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**Sent:** Tuesday, September 24, 2019 1:48 PM  
**Subject:** Remarks by Angola's President Lourenco at CFR 9/23

Friends,

Yesterday in New York City, President Joao Lourenco of Angola addressed an open-press gathering at the Council on Foreign Relations (CFR). The president's remarks focused on the "New Angola" being built through his reform agenda, and the key role the US is playing in transforming his country. A transcript of the president's appearance can be seen [here](#).

For additional information about President Lourenco's remarks in NYC or his administration's efforts to strengthen the US-Angola bilateral relationship, please don't hesitate to contact me.

Sincerely,

Dave Schnittger



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**Meeting**

# **A Conversation With President João Lourenço of Angola**

Monday, September 23, 2019



## **Speaker**

João Lourenço  
*President, Angola*

## **Presider**

Chester Crocker  
*James R. Schlesinger Professor of Strategic Studies, Edmund A. Walsh School of Foreign Service; Vice Chairman, Global Leadership Foundation; Former U.S. Assistant Secretary of State for African Affairs*

CROCKER: Welcome to today's Council on Foreign Relations Meeting with President João Lourenço of Angola. I am Chester Crocker, professor of strategic studies at Georgetown University and a former diplomat involved in African affairs. There are so many people in this room that I could recognize in addition to our distinguished visitor, the President of Angola. But in the interests of time, I'm not going to do that. There are many people in this room from whom I learned many things. But we're here today to hear an important message from an important African leader—an important leader, period—who has quite an interesting history.

You all have the bio that's in your materials, and I don't intend to read the bio. That would take far too much time. But I would make just a couple of introductory comments. Angola has a dramatic history. And you, Mr. President, have been in the middle of it for a long time and have helped to shape it. So I won't recount the history. It's a history of war and peace, a history of economic development, a history of Angola's role in the region. It's a complex history, it's an important history.

But we're talking about today and the future, not the history. But your role in this period of time, since you became active in your public life as a soldier, as a leader of the political party, the MPLA, as secretary general of that party you have been, what we would say, a governor of two provinces of Angola at different times in your distinguished career. You've served as secretary of defense. And now for over two years, as president of the country. We are delighted to welcome you here. I personally am delighted to be facilitating this meeting on your behalf. And we look forward to hearing your opening remarks, Mr. President. And I will sit down, and you will stand up and give us your remarks. Thank you so much. (Applause.)

(Note: President Lourenço's remarks are made through an interpreter.)

LOURENÇO: Mr. Chester Crocker, a person who I know for many years, distinguished high dignitaries of the U.S. Council on Foreign Relations, distinguished ladies and gentlemen, dear guests, I would like to thank you for the kind invitation extended to me by the leadership of this prestigious organization which is dedicated to the reflection

and the consideration of themes on international politics. I'm here to speak about the new Angola that we are building with a hope that we'd be able to convey the message that would help you build a positive vision about our country.

An effort for change is being made with the participation of politicians, civil society, the population in general, and the government, by which we intend to place the country as soon as possible at the same level as those nations committed to fostering progress, development, and well-being of their population through practices of good governance. We've been able to yield positive results in the process of transforming the country, which is getting prepared day-by-day in order to pursue its core interest in partnership with its major international partners, including the first line, the United States of America.

Despite the major progress that's made in the political and diplomatic relations between Angola and the USA, we believe that there is still lack of knowledge on the U.S. side about the program that my government has been undertaking. This is therefore a certain opportunity to bridge that gap and talk about the measures that we are adopting in order to overcome some of the negative behaviors of the past and undertake reforms that will bring back to our population the hope for a better future.

The government program that was approved two years ago by the vast majority of voters through the ballots has been implemented successfully. For the smooth implementation of that program, constructive cooperation of public and private sectors and civil society of Angola has been important for who, again, believe that through it their rights and interests can be protected and safeguarded. We are implementing a set of measures that are part of the government plan on Angola's development in this space and some fundamental pillars, such as sustainable economic development, diversified and inclusive economic development, good governance, and the infrastructure development.

In order to achieve these, it is necessary to attract foreign investment to our economy needed to diversify and increase our domestic productivity, and thus ensuring the rise of export of various goods. The Angolan government is undertaking vigorous measures needed to combat and inhibit corruption so that Angola may improve its governance practices within the framework of the governing norms of democratic states and the rule of law. Angola is also working to implement anti-money laundering measures and to recover assets that have been transferred illegally to foreign countries.

In order to bring its program to fruition, the Angolan government is aware that it's not alone. We do count on technical assistance of the International Monetary Fund and World Bank from whom we've received also some financing. We have strong support from our international partners, such as the United States of America, who are giving vital contribution to the national academy, especially the U.S. Treasury, by providing to the Ministry of Finance, and the Ministry of Home Affairs, to the Central Bank of Angola, and the Financial Intelligence Unit supporting measures relating to compliance, anti-money laundering and counterterrorism financing.

Dear dignitaries of the Council on Foreign Relations, ladies and gentlemen, for a long time Angola's potential has been tied to a centralized economy which excessive burden on public sector. And for this reason, it was necessary to start a new pathway towards restructuring and adapting it to successful models that are capable of ensuring its credibility, sustainability, transparency, and prosperity by providing the privileges to the private sector of the economy. Two of the first stages of this pathway were naturally the fight against behaviors harmful to the society and to strengthening of the fundamental rights and the liberties of citizens on which we have achieved important achievements.

In this realm, I would highlight the prevention and prevention of corruption offenses and the reform of the Angolan criminal code with a view to incorporating a new chapter on economic and financial crimes with most severe punishment for active/passive corruption. The Angolan justice system has been investigating prosecuting and

sentencing senior officials for corruption. And the Council of Ministers has recently passed a new anti-money laundering law, which was crafted in close cooperation with the IMF, which will be passed by the parliament later this year.

Ladies and gentlemen, the reforms that are being implemented are aimed at placing Angola in line with the foundational principles of the functioning of modern states in order to make our economy more competitive and attractive to foreign investment. These difficult, but necessary, reforms are beginning to reduce the state involvement in the economy by increasing transparency, reducing the fiscal risk, to diversify the economy, generate private secular development. As a result, improving business environment in the country.

Among these measures, one would underscore the new investment law which allows foreigners to invest in Angola without need to have local partners, if they so wish. The introduction of the value-added tax within one week which will increase the non-oil revenues and implementation of an ambitious privatization program. This program, which is based on a new privatization law and assisted by the World Bank, foresees the privatization of almost 200 state-owned companies, subsidiaries through public tendering, public optioning, or even sales on stock exchange.

Among companies to be privatized is the state oil company Sonangol, which is implementing a program to divest some business and to reduce its participation in oil—(inaudible). Therefore, there will be many investment opportunities in a variety of industries, including telecommunications, agriculture, airlines, banking and financial institutions, energy, textile plants, transportation, and other infrastructures. We are inviting the U.S. private investors to participate in all these fields of economy, such as agriculture, fisheries, construction of highways, minerals, exploitation, and processing—such as diamond, iron ore, gold, tourism. And, in public needs for concession, in ports, airports, and railways.

Throughout this process we've been interacting regularly and at considerably high level with the U.S. Whereby various cooperation instruments have been signed in the fields of defense, treasury, Ex-Im Bank. And we have been feeling positively President Trump administration strategy for Africa, under which context we envisage many common interests. Therefore, the Angolan government considers the increase of U.S. investment in Angola as a key component of its efforts towards building a new Angola and a more inclusive economy that is aimed at improving the welfare of the great majority of the Angolan population. We are aware that results of the ongoing reforms will take a while to be achieved. But we are confident that with the support from our international cooperating partners, especially from countries such as the U.S., we'll be able to fulfill the goals set within the framework of the policy of national economy restructuring.

In addition to the aforementioned actions, we've been developing several other measures in the area of macroeconomic stability that allow the exchange rate to become more flexible. And having moved to a floating exchange rate system with the perspective on sort of reducing the pressure on the international reserves, which we intend to maintain at a level that reinforces its position as an important indicator for trustworthiness for countries' continued access to the international financial market. We are applying these measures and others that are associated, taking as a reference the appropriate adjustment, the positive result that they have produced in the countries and economies with similar characteristics to that of Angola with intent—with intention of achieving greater competitive and other measures and stimulating the domestic production.

Angola is part of two important geopolitical regions—the southern Africa and central African region. Being away that peace and stability are essential to ensure security and sustainable development of countries, Angola has been contributing substantially for the settlement of the prevailing conflict in the region. Angola has been playing an active role in fostering constructive, peaceful dialogue amongst parties in conflict, advocating always for the respect for the rule of law and the legitimate interest of the parties

involved. Thus happened, for example, in relation to the Democratic Republic of Congo, the Central African Republic, and Lesotho, and the Great Lakes region in general, where Angola's role has contributed to the restoring of peace and security.

The most recent case of Angola's facilitation which brought to the same table the heads of state of Rwanda and Uganda for the signing of Rwanda memorandum of understanding is an evidence of this, and it's already bearing its fruits. In this regard, the first bilateral ministerial meeting, witnessed by Angola, took place recently in Kigali where concrete the issues that will lead to the formal reopening of common border within one month were discussed. In Angola, there is a great sensitivity to the issues related to peace. And because of that, we always feel impelled to put our experience gained from the resolution of our own conflict in the service of peace on the African continent and seeking the consent of the parties and cooperation of major international actors such as the U.S. and bring African—bring about solution—African solutions to the conflicts that still facing our continent.

Feeling this spirit, we have just hosted in the Angolan capital the first edition of the Biennale of Luanda, an initiative of the Angolan government supported by UNESCO and the African Union, with the purpose of preventing violence, and conflicts, and consolidating peace. One again, Angola intends to demonstrate as an example to be engaged in culture of peace by promoting the pan-African movement for the affirmation of the cultural diversity and African unit.

To conclude, we reiterate our gratitude for the opportunity that was granted to us to address to the high dignitaries of the U.S. Council for Foreign Relations. Thank you very much for your attention. (Applause.) Thank you. And I apologize for the long speech that I've just made. And I would like to say that I am at your disposal in order to respond to any questions that you might raise. Thank you very much.

CROCKER: Well, Mr. President, we thank you for this comprehensive picture of what your program is, what your hopes are, your vision for your country, including your role in the region, including the U.S.-Angolan relationship. You covered a lot of ground in a



very concise way. So many of our questions have already been answered, but not all of them. We have just a few minutes. I'm going to take the first question, and then I will open it up to the members here.

Given your impressive biography, Mr. President, you are well-placed to do all the things that you have described. You have raised expectations in your country and internationally. You've raised expectations very high. What do you see as the biggest challenge that you face in reaching those expectations and realizing that vision? What is your biggest challenge?

LOURENÇO: Indeed, I'm aware that during this two years the reforms undertaken in the country have created very high expectations. In order to meet these expectations, I do consider that as main challenge is to boost private sector and attract foreign private investment so that we can start implementing the so-called diversification of our economy.

As you know, Angola's economy is much reliant on oil-export revenues. And that is a situation which should not continue. Otherwise we're going to collapse. It's a situation that prevails almost since the independence of the country, for the reasons that are all well known.

But the main reason that led us to that situation has been overcome already seventeen years ago. But we think it's the right time to take concrete steps towards economic diversification. We need investors. Both domestic and foreign investors should invest in our economy, mainly beyond the oil sector. So that should be in other fields of economy which I've already mentioned in my speech.

Thank you very much.

CROCKER: Thank you, Mr. President.

We have a number of members here who know your country and are friends and partners of your country. And I'm sure they have questions.

I would ask that all the members who have questions, if you would be brief and if you would identify yourself with your affiliation so that the president knows who you are.

Yes, right here.

Q: Hi Lucy Komisar. I'm a journalist.

You talked a lot about the problem of corruption and money laundering. In New York we had a very fine district attorney named Robert Morgenthau, and he said—he said it to me—that the way—first of all, that the money laundering goes through the bank and corporate-secrecy system, the offshore centers that are run by the big western banks.

The way to fight that would be to consider it a national-security question. And in the same way that the U.S. says banks in Iran cannot move money into the American financial system, banks in North Korea cannot do that, they should—the U.S. should say that banks in jurisdictions that have bank and corporate secrecy that therefore promote corruption around the world should not have access to the U.S. financial system.

Would you support that? And would you try to get the American officials to listen to that proposition and move so that they cannot be, through the international banks, the facilitators of the corruption that you have talked about?

LOURENÇO: Well, it's us as Angolans who consider that corruption has reached very alarming levels. The difference is that in the recent past, before I became the head of state of Angola—that was two years ago—corruption existed but was not fought. There was a state of impunity.

But today that situation is not the same, which means corruption is being fought and is being fought in a very courageous way. So it is a phenomenon that has rooted itself in our society for decades, and we're just two years in that fight, which, in my view, is very serious.

When we talk about fight against corruption, it's not just limited to making speeches or to delivering speeches, but there are people in senior position in our society, mainly politicians, who are being tried. There's a former minister who was sentenced for fourteen years' imprisonment. There are other figures of that level who have cases within the courts which will—who will be tried shortly.

So we are conducting a very rigorous fight against corruption, and that should give confidence to investors, investors in countries where we are requesting to invest in our country. You should encourage us to and also help us to carry on this fight, which, to some extent, is already happening.

I said in my address that the U.S. treasury is working with our ministry of finance, our central bank, the financial intelligence unit and other institutions of our country, in order to help Angola to embrace the best practices regarding the anti-money laundering and counterterrorism financing; I mean, all these practices which are negative.

So I do believe that U.S. should encourage the current government of Angola in what it's doing, because what we're doing, we're not just limited to making promises but we are effectively fighting against corruption. So all those known cases are being dealt with.

CROCKER: Thank you.

We have a question here and a question in the back. We don't have all that much time, so please keep them brief and identify yourself. If there's a microphone, please.

Q: First, welcome, Mr. President. It's good to see you.

You were kind enough to lay out for us your plans for the development of the Angola economy. But because of its position and its history, Angola has an important role to play both regionally and on the entire continent particularly; even economically, you now have a common market. How do you foresee Angola's role going forward in the region?

LOURENÇO: Angola has faced the longest period of armed conflict that the continent, maybe the world, has experienced, for more than twenty-seven years. That's why our country was destroyed and infrastructures were destroyed. Thousands of lives were claimed. But eventually we achieved peace.

For this reason, and for the fact of having fought in our own shoes the evils brought by war, we think that we ourselves are in a better position of advocating for peace and security, not only in our region but on the whole African continent. So Angola's role in the search for peace and security in our continent will be increasingly significant. We want to convey or to impart Angola's very successful case, whereby brothers who fought against each other for decades today are living side by side. There is no hatred. The token of peace has been buried.

So we want the same thing to happen in other African countries where unfortunately we are still experiencing cases of armed conflict, such as the case of the Central African Republic, South Sudan, and the Democratic Republic of Congo, who are our neighbors. In all these countries that are still experiencing the evils of war, as much as possible we will help the living forces of those countries, not only the governments themselves but also civil society as well, in seeking for the best ways to overcome the prevailing conflicts in those countries.

CROCKER: Thank you. We have time for maybe one or two more, and then we're done. Yes.

Q: Thank you. My name is Aaron Mertz. I'm from the Aspen Institute.

In light of what you said about the risk of relying on oil in the long term, could you discuss how you envision the sustainability of your relationship with China economically?

LOURENÇO: I'm sorry, this one is not working. Could you repeat the question, please?

Q: In light—(comes on mic)—hello? In light of what you said about the danger of relying on oil in the long term, could you discuss your view of the sustainability of your relationship with China?

LOURENÇO: Well, we went for credit lines from China for the recovery of the infrastructures that were destroyed by the armed conflict in our country. When the country was at war, there was the promise of holding an international donors conference for the rehabilitation of Angola's infrastructure. All that was meant for Angola's reconstruction program. But due to reasons beyond our will, such a conference has never taken place, and as such, as Angolan authorities wouldn't stand aside and look. So the opportunity came for China financing the country's reconstruction, and it was done as such. The process of reconstruction of main infrastructures such as roads, schools, bridges, hospitals, railways—kicked off at the cost of increasing Angola's foreign debt, which achieved very high levels—did not only achieve very high levels; the thing is that such kind of credit lines had a condition that the debt would be switched out with oil as a collateral.

But today we are discontinuing such a practice. We are discontinuing such a practice not only in (future ?) of the rules that are advised by the IMF and the World Bank. As I said, we are working with these two international financial institutions, IMF and World Bank. So in our program we have defined the need to discontinue that kind of credit lines, and nowadays we are negotiating the end of such kind of credit lines with Brazil because it have been not only with China but also it was with China, Brazil, and Israel. And currently we are working the three countries so that gradually we can abandon that kind of approach because we cannot cut it all of a sudden. We will no longer receive new credits with that kind of collateral.

That's why we received some financing through euro bonds. This is a kind of financing which does not entail oil as a collateral. We had also facility from the International Monetary Fund a year ago, and months ago another credit line from the World Bank

without oil as a collateral. So this will be the trend from now on, of not getting into debt with oil as a guarantee. We know this practice is disadvantageous for the country, so this gives us assurance that from now onward our relationship with China will be different.

CROCKER: Mr. President, I think we've run out of time. In preparation for this meeting I prepared a list of questions as long as my arm, and I knocked it down to one.

(Laughter.) And there's many people here who are not getting a chance to pose a question to you. But we're very delighted to have had you join us this morning and to hear your vision for Angola, and we wish you and your fine colleagues who are here the best of good luck. *Boa sorte*. Thank you, Mr. President. (Applause.)

(END)