Africa, needs to be in the creative use of media. I run a multi-media production company based in London, New York and Ghana. Using exhibitions and multi-media we are developing a series of exhibitions called "Untold" that re-writes the stories of Africa's business women, by showing how entrepreneurial these women are and revealing that they share an equally fierce and



ambitious business spirit with their Western counterparts. These are not the images associated with an Africa of the past. No. This is a Continent rebranded via creative new media.

Rebranding Africa is a project that has already begun in various forms in different parts of the world. Some are highlighting 'positive Africa,' telling the stories of economic reform, payment of debts, and elimination of corners of corruption.

How willing are we to do this work? How prepared are we to invest in creating a new image? Africa is not a Continent with a single image—that is the perception of "Brand Devastation" and one that has been so successful. And we all speak about the Continent in these unhelpful terms. It is time to unpick the Continent, country by country. What can Ghana become known for? It has the fastest growing female led small and medium businesses. How can that image be maximized and

filtered into our media creatively? What can Nigeria become known for? Nollywood is doing amazing business, and India illustrates a powerful example of using the film industry to build a world-wide image. Ambassador Kwame Bawuah-Edusei, Ghana's ambassador to the U.S., is heavily focusing on promoting partnerships between the Ghanaian Diaspora in the U.S. and small and medium businesses in Ghana. This offers the rebranding opportunity for Ghana as a center of excellence that celebrates the entrepreneurial spirit of the small and medium business man and woman. These are just examples.

Rebranding Africa is a one-step-at-a-time venture. Continuing to complain about the mainstream media's loyalty to "Brand Devastation" is fruitless. Worse, it fatally succeeds in resurrecting uncomfortable images of Africans pleading with the West to better represent them. All of us who have a vested interest in a different image can become contributors to "Brand Possibility." It requires us to think about media differently, creatively, innovatively. ●

Esther Armah is an international writer, broadcaster, public speaker, and journalist. She is a director of Centric Productions, a multi-media production company focused on using creative media to build solutions in rebranding Africa. www.centricproductions.co.uk. Her journalism has taken her from Peckham in South London to Pretoria in South Africa including Nigeria, Lesotho, Kenya, Ghana, Washington, D.C. and Philadelphia. She is now based in New York.

LUCRATIVE NEW BUSINESS MODELS: ARE U.S.

Africa's informal sector presents many challenges to U.S. companies. Charles Krakoff encourages U.S. companies to consider new ways of doing business through innovative supply chain development. < By Charles Krakoff >

For international companies investing overseas to increase market access or to enhance the competitiveness of their global supply chains, sub-Saharan Africa represents a special challenge. Developing productive linkages with domestic companies is often the key to achieving sustainable competitive advantage, but such linkages are especially hard to establish with companies that operate outside or on the fringes of the formal sector. Sub-Saharan Africa is home to the greatest concentration of informal economic activity of any region, with an estimated 42% of total gross domestic product (GDP) derived from the informal sector, and 60% to 70% of total employment. As many as 90% of enterprises in sub-Saharan Africa operate in the informal sector.

THE INFORMAL SECTOR: DEALING WITH CHALLENGES

Why does informality matter? For governments and informal enterprises themselves, the answer is clear. Informal enterprises pay little in the way of taxes, and often ignore relevant environmental, health, safety, and labor laws and

regulations. Informal businesses themselves are constrained in their ability to grow by a lack of formal legal protection. They lack recourse to protection offered by the legal system to formal enterprises. They cannot obtain credit - including trade finance - from banks or other formal-sector sources of capital, and they cannot enter into binding contracts. This limits their ability to import and export, to grow, and indeed to do business with individuals or companies they don't personally know.

These constraints that informal enterprises face can also pose a huge challenge to foreign investors. The very qualities a foreign investor seeks in a local partner, which generally include reliability of quality and delivery, financial strength, and the capacity to invest and innovate, are largely absent among informal enterprises. The alternative, which is to build relationships with larger, formal local enterprises, may not be attractive, since so many of these companies have grown complacent and uncompetitive, relying for their prosperity on established political connections and barriers to entry for smaller, potentially more nimble competitors.

As long as extractive industries remain the main area for inward foreign direct investment (FDI) in Africa, linkages with local companies may not matter very much. Labor costs, productivity, and local supplies are rarely a critical factor for energy and mining companies, which in less developed countries import almost all of their supplies and equipment and much of their work force as well. And for now, FDI in sub-Saharan Africa remains largely resource-based, accounting for about 80% of total inward FDI.

MOVING BEYOND EXTRACTIVE INDUSTRIES

For potential investors in other industries, including manufacturing, tourism, agro-industry, IT, and retail and wholesale distribution, linkages matter a great deal. Although these sectors attract a small proportion of investment, the amount is growing, supported by government and donor initiatives to increase investment in non-traditional sectors and also by investors that see attractive opportunities in these sectors.

Until recently, the textile and clothing sector has received the bulk of manufacturing FDI,



COMPANIES LOSING OUT IN AFRICA?

but this is on the decline in the wake of the abolition of the international system of textile quotas during January 2005. Apparel manufacturing in Africa is based on an increasingly rare model, in which factories operate in enclaves almost completely removed from the national economies in which they are situated, importing almost all their inputs and exporting all their output, their only competitive advantage a market access preference whose value is likely to erode as trade liberalization reduces tariffs. Few foreign investors operate this way any longer. Instead, they seek production locations that can be integrated into regional and global supply chains or large and growing markets in which they can become dominant players.

True and sustainable competitiveness in manufacturing, as well as in IT, distribution, and business services, increasingly depends on the creation of robust and dynamic networks of suppliers, subcontractors, and business service providers, both within and beyond national borders. The challenge for international investors is how to develop these networks in a business environment dominated by the informal sector.

Firms from developing countries, especially throughout Asia and in South Africa, rather than American and European companies, appear to be leading the way in non-resource investing in Africa. China and South Africa have become the biggest sources of non-resource FDI, but companies from India, Malaysia, Taiwan, and Egypt have also made significant inroads.

Chinese FDI in Africa is the topic of much debate, most of which obscures the fact that 64% of the total value of Chinese investment is in manufacturing, versus only 28% in natural resources.

South African investment in Africa is far more focused in services. Of an estimated 600 South African investment projects in other African countries between 1994 and 2004, only 15% were in mining, 20% in

manufacturing, and a very few in agriculture. Services, especially IT, telecommunications, tourism and hospitality, construction, finance, and distribution, were dominant.

South African retailers, wholesalers, and franchisers are among the leaders in building domestic supply chains in Africa. Shoprite, the leading South African supermarket chain, is now the largest retailer in Africa, with operations in 17 African countries. Other retailers, including Pick 'n Pay, Massmart and Woolworths/Truworths, are expanding rapidly throughout the continent. South African fast food chains such as Steers, Debonairs, Nando's, and Chicken Licken, have become market leaders with a fast-growing footprint in East Africa and West Africa, as well as closer to home in the Southern African Development Community (SADC) region. These companies and others have taken lessons they learned from developing domestic supply chains into neighboring countries and even globally.

In contrast to more traditional models of FDI in developing countries, which have been motivated primarily by access to natural resources or to cheap inputs (including labor), this new wave of investment is driven mainly by a quest for access to markets that, in spite of evident risks, can be exceptionally profitable. African investments by the French retailer Carrefour for example, one of the few European retailers to establish a significant presence in Africa, are estimated to be three times as profitable as its investments in Europe. Initially, high profits in the retail sector are driven by novelty, by offering a new and vastly superior shopping experience and level of product quality to local consumers.

Over the long term, however, such companies must establish a more sustainable basis on which to compete.

The experience of Shoprite in Zambia is instructive. Zambia was one of the first

countries outside the Southern African Customs Union (SACU) in which Shoprite invested, starting in 1995 when it bought the state-owned National Import and Export Corporation from the Zambian Privatization Agency and built its first supermarket in Lusaka. It now has 18 supermarkets in the country as well as one wholesale outlet and seven fast-food stores, and generates annual turnover of more than \$60 million.

Although Shoprite initially imported most of its products from South Africa, it now sources an estimated 65% from Zambia and other countries in the SADC region. Initially accused of driving small farmers out of business by importing most of its produce, Shoprite brought its South African produce procurement and distribution subsidiary Freshmark, with it to Zambia, where it set up distribution networks and depots, and introduced better packing technology. Freshmark itself brought in a large-scale producer from South Africa to work with Zambian farmers, drawing up production plans, introducing production monitoring programs, providing technical assistance, and financing purchases of seed and irrigation equipment.

Early on Shoprite formed a strategic alliance with Zambia's Zambeef, then a small business with 60 employees slaughtering about 180 head of cattle a month in a rented abattoir. Zambeef is now the largest agro-enterprise in the country and the principal domestic supplier of meat and dairy products to Shoprite, with an annual turnover of \$34 million, and it has recently invested in Nigeria, where it has an exclusive agreement to supply meat and operate in-store butchereries in Shoprite supermarkets there.

Similar initiatives have been replicated in Namibia, Zimbabwe, Malawi, Mozambique, Tanzania, Uganda, Mauritius, and now Nigeria, where Shoprite has invested nearly \$60 million. In Nigeria as in Zambia,

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AMERICAN COMPETITIVENESS IN AFRICA: CHALLENGES FROM CHINA AND OTHERS CALL FOR REBRANDING EFFORTS

< By Arthur Gerstenfeld, Ph.D. and Raphael J. Njoroge, Ph.D. >

China and India's increasing economic presence in Africa, Europe's deep roots in African economies, as well as Japanese business acumen constitute formidable challenges to American competitiveness in Africa. This article examines China's role as an economic play in Africa.

CHINA: MAJOR SUPPLIER

Chinese have become powerful players and, in some places, the dominant ones in economies across the continent. China's appetite for raw materials is helping push sub-Saharan economies to their fastest growth in three decades, and inexpensive Chinese-made products are available across the continent. Many roads in Africa are filled with Chinese buses, the markets with Chinese goods, and Chinese-made planes are in the skies. Chinese companies are major investors in mining and telecommunications which have hitherto been dominated by Europe.

In 2004 China continued to be a major supplier to sub-Saharan Africa with exports of \$9.9 billion, growing 32.4% from 2003. China maintained its share of the African market at 6.8%. China's exports to Sub-Saharan Africa were larger than most industrial countries, except Germany. Increased shipments of electrical and other machinery, motorcycles, woven fabrics, and low-end footwear comprised the largest share of China's growth in shipment to Sub-Saharan Africa.

The British Broadcasting Corporation (BBC) reports that trade between China and African nations jumped 39% to \$32.17 billion in the first ten months of 2005. Representing a record high,

analysts said the surge was fuelled by China's increased imports of African oil, most notably from Sudan. Africa is also buying more Chinese-made goods.

This follows rises of 59% in 2004 and 50% in 2003. The rate of increase in Sino-African trade could see China threatening the United States' predominant position in the next period. U.S.-Africa trade was \$44.5 billion in 2004.

CHINESE TRADE IN AFRICA'S OIL

Energy is China's main concern and over the last few years it has struck or expanded on existing oil deals with Angola, Algeria, Chad, Equatorial Guinea, Gabon, Nigeria, and Sudan. Africa now supplies around one quarter of China's energy imports. China's export bank has recently given a soft loan to Angola, which has given it a stake in oil exploration in shallow waters off the coast.

China is investing heavily in African oil exploration to help meet its rapidly-growing consumption. In 2003 China overtook Japan to become the world's second-biggest consumer of petroleum products after the U.S. The U.S. Energy Information Administration (EIA) adds that China accounted for 40% of the total growth in global oil demand over the past four years. According to the figures for the first ten months of 2005, China's exports to Africa totaled \$15.25

billion, while the country's imports from Africa were \$16.92 billion. China-Africa trade had increased since the start of a new era of cooperation that began with 2000's *China-Africa Forum*.

Africa contains about 8% of the world's proven oil reserves. China first established a presence in Sudan's oilfields ten years ago, and filled the vacuum when the U.S. broke diplomatic ties with Sudan in 1997. Currently between 50% to 60% of Sudan's oil exports go to China, amounting to around 7% of China's imported oil.

China has invested more than \$8 billion in joint exploration contracts in Sudan, including the construction of a pipeline from the southern oilfields to the Red Sea and a tanker terminal at Port Sudan. About 10,000 Chinese people work in the country. The British Broadcasting Corporation (BBC) reports that China is well ahead of Western nations regarding Sudanese oil contracts.

CHINESE INVESTMENT IN NON-OIL SECTORS

China has greatly increased its investments throughout the Continent in booming sectors such as mining, fishing, precious woods, and telecoms, but also in less profitable sectors neglected or abandoned by the West, e.g., Zambia's Chambezi copper mines and the supposedly exhausted oil reserves in

Gabon. Chinese textiles and clothing firms were also investing heavily in Africa as a way to get around U.S. and European Union limits on Chinese exports in this sector.

There are currently around 700 Chinese firms operating in 49 African countries. According to the International Monetary Fund (IMF) Africa should experience growth of 5.8% this year, the highest in 30 years, fuelled in large part by China's trade with the Continent.

China also exports manpower and technical expertise, sends doctors and nurses to the continent, establishes scholarships for African students at Chinese universities, trains African businessmen and trade officials, and encourages Chinese businessmen to invest in Africa. China has invested heavily in privatizations and infrastructure projects intended to aid trade and the movement of goods, including: trains, roads, buildings, electricity and phone lines, mining prospects, and oil refineries. It has also invested in tourism and has launched Nigeria's first satellite.

Since the China-Africa Forum of 2000, China has scrapped tariffs on 190 kinds of imported goods from 28 of the least developed African countries and cancelled \$1.2 billion in debt. Furthermore, China gave a soft loan to Angola to be used for infrastructure projects, many of which facilitate the development of the petroleum industry and wider trade. Projects under way include railways, roads, a fiber-optic network, schools, hospitals, offices, and housing developments of up to 5,000 units. The loan guarantees Angola just 30% of the construction contracts, with Chinese companies expected to win the remainder. A new airport with direct flights from Luanda to Beijing is also planned.

China has become more forthright in its arms sales in line with its growing economic influence. It sold an estimated \$1 billion worth of arms to Ethiopia and Eritrea during their border conflict between 1998 and 2000. The country

has also sold arms to Namibia and Sierra Leone, arms to Zimbabwe and Sudan while they have been under Western arms embargoes, helicopters to Mali and Angola, and uniforms to Mozambique.

CHINESE AND INDIAN FOREIGN DIRECT INVESTMENT

According to a new World Bank study entitled *Africa's Silk Road: China and India's New Economic Frontier*, Chinese and Indian firms are increasingly doing business in sub-Saharan Africa, and their interest in the Continent extends well beyond a hunt for natural resources. Exports from Africa to Asia tripled in the last five years, making Asia Africa's third largest trading partner (27%) after the European Union (32%) and the United States (29%).

Indian and Chinese foreign direct investment also grew, with China's amounting to \$1.18 billion by mid-2006, notes the World Bank study. *Africa's Silk Road* offers original firm-level data on the African continent of Chinese and Indian firms operating there. The study surveyed 450 Chinese and Indian companies operating in four African countries - South Africa, Tanzania, Ghana, and Senegal - and developed first-time business case studies in the field of 16 other Chinese and Indian firms in Africa.

The World Bank study argues that "Skyrocketing" Asian trade and investment in Africa represents the beginning of a change in trade patterns. It also states that today most trade is still North-South, between Africa and developed nations in Europe, Japan, or North America. Africa's exports to Asia grew at a 20% annual rate in the last five years, and has accelerated to 30% since 2003. But what's going on in China, India, and Africa is part of the broader trend in the world of rapidly growing South-South investment and trade among developing countries.

Trade with Asia is producing goods affordable to Africans, Indians, and Chinese, that are either being sold in Africa or exported to China, India, or a

third country. At the same time, more and more Chinese and Indian firms are seeking to manufacture and export sophisticated components to the global market.

ALARMED U.S. POLICYMAKERS, AND THE WESTERN PRESS

The multinationals who have traditionally and historically exploited the Continent's resources are alarmed at China's rapid incursions into African trade, as are U.S. policymakers and the Western press.

The U.S. Council on Foreign Relations has issued a bipartisan report accusing the Bush administration of lacking a comprehensive, long-term strategy for dealing with Africa and urging policymakers to give it greater attention. It calls for an upgrade in diplomatic and intelligence capabilities by appointing an ambassador to the African Union and opening more missions in key African cities, particularly in energy-producing countries. The report maintains that the U.S. must recognize and act on its rising national interests on the continent through a far higher mobilization of leadership and focused resources that target Africa's new realities.

CONCLUSION

The foregoing considerations point to the need for the U.S. to take steps to confront the challenge posed by Asia, especially China, India, and Japan as well as the European Union in the scramble for African trade, and thus enhance American competitiveness in Africa. ●

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CHINA'S EMERGING MULTINATIONALS IN AFRICA

< By Lucy Corkin >

Chinese relations with Africa have grown exponentially over the past decade. During the 1990s Sino-African trade grew by 700% and many high-level visits have occurred since 1995. The *Forum for China-Africa Co-operation* (FOCAC) was established in 2000, culminating in the release of *China's Africa Policy Paper* in January 2006.

Such increased political activity has paved the way for the entry of Chinese companies of all sectors into Africa's economies. African governments are just beginning to appreciate the strength of their position in the new scramble for the Continent's resources as China presents Africa with an alternative to the West.

While there has been a general increase in Chinese business in all sectors of Africa's economies, as witnessed by the robust strengthening in trade over the past ten years, there are several sectors in which Chinese multinationals have shown a particular interest.

TELECOMMUNICATIONS

An industry traditionally dominated by British Vodafone, France Telecom, and South Africa's Vodacom and MTN, African

telecommunications have recently seen the arrival of Chinese companies such as state-owned Zhong Xing Telecommunication Equipments Company Limited (ZTE) and the private Chinese multinational Huawei.

Mundo Startel, the Angolan fixed line telecommunications utility, has signed a framework agreement with ZTE for the purchase of telecommunications equipment worth \$69 million. ZTE is to invest \$400 million into the Angolan telecommunications industry. The company's products are also used in 15 other African countries.

Indeed, although Huawei and ZTE are actually equipment manufacturers, in Africa they have been bidding for telecoms operation tenders in Nigeria, Niger, and Zambia.

SOE China Mobile has also tendered a \$4 million bid for NASDAQ-listed Millicom International, a global mobile operator with African subsidiaries in Chad, DRC, Ghana, Mauritius, Senegal, Sierra Leone, and Tanzania.

ENERGY SECTOR

The energy sector is possibly where Chinese multinationals have left their most high-profile footprint in Africa. Chinese

multinationals involved in the energy sector have received particular support from the Chinese government in overseas acquisitions. Especially since China National Offshore Oil Corporation's (CNOOC) failed bid for American Unocal in August 2005, Chinese oil companies have increasingly been looking for African assets.

In January 2006, CNOOC paid \$2.27 billion for a 45% stake in Nigeria's OML 130 oil area, also known as the Akpo field, from privately owned Nigerian company South Atlantic Petroleum Ltd. The company has since expanded in Nigeria and has also signed oil production sharing contracts in Kenya.

In March 2006 Chinese SOE Sinopec and Angolan state-owned Sonangol announced the formation of Sonangol-Sinopec International (SSI). The joint-venture involves the development of a new refinery at Lobito in Angola (Sonaref) requiring a total investment of \$3 billion. According to reports in May 2006, Sonangol held 45% and Sinopec 55%.

In Sudan, China National Petroleum Corporation, (CNPC) has begun operations at two oil blocks with annual output estimated at 10 million metric tons of crude in total, equivalent to 200,820 barrels a day.



CONSTRUCTION

Despite the heavy focus on China's oil interests in Africa, construction is possibly the sector in which China has made the largest inroads, as many Chinese companies, predominantly state-owned enterprises, have become heavily involved in road and railway rehabilitation in Africa, as well as several other large infrastructural projects. Following the "going global" strategy and dove-tailing with the Chinese government's foreign aid programs to African countries, these projects are often financed by Chinese government loans.

The Benguela and Tanzara Railways, which traverse Angola, Zambia, and Tanzania, are currently being upgraded by Chinese companies. Chinese companies are also heavily involved in post-war reconstruction of countries, most notably Angola, the Democratic Republic of Congo, Mozambique, and Sierra Leone.

WHAT MAKES AFRICA STRATEGIC?

In May 2005, there were 674 officially registered Chinese companies active in Africa. By the end of 2006, this number had increased to over 800 Chinese companies, engaged in a variety of sectors. There are several reasons behind this quiet takeover.

ENERGY SECURITY

One of the most important reasons for Chinese commercial forays into Africa is the growing need for raw materials and oil to feed the burgeoning economy. China currently imports 28% of its oil from Africa, primarily from Sudan, Congo, Angola, and Nigeria. Particularly due to its strategic importance for economic growth, the procurement of secure oil supplies are a national interest and form a fundamental part of China's foreign policy. Unsurprisingly, all China's oil companies are state-owned, and have worked in close concert with China's Exim Bank in African oil acquisitions.



China's interest in African oil has been encouraged by the established U.S. presence in the Middle East, consolidated by the invasion of Iraq in 2003. In addition, despite affirmations of co-operation with China, Russia has decided to direct the proposed East Siberian-Pacific oil pipeline to Japan and not China. While dog-leg tributary to China has not been ruled out, the oil supply that China will receive from Russia is considerably less than original expectations.

These developments in global oil dynamics have spurred China's state-owned oil monoliths to court Africa's petro-states will increased ardour, as seen above.

AN AFRICAN PRACTICING GROUND

Some Chinese multinationals not yet confident enough to attempt entry into the highly protected markets of the U.S. and Europe have adopted the approach of entering the less competitive developing countries' markets in order to gain international experience. In the wake of increased diplomatic and commercial traffic between China and Africa, the latter has become a favoured testing ground in which aspirant Chinese multinationals can cut their teeth.

THE NEED FOR NEW MARKETS

Decades of an industrially led command economy have resulted in gross oversupply in many sectors, driving down prices. Regional competition between companies is consequently so fierce that products sold but not made in any given province are heavily taxed. Expansion

into international markets provides more scope to become a more global product with less tax obligations. Such domestic circumstances have made finding new markets a matter of survival for many Chinese companies.

African countries, for their part, have been experiencing the highest rates of economic growth in several decades, fuelled in no small part by China's appetite for African oil and raw materials. Consequently African markets have become more promising as there is a larger market of Africa consumers more able to afford the kinds of products that Chinese companies can produce.

In searching for niche-markets, the Chinese multinationals have also become adept at identifying so-called 'market blind spots,' market areas that have essentially been neglected and under-capitalised. These are typically cheaper product lines that may not seem to be money spinners, but which would actually stimulate demand once available.

Examples of these are Haier's smaller refrigerators and Lenovo's C100 laptop, targeting small and medium enterprises. Huawei provided the international market with low-end routers that were 40% cheaper than other products, capturing 3% of the global market by 2002.

This is particularly effective within the context of the African market, as African consumers typically cannot afford the high-end products of their European counterparts. Huawei for example has been lauded for introducing telecom products at prices which are affordable to the African consumer. By way of illustration; in Kenya, the price of a fixed line has dropped by 65% following Kenya Telecom's procurement of digital equipment made in China.

IMPLICATIONS FOR AFRICA

In a remarkably short space of time, Chinese multinationals are emerging to claim their share of the increasingly

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CHINA'S EMERGING MULTINATIONALS IN AFRICA *Continued from page 21*

promising African market. Such expansion is not without its challenges. Despite the lack of affluence amongst African consumers, some still shun the cheaper Chinese products under the misconception that they are always of inferior quality. In fact, the quality among Chinese companies is variable. Many Chinese firms have however shown their mettle and are overcoming the stigma attached to the label 'made in China.'

Chinese multinationals' engagement in Africa has the potential to benefit both African countries and Chinese commercial interests. Africa will benefit by receiving cheaper goods and services than it would from traditional market players, as well as the possibility of technology transfer. The advantage for Chinese companies is that they can realize their global aspirations in

Africa, having been less successful in the more developed markets of America and Europe. However, there are several issues, which will need to be resolved in order for this potential to be realized.

The influx of Chinese workers and businessmen into Africa is potentially a serious social issue in the context of a continent ravaged by high unemployment levels. Michael Sata, the opponent to President Levy Mwanawasa in Zambia's September 2006 presidential elections, achieved great popularity for his anti-Chinese rhetoric and campaign promises to expel Chinese nationals living in Zambia. Although unsuccessful in his presidential race, Sata's popularity is indicative of the rising anti-Chinese sentiment in some African countries, where Chinese workers are perceived to

be taking jobs away from locals.

In addition, there is the concern that a lack of institutional regulatory frameworks and government capacity to monitor and encourage direct investment in terms of local skills development and technology transfer will limit the positive knock-on effect of Chinese companies' activity in African economies.

If left unaddressed, these issues will cause China's multinationals to have their international reputations needlessly tarnished and African economies will miss out on much needed infrastructural rejuvenation. ●

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LUCRATIVE NEW BUSINESS MODELS: ARE U.S. COMPANIES LOSING OUT IN AFRICA? *Continued from page 17*

Shoprite has set up an extensive support and development program aimed at assisting farmers and suppliers to achieve the required standards. Shoprite's fresh produce supply network already comprises more than 60 local suppliers and about 70 farmers in five states. The suppliers and farmers for the most part remain informal, but the networks and programs set up by Shoprite and its affiliates have enabled these informal operators to obtain benefits such as credit and contracts. The demand by investors such as Shoprite for a more favorable regulatory environment and better infrastructure has also led governments in Zambia and other countries to undertake necessary reforms of the business environment and to invest in roads and other essential infrastructure. Zambia's government, for example, decided that every province should have at least one Shoprite store for the benefit of both consumers and farmers, and facilitated the company's investments, particularly by making it easier for it to acquire land in the provinces.

CONCLUSIONS

More than ever before, FDI in Africa is motivated by a quest for markets that offer exceptional challenges but also the potential to reap exceptional profits. Investment success, however, depends on developing domestic and regional supply chains. Consequently, many of the companies that have achieved the greatest successes in such investment are from other developing or emerging economies, in which they have acquired experience building domestic supply chains involving informal enterprises.

Foreign investment in services and other non-resource industries often brings with it a demand for governments to improve their investment climates and invest more in physical infrastructure and human resources, which can lead to more investment and a greater willingness and ability of small businesses to enter the formal sector, where they can become even more competitive and enhance the

competitiveness of the foreign investors they supply.

U.S. businesses, most of which lack experience dealing with informal enterprises, may be deterred by these conditions, possibly fearing that dealing with the informal sector could violate U.S. laws or their own ethical standards. This need not be the case. Nevertheless, to succeed in most African markets U.S. companies will have to adopt new ways of doing business that recognize that many business relationships cannot be governed by formal and enforceable contracts and that such relationships will require much greater involvement by investors in the affairs of their suppliers. To do otherwise is to leave much of the planet's last frontier market to others. ●

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THE AFRICAN CONVENTION ON PREVENTING AND COMBATING CORRUPTION ENTERS INTO FORCE IN 16 AFRICAN COUNTRIES

< Edward B. Rowe & Thomas R. Snider >

The fight against corruption in Africa recently made an important advance with the entry into force of the African Union Convention on Preventing and Combating Corruption ("AU-CC") on August 5, 2006. The AU-CC now applies in the 16 African countries that have signed and ratified it to date, namely, Algeria, Burkina Faso, Burundi, Comoros, Congo (Brazzaville), Libya, Lesotho, Madagascar, Mali, Mozambique, Namibia, Niger, Rwanda, South Africa, Tanzania, and Uganda. The AU-CC may soon be applicable in several other African countries as 24 other nations have signed it and need only to have it ratified by their national legislatures before it takes legal effect in those countries as well. The AU-CC takes a broad approach to the fight against corruption, recognizing the adverse impact that it has on development, human rights, good governance, and the rule of law. The AU-CC contains a complex set of rules that not only complement but also modify some of the existing standards. Although the immediate impact of the AU-CC's entry into force will be limited because its provisions need to be implemented through the domestic laws of each state in which it applies, several changes of note will likely start emerging soon that affect the way companies doing business in Africa interact with each other and with African governments. In addition to broad criminal sanctions for bribery and other related offenses that apply to government officials and members of the private sector alike, the AU-CC devotes one of its articles exclusively to the private sector. Article 11 commits

countries to undertake to "adopt legislative and other measures to prevent and combat acts of corruption and related offences committed in and by agents of the private sector." This article also requires countries to undertake other measures "to prevent companies from paying bribes to win tenders." In addition, Article 11 commits countries to undertake to "establish mechanisms to encourage participation by the private sector in the fight against unfair competition, respect of the tender procedures and property rights." It is not clear how broad this provision is intended to be, although it could be interpreted as giving private companies and individuals who believe they have been harmed by corrupt acts the right to bring lawsuits against competitors and others. This possibility has particular resonance in countries that have adopted the United Nations Convention on Corruption, which has a provision explicitly permitting private lawsuits related to corrupt acts. Although such lawsuits are already permitted to some degree in countries such as the United States (through laws like the Racketeer Influenced and Corrupt Organizations Act (RICO) and certain business torts), it is difficult to determine with any degree of certainty the contours that lawsuits of this sort will take on in countries implementing them for the first time. With all of these developments in play, it



is also important for U.S. companies and their subsidiaries to keep in mind that they continue to be subject to the requirements of the Foreign Corrupt Practices Act. The expanded set of rules with the entry into force of the AU-CC

will result in additional variables for companies doing business in Africa to consider and, of course, will make it more challenging for companies to ensure that they comply with these rules. Although the risk associated with non-compliance can never be eliminated, many companies provide themselves with basic protections by adopting internal compliance programs tailored to each company's operations and risks.

The entry into force of the AU-CC is an important step in the fight against corruption in Africa, and it will have important ramifications for the private sector. Although the degree of its success remains to be seen, its focus on development, human rights, good governance, the rule of law, and the inclusion of a wide cast of actors in the fight against corruption bodes well for its ability to curb corruption on the African continent. ●

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OPEN FOR BUSINESS: WHY NOW IS THE TIME TO INVEST IN LIBERIA

< By Nick Arnold >



Over the last 15 years, Liberia has endured two civil wars that displaced hundreds of thousands of its people and sent its economy into disarray. The impact this has had on the country has been significant as unemployment rates have remained high and economic growth has been slow.

Recently, however, Liberia has been in a rapid state of transition, driven by the new democratically-elected government, which has enabled an increase in foreign direct investment in its infrastructure and natural resources. The efforts of the government, together with increased private sector investment, signals positive change for the West African nation.

In an effort to drive growth, key stakeholders have been working diligently to create conditions to enable private investment into Liberia. To achieve this, a number of actions have been taken to address factors such as reducing national debt, generating international support, improving the security environment and developing the country's infrastructure. In addition, organizations such as the UN Mission in Liberia (UNMIL), together with the Liberian military and police forces, have been working hard to establish geopolitical issues such as the development of recognizable land and maritime borders.

NATIONAL DEBT

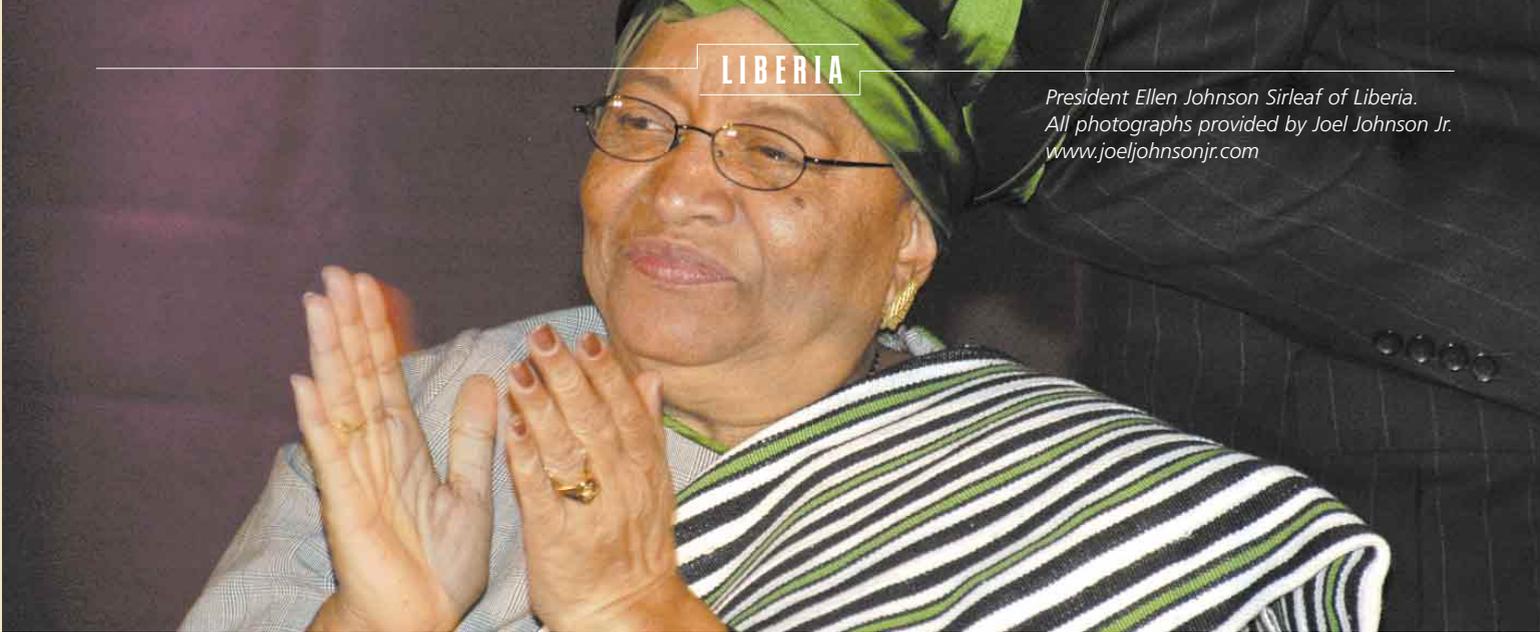
Liberia's external debt stands at \$3.5 billion, a significant amount when compared to its annual GDP (\$2.5 billion). While much of this debt is owed to the World Bank and the International Monetary Fund, the United States, Britain, and Germany have recently agreed to forgive debt owed by the Liberian government equating to almost \$700 million.

In addition, many countries have agreed to provide additional financial assistance to help President Ellen Johnson-Sirleaf implement key initiatives to help bolster Liberia's development initiatives.

Reducing Liberia's debt and directing new funding into the nation's infrastructure will contribute significantly to its economy and will open up opportunities for the local population and private investors alike.

SECURITY

Years of civil war and corruption have had a major impact on the security environment in Liberia. The local police have not been trained adequately, appropriate equipment has not been readily available, and traditionally, pay grades have been poor. This has resulted in a population that lacks confidence



in its police force, has not held the police in high regard, and one plagued with corruption and crime.

Additionally, the judicial system that supports the police has also been impacted and it is recognized that even today the bribing of judges is still prevalent. This, combined with the fact that many of Liberia's courthouses are in a state of disrepair, has made it difficult for the country to apply a robust rule of law.

But since the new democratically-elected government has been in power, a number of programs have been put in place to resolve some of these issues. For example, the Civilian Police (CivPol) have been working as part of a 13,000 strong UN Mission in Liberia to train the local police force. The situation has improved greatly compared to 12 months ago and it will continue to do so as additional investment helps to improve their skills, accommodations, and resources - such as the number of vehicles they have access to. The Justice Sector Support Program for Liberia (JSSL), a partnership program between U.S. Department of State and the Government of Liberia, is helping to establish an improved rule of law infrastructure to support the conviction of identified criminals.

Part of the rebuilding process for Liberia involves re-training its military. Most of the training has taken place at a permanent military facility just outside of the capital city of Monrovia, and to date, over 100 soldiers have completed a course of basic

training. This is an ongoing process that will take some time. In addition, UNMIL, the Liberian military, and the local police are developing stronger working relationships that will better enable them to define the roles and responsibilities each will play in society.

INFRASTRUCTURE

During the course of its civil wars, Liberia's infrastructure was impacted heavily and often neglected. As a result, roads, water, telecommunications, and even the electricity supply have been in need of significant development. Recently, improvements have been made in all of these areas, and while progress is slow, positive changes are visible.

More and more streets in Monrovia have generator-powered street lighting and the situation is getting better by the day. Water is now more accessible than before, most of it being pumped from wells or delivered to the city via trucks. Access to telecommunications is significantly better than it was 12 months ago, although making and receiving phone calls outside of Monrovia continues to be a challenge. All in all, the country's infrastructure is developing and this is best reflected by the cosmetic changes and renovations across the city.

INVESTMENT

One of the most encouraging signs today is the level of interest that the private sector has in investing in Liberia, from both

international organizations and the Liberian Diaspora. The *Liberia Private Sector Investment Forum*, recently held in Washington, D.C., attracted over 300 potential business investors interested to hear how other companies have successfully entered the Liberian market. Leading the way was Mittal Steel, now Arcelor Mittal, that announced a major mining development agreement in 2005. The deal is expected to generate over \$1 billion in investment to Liberia and create an estimated 3,500 direct jobs. This is a significant step forward and evidence that the recent renegotiations of mining and deep water oil concessions are starting to reap benefits.

Other positive signs that private investment is on the rise in Liberia include the recent lifting of the timber trading embargo. Ultimately, this will increase the volume of legitimate revenue for the government and enable further private investment in this sector. Similarly, the work that UNMIL is doing to recover state-owned rubber plantations from ex-combatants will open the market to new entrants and local jobs.

In the diamond industry, discussions are underway between the Liberian government and key private sector companies to approve the Kimberly process. Once Liberia complies with the process, this will enable diamond exports to resume. Local and international funding is also becoming available to help re-develop Liberia's main airport. In the electricity sector, the Liberian

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LIBERIA'S RENEWAL: MAINTAINING MOMENTUM, EXPANDING OPPORTUNITY

< By Jon Temin and William Phelps >

Anybody who has walked down the streets of Monrovia, Liberia's formerly besieged capital city, knows that Liberians are entrepreneurial. Vendors sell everything from food to fashion accessories while stores bustle with activity and negotiation. Business continues day and night; weekends are only a suggestion, often unheeded, to slow down a bit.

Though less visibly apparent, this entrepreneurial drive is just as strong in rural areas, where many Liberians seek to make a living off the country's abundant natural resources, while others are starting small businesses providing services that were largely absent during the country's fourteen year civil war. Harnessing this entrepreneurial drive and capitalizing on the potential to significantly expand the private sector are among both Liberia's most important challenges and greatest opportunities for a more prosperous future. There is no doubt that Liberia has come a long way since the end of a string of civil conflicts with the signing of the Accra Peace Accords in 2003. With the vital assistance of a United Nations peacekeeping mission, Liberia has remained stable, even in the face of instability in the region, especially in neighboring Guinea. Thousands of ex-combatants are being

disarmed, demobilized, and reintegrated into society and their communities through a UN-sponsored program, with many finding work through programs run by NGOs and funded by international donors. Those donors have made significant commitments to Liberia and its reconstruction, with the U.S. making Liberia a foreign assistance priority given the unique historical ties between the two countries (many former slaves in America resettled in Liberia).

But many challenges remain. Education and health systems are among the weakest in Africa; in some rural areas, there is simply no access to doctors, nurses or teachers (perhaps more worrisome, estimates of the HIV infection rate in the country vary widely and awareness of the disease is low). The road system is in desperate need of repair; during the rainy seasons roads can be entirely washed out, leaving communities isolated and unable to

receive supplies. The vast majority of Liberians have no access to electricity, though President Ellen Johnson Sirleaf made good on her promise to begin supplying parts of Monrovia with electricity within the first year of her administration.

Addressing each of these challenges requires a combination of tools and approaches, including donor- and government-funded programs. But perhaps the most sustainable force for addressing Liberia's myriad challenges will be a reinvigorated private sector. Given the absence of large-scale industry, the engine of private sector growth in Liberia will likely be small and medium enterprise.

ASSISTANCE TO SMALL AND MEDIUM ENTERPRISES

CHF International, a U.S.-based NGO that has worked to support Liberia's reconstruction since 2003, recently completed an assessment of the small and medium enterprise sector in Liberia in an



The potential for small and medium enterprise development is enormous. But many barriers could leave that potential unrealized.

effort to better understand what interventions are needed to help entrepreneurs reach their goals. The assessment, conducted by Tamara Duggleby, a consultant, and Kimberly Tilock, a CHF International expert in development finance, looked into all of the country's productive sectors and included dozens of interviews with a variety of businessmen and women, bankers, donors, and government leaders and a formal survey of 100 small businesses. The assessment team reached three basic conclusions:

First, existing businesses are encouraged by improving circumstances to pursue recovery of lost markets, repair or replace damaged infrastructure, and generally attempt to recover from consequences of the conflict.

Second, new business activity is being stimulated, much of which is based on initiatives by the Liberian Diaspora and other foreign investment.

Third, it is anticipated that the rebuilding process will bring much needed capital investment, technical and business expertise, and critical market linkages, all of which are essential to recovery and growth of domestic business activity.

CHALLENGES

Focusing specifically on challenges related to business finance, the CHF International assessment confirmed that there is considerable unmet need for credit in all business sectors. The need is particularly acute among small and medium-sized businesses, for which undercapitalization, damaged or lost productive infrastructure, limited business capacity, and other problems are serious impediments to business rebirth, survival, and growth.

The insufficiencies in the Liberian credit market are much more complicated than a simple equation of demand for credit exceeding credit supply. On the supply side, most of Liberia's banks did not survive the

crisis period. Along with the rest of the business community, the banks that have managed to remain operational are recovering from the impact of the war. They are also making difficult, but very necessary, adjustments to the country's structural reforms. The banks are working with new standards and increased Central Bank controls. New, more strict capital requirements are in place, and other major changes are being introduced to the legal and regulatory environment. Although generally liquid, the banks are also working with a very short-term deposit base. They are attempting to ration their mostly short-term resources through generally short-term lending to customers with whom they feel most comfortable.

On the demand side, many businesses report frustration with their efforts to secure credit. They report that they are unable to meet loan security requirements and are generally unable to satisfy the credit worthiness standards of the banks. A surprisingly large number of businesses report that they have not even attempted to secure credit. In addition to perceiving (justified or not) that bank lending is exclusively for large and prosperous companies, it is clear that many businesses do not have the capacity to participate in and survive even the most basic credit application process. Many entrepreneurs, even those with significant business experience, perceive that they could not qualify for a bank loan, a perception that seems quite accurate.

The CHF International assessment team also reached several conclusions specific to the credit needs of Liberian entrepreneurs:

- Between the need for micro credit (which is being addressed by limited but improving donor supported programming) and the country's largest businesses (that have ready access to credit from domestic and international sources) there are numerous small and

medium-sized businesses that have little or no access to credit of any kind.

- Although unmet credit needs are very diverse, the predominant expressed need for credit is for replacement and repair of capital equipment and productive infrastructure that was lost to war-related violence. The bulk of reported credit needs of businesses attempting to restart production for the local market is for medium-term (three to five years) loans ranging from under \$100,000 to \$600,000.
- A limited number of firms producing for the export market report medium-term credit needs in the range of \$300,000 to \$600,000.
- The reported working capital needs of producers for the domestic market range from \$25,000 to \$200,000. The working capital requirements of the few producers for export range as high as \$500,000.

As economic recovery progresses and value chains associated with expanded production are activated, the need for credit will increase. As ongoing renegotiations for large productive sector concessions (such as timber and rubber) are completed, associated credit demand spikes are expected.

Much of this demand is unmet. The bulk of capital equipment credit demand is unsatisfied, and less than half of working capital needs are currently being met by the credit market.

It is clear that the recovery and long-term health of the Liberian economy will require substantial capital and technical investment from outside the country. It is equally clear that continued, and much more aggressive, efforts are required if the country is to successfully bridge the credit gap that is handicapping domestic business development. Three major inputs are necessary:

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COCOA, PALM & RUBBER: <By Paul Guenette> OPPORTUNITIES IN THE NEW LIBERIA

“All we want is an equally fair deal for our country and the investor.” President Ellen Johnson Sirleaf.¹

There is unanimous agreement on the urgency of Liberia’s economic recovery. Economic progress is urgent because the window of opportunity for international support will not be wide-open indefinitely. The need for economic opportunities for the country’s many unemployed rural farmers is abundantly evident. Only if economic development can generate rural employment will the recovery be broad-based and successful.

The government acknowledges that post-conflict agriculture faces a nearly crippled infrastructure, low farmer productivity, food insecurity, and virtually collapsed value chains.² Rebuilding the infrastructure while promoting employment is the obvious recipe for recovery. Equitable employment will come through the rejuvenation of Liberia’s competitive industries, which can employ significant numbers of the country’s rural population.

The government’s interim poverty reduction strategy appropriately targets food security and livelihoods for the country’s rural farmers.³ The industries that offer Liberia perhaps its best chance at achieving these goals in the near term include cocoa, palm, and rubber. To succeed, representatives of government, processors, and value chain experts, and rural farmers need consensus on new and effective strategies for these industries.

THE BEST BEAN: COCOA

Cocoa has been cultivated in Liberia since the early 1900s and is historically the

second most important commercial crop after rubber. According to government estimates, 20,000 cocoa farmers cultivate between 15,000 and 20,000 hectares of cocoa. Major growing areas are in Lofa, Bong, Nimba, and Grand Gedeh counties.

Liberia’s cocoa suffers from poor quality and weak market systems resulting in a discounted price on the world market. During the war, many cocoa farmers abandoned their farms and now need assistance re-establishing them. Farmers lack the necessary planting material, and are further constrained by pests and disease, poor crop husbandry and post-harvest handling practices, and lack of available inputs. As for initial processing, farmers ferment the beans, then hand wash to depulp, and sun dry the beans before selling to brokers who market the cocoa. These factors result in very low farm gate prices as compared to those received by farmers in other cocoa-growing countries.

The United States Agency for International Development (USAID)-funded Sustainable Tree Crops Program (STCP) plays a central role in global cocoa development using small farmer networks. In Liberia, the International Institute for Tropical Agriculture (IITA) leads a STCP program that trains rural farmers in cocoa quality techniques and coaches them toward group sales. In summer 2007, ACDI/VOCA will begin implementing a program with IITA to improve cocoa quality and strengthen cocoa farmer organizations.

¹ Ellen Johnson Sirleaf, President of the Republic of Liberia; Liberia Investment Forum, Washington D.C.; February 15, 2007

² Dr. J. Chris Toe; Minister of Agriculture; Liberia Investment Forum, Washington DC; February 15, 2007.

³ *Liberia: Interim Poverty Reduction Strategy Paper*, Republic of Liberia; February 2007.

⁴ *Wealth Building Enterprise*; Liberia Community Infrastructure Program; Edith Bawn.



Commercial partners are necessary to renovate Liberia's cocoa sector and strengthen links to cocoa export markets. Multinational players who will be instrumental in linking Liberia's smallholder-grown cocoa to world markets include the World Cocoa Foundation and Mars, Inc. Key local organizations in raising cocoa standards and improving productivity include the Liberian Produce Marketing Corporation (LPMC), which has historically exported Liberia's cocoa, the Liberian Ministry of Agriculture, and the newly launched Central Agriculture Research Institute (CARI).

EDIBLE OIL: PALM

Prior to the civil conflict, Liberia produced 27,000 tons of palm oil for domestic consumption. The domestic market is strong, with "palm oil used daily by every sector of the market with seasonal increases in cost during the rainy season."⁴ Global price trends for palm oil appear promising given the growing biofuel market segment.⁵ The revitalization in palm oil driven by recent investment in processing capability must be governed in such a manner as to respect the country's valuable tropical forest resources.

Palm oil is crudely produced in Liberia. It involves manually boiling the fruit in a barrel and skimming oil off the top. Kernels are discarded rather than crushed for additional oil. Local producers then typically find themselves at the mercy of "price-giver" brokers and would benefit greatly from organizing into commercially oriented producer groups.

The USAID-funded Liberia Community Infrastructure Program (LCIP) is being

implemented by Development Alternatives Inc., and CARE. The LCIP is working to revive the country's oil palm industry with the installation of processing plants and the revitalization of palm plantations. As with most processing-based industries, the palm oil sector is driven by investment. Nardina Resources PLC agreed last year to buy Liberian Forest Products, a group that holds permits covering 700,000 hectares of tropical land in Liberia. Having reformed the company as Equatorial Biofuels, the investors are developing a large-scale, vertically integrated oil palm and biofuels project on an 8,000-hectare oil palm plantation. Equatorial Biofuels intends to establish a seed nursery for plantations and begin outgrower support programs within a year.⁶

LIBERIA'S NO. 1 EXPORT: RUBBER

Liberia produces arguably the world's finest natural latex. Rubber accounted for 40% of Liberia's export earnings in 2005 and is approaching pre-war export levels of 100,000 tons.⁷ Five foreign concessions operate 78,000 hectares of rubber plantations including Firestone, a central player in Liberia since 1926, which operates the world's largest rubber estate there.⁸ The government owns five rubber plantations with 60,000 hectares planted, and smallholders farm an additional 35,000 hectares.⁹

Rubber is the cash crop most frequently produced in Bong and Margibi, which is not surprising given that these counties are home to the country's largest private farms and rubber plantations.¹⁰ To improve operating efficiency and profitability, most of Liberia's rubber plantations need a significant investment in rehabilitation and replanting. The industry's revitalization of the country's

rubber industry is sensitive due to the reported occupation and operation of several plantations by ex-combatants.

In addition to the aforementioned USAID-supported LCIP, which is also working in the rubber sector, the Rubber Planters Association of Liberia, Inc. (RPAL), has recently surfaced as an advocate of smallholders and medium-sized rubber plantations in Bong, Margibi, and Maryland counties.¹¹ RPAL proposes a stump distribution program beginning this year to assist in the rehabilitation of plantations.

CONCLUSION

The development of key competitive value chains in Liberia requires stakeholder buy-in from producers, processors, and marketers. Cocoa, palm, and rubber are all sectors in which Liberia is competitive and through which many thousands of rural farmers can earn badly needed incomes. A participatory process drove Liberia's Interim Poverty Reduction Strategy, which is based on four broad pillars: enhancing national security, revitalizing the economy, strengthening governance, and rehabilitating infrastructure. The committed leadership of the Government of Liberia and its pattern of engagement with the international community of donors and investors bode well for the country's future. ●

Paul Guenette, is ACDIVOCA vice president for sub-Saharan Africa. ACDIVOCA is a private, nonprofit organization based in Washington, D.C. that promotes broad-based economic growth and the development of civil society in emerging democracies and developing countries (www.acdivoca.org). Since 1963, ACDIVOCA has worked in 145 countries, including Liberia from 1976 to 1989.

⁵ www.palmoil.com

⁶ Michael Frayne, Chairman Equatorial Biofuels; Liberia Investment Forum, Washington D.C. February 15, 2007.

⁷ *Agriculture and Forestry, Agro-processing and Agribusiness Finance*; Ministry of Agriculture, National Investment Commission.

⁸ www.firestonenaturalrubber.com

⁹ *Agriculture and Forestry, Agro-processing and Agribusiness Finance*; Ministry of Agriculture, National Investment Commission.

¹⁰ *Comprehensive Food Security and Nutrition Survey*; Strengthening Emergency Needs Assessment Capacity (SENAC); Liberia October 2006.

¹¹ *Investment Opportunities in the Liberian Natural Rubber Sub-Sector*; Rubber Planters Association of Liberia, Inc. publication.

OPEN FOR BUSINESS: WHY NOW IS THE TIME TO INVEST IN LIBERIA *Continued from page 25*

government is liberalizing the industry, and opening opportunities for independent producers to generate electricity and connect it to the national grid infrastructure. Opportunities are also available in construction, such as the Gben-Gbar Town project that is expected to involve the development of over 450 new housing units.

Global Strategies Group (GLOBAL), an international risk management company, has recently been involved with several companies that would like to work in Liberia. In 2006, a major international engineering and services company was looking for a partner to help facilitate its entry into the country and provide a range of workforce protection, access control and convoy escort services in support of a critical security sector

reform program. Following a detailed assessment of the security situation on the ground and the provision of the appropriate security services, the company has been able to accelerate the development of Liberia's security sector.

Another client interested in establishing an operation in Liberia asked GLOBAL to provide protection for its personnel to ensure that its teams could focus on delivering their core objectives. Having assessed the specific client risks, GLOBAL mobilized a team of specialists to ensure the security of its clients' accommodation units and working environments. In addition, GLOBAL provided structured emergency plans to enable a prompt response in the event of a crisis.

There are clearly many activities happening in Liberia today that are

paving the way for private companies to invest in Liberia. The infrastructure is improving, and the Liberian Government is working hard to lift certain trade restrictions and remove barriers to entry. And while still a challenge, security is improving daily. All in all, Liberia is firmly open for business. ●

GLOBAL provides a broad range of services designed to support clients wherever they operate. Services include the delivery of national security initiatives in counter-terrorism, counter narcotics, and borders security; the protection of critical infrastructures through the use of services and technology; global supply chain assurance; humanitarian assistance; reconstruction and stabilization; peace support operations; and a host of business facilitation and enterprise risk management tools. Contact the company at 202-223-4399 or visit www.globalgroup.com.

LIBERIA'S RENEWAL: MAINTAINING MOMENTUM, EXPANDING OPPORTUNITY *Continued from page 27*

1) Appropriately structured loan capital: Significant amounts of medium and long-term lending capital must be introduced to the credit market in order to meet the very substantial medium and long-term credit needs of Liberian businesses. A credit system that is based primarily on short-term resources cannot be expected to meet the medium and long-term credit needs of the business community.

2) Innovative, responsive financial products: In addition to the efforts that are currently underway to expand and diversify financial services, the development of innovative financing instruments is essential. It is not reasonable to expect standard, "cookie cutter" lending products to meet (or even come close to meeting) the needs of today's or tomorrow's Liberian business community. The alternatives are many:

- Financial intermediation services can be developed for suppliers, producers, and buyers;
- Inventory and/or receivables-based lending and factoring would help meet

working capital needs as well as relieve producers of management burdens;

- Trade financing offers numerous alternatives to straight credit;
- Equipment leasing is effectively used in markets throughout the world;
- Relationship/character-based and group lending has already begun in Liberia and should be expanded;

3) Business Development Services: A comprehensive, aggressive, and well-managed program of business development services is essential if the bulk of Liberia's domestic businesses are to gain access to and efficiently use credit as a means of achieving growth and prosperity.

NEW INITIATIVES

Fortunately, at the February 2007 *Liberia Private Sector Investment Forum*, held in Washington, D.C. and organized by CCA, a new initiative was announced that builds upon these recommendations. The *Robert L. Johnson Liberia Enterprise Development*

Fund, a joint initiative between the American businessman and founder of Black Entertainment Television, the Overseas Private Investment Corporation, CHF International, and the African Development Foundation, will provide approximately \$30 million to finance a coordinated approach to stimulating Liberian private enterprise. This will include both small and medium enterprise lending and technical assistance to Liberian businesses, helping them realize the full potential of their entrepreneurial drive and helping Liberia continue its progress away from a troubled past. ●

Jonathan Temin is a senior program officer at CHF International, where he focuses on Africa. William J. Phelps is currently managing a major loan guarantee program in the West Bank and Gaza for CHF International. CHF International's mission is to be a catalyst for long-lasting positive change in low- and moderate-income communities around the world. CHF International has been working to build stability and stimulate economic growth in Liberia since 2003. Visit www.chfinternational.org for more information or contact Jon Temin on jtemin@chfinternational.org

LIBERIA: VIRGIN LAND FOR THE TOURIST

< By Abdoulaye W. Dukulé, PhD >

Liberia's tourism industry is virtually non-existent - however, this may be a good thing. The lack of any significant development in tourism may be attractive to those looking for an unusual, quiet experience off the beaten path.

The country's 14 year war has had a very negative impact on the development of its tourism infrastructure, both in terms of human resources and physical infrastructure. Hotel rooms are rare even in the capital Monrovia, and professionals in the tourism industry are scarce. For a stranger, a visit to Liberia is a journey into the great unknown. Outside of the city and with the exception of few densely populated areas that are all recovering from war, nature takes its rule in Liberia - it is almost as if it stood hundreds of years ago before the advent of modernity. This aspect of unexploited nature is certainly what constitutes the best hopes for Liberia in developing what is now becoming known as ecotourism.

According to the United States Department of Agriculture (USDA) Forestry Service and reports from several international forest and environmental studies, Liberia still holds the last and largest remaining block of the upper Guinean Forest Ecosystem, a natural habitat for many rare and endangered flora and fauna.

The Sapo National Forest, established in 1983 and covering more than 700 square miles, is the largest block of protected rain forest in West Africa. It is home to at least 2,000 varieties of flowering plants, 136 known mammals, including the pigmy hippo only found in Liberia, chimpanzees, elephants, dwarf forest elephants, leopards, zebras, and duikers. In the heart

of that forest and many cascading streams, one can also find close to 150 different reptiles and amphibious groups that include the "Goliath frogs," frogs that can vary in length from 12 inches to three feet. For those who like insects, zoologists have found more than 1,000 different species.

But getting to such places, albeit short in terms of geographical distances, constitutes a daunting trip into the heart of wilderness. Matthew Clark, a writer for the Christian Science Monitor, published an account of his trip to Liberia on November 16, 2006. He wrote, "That's when it struck me just how far away from civilization we really were. To get here - deep in one of the last remaining bits of virgin West African rain forest - we had taken the daily one-and-a-half-hour UN peacekeeping helicopter flight from Liberia's war-ravaged capital, Monrovia, to the remote coastal town of Greenville. Then we took a jarring, three-hour truck ride through a seemingly endless series of fender-deep mud puddles to the Sapo National Park headquarters. From there, it was a four-hour hike through dense jungle, including a river crossing on a tiny, makeshift raft."

With close to 570 kilometers of sandy coastline, with tides going from slow, almost river-like, to high waves rivaling the deadliest waves elsewhere, Liberia offers some of the most beautiful beaches anywhere on the west coast of Africa. No point in the capital city of Monrovia is more than three miles from a beach. Along Liberia's coastline there are many small cities and fishing villages.

The climate is beach-friendly too. The temperature ranges from 70-80 degrees fahrenheit in October through March, to the high 90s in late May before the

torrential rains begin. But Liberia is not just about sandy beaches and sunny dry days; it is also a land of thousands of rolling hills in the interior and high mountains in the northwest. The majestic Nimba Mountains that serve as a natural border between Guinea and Liberia offer one of nature's greatest curiosities. The southern part is covered with a lowland rain forest, home to hundreds of mammal species, flora, and fauna. Towards the northern parts, right after descending from the snowy mountain tips at an altitude of 5,748 ft, visitors will plunge into the heart of savannah where elephants roam freely, unburdened by rangers or poachers.

Beyond the generosity of nature, Liberia is also a nation with a unique culture that blends a traditional African life with a lifestyle imported from the deep South of the U.S. Over the centuries, this land that was once colonized by descendants of freed American slaves has since changed into a cultural melting pot of its own, with a mixture of European, Middle Eastern, African, and American lifestyles.

Liberia is far from the highways of the international tourism industry. A trip to the country is a unique human and ecological experience. From the sandy beaches to the rain forest, and through the mountains and the savannah, Liberia has some of nature's best offerings. And just getting there, could be one of the greatest adventures of a lifetime. ●

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REBRANDING AFRICA THROUGH ENTREPRENEURSHIP

< By Yomi Onakoya >



When her next paycheck was suddenly interrupted due to a restructuring exercise, Toyin Olaleye could have chosen to play the victim. She chose not. Rather, she chose to take her economic fate into her own hands by setting up her own business. Olaleye turned her passion for baking into a business. She set up Teeto Limited, a confectionary outfit. In order to develop her business skills, Olaleye turned to Nigeria-based FATE Foundation. Today, Teeto Limited is one of the leading small businesses in Nigeria with a turnover of N40 million and staff strength of 40. She attributes her business success to the entrepreneurial training she received before starting out; for example, classes on innovation. Early on Olaleye learned that her business would require a special edge to stand out in a crowded bakery industry. In response, she developed a specialty recipe that has helped her brand her products.



Dare Faleye was on the path to a dream career in the prestigious oil and gas industry in Nigeria when he decided to make a career change. With his expertise in IT solutions, Faleye set up an information technology (IT) company, Inspiron Solutions Limited, in the hinterlands where he did not face competition from any large IT companies. He chose a cocoa farming village, Akure to set up his operation. He envisioned that the strategic location of an internet service provider (ISP) would revolutionize the cocoa trade. True to his projection, providing the farmers and exporters of the commodity with price quotes straight from

the markets in Europe, gave his business a competitive edge. Farmers were enabled to monitor the movements of cocoa prices in real times, and from the platform make instructive business decisions. For the very first time in the history of cocoa farming and trading in the country, these farmers and exporters were brought at par with their counterparts in other parts of the world as they traded on the international cocoa exchange, capitalizing on the vagaries of the market to grow their investments. Faleye also received training for FATE foundation. He ascribed his success to the business and entrepreneurial training he received prior to establishing in business in 2003.



In between jobs in 1999, Dipo Davies decided to venture into publishing. He started Realhouse Communications Limited and started to publish a real estate magazine called CASTLES to fill the gap in the market for property advertisements. Davies struggled during the few first years and even contemplated shutting down the business. In 2003, he the FATE Foundation provided Davies with business training and support services that transformed his business. Today, CASTLES has extended from Lagos to four other states in the company with a turnover of N75 million per annum. In the area of job creation, the business employees 40 full time staff and 50 part-time employees.

Olaleye, Faleye and Davies are only a few of a new genre of entrepreneurs that are given hope that there will be light at the end of the dim Nigerian socio-economic tunnel



after all. The new wave of entrepreneurs are armed with fundamental entrepreneurial and business training and services, that enables them to successfully build fast growing micro, small and medium businesses. These entrepreneurs in return, are not only earning their own living, but more importantly, they are providing employment and subsequently raising the collective standard of living in the society.

At the forefront of this entrepreneurial renaissance is FATE Foundation, a not-for-profit organisation with a mission to foster wealth creation in Nigeria by empowering enterprising Nigerians with business and entrepreneurial training and support services. The Foundation was established as a private sector-led response to the ubiquitous poverty and unemployment in the society by a group of concerned Nigerians led by Fola Adeola.

For more than three decades, successive Governments in Nigeria grappled with high poverty rates primarily induced by unemployment. It is estimated that the 70% of Nigeria's population live on less than a dollar a day.

FATE's wealth creation approach has in five years proven effective, with over 1806 participants establishing their own businesses with the FATE support program in Lagos and Port Harcourt. By 2005 these businesses had injected N2.1 billion into the Nigerian economy and on the average employ four persons each. With the creation and a genre of entrepreneurs, the emergence of Nigeria as an economic power house is certainly possible. ●

FATE Foundation is a non-profit, private sector led organization. It was created and funded by Nigerians in March 2000 to directly address the high rates of unemployment and poverty in Nigeria. Their vision is to foster the establishment and growth of 5,000 businesses by 2015. <http://www.fatefoundation.org/>

SUCCESS FOR SOUTH AFRICAN COMPANIES AT U.S. TRADE SHOWS



AT THE CALIFORNIA GIFT SHOW

Johannesburg-based Artists of Africa was the undisputable hit of the January 2007 California Gift Show, the premier West Coast giftware trade show in the U.S. The company was flooded with interest from the first day and sold about \$15,000 worth of merchandise off the stand- not including written orders taken. Artists of Africa produces one-of-a-kind handmade ceramics, each piece coming

signed by the artist that created it. Artists of Africa was started in 2004 by Beverly Graney, a housewife, who met talented ceramists who lacked a market. With little capital and limited business experience, Bev enlisted the help of CCA's South African International Business Linkages (SAIBL) program, funded by the United States Agency for International Development (USAID). Three years later, the company employs 34 staff members, owns its own equipment, and has had to move to larger premises. SAIBL assisted Artists of Africa to attend the CA Gift Show.



SOUTH AFRICAN COMPANIES ATTEND THE NEW YORK INTERNATIONAL GIFT FAIR

CCA's SAIBL program partnered with the South African Department of Trade and Industry (DTI) and the New York-based South African Consulate to bring 15 South African giftware companies to the New York International Gift Fair

(NYIGF) from January 28-February 1, 2007. The South African companies displayed select pieces on a shared booth and exhibited a more comprehensive product selection in a meeting room where they also met with buyers one-on-one. SAIBL and the DTI hosted a reception, and a seminar where importers and giftware experts discussed the benefits and challenges of doing business in South Africa.

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REASONS TO REBRAND AFRICA

Africa is an ancient continent but down the ages, the achievements of its people have been largely unrecorded, its dead unmarked and its victories ignored. Even after it achieved independence, it still floundered; mismanaged, exploited, and fought over as proxies in other states' affairs.

At last this is beginning to change because slowly but surely Africa is joining the global community of trading nations, not just as the passive repository of metals and minerals, but as a trading player at the table. True, its pile of chips is miniscule compared to the big boys, but it is there nonetheless, buying and selling with its own money. The tax revenues from the influx of foreign capital (which grew 61% in 2005) are slowly being better audited, better managed, and spent more productively by the governments.

Money is starting to flow down, creating a middle class. Sub-Saharan Africa now has 15 active stock markets, some of which recorded eye-popping growth in 2005: Zambia 125%, Kenya 46%, and Malawi 42%. Of course, these numbers should be treated with great caution. These are highly illiquid markets with tiny amounts of capitalizations.

Nonetheless, the Johannesburg Stock Exchange (JSE) traded \$200 billion in 2005 which was five times larger than the Mexico Stock Exchange. The JSE has grown 38% every year for the last four years. Wall Street banks and European fund managers are buying African companies run by Africans. Africans are also beginning to make their mark as



consumers. The astonishing rise in cell phone use in Africa has led to talk of Africa bypassing the PC age altogether and going straight to using cell phones as their computers. Technology companies are taking notice because there is now enough consumer wealth in Africa markets to make the R&D investment worthwhile. For once, Africa is leading a technology wave instead of trailing behind it.

Of course, the continent still has its horrors and emergencies. But the fact that there are so few - namely Darfur, Zimbabwe, and Somalia - only serves to illustrate the progress that's been made.

When I was the BBC's Africa Correspondent 15 years ago, I spent all my time moving from one catastrophe to another. Today the countries where I reported - Angola, South Africa, Mozambique, and Rwanda - are engines of growth and stability. Ironically, it is Zimbabwe, one of the few oases of calm 15 years ago, which is now imploding.

What does all this mean for U.S. companies?

Firstly, it means they should start to adjust the frame of reference that they use about Africa. They need to start seeing it not just as a place for pulling money out of the ground but as a market of 750 million consumers which is growing in purchasing power every day. There is still a lot of risk: most countries still have weak governance, the infrastructure is patchy, and markets illiquid. It still ranks as the worse place in the world to do business. But for the first time since I have followed Africa, it is becoming properly connected to the global market - through professional standards, a stronger civil society, a more demanding consumer market, less restrictions on currency flows, and more effective aid.

Secondly, it means the competition is heating up with the fiercest competition coming from 'South' companies, which have their roots in the developing world and are comfortable operating in the higher risk environments, companies like TATA, MTN, and CVRD.

Because of the depth of poverty and the weakness of its institutions, any company entering Africa has to be prepared to make a social investment. Not because it ought to be morally, but because if it doesn't it will lose out to those who do. "Don't even dream of doing business in Africa if you're not prepared to leave a visible legacy," says Vincent Maphai, the head of BHP Billiton in South Africa.

'South' companies know they can achieve better results, a more efficient workforce, lower absenteeism, more robust business continuity, and ultimately a higher cash flow if they develop a social relationship as well as a transactional one with the people. The challenge is making that work in practice: successful social investment is a frustratingly elusive goal, and it is unfamiliar territory for most American companies.

But it can be done. As a risk management company, we are being asked to manage this risk more and more for clients. One of the most common problems is that companies reach for help when it is too late, when the poorly thought-out social investment program has come off the rails or the relationship with the community has reached the point of strikes and NGO campaigns. Usually the company thought it could get away without having a sustainability program or only having a minimal piece of window dressing. If you're going to do business in Africa, social investment has to be part of your approach. Draw up a clear strategy, make someone's promotion depend on its success, and execute it in the same way that you would execute a business plan. If you don't, you will find doing business in Africa an uphill struggle and you will be beaten by companies who know how to do this. Increasingly, those companies are coming not from the West but from the 'South'. ●

Tom Carver is senior vice president at Control Risks, a risk consultancy which has helped clients operate successfully in Africa for 20 years. His email is tom.carver@control-risks.com



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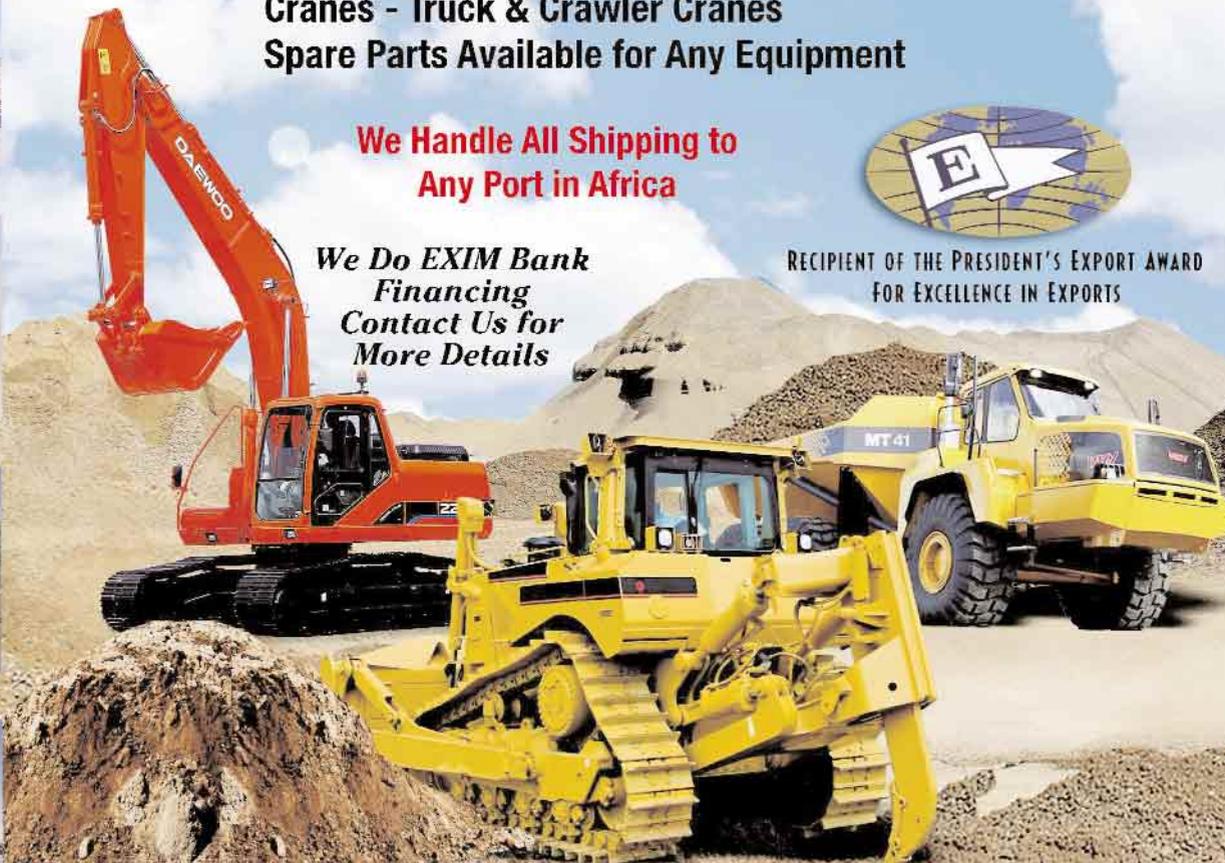
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IMAGINING AFRICA WITHOUT AIDS:

Twenty-six years after scientists first identified AIDS, the global pandemic continues to take its toll. Almost 40 million people are now living with HIV globally, and the epidemic is expanding in new pockets throughout Eastern Europe and Asia. HIV/AIDS has particularly ravaged sub-Saharan Africa. Although home to only 11% of the world's population, the vast majority of new HIV infections and AIDS-related deaths occur in the region.

AIDS also has a direct and negative impact on development in many African nations, deepening poverty and undermining efforts to reduce child mortality, slashing growth rates and, in some countries, depressing economies by more than 2% annually. Economic experts and world leaders agree that HIV/AIDS poses a major threat to achieving the United Nations Millennium

Development Goals (MDGs) - internationally agreed-upon targets for improving living standards worldwide.

A comprehensive and effective approach to HIV/AIDS includes balancing the expansion of existing prevention and treatment programs - now reaching only 20% of those who need them - with strategic investments in a range of new prevention technologies. Yet, traditional academic, public, and industry models for stimulating the discovery of vaccines, drugs, and diagnostics for global public health goods have not worked well in the past. That's why the International AIDS Vaccine Initiative (IAVI) - the world's largest organization focused solely on the development of an AIDS vaccine entered the field.

Product development public-private partnerships (PDPs), a relatively new phenomenon over the past decade, are fundamentally shifting the way medicines are developed and delivered to the world's poorest people. In December 2004, Science magazine, in its "Breakthrough of the Year" feature, acknowledged the essential nature of such new creative business, government, and not-for-profit ventures: Without mutually advantageous partnerships with the business community in the global North and South, an AIDS vaccine for low-income countries is not likely to happen. Each type of partnership-scientific, policy and philanthropic-is essential to realizing

THE ROLE OF THE PRIVATE SECTOR

the vision of a world without AIDS.

PDPs have dramatically strengthened global efforts to create critical new health tools and currently account for approximately 75% of all identified drug development projects for neglected diseases. IAVI's partnerships with private industry, for example, are helping to advance vaccine research in many African nations. IAVI has entered into an agreement with Crucell, a Dutch biotechnology firm, for exclusive access to the company's intellectual property regarding use of two promising replication-defective adenovirus types for use as AIDS vaccine vectors. The organization also is partnering with GlaxoSmithKline Biologicals to develop and evaluate non-human primate adenovirus vectors as an enabling component of an effective AIDS vaccine for the African continent.

Despite these promising examples, the overall involvement of industry has been limited. Several companies have made important contributions to AIDS vaccine

research, but few industry programs represent the full-scale, intensive efforts that are needed. Big

Pharma, where the majority of expertise in vaccine product development and manufacturing lie, accounts for roughly half of all biomedical research. Yet, it is responsible for only 10% of the roughly \$750 million spent globally on AIDS research and development.

The reasons for this lack of engagement are obvious: The science of AIDS

vaccines is daunting, the financial investments required are substantial and long-term, and the market is unattractive and far from certain.

IAVI and its allies are promoting ways to lower barriers to private sector investment and reduce risk by designing creative ways of sharing costs, and by supporting new industry incentives. As a result, there are positive signs that suggest the private sector is starting to take an active role in the AIDS vaccine field. The U.S. National Institutes of Health (NIH) and partners just launched Africa's first large-scale efficacy vaccine trial with a product developed by Merck, one of the two most advanced candidates in the pipeline. Five governments and the Bill & Melinda Gates Foundation have come together to fund an Advance Market Commitment (AMC) pilot for a pneumococcal vaccine. By setting a guaranteed and fair price for new vaccines distributed in the developing world, this novel program could give companies confidence that there would be significant demand for their products.

IAVI and its private sector partners place Africa at the core of their vaccine discovery work. The organization has built a network of accredited labs and other research facilities in Kenya, Uganda, and Rwanda, employing world-class African epidemiologists, clinicians, technicians, and researchers. IAVI is conducting vaccine trials in South Africa, Zambia, Kenya, Uganda, and Rwanda, working with on-the-ground African partners such as the Kenya AIDS Vaccine Initiative, the South African AIDS Vaccine Initiative, the Zambia Emory HIV Research Project, and the Uganda Virus Research Institute. IAVI is also collecting epidemiological data and building scientific capacity for future large-scale trials in the region.

To ensure civil society organizations have up-to-date information about AIDS vaccine science and the trial process,

our organization has developed extensive community outreach programs throughout East and Southern Africa. These programs help address public and political skepticism, ensuring extensive levels of community involvement and transparency unprecedented in such bio-medical efforts in the past.

In Africa, IAVI's two offices in Johannesburg, South Africa, and Nairobi, Kenya conduct their work through scientific research and development, policy research and analysis, and global advocacy. Staff includes scientists, physicians, clinical trial specialists, social scientists, and experts in manufacturing, logistics, project management, intellectual property, and public policy. More than 75% percent of Research and Development (R&D) staff have a private sector background. IAVI has also developed a comprehensive gender strategy that seeks to increase political support by positioning AIDS vaccines as a potential solution to women's vulnerability, and examines ways to expand female participation in our clinical trials and field work.

It is clear that the current approach to battling AIDS is not economically sustainable. Today, for every person who begins antiretroviral treatment, ten more are newly infected. UNAIDS estimated that \$14.9 billion was needed to fund AIDS treatment, prevention and care in 2006; however, only \$8.9 billion was available. The cost of treatment in developing countries is growing rapidly as we succeed in expanding coverage; and while we have not yet calculated how much a necessary and adequate response to AIDS will cost in the long-run, we know that it will run to the hundreds of billions unless we can slow the rate of new infections.

The urgency of a robust business response in the search for an AIDS vaccine

Continued on page 44

A NEW SPECIES OF ANTELOPE DISCOVERED

< By Pedro Vaz Pinto >



Photo Credit: Brian Huntley

In 1909, Frank Varian, a Belgian engineer working for the Benguela Railroad in Central Angola, announced he had found a unique sable specimen carrying immense horns of over 60 inches in length; he was promptly ridiculed for his claim. The African antelope fauna was thought to be well known by then and few sable horns had ever surpassed the 40-inch mark. Varian was vindicated seven years later, in 1916, when the specimens he sent to London led to the description of an entirely new subspecies of sable antelope, *Hippotragus niger variani*, the appropriately-named Giant Black Sable Antelope of Angola.

Its huge and perfectly arched horns, elegant and majestic features, and the coal black color of the mature male, make the giant sable arguably one of the most beautiful and regal antelope

species in the world. For this reason it has always been sought after by naturalists, scientists and, unfortunately, hunters. Remarkably, it's also one of the rarest of African mammals, and until the 1960's was only known to occur on a depressed strip of land between the Luando and Kwanza Rivers covering approximately 8,000 square km. "The land between two rivers" was subsequently defined as a protected area by the Government of Angola, named the Luando Strict Reserve.

It would take 40 more years, until 1962, when a second and smaller population of giant sable was officially "discovered" in Cangandala. One year later a government proclamation established Cangandala National Park. Instrumental to this "discovery," was the cooperation of Kataba, the local Chief, who proved to be so knowledgeable about the giant sable that he was appointed as a

honorary park ranger and was given the nickname of "pastor das palancas" - the Giant Sable Shepherd.

RESEARCH AND DISCOVERY OF THE GIANT SABLE

In the 1970s, the giant sable was studied by Dr. Richard Estes, who spent a full year in Luando Reserve. The animal was well protected by then and the total population was estimated to be as high as 2,000. However the civil situation in Angola would soon deteriorate following the country's independence from Portuguese colonial rule in 1975. Soon thereafter the conflict spread into the giant sable habitat areas.

In 1982, Dr. Estes visited Angola on a World Conservation Union (IUCN) mission, and managed to photograph a few giant sables in Cangandala National Park." These were the last reliable records for decades to come. In spite of

having been elevated to the status of Angola's national symbol, featured in the national currency notes, on the logo of national air carrier TAAG, used as nickname to refer to the national soccer team ("os palancas"), and proudly referred to by Angolans of all races, religions, and ideologies, little could be done to avoid its decline during a brutal 27-year civil war. As human populations struggled to survive, not surprisingly, wildlife conservation became the least of national or provincial priorities. Animals of all kinds, including giant sable antelopes, were indiscriminately killed by hungry people all over Angola.

When enduring peace finally came in 2002, little was known about the situation on the ground in the giant sable areas but the first attempts to relocate the animal either failed or were considered inconclusive. Also, law enforcement measures in the Angolan protected areas were non-existent and this condition was expected to continue at least for the next few years. The international conservation community was preparing to receive the worst possible news: the giant sable antelope, one of the most magnificent African mammals, and one of the last to be discovered, might have become yet another casualty of human wars.

THE GIANT BLACK SABLE CONSERVATION PROJECT

In 2003, the Scientific Research Centre of the Catholic University of Angola (UCAN) launched an ambitious project, the Palanca Negra Gigante Conservation Project, initially aimed at proving that this remarkable antelope had survived the civil war. The first Palanca Project attempts to locate the animals included long expeditions on foot and aerial surveys using microlight aircraft and military helicopters but they all failed to produce hard evidence. If alive, the giant sable was now even scarcer and more elusive than ever before and a new tactic of discovery was necessary.

In October 2004 at Cangandala National

Park the Palanca Project established the Palanca Shepherds Program, based in the same village, Bola Cassaxe, where Chief Kataba had originated. Local residents were proud to be descendants of the original sable shepherds and they felt strongly about the park and the giant sable and the need to save them both. The traditional symbolism of this beast is still powerful among residents. The establishment of the Shepherd Program meant that 20 members of the local communities could be trained and hired to become the new shepherds, giant sable guardians, and be integrated into the research activities and basic Cangandala National Park management initiatives.

The shepherds played a decisive role in assisting the researchers to prove that a herd of giant sable was still alive in Cangandala. This was achieved through photographic trap cameras, triggered by infrared beams, which were planted around salt licks found by the shepherds and where they had claimed sables were regular visitors. Success came in March 2005 with the photography and publication of the first giant sable images in more than 20 years. The Angolan national symbol was still alive, and the news was received enthusiastically all over the country and by the international community.

There is now one small giant sable herd located in Cangandala and the Palanca Project plans to extend the research and the shepherd program into Luando reserve later this year. Presently, the shepherds' main task is to prevent poaching, which is still a serious threat to the giant sables and other local game species in spite of official government support and protection.

PARTNERSHIPS FOR CONSERVATION

Private companies have joined the efforts to protect the giant sable, and the oil sector is leading the way as the main contributors. Esso, ExxonMobil's affiliate in Angola, has become the primary corporate sponsor and project partner.

Esso has committed funds to rehabilitate the long-neglected headquarters complex at the entrance to Cangandala National Park. Further support was granted by the Angola LNG project and by Chevron.

International conservation organizations are also involved in the research and preservation of the giant sable. This was reinforced in May 2006, when Pedro Vaz Pinto, the project coordinator, received one of the highly-coveted Whitley Awards for Nature from Princess Royal Anne at the Royal Geographic Society in London.

Of crucial importance to the sustainability of the Palanca Project are the very strong links established with the Angolan Government. The government has recognized the shepherd's role as the "de facto" protectors of the giant sable and in September 2006 a Memorandum of Understanding was signed between UCAN, the Provincial Government of Malanje, and the Angolan Ministry of Environment, to further develop the research, management, and law enforcement in the giant sable areas. Following the signing of the MOU, the Government appointed a park administrator to supervise the shepherds and the Palanca Project is assisting him with the material and financial means to do his job.

The Palanca Project represents a pioneering conservation initiative, a true partnership between science, local communities, private companies with interest in conservation and the environment, conservation organizations, and Government. The results to-date have been very promising and this project has the potential to be exported as model and implemented in other areas of Angola and southern Africa, where many forms of wildlife are on the brink of extinction. ●

Pedro Vaz Pinto is the project coordinator of the giant sable conservation project, at the Scientific Research Centre of the Catholic University of Angola.

SAFEGUARDING AFRICA'S WILDLIFE WITH TECHNOLOGY

Across Africa, rangers and wardens working to protect wildlife scribble notes on pads of paper, recording signs of poacher's campfires, illegal cattle grazing, and locations of wildlife. Then, as quickly as possible, rangers share this information, traveling by foot or by off-road vehicle if available. Easier said than done. The terrain is vast and often not easily navigable. Unfortunately, sometimes the information arrives too late - cattle have destroyed habitat, human-wildlife conflict has taken place, or poachers have moved in on their prey.

OPENING THE LINES OF COMMUNICATIONS

Global communications leader Motorola is supporting African conservation by providing much-needed radio equipment to on-the-ground conservation efforts being conducted by the African Wildlife Foundation (AWF) and its partners, including national wildlife and park services, local, national, and community protected areas, and local communities. This equipment is increasing the flow of critical information and enabling rangers and scouts to perform their jobs more effectively. Both wildlife and people are benefiting.

The equipment is being put to work across six key conservation landscapes covering 11 countries - Botswana, the Democratic Republic of Congo (DRC), Kenya, Mozambique, Namibia, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe.

THE ROLE OF RADIOS IN CONSERVATION

Radio equipment is helping build much-needed communication networks. But, how exactly does this fit into conservation efforts? Improved flow of critical information helps law enforcement thwart poaching, cattle rustling, and illegal land encroachment. The transmission of

information on wildlife movement and behavior can greatly inform wildlife research efforts which in turn influence conservation plans.

Conservationists recognize that it is the interventions that benefit communities that ultimately succeed. Improved communication networks are protecting wildlife and habitats that play an increasingly important role in the livelihoods of local people.

Stabilizing Rhino Populations

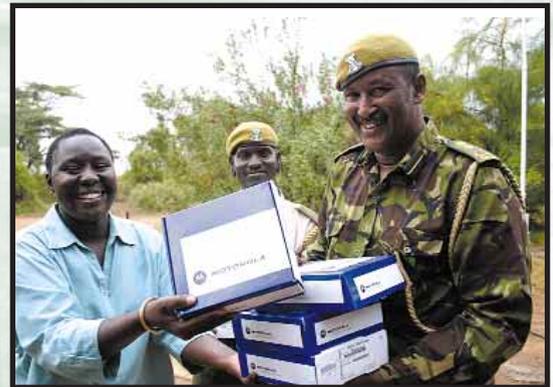
In Tanzania's Ngorongoro Crater, the rhino population had hit rock bottom from poaching. But, for the first time in 20 years, the population has stabilized. AWF credits this success to a reliable radio network that links four observation posts. Now rangers who used to rely only on foot or occasional vehicle travel to communicate can easily operate around-the-clock to prevent poaching.

Monitoring Elephant Movements

At AWF's elephant research camp on the western slopes of Mount Kilimanjaro, a network of Motorola radios and base stations allow game scouts hired from local communities to monitor elephant movements. The radios allow the scouts to quickly report threats to elephants or to anti-poaching staff working to protect them.

Protecting Wetlands

Banhine National Park, located in the southwestern part of Mozambique, contains important wetlands that attract a wide variety of migratory birds. Unfortunately, years of civil war have left it in shambles and largely unprotected. Radios are providing a communications link for those working to safeguard Banhine's wildlife while rebuilding the park's infrastructure.



Director General of Zambia Wildlife Authority (ZAWA), Mr. Chilukusha receiving Motorola radios from AWF's Dr. Mwima. IUCN, WCS, and USAID present at ceremony.

Keeping Mountain Gorillas Safe

The last strong-hold for mountain gorillas is in the Virunga Heartland - a landscape that encompasses three countries (the DRC, Rwanda, and Uganda). The terrain of this region is challenging - and so is managing communications between three different nations.

TECHNOLOGY'S FUTURE IN CONSERVATION

Radio equipment has taken conservation efforts in Africa to a whole new level. Rangers, researchers, and conservations can now do their jobs more efficiently and more effectively. Wildlife and their habitats are already benefiting. And, in time, local communities will benefit from the preservation of this resource which contributes substantially to tourism annually. ©

Founded in 1961, the African Wildlife Foundation (AWF) is the leading conservation organization focused solely on the African continent. AWF's programs and conservation strategies are based on sound science and designed to protect both the wild lands and wildlife of Africa. AWF is a non-profit organization headquartered in Nairobi, Kenya, with additional offices in, South Africa, Tanzania, Uganda, and Zambia. AWF is a registered 501(c)(3) in the United States. Visit www.awf.org for more information.

A "SUPERSONIC" POLITICAL YEAR?

South Africa elects a new president in 2009, but 2007 is the decisive year. The hallmark of South African politics since majority rule was achieved in 1994 has been stability. The ruling African National Congress (ANC) has been firmly in control and its leadership has been remarkably stable and consistent. This has provided predictability in policy much appreciated by markets and private business. Now after 13 years change at the top will happen. What is at stake are the mainstream macroeconomic policies followed by President Thabo Mbeki and his Minister of Finance Trevor Manuel. Critics charge that their policies have greatly enriched a few with very little trickle down to the masses. The remedy advocated by some is more populist policies which could significantly alter the business climate.

Although Mbeki's term only ends in 2009, 2007 will be a "supersonic" political year, as one South African newspaper described it. That's because the ANC will elect its president at a national conference in December 2007 and that person is almost certain to be the party's candidate and the overwhelming favorite to become South Africa's president in 2009. The ANC holds its policy conference this June and potential candidates will vie for support at that event. Back in 1999 Mbeki, then Deputy President, was Mandela's designated successor. This time there is no heir apparent, and a competitive process is taking place among potential successors. Since 1994, politics in South Africa has taken place mostly within the ANC. Until recently intra-party politics in South Africa has been unusually opaque for a democracy. That came to an

end in June 2005 when Mbeki fired South Africa's populist Deputy President, Jacob Zuma, after he was indicted for corruption. Zuma, who was subsequently also charged with rape, took his case to the streets in a series of anti-Mbeki rallies. In these mass gatherings, Zuma presented himself as a tribune of the masses who had been let down by Mbeki's mainstream economic policies. Then Zuma's fortune reversed itself in May 2006 when the rape charges were dismissed and in the fall of 2006 when his corruption trial was suspended. At that point Zuma was reinstated in his post as Deputy President of the ANC but the deputy presidency of the nation had already been filled by Pumzile Mlambo-Ngcuka, a former cabinet minister.

Zuma remains a contender, although he is losing support in the organized left. Major figures in the ANC's two alliance partners - the Communist party and the trade unions - have bailed on Zuma. Two former ANC political figures who have been very successful in business, Cyril Ramaphosa and Tokyo Sexwale, are reported to be jockeying for support. But now there is evidence that Mbeki is waging a campaign to be re-elected president of the ANC, which would defer the choice of a new leader, but create uncertainty about how and when he, or she, would be chosen.

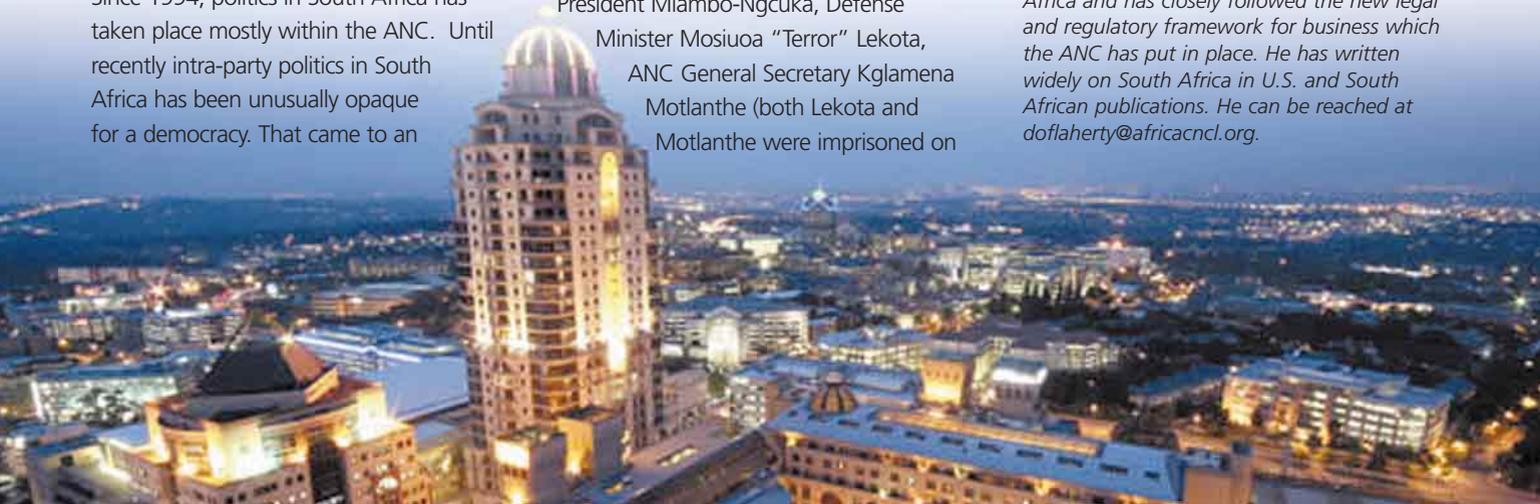
A host of additional potential candidates are in the wings, including some who might pick up the populist torch of Jacob Zuma. Potential candidates include Deputy President Mlambo-Ngcuka, Defense Minister Mosiuoa "Terror" Lekota, ANC General Secretary Kglamena Motlanthe (both Lekota and Motlanthe were imprisoned on

Robben Island with Mandela), and Joel Netshitenzhe, Mbeki's chief spokesman. Some speculation has centered on Trevor Manuel. Although by African standards South Africa is largely detribalized, the top leadership of the ANC has traditionally been from the Xhosa tribe and Manuel is not.

The leading opposition party, the Democratic Alliance (DA), grew out of the anti-apartheid Progressive Party of the mid-twentieth century and has been a vocal critic of the ANC in Parliament. Under the energetic leadership of Tony Leon, in the 2004 parliamentary elections the DA received over 12% of the vote giving them 50 seats in a Parliament of 350 members. Ironically, the National Party which had ruled during apartheid briefly combined with the DA before defecting to the ruling ANC. The DA's base remains predominantly white and mixed-race and is concentrated in the Western Cape province. Here too there is change. Leon has announced his retirement from politics and, as with the ANC, there is no clear successor.

For the moment the focus is on the provincial level where delegates to the December party conference will be chosen. Mbeki's allies are currently marshalling support for continuation of his policies without having endorsed a candidate. ●

Since 1993, Daniel O'Flaherty has been Director of the U.S.-South Africa Business Council, now located at CCA. In this capacity he has travelled at least once a year to South Africa and has closely followed the new legal and regulatory framework for business which the ANC has put in place. He has written widely on South Africa in U.S. and South African publications. He can be reached at doflaherty@africancl.org.



BEYOND SAFARIS: REBRANDING AFRICA FOR CULTURAL TOURISM

< By Sean Barlow >

Most Americans think safari when the subject of travel to Africa comes up. Of course the elephants, wildebeast, giraffes are magnificent, but the best thing about Africa are the people and their cultures.

Imagine if common images of going to Africa were dancing at Youssou N'Dour's nightclub in Dakar, venturing north of Timbuktu to the *Festival in the Desert* for three nights of sublime music at this annual gathering of the Tuareg community, or enjoying the ambience of Dar es Salaam before going by boat to Zanzibar for the annual *Sauti za Busara* (Sounds of Wisdom) Swahili culture Festival?

Cultural tourism leads to falling in love with Africa and her peoples, and creates some of the continent's best ambassadors back home. It also offers African countries tremendous economic growth potential, allowing them to earn much needed foreign exchange, employ local people, and attract a whole new kind of traveler. Cultural tourism can play a significant role in rebranding Africa as an attractive tourist destination.

Eddie Bergman is the dynamic new Executive Director of the African Travel Association (ATA), a travel and trade association promoting travel and tourism to and

within the continent, since 1975. Bergman broadly defines cultural tourism as "anything involved in interacting with people or immersing yourself in local culture." This might include anything from visiting a home or school, touring a village, or attending a local sporting event or a music festival.

A recent Zanzibar Association of Tourism Investors report said, "In cultural tourism, visitors are attracted, fascinated and intrigued in what locals regard as ordinary."

Bruce Poon Tip is the Chief Executive Officer of G.A.P. Adventures, one of the leading specialists in "adventure travel." They offer over 1,000 different tour packages around the world. Tip explained, "the whole company is focused on cultural exchange between tourists and communities...It must benefit both." G.A.P. Adventures limit tours to eight to twelve participants to achieve a more intimate experience.

They are against isolating people



Youssou N'Dour live in Fes, Morocco.

in hotel bubbles and always include experiencing local transportation for instance.

Tip reports that Africa is experiencing a major boom in the youth market. He also sees a growth in travel to the continent by the more experienced, high-end customer. Tip said that G.A.P.'s sales of African destinations grew by 156% in the last two quarters. Their product



grew by 50% over this period and they added only cultural destinations.

G.A.P.'s biggest selling destinations in Africa remain Kenya, Tanzania, Malawi, Botswana, and South Africa. However, Tip says that "Cultural Kenya" is hot, and the organization now has "exploratory trips" going to Mali and Burkina Faso.

Just a quick survey of some of the major music festivals in Africa brilliantly illustrates the potential of cultural tourism. For example, the *Sauti za Busara* (Sounds of Wisdom) Festival in Stonetown Zanzibar that showcase Swahili music and culture, takes place every February. I was fortunate to cover the inaugural edition of the festival in 2004 for the nationally syndicated public radio series *Afropop Worldwide*. The few foreign visitors there and the thousands of locals enjoyed Zanzibari music-gorgeous, orchestral taarab, and more earthy ngoma - as well as Swahili artists from the mainland Tanzanian and Kenyan coasts, plus others from throughout East Africa. The Festival now attracts hundreds of foreign visitors and pumps up the local tourist economy at a traditionally slow time.

Director Yusuf Mamoud, the director of Busara Promotions, which produces the *Sauti za Busara Festival*, said job-creation is very important: "As an alternative and complement to East Africa's other tourist attractions (wild animals, Mount Kilimanjaro, pristine beaches and coral reefs), we are now seeing that the music and film festivals in Zanzibar are attracting a different kind of tourist and that these visitors to the islands are spending in a way that has more impact on ordinary people. From hotel workers to drivers, guides, fishermen, market traders, artists, and crafts sellers, cultural tourists are



boosting the grassroots local economy far more than the all-inclusive package tourists who pay for their holidays upfront in Europe and spend most of their time in bikinis next to the hotel bars and swimming pools of Kiwengwa."

Of course, cultural tourism does not exist in a box. Beach tourism, eco-tourism, and heritage tourism to Ghana and Senegal - popular with African-Americans - are frequently added to the mix before or after the cultural tour experience. One area of cultural tourism that seems to be overlooked is visits to capital cities to enjoy Africa's urban life such as the fantastic nightlife of Dakar. Bamako, Dar es Salaam, Fes, Morocco, with its deep history and rich Sufi culture, also ranks high in my book. Unfortunately, some other African cities have significant crime problems and must be avoided.

One remarkable example of a successful initiative in a remote location is the *Festival in the Desert* near Timbuktu in Mali, a gathering of the far flung Tuareg community with three nights of regional music. The festival began in 2001 and

now attracts a sizeable foreign visitors contingent who camp out on the magnificent dunes surrounding the main stage. The significant effort to get there - by 4x4s over sand "roads" about six hours north of Timbuktu - is part of the adventure. Local artists and top stars from Bamako, Niamey, and Nouakchott share the stage with such visiting notables as Robert Plant of Led Zeppelin fame and mega-star Manu Chao. This Festival has attracted BBC film crews (among others) to produce television programs and even commercial DVDs, as well as print journalists and radio reporters. The Festival's success has benefited all of Mali, because visitors attracted by this vivid festival coverage generally take time to visit other parts of the country as well.

Among the most established festivals on the continent is the *World Sacred Music Festival*, now approaching its eleventh year in Fes, Morocco. The Festival features free concerts in the main public square, concerts by world class artists, and then free "Sufi Nights," where visitors mix with locals, sitting on plush carpets and sipping tea while

Continued on page 44

BEYOND SAFARIS: REBRANDING AFRICA FOR CULTURAL TOURISM *Continued from page 43*

impassioned Sufi groups play close by.

There are too many other superb festivals to describe here. Others to be googled include the Gnawa Festival in Essaouira Morocco, the *North Sea Jazz Festival* in Cape Town, and the *St. Louis Jazz Festival* in Senegal.

So with all this rich cultural life featuring not only annual festivals but opportunities to visit cities and villages and to interact with Africans in the course of their normal lives, what is holding back the growth of cultural tourism? Bergman of ATA cited the basics: organization, packages, and infrastructure. In addition, Bergman believes it is the negative image of Africa that the press bombards westerners with: AIDS, civil unrest, and violence. Adding to that, Bergman asserted, are the dire, negative situations on the continent incessantly portrayed by Africa-focused non-profits in the U.S. He said, "If you

really want to benefit Africa, travel there and spend money...at the end of the day, if tourism does not help people then it's not worth it."

As to what holds back the growth of cultural tourism, G.A.P. Adventures CEO Poon Tip said the national tourist boards in Africa heavily promote their countries as wildlife destinations. (This is understandable in part because safari tourists spend more money per customer than any other tourists). There is work to be done in getting local governments to view and support local cultures as a marketable national resource.

Taking a longer term perspective, Peter Tichansky, President of the Business Council for International Understanding (BCIU), which has over 150 blue-chip global companies in its membership, explained, "BCIU has high hopes for the

Millennium Challenge Corporation in Africa. This innovative, visionary U.S. Government grant program will alleviate poverty in eligible countries in Africa. It's now up to those countries to prioritize how they will use these special grants. I hope that the African countries will focus on cultural tourism and other important job creating sectors which will tie their countries to the global economy."

As for the prospect of rebranding Africa for cultural tourism, Bergman of ATA is ultimately confident because many people have told him, "Africa is the dream of my lifetime. Before I die, I want to go to Africa." ☺

Sean Barlow, Executive Producer of Public Radio International's Afropop Worldwide and www.afropop.org

IMAGINING AFRICA WITHOUT AIDS: THE ROLE OF THE PRIVATE SECTOR *Continued from page 27*

has never been greater. Together, business and organizations can further mobilize the political will and drive the scientific progress that is needed in Africa to win the AIDS battle. IAVI's modeling research indicates that a 50% effective vaccine given to just one-third of the population in developing countries could cut the number of new HIV infections by more than half in 15 years, saving millions of lives. Thus, even modest success in the quest for an AIDS vaccine would have profound human, economic, and political impact in Africa.

As has been the case for other diseases, such as smallpox and polio, the best long-term solution to AIDS in Africa and across the world is an HIV/AIDS vaccine. This goal is the business of IAVI and its partners.

How Businesses Partner with IAVI to Advance the Search for an AIDS Vaccine:

Strengthening R&D: Pharmaceutical, biotech and diagnostic companies like GSK, Crucell N.V., Targeted Genetics and Becton Dickinson (BD) partner with IAVI's scientific research programs on applied research, product development, and capacity building to advance the global HIV vaccine field.

Logistical Support: IAVI's global team members can criss-cross the globe using Continental Airlines travel vouchers to hold meetings with government leaders, conduct training, and host workshops at IAVI-sponsored vaccine trial centers wherever Continental flies. DHL's free shipping services have enabled the critical flow of traffic between our field sites and Core Lab in London.

Product Donations: BD helped equip IAVI's highly regarded Core Immunology Lab in London, and provides reagents at highly favorable discounts. Henry Schein, Inc. is donating consumables to IAVI's new AIDS Vaccine Development Laboratory in New

York City to ensure safe and efficient laboratory procedures.

Publicity: Google's AdWords program drives visitors and donations to IAVI's website. Web traffic has reached 5,000 unique visitors weekly.

Industry Experts: Pfizer provides scientific staff to IAVI's field sites in Africa and India through its Pfizer Global Health Fellows Program. Fellows contribute their industry expertise directly to IAVI projects.

Financial Support: BD has committed major financial support through its Trusted Partners program. Merck and Pfizer helped underwrite IAVI's 10th Anniversary History Project to document the key turning points in the global AIDS vaccine search. ☺

For more information on IAVI, please visit our website: www.iavi.org or contact: John L. McGoldrick, Sr. Vice President, External Strategy Development | Tel +1-212-847-1054 | jmgoldrick@iavi.org

PR FOR AFRICA: JULIA WILSON

<By Cherie Flowers>

Julia Wilson has committed her life to changing the negative perceptions of Africa. First as a journalist, and today as the CEO of her own marketing and communications firm, her life's pursuit has been to turn negative perceptions about Africa into dead dogma. Through services such as brand image management, communications, public relations outreach, special events, and media services, Wilson Global Communications (WGC) transmits positive images of Africa in the hope of attracting American business to the Continent.

AFRICA IN THE MEDIA

Her early work as a journalist for the Los Angeles Times, and as a reporter during the anti-apartheid movement, exposed her to the degree to which Africa has been misunderstood by the international community. "As a young journalist I was misinformed myself about the condition of the African Continent," Wilson admitted. Everything she had heard in news media, seen in the movies, and learned through histories written on Africa mostly represented its vices. However, when she arrived in South Africa to cover the 1994 presidential election of Nelson Mandela, she was confounded. These experiences motivated her to tell the American public the truth about situations in Africa, and to speak to the abounding opportunities that exist throughout the Continent.

"I got there and I didn't expect to see what I saw - positive things like infrastructure, banking systems, freeways, and people wearing business suites. I was shocked. I felt like I had been lied to all my life. I wanted to know what other things were going on around the Continent that I did not know about and that people in the West might not know about," she explained.

Now, she wants to provide others with balanced information so that they may be able to make informed business decisions. To highlight the progress that has been made throughout Africa, Wilson hosts "Julia Wilson on the Continent," a weekly television segment shown on the satellite channel 3A Telesud. Guests on her show have included the first female African President, Liberian President Ellen Johnson Sirleaf, and U.S. Congressman Donald Payne.

Through her business and television program Wilson aims to offer an alternative to the image of Africa that is frequently depicted in mainstream media - one inhospitable to investment, rife with corruption, and devoid of infrastructure. "The media can discourage American businesses from investment in Africa through its negative coverage of the Continent. Few investors will be attracted to doing business in Africa if only death, disease, and destruction are being reported. The success stories of Africa need to be given equal coverage," Wilson explained. The interviews she gives focus on the countries where democracy is thriving - they describe the current-day Africa that has brought about a new business climate.

WGC's clientele consists of both large corporations and small business. The Cocoa-Cola Company, Ghana Investment and Promotion Centre, and Chevron have all profited from the services of WGC. In early December 2006, WGC hosted *Nigeria: The Heart of Africa Welcome Reception Gala and Business Forum*, where dignitaries and entrepreneurs converged to discuss socio-economic reform and the improvement of trade policy. Events like these are invaluable to the growth of African national economies, interstate commerce, and fostering responsible, transparent governments.



CHALLENGES

Although her firm markets Africa's business opportunities, Wilson is realistic about empowerment challenges that need to be addressed in any rebranding effort. Julia recognized that, "Although Africa has taken great strides towards development in recent decades, the continuing effort to develop infrastructure is imperative to the vitality of business and entrepreneurship."

AMERICAN COMPETITIVENESS IN AFRICA

When asked about the new, growing role of Middle East and Eastern investors in Africa, Wilson felt strongly that the new and much debated China-Africa relationship is not a threat to American trade within the Continent. She added that the outlook the East has on Africa is different from the way the West views Africa, and that difference has given the East a competitive edge. Instead, she believes, "Americans should follow the aggressive business model of the Chinese and forge new businesses partnerships in Africa without hesitation." ●



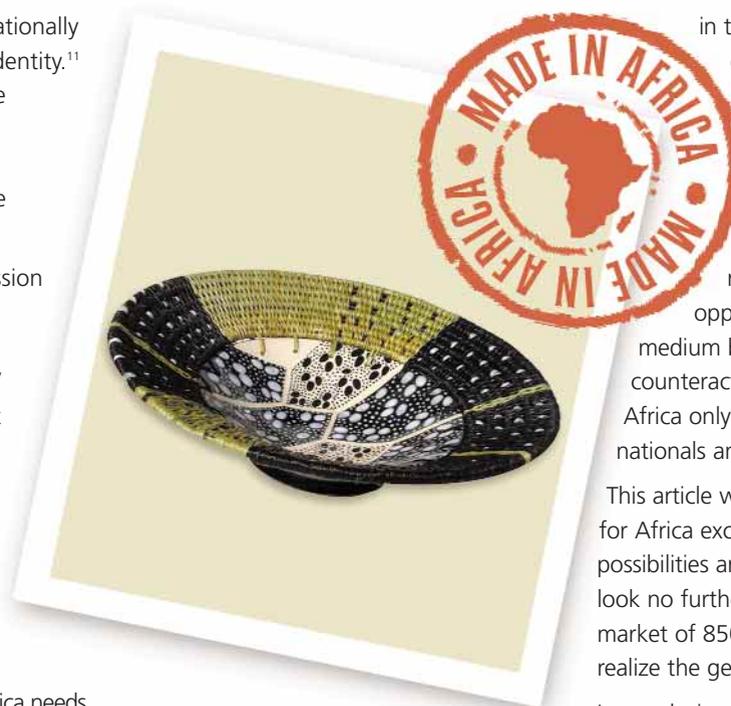
REBRANDING AFRICA: A CONTINENT OF POSSIBILITIES *Continued from page 13*

local brands performing internationally as champions of the national identity.¹¹ Governments have to use these channels and ensure that all stakeholders subscribe to and communicate a common image through these channels.¹²

Participants in the branding session at the World Economic Forum were in favor of launching a “Rebranding Africa Campaign” and reached the conclusion that the vision “can best be brought to life by government and business partnerships. Buy-in from leaders and backing from national budgets and big business will be needed to get it done.”¹⁴

Every U.S. business invested in Africa needs to consider the role that it can play to improve Africa’s image through its own public relations efforts, media relationships, and other professional networks including membership in Chambers of Commerce and other trade associations. It is imperative that U.S. businesses participate. American companies are currently running the risk of losing their market share in Africa to China and newer entrants. These companies also remain largely unaware of the positive changes and opportunities on the Continent.

U.S. businesses already engaged in Africa can highlight their success stories in Africa and hopefully more American companies will be encouraged to follow in the footsteps of their peers.



The objectives are the same for all involved: to grow business. Sustainable economic development in Africa will only be achieved through investment and the ability of its entrepreneurs and business people to create and retain wealth through private enterprise.

CONTINENT OF POSSIBILITIES

There are many success stories today that can be used to brand a new image for Africa.

The Continent is characterized by lower poverty levels, growing middle classes, economies opening up, increased access to education, more females participating

in the formal economy, the establishment of working democracies, as well as major overseas brands successfully investing in Africa.¹³

Africa also needs to be rebranded as a place of opportunity for small and medium business ventures in order to counteract the idea that business in Africa only takes place between multi-nationals and government officials.

This article will not suggest a new brand for Africa except to suggest that the possibilities are endless. One needs to look no further than Africa’s potential market of 850 million consumers to realize the genuine market opportunities.

In conclusion, it is time for an active approach, as opposed to waiting passively on the media to see the errors of their ways. New public-private partnerships between businesses and governments focused around marketing, advertising, and branding, need to be part of a marketing strategy to counteract Africa’s existing image. An investment in rebranding will go a long way towards marketing Africa as a Continent of opportunities. ☺

Ilda Diffley is the editor of The Africa Journal. She can be reached on ildiffley@africancl.org

¹ www.brandchannel.com, the website of Interbrand, one of the leading international branding consultancies.

² <http://www.weforum.org/pdf/SummitReports/africa2006/strengthening.htm>

³ “The Africa You Never See,” by Carol Pineau <http://www.washingtonpost.com/wp-dyn/articles/A58294-2005Apr16.html>

⁴ Ibid

⁵ Global Attention Profiles (<http://h2odev.law.harvard.edu/ezuckerman/>).

⁶ “Reuters in Africa: Breaking New Ground,” by Rebecca Mackinnon, http://rconversation.blogs.com/rconversation/2007/02/reuters_africa_.html

⁷ “Global Attention Profiles—First Steps towards a quantitative approach to the study of media attention,” Ethan Zuckerman, page 3

⁸ Ibid

⁹ “Reuters to launch African website” by Mark Sweney <http://www.guardian.co.uk/international/story/0,,2018612,00.html>

¹¹ Summary of session “Rebranding Africa,” The World Economic Forum, Thursday June 1, 2006

¹² Ibid

¹³ Ibid

¹⁴ Ibid

BUSINESS PERSON OF THE QUARTER: REED KRAMER OF ALLAFRICA.COM

"All of us at AllAfrica are committed to providing visibility and access for the largest possible database of news and information from and about Africa," Reed Kramer, CEO, AllAfrica Global Media

Reed Kramer, CEO of AllAfrica Global Media, is *The Africa Journal's* Business Person of the Quarter for Spring 2007. AllAfrica.com is probably the most important source of up-to-date news and information on Africa. Additionally, the company provides a revenue stream for over 100 African news agencies, and training for African journalists. AllAfrica also continues to expand its operations in Africa. On February 15, 2007, AllAfrica opened an online international news processing center in Monrovia, Liberia.

"The decision to set up operations in Liberia was carefully considered and is based on our belief that the Liberian government's commitment to transparent, democratic processes, and to rebuilding infrastructure is creating an environment where growing, technology-dependent enterprises can thrive," Kramer explained.

The Monrovia office will also be used by the AllAfrica Foundation as a hub for healthafrica.org, an ambitious project to provide a broad range of information and services, as well as a pioneering facility to track and monitor funding for health in Africa.

"We are working to make AllAfrica a profitable operation that can sustain this work and demonstrate the viability of Africa-focus ventures," Kramer said.

The AllAfrica.com website, with more than 12 million monthly page views, is the largest electronic distributor of African news and information worldwide. AllAfrica's office in Cape Town, South Africa manages the website and supervises news processing in Washington, D.C., Dakar, Senegal, and now also in Monrovia, Liberia. A team in Lagos, Nigeria, produces news, culture, and health programs for broadcast and for streaming on the web.

Technology development and architecture is coordinated from an AllAfrica office in Copenhagen, Denmark. The AllAfrica offices around the world are operating as a "virtual news desk."

AllAfrica Global Media was founded in 2000 to continue the work of the non-profit Africa News Service, which produced prize-winning print and broadcast reporting for major media outlets. Kramer and his wife Dr. Tami Hultman founded Africa News in the early 1990s to "fill the void in U.S. coverage of Africa." In 1994 Africa News launched the first African news website.

"At Africa News, we pioneered the business model that involves content agreements with over 125 African news organizations who share in the revenue their stories generate," Kramer explained.

Kramer, his wife, and Amadou Mahtar Ba, AllAfrica's President, founded AllAfrica Global Media. The website AllAfrica.com as we know it today, was launched in late 2000.

"Our timing was exquisite - we started an Internet venture just before the web bubble burst," Kramer recalled.

In 2005, AllAfrica received an 'Africa Economic Developer Award' presented by the Africa Centre for Investment Analysis in Cape Town on behalf of the New Partnership for Africa's Development (NEPAD) in recognition of a pioneering effort to present news from and about Africa to the world.

AllAfrica Global Media is currently working on the launch of a new initiative called "AllAfrica Travel," which will provide the first comprehensive online guide to visiting, traveling, and living in Africa, as well as advice for Africans traveling around the continent. The new venture will continue to promote different images of Africa than what is seen in the media so frequently.



Amadou Mahtar Ba, Tami Hultman, and Reed Kramer, founders of AllAfrica Global Media

"We in the media have to treat Africa fairly - not overlooking flaws and problems but also not continuing to provide shallow and inadequate coverage that overlooks the efforts so many people in Africa - many working at the grass roots level - that are changing lives and building a better future by combating diseases, educating children, exhibiting spirited entrepreneurship, and generally refusing to give up against mighty big odds," Kramer said.

He acknowledges that Africa has to address issues of performance, transparency, and accountability, along with resolving persistent conflicts and tackling health crises, but added that "governments in other parts of the world must make resources available as part of the partnership that everyone likes to promote but so often fails to truly embrace."

"Combating the persistent perception of Africa as 'helpless and hopeless' requires concerted efforts by many key actors," Kramer concluded. ●

The Africa Journal would like to acknowledge all the staff at AllAfrica for their commitment to provide thorough coverage of all the countries of Africa. Their vision has contributed to sustainable, economic development for many. AllAfrica.com is an invaluable resource to anyone with personal and professional interests in Africa. www.allafrica.com

Earl Young

Earl Young has served in the role of advisor, corporate officer, and director to companies in the U.S. and abroad. As President and CEO of Madagascar World Voice (MWV), he is presently assisting World Christian Broadcasting (WCB) with the founding of a shortwave radio station in Mahajunga, Madagascar. MWV when combined with WCB, which has been broadcasting into the former USSR, China and the Pacific Rim for the past 21 years, will broadcast a message of Hope and Freedom to over 2 million shortwave listeners throughout the world.

As a representative of J-R.Boulle Companies, Young serves on the Board of Directors of CCA. Young is a member of the American Studies Institute Advisory Board of Harding University and President of the U.S. Madagascar Business Council.

He serves on the Board of Directors of Diamond Fields International Ltd., an international diamond mining company

listed on the Toronto Stock Exchange with exploration offices in Liberia and Namibia, and is a Director of Madagascar Resources, an Australian-based heavy mineral mining company.

Young is a Director of Aurora Oil and Gas, an American Stock Exchange (AOG) natural gas producer based in Michigan, and is an Advisory Director to Mayfair Mining and Minerals, Inc. a U.S. public company with producing amethyst and sapphire properties in Zambia and Madagascar.

A world class athlete at the age of 19, Young was a member of the U.S. Olympic Track and Field Team winning a Gold Medal in the 1600 meter relay while setting a new World and Olympic record. Young represented the U.S. on the 1963 Pan American Team and numerous international teams establishing four World Records and four American Records. Young has served as President of the Southwest



Earl Young

Chapter of Olympians and as a Board Member of the U.S. Olympic Alumni Association and is the founding Chairman of the Olympians for Olympians Relief Fund. He attended Abilene Christian University in Abilene, TX. His undergraduate studies were in Business, History, and Religion with graduate studies in Business Management. Born in California he was designated as an Honorary Citizen of Texas in 1960 by Governor Price Daniel and lives with his family in Dallas, Texas. ●

Barbara Keating

Barbara Keating, President and Founder of Computer Frontiers, Inc. began her career in 1985 in the Peace Corps on a World Bank project in Sierra Leone focused on improving local tree crop varieties of oil palm, coffee, and cocoa and tree farm plantation development. Following her return to the U.S., Keating completed an M.A. of International Business Management through Thunderbird, The Garvin School of International Management. She worked as a contractor for several United States Agency for International Development (USAID) contracts and played a pivotal role in establishing one of the first, pre-Internet, electronic file email systems linking seven southern African countries. This project served as a catalyst for Keating to become the lead author of a research paper, that later became the Leland Initiative Project, recommending actions related to policy, infrastructure, private sector development,

and end-user training that would facilitate the expansion of the Internet throughout Africa. At the start of the project, only five African countries were connected to the Internet, and this initiative helped increase the number to 21.

Keating pursued a series of projects as an independent consultant before incorporating Computer Frontiers, Inc. in 1996 in Frederick, MD with affiliate companies in Uganda, Ghana, Senegal, and South Africa. These affiliates provide call centers, virtual help desks, information technology consulting, voice over internet protocol (VoIP) telephony solutions, visa processing services, and web development support throughout the Continent. In 2004, Keating expanded by adding Computer Frontier Communications (CFC), a locally-based division serving the Greater Washington-Baltimore corridor that provides VoIP solutions that include phone systems and related support



Barbara Keating

services, and is moving into remote network management services.

Prior to her M.A., Keating received a B.A. in psychology in 1985 from Carroll College located in Waukesha, WI. She is also serving in her second four-year term as a commissioner for the Montgomery Country Cable Compliance Commission, and is in her second term on the Board of Directors for CCA. ●

AFRICANS HAVE ALWAYS BELIEVED IT TAKES AN ENTIRE VILLAGE TO RAISE A CHILD. HP WOULD LIKE TO MAKE IT A GLOBAL ONE.



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internet connectivity, through to technical support and teacher training. It's time for our children's hunger for knowledge to be met halfway with the resources needed to nourish it. And it's HP's way of ensuring that this global village of ours will always be led by the great.

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PRUDENCE INTERNATIONAL MAGAZINE

Prudence International Magazine is a people-oriented international magazine with a business focus. It concentrates on the achievements, problems, struggles, and challenges facing Africans across Africa, as well as Africans in the U.S. and Europe. Its main goal is to promote business and investment between the United States and African nations by encouraging partnerships between the private sectors in Africa and other parts of the world. It provides business-to-business linkages through its exclusive coverage of businesses with close ties and interests in Africa. Prudence features the success stories, aspirations, and struggles of people and businesses from both sides of the Atlantic. The magazine places special emphasis on the events, initiatives, and efforts of trade organizations such as CCA, the Minority Business Development Agency (MBDA), and the Small Business Administration (SBA) for

their work in strengthening trade relationships among businesses in the U.S., Europe, and Africa. Over the past three years, Prudence International Magazine has impacted positively on mid-size business enterprises in the U.S. and Africa by accurately bringing information and business opportunities to their doorsteps. Prudence International's circulation base includes Washington D.C., Maryland, Virginia, Pennsylvania, Georgia, Texas, New York, New Jersey, and Ohio.

www.prudenceinternational.com

KJAEER GROUP SUMMARY

Can a vehicle distribution company provide equity shares in local subsidiaries to employees in Africa? Can companies promote the United Nations Millennium goals to reduce poverty and improve healthcare while maintaining a profit motive in Africa? These examples are part of the philosophy of doing business for

Kjaer Group (pronounced Care) in Africa. The Kjaer Group has worked in Africa for over 40 years, and was incorporated in 2003 in VA. Its roots are in the supply and distribution of vehicles in the Aid and Development sectors since 1962. Kjaer has expanded into a full-fledged fleet solutions provider for businesses, governments, and organizations in addition to NGOs and the aid sectors. Kjaer has gained expertise in some of the harshest environments. With a focus on Africa, Kjaer Group is present in more than 25 countries in Africa and has vehicle stocks in ten geographic locations.

Through its partnerships Kjaer has also developed an emergency response unit with the Red Cross and has co-designed a toolkit and a template for engaging the commercial sector in the battle against HIV/AIDS with the Danish Aids Foundation. Kjaer Group is a member of Global Compact, a UN initiative for corporate citizenship. ●

www.kjaergroup.com

STAFF PROFILE

Meet Mbayang Diouf Diop



CCA's Chief Financial Officer, Mbayang Diouf Diop, is a Senegalese mother of two who has dedicated herself to

assist in the development of the continent of Africa. With her outgoing personality and her "straight to the point attitude," Diop is responsible for the day-to-day financial management at CCA. She ensures the maintenance and accuracy of CCA's financial records and coordinates all grants and contracts reporting requirements with governments, multilateral agencies, and foundations.

Born in Dakar, Diop has a dual Masters in Finance and Accounting from Université Jules Verne de Picardie, in Amiens-France;

and in Management Control and Internal Audit from Université Montesquieu, Bordeaux-France. Diop joined CCA in 2002 after leaving France Telecom where she worked as an assistant to the cost controller. "As a CFO, accountability, honesty, and great organizational skills are key to providing top of the line financial analysis and record keeping. I consider these aspects as the driving factors in my day-to-day work," said Diop.

"Working for CCA has given me the opportunity to interact directly with various African Heads of States, government representatives, and senior business people. Furthermore, working for an organization that strives for the economic advancement of Africa by promoting trade and investment as a way to achieve growth, is rewarding," said Diop. Asked about what excites her most when it comes to business in Africa, "the opportunities the Continent has in terms of resources, whether human

or material, that are just waiting to be developed. It is thus important to encourage involvement from the U.S. private sector, as the impact it could make is at so many levels," said Diop.

As in any other line of work, the environment in which CCA operates is not free of challenges. "Fund raising and selling CCA's mission to investors remains somewhat difficult," said Diop. She continued to say that "it is important that we stay persistent and resolute in our mission of making American and African government representatives, entrepreneurs, as well as donors, aware of CCA's mission, especially in its ability to be a partner in the development of Africa." In addition to this, "we as an organization have to be more engaged with our members and their respective industries. It is also crucial that we lead and assist them in landing the best opportunities on the Continent, as this will show our strong added value." ●

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