

Keynote Address to Corporate Council on Africa's 2003 U.S.-Africa Business Summit

Secretary Colin L. Powell

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(12:20 p.m. EDT)

SECRETARY POWELL: Thank you so much, ladies and gentlemen, for your warm welcome. It's a great pleasure to be here with CCA, and I want to thank Pete for that generous introduction. And it is true, I am an Honorary Knight of the British Empire. (Laughter.) The only trouble is, because of that little dustup we had with Great Britain some years ago, I am not allowed to use my full military and knighthood title, unless I happen to be in England. And when I am in England, I am introduced as General Sir Colin Powell. (Laughter and Applause.) So they always ask me, "How should we introduce you? As Mr. Secretary or General Sir Colin Powell?" I said, "Man, it's General Sir Colin Powell." (Laughter.)

It is a great pleasure to be here, and, excellencies, thank you for being here. There are so many distinguished guests, too many to take note of. But I am pleased to be a part of these proceedings along with my other colleagues in the administration.

In the introduction, you heard a few kind references made to my concerns about Africa, my interest in Africans. It was noted that I have these interests, both as a soldier and as the nation's chief diplomat. But they are far more personal than that because I am African. (Applause.) It's part of my heritage. It's part of what I am. It's a kinship that I have to a place that is not far away because I see it every day in the mirror. (Applause.)

I don't know where from, but I remember when Alma and I went to Africa for the first time together and visited in Senegal and other places along the west coast, there was a bonding that took place that neither she nor I will ever forget, and we recognized where we had come from. And so when I came into this job it was not only with the experience of a soldier, but with this kinship and with the responsibility now as Secretary of State to do all I could to move forward our policy with respect to Africa.

I remember early on in my term as Secretary of State I started to really do some in-depth study on the problem of HIV/AIDS in the region, and one Saturday afternoon I called my colleague, Tommy Thompson, Secretary of Health and Human Services, and said, "Tommy, we've got to get together fast. We've got to talk about this and we have got to take a solution to the President. And it involves not just you as the chief health guy in the country, but me also as the chief diplomat in the country, because HIV/AIDS is such a crisis for the world that it goes well beyond being a health problem. It is a social problem. It is a foreign policy problem. We are watching societies being destroyed and additional lives being destroyed. We are watching economies being destroyed. We are watching hope for a better future. We are watching the possibility of democracy being destroyed."

And Tommy and I went to see the President the following Tuesday, and it took us about ten minutes to get our pitch out, and the President bought it. And he has followed through on the commitment that he made, whether it's with the Global Health Fund or his recent initiative to put \$15 billion into this program.

I think you saw from the President's [presentation](#) yesterday that his commitment is broad, his commitment is deep, and it is a commitment he will not shrink from or stay away from. In fact, yesterday I was in the Oval Office in another meeting just before the President left to come over here, and I had just gotten through reading his speech. And I said to him, I said, "Mr. President, do me a favor, huh? Leave out a page so I got something to do tomorrow." (Laughter and Applause.) Because he hit it all, stole it all. I watched it on C-SPAN. I said, "Come on, drop the next page, drop the next page." (Laughter.)

But he didn't, because it is a very comprehensive agenda, it is a thorough agenda, and it is an agenda that he believes in, we all believe in, and he approaches it with passion and he will fight for that agenda. And I hope that his presence here yesterday, his support for the work of the Corporate Council, and all of my other

colleagues in government who have been here over the last couple of days, have demonstrated to you the totality of this commitment.

We have all delved deeply in our presentation and to describing to you and discussing with you the opportunities that we believe are presented by access to the vast American market through AGOA. I'm going to focus on the business aspects of our relationship because the President has touched on so many other aspects, and because that is the focus of this conference.

But the reason I want to focus on business and the economic aspects is because, as I have gone around the world over the last two years and as I have learned about the challenges that we're facing in so many parts of the world, and as I have tried to do my job, I have discovered that my experience as a soldier, 35 years of the Cold War, 35 years of moving military forces around, that was useful and that was good training for challenges and how to deal with challenges, but, increasingly, nobody wanted to talk to me about the Cold War, nobody wanted to talk to me about military forces as much as they wanted to talk to me about trade, about quotas, about opening up markets, about free trade, about the ways in which they can draw not just aid, but trade, investment -- investment, which is the only, only way of really improving your economy. It won't be done by aid. Aid will get you jumpstarted. Aid will help you. But you have to create conditions where people want to invest in you, people have confidence in you. I am going to focus on that.

And I'll tell you a little story that tells you why I'm so interested in this aspect of investing and trade, and why you shouldn't be afraid of it, and why when you create conditions that people see in your country and want to invest in that country, you shouldn't be the slightest bit concerned or afraid of it. And I'll tell you the story this way. About 15 years ago, I was National Security Advisor under President Ronald Reagan. I had Condi Rice's job 15 years ago. (Laughter and Applause.) It's just a reminder that I used to have her job and to remind me how old I'm getting. (Laughter.)

But, at one point, we were worried in the late '80s about the amount of Japanese investment that was coming in to the United States. For those of you old enough to remember, they were buying everything. They were buying our golf courses, they were buying Rockefeller Center, they were buying all kinds of things, property all over the United States. And people became concerned. Isn't this a problem for us, not only a financial problem but perhaps a security problem, with so much of our properties being purchased by Japan?

And so one day they decided -- the economic experts and trade experts in the administration decided to bring this question to President Reagan. And we all went into the Oval Office and President Reagan was sitting there very quietly waiting to hear this presentation, very relaxed, that good old Reagan confidence coming out of him. And they explained it to him and said, "Mr. President, this is a challenge. What do you think we ought to do? What's your reaction to it?"

And he just smiled and he said, "Well, I'm not worried about it." (Laughter and Applause.) And I looked at him, and President Reagan, with that marvelous little mischievous grin that I know so well to this day, he merely looked up and he said, "I'm glad they think we're a good place to invest." (Laughter and Applause.)

That's all there is to it. Now, some of those investments turned out very, very well. Some less so. So you have to make sure you are making good investments, and to make a good investment you first have to have confidence in the place in which you are investing and you have to have some assurance that you will make a return on your investment. You can pay off your shareholders or get a profit for yourself, and, at the same time, contribute to the society.

That's why we push programs such as AGOA. You've heard of the President's passion for that. You've heard of his passion for fighting AIDS and his passion to fight the war on terrorism, which is a threat to every civilized nation.

And in just a week, the President will be going to Africa, in just over a week, and I will be going with him to take this message of hope, this message of promise that he feels so strongly about, to five African nations -- a message that should be clear beyond doubt that, as far as this administration is concerned, as far as this President is concerned, this Secretary is concerned, Africa matters. Africa is a continent of boundless potential, and we will continue to do everything in our power to help Americans realize that potential, to help Africans realize that potential, and together create a more hopeful future. (Applause.)

Indeed, so far, our success to date in supporting African development shows what money, talent, and energy can accomplish.

Our bilateral assistance programs are strengthening Africa's schools and health care systems. We stand shoulder-to-shoulder with our African friends to fight corruption and improve governance. Let me say this as clearly as I can: Unless you fight corruption, unless you eliminate it, unless you put transparency into your systems, unless we make sure that every African nation that wants to be part of this 21st Century globalizing move that's underway, this movement that's underway, unless you have a solid foundation of the rule of law, you will not be successful. You must end corruption. You must have the rule of law. You must have transparency in your systems. (Applause.)

The President and this administration and my colleague, Bob Zoellick, are dedicated to the Doha Development Round of world trade talks, and we are working closely with Africa's trade ministers. Now we must work together even harder to make sure that the Doha Round's enormous potential to spur growth and to spur development is realized, to the benefit of all Africans and all Americans.

All of these efforts help lay the foundation for successful business and investment in Africa, but we have other, targeted efforts as well, more specific efforts.

For example, the Overseas Private Investment Corporation has done a wonderful job with programs to meet Africa's hunger for productive investment. Since October 2001 alone, OPIC has approved over three-quarters of a billion dollars for projects in sub-Saharan Africa to combat the scourge of HIV/AIDS, to provide decent housing for low-income Africans, to give African children access to clean, life-giving water, and to help farmers grow and market their crops. (Applause.)

As a simple example, OPIC recently agreed to provide a \$15 million guarantee to help build 90,000 homes for low-income families in South Africa. These homes will provide good roofs over the heads of half a million people. That's half a million men, women, and children who will be able to go to sleep at night thinking ahead to the future with hope, not worrying where they will find shelter the next day.

Sierra Leone, which is just emerging from a brutal civil war, now has a \$25 million investment guaranty to restart, restart and expand a mineral sands mine. This project will put over 900 people to work -- 900 people who will be able to put bread on their tables, 900 people who, with a salary coming in on a regular basis now, can not only take that salary home to provide for their families, but they do more than that; they bring dignity into the home because they are now working and providing for their family, not taking aid, but they have a good job so they can bring dignity and hope into the family, and they can provide an example to their children of what the possibilities of the future are all about.

Just last Tuesday, Kenya agreed to memoranda of understanding for developing its housing industry and its rural economy. I am very pleased that Minister Odinga and Minister Kituyi, who signed the agreements for Kenya, are here today. (Applause.)

These are wonderful stories, but they are just anecdotes. Much more can be done, much more needs to be done, to mobilize the capital Africans need to develop their countries and to improve their lives. The little stories I've just told now have to be multiplied a hundred times, a thousand times, to make the kind of difference that we need.

One important step that countries can take is to secure a sovereign credit rating, an obscure financial technical term, but so important. A sovereign credit rating provides an independent baseline of information so that investors can use this information in evaluating the economic environment, in evaluating the potential of a country.

Countries without ratings are more mysterious. How would I make an investment decision? How would I know? How would you get a credit card here in the United States if the company issuing that card had no sense of what your creditworthiness is? Countries without that rating are at a disadvantage. Countries that attain a sovereign credit rating benefit from lower risk and, as a result, higher investment. The seven African countries that now enjoy a sovereign credit rating have a leg up, have an advantage over all other African countries in the competition for capital. That is why the State Department launched last year our Sovereign Credit Ratings for Africa program to help more African countries qualify for the benefits of these ratings.

It is not only in the international marketplace that African enterprise can seek finance. Africa has domestic capital, and this money can be mobilized through the creation of stronger financial markets, including national and regional stock markets. There are already 18 exchanges in Africa, nearly double the number of stock exchanges, exchanges, of just a decade ago. They range in size from the Johannesburg Exchange, a huge exchange with a market capitalization of nearly \$200 billion, to tiny exchanges where you can count the number of listed companies on hand.

Africa would benefit from greater cooperation among its stock exchanges, to create regional markets that allocate capital where it can best be used. And we hope to encourage that kind of cooperation among these exchanges.

Success stories and opportunities like these make me such an optimist when it comes to Africa. But I am not a naïve optimist. I know that throughout much of the continent, Africans face severe challenges to realizing the potential that exists.

Capital is a coward. It flees war. It flees disease. It won't go near corruption. It goes where risk is understood, and successful risk rewards is reaped, is received with rewards.

Just before coming here today, I attended a signing ceremony in another room for a \$30 million railroad and port project to provide Malawi, Mozambique, and Zambia access to the sea. Once completed, the port and railroad will bring better food and more fuel, at better prices, lower prices, to the people of these three nations, while opening new markets for their products.

The prerequisite for this project was not only capital, was not only can we do it as a technical matter. The real prerequisite for this project was peace. Was the region stable? Could you peacefully invest in a project like this? No peace, no railroad. No port.

A decade ago, war raged across these three countries, and the railway could not have been built. We were able to sign today's agreement only because the leaders and peoples of these three nations showed the courage and wisdom to turn their backs on conflict, to turn their backs on old disputes, and to move forward with development for the benefit of their people. (Applause.)

Unfortunately, there are still too many areas of Africa where such projects are inconceivable because of the absence of peace. In countries like Liberia, the Democratic Republic of the Congo, and Sudan, development is not being held back by a lack of talent or foreign capital. Development is retarded by a lack of peace.

The dangers of Africa's unresolved conflicts were brought home to the State Department family a few days ago, when an embassy annex compound in Monrovia, Liberia, was struck by incoming fire during the civil conflict that's taking place there. Among the casualties were an embassy guard and an embassy gardener, two Liberians just going to work every day, trying to make a living for their families, working with the Americans so that the Americans would try to help Liberians. And they were caught up in this terrible conflict and lost their lives. And our thoughts and prayers go to their family members.

As the tragedy in Monrovia reminds us, much hard work lies ahead if the people of Africa are to enjoy the bounty of the 21st century. The challenge is too large for any single government or organization, but it is not too large for all of us working together in partnership. If we pool our talents and combine our resources, we can make a difference. We can support the peoples of Africa as they move into a more hopeful future, a future free of conflict, free of disease, free of corruption, full of hope.

For decades, we have promised the men and women of Africa that if they stopped fighting, adopted democratic forms of government, and reformed their economies, they would reap the benefits in better lives for themselves and better lives for their children.

That will be the final measure of success. If the lives of Africans improve, if they feel the warm glow of hope in their hearts, then our faith in democracy and free markets will be vindicated, and so will their faith be vindicated. The new Africa will be a better Africa, a more hopeful Africa.

But if they continue to go to bed frightened, if they continue to go to bed hungry, or their children are hungry, and if they continue to see no future for themselves or for their children, then our work, our efforts, means nothing.

But I know our work will not be in vain. I know that, united in partnership, we can help our brothers and sisters in Africa overcome the barriers of conflict, disease, and corruption. I believe this with all my heart. We have seen success stories throughout Africa. The President will see them for himself in about two weeks' time. We know it can be done. All it takes is our goodwill, certainly, but it takes more than our goodwill. It takes our total commitment. It takes our investment. It takes all of us working hard in conflict, not with each other but in conflict, with disease, with corruption, and with the absence of good governance.

If we go after those enemies and not after each other to fight old feuds, old battles, old ridiculous arguments that are no longer worth fighting about, then Africa can become a place of hope, a place of promise. And when it has become that place of promise and hope, it will become a place of progress, of success.

That should be our solemn commitment. That should be a solemn oath that we all take here today. And no one is more committed to this, no one has more to contribute, than this Council. And so on behalf of the administration, I want to thank you for all that you are doing for Africa and the people of Africa. But I extend my thanks especially, on behalf of all Africans -- who need you, who want you, but above all, expect you to help them. And I know you will.

Thank you so very much.

(Applause.)
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