

African Union

- **Africa:** Most African countries have embraced globalisation. Insularity by the West in the medium to long term is in fact good for Africa, as it could mean more opportunities for self-determination and accelerated economic growth. Its nations must be willing and able to transform with the changing tides, which should be grounded in a shrewd and effective leadership.

Most African countries have embraced globalisation. Insularity by the West in the medium to long term is in fact good for Africa, as it could mean more opportunities for self-determination and accelerated economic growth. Increased security has the result of a continent more secure and ripe for investment. Chinese investments in Africa have risen sharply in recent years, from \$7bn in 2008 to \$26bn in 2013. By July 2016, Chinese investments had increased by 515% from full-year 2015 figures. China has opened opportunities for Africa in ways of massive infrastructural development for economic facilitation. Local regulations are making it more difficult to repatriate revenues, increasing local impact. Local content agendas are transforming the erstwhile resource curse. Governments want to draft legislation to increase local skills, and participate in providing goods and services. Africa is emerging as a relevant economic bloc in what is shaping up to be a diverse multipolar global environment. Africa will not, however, exist in a vacuum. Its nations must be willing and able to transform with the changing tides, which should be grounded in a shrewd and effective leadership. For more information, read: <http://bit.ly/2tnMKfM>.

CAS View: China is by no means the only country interested in investing in Africa. Other Asian countries include India, Japan, and South Korea. The West might be contemplating insularity, but quite a number are still actively invested in Africa. Given China's economic, political and military presence in Africa, the West cannot disengage to the extent that Africa has no other choice but to turn towards the East. As it is, when the USA was a bit peeved at Djibouti granting permission to China to develop a military base in Djibouti, it was made clear that the economic ties China has with the country, was a major influencing factor. China has also been supporting the relocation of Chinese textile manufacturing companies to Ethiopia. Its Belt and Road Initiative (BRI) has now been complemented by India and Japan's Asia-Africa Growth Corridor (AAGC). Whereas the BRI's links with Africa is somewhat low key (bilateral ties between China and individual countries in Africa are stronger), the AAGC has Africa as the focus of its existence. These two initiatives clearly demonstrate the momentum the East is beginning to develop in Africa. They both provide African countries with choices they lacked in earlier years. The last point made in the article, i.e. the requirement for strong and ethical leadership and governance structures, cannot be over-emphasized. Sadly, while some countries are stepping up in this regard, others are failing abysmally. Examples that come to mind, include Burundi, the DRC, South Africa and Zimbabwe, to name but a few. Fortunately, Africa also has good leaders like a Macky Sall (Senegal), Alassane Quattara (Cote d'Ivoire), John Magufuli (Tanzania), Ian Khama (Botswana), Paul Kagame (Rwanda) and Hage Geingob (Namibia), amongst others.

- **Africa:** Angela Merkel from Germany is calling for a new approach to foreign investment and aid in Africa by the world's richest nations. The "Merkel plan" calls for more investment in Africa, as a way of stemming African migration to Europe.

Angela Merkel from Germany is calling for a new approach to foreign investment and aid in Africa by the world's richest nations. The "Merkel plan" calls for more investment in Africa, as a way of stemming African migration to Europe. Merkel has vowed to invest US\$335 million to attract foreign investors to Africa, and will try to convince the other 19 nations attending the G-20 summit to show greater commitment to Africa's struggling economies. Some commentators have criticized the plan stating it did not involve consultation with African nations. Others have stated that German companies are looking to make serious, long-term investments and more are looking each day. 600 German companies are already working on the continent and it is expected that this number will grow as Africa's booming population and growing consumer base make it an attractive business destination. The new German approach to Africa must accept and to take into consideration that Africa is a political and economic factor, and that Germany should strengthen its ties with Africa and build up more and more intensive relations with Africa in general and with important African countries. Germany should also engage with the economic opportunities in Africa. For more information, read: <http://bit.ly/2tX7MPs>.

CAS View: Germany's involvement in Africa is becoming more pronounced. It recently developed "Germany's Marshall Plan," the broad tenets of which are obtainable on the Centre's website: <http://bit.ly/2un2nk5>. That 600 German companies are already involved in Africa, is a clear indication of the interest that the German private sector has in Africa. Merkel's intention to invest \$35 million in Africa, will now complement private sector involvement with government involvement. Hopefully the African countries benefitting from this initiative will use the money to create development opportunities for their people. The greater the number of the G20 members that will follow Germany's example, the greater the potential benefit to Africa. In the article above on the new global geo-political dispensation, it was shown how the East is positioning itself to generate maximum benefits for itself in Africa. To counter this, the G20 members have little alternative but to engage Africa as well. Germany has clearly demonstrated it understood this imperative.

- **Africa:** According to Akinwumi Adesina, president of the AfDB, making agriculture profitable and "cool" for youths in Africa is key to lifting millions out of poverty and stemming migration to Europe.

According to Akinwumi Adesina, president of the AfDB, making agriculture profitable and "cool" for youths in Africa is key to lifting millions out of poverty and stemming migration to Europe. Many rural areas have become zones of economic misery. Agriculture has the greatest potential to revive these areas, but investments are needed to make it attractive for young people, many of whom risk their lives migrating in search of better opportunities in Europe. The key is to make agriculture a business. Africa imports food for \$35 billion every year, increasing to \$110 billion by 2025. This is food Africa should be producing, processing, selling and exporting. Toward this end, agriculture must become more industrialised, with farmers gaining better access to seeds, fertiliser, credit, power and infrastructure. Farmers should be supported to transform from producers of raw materials, such as cocoa and cotton, to manufacturers of finished goods such as chocolate and garments, which have less volatile prices. Adesina called on governments and institutional investors to invest in African agriculture to unlock its potential. The future of Africa's youth lies in a more prosperous and inclusive Africa, and the agricultural sector has the greatest power to create growth. For more information, read: <http://bit.ly/2s1vb0K>.

CAS View: I have frequently commented on the need to industrialise the agricultural sector in Africa, ranging from the OEM industry right through to the retail and consumer environment. In addition, involving the youth in agriculture has been another topic of much discussion. They are leaving the agricultural sector and the rural environment, as they do not want to continue with the poverty-driven lifestyle of their parents. To entice them to stay in the agricultural sector, they must be supported and trained in modern farming techniques. Marketing and market development skills are equally important. Of probably even greater importance is the requirement for cash flow management. Adesina makes the point that where Africa is currently a net food importer, it should be exporting food to feed the rest of the world. This cannot be faulted. I have also commented on the need for Africa to get involved in the total value chain in the agricultural sector. This needs to be done not only in national value chains, but also in regional and global value chains. Doing this will increase the value added and transform agricultural sector players from exporters of basic commodities to exporters of value added products. This will generate all the concomitant benefits for countries in Africa, such as employment opportunities, import substitution, and export revenue generation.

East Africa

- **Ethiopia:** The World Bank has endorsed a five-year Country Partnership Framework (CPF) to support Ethiopia's development aspirations.

The World Bank has endorsed a five-year Country Partnership Framework (CPF) to support Ethiopia's development aspirations. Over the past decade, Ethiopia has achieved significant progress in economic, social and human development. The poverty rate has declined from 55% in 2000 to 34% in 2011. Real GDP growth has averaged 10.5% per year between 2003 and 2015, and life expectancy rose from 52 to 65 years. The CPF strives to assist Ethiopia in forging a more inclusive and sustainable growth path, by promoting structural and economic transformation through increased productivity in both rural and urban areas by focusing on basic education, increasing access to markets and creating job opportunities for the youth. It is also designed to help build resilience and inclusiveness. The CPF will also support institutional

accountability and assist in combating corruption by focusing on improving governance and promoting social accountability. The private sector is expected to be a key contributor to Ethiopia's future development. Despite the progress, there are still intra-regional disparities in resource endowments and access to services, with pockets of poverty even in relatively well-off areas. Citizen engagement tools have proven to be successful and will be scaled up to improve governance and accountability. For more information, read: <http://bit.ly/2s1c5b6>.

CAS View: Ethiopia has been hailed as one of the economic miracles in Africa, with a high economic growth rate (average 10.5% over a decade), as well as progress on various other indicators. It has recently overtaken Kenya as the largest economy in East Africa. The CPF endorsed by the World Bank will enable Ethiopia to stimulate its progress on various fronts, and achieve even greater performance levels. Involving the private sector is a strategy adopted throughout Africa. Battling corruption and encouraging the adoption of measures to improve governance will go a long way to maintain investor interest in Ethiopia.

- **Uganda:** The Uganda Tourism Board is ramping up its international marketing initiatives to increase the number of tourists from key markets coming into the country. Tourism has been steadily growing and contributes up to 10% of the country's GDP.

The Uganda Tourism Board is ramping up its international marketing initiatives to increase the number of tourists from key markets coming into the country. Tourism has been steadily growing and contributes up to 10% of the country's GDP. Despite this steady growth, more must be done to increase the inflows from tourism. One way of doing this is to directly market Uganda to potential visitors in different parts of the world. As an initial step towards marketing Uganda's tourism potential, UTB has engaged different public relations and marketing firms to target different international markets. Additional funds have been requested to expand the marketing campaigns to target less traditional markets for Ugandan tourism like China, India, Japan, Australia, and Korea. Also, effort is being put into attracting more visitors from Africa, especially South Africa, Kenya, Nigeria, DRC and Rwanda. To make travel to the region more attractive, Uganda, Kenya and Rwanda introduced a single East African visa in 2016. There are also initiatives to diversify Uganda's tourist potential away from nature and wildlife tourism. More is being done to sell Uganda's history, culture, heritage and way of life as worthwhile experiences to those who are less inclined towards visiting national parks and nature reserves. For more information, read: <http://bit.ly/2tk5H1Z>.

CAS View: Africa presents great tourism opportunities. In East Africa, the prominent countries have traditionally been Kenya and Tanzania. In the last year or 2, Ethiopia has figured prominently as well. Some statistics have indicated that it has overtaken both Kenya and Tanzania combined. Uganda is well known for its gorilla tourism, but it has various other attractions as well. Tourism in Uganda has stimulated the development of infrastructure like roads, hotels, lodges and other recreation centres, which have supported the industry for a long period of time. Tourism development in Uganda has also led to the utilization of resources within the country, and has led to the preservation and conservation of the natural environment. Tourism has a significant leverage effect on the economy of a country, with both direct and indirect job creation throughout the value chain. Africa must tap into this opportunity to attract foreign tourists and benefit from all the economic and other outcomes. Jobs in the areas of hospitality, culinary, tours, transportation, sports and recreation can play a significant role in the economy. Academic studies have determined that the importance of the tourism industry directly results from the fact that it serves as a primary source for generating revenues, employment, private sector growth, and infrastructure development for many countries. Through these benefits, tourism development not only stimulates the growth of the industry, but also triggers overall economic growth. Hence, boosting economic growth by developing the tourism industry has been frequently adopted as an important economic development strategy by most developing countries. Uganda therefore seems to be on the right track.

West Africa

- **Nigeria:** Nigeria's diaspora population sent home \$21 billion in remittances in 2015. Through its first ever diaspora bond, the Nigerian government wants to get its citizens living abroad to put some money towards

funding part of its \$23 billion record budget deficit. Issued last week at 5.625%, the five-year bond raised \$300 million.

Nigeria's diaspora population sent home \$21 billion in remittances in 2015 (\$5.7 billion from the USA) and the government wants in on some of that cash. Through its first ever diaspora bond, the Nigerian government is looking to get its citizens living abroad to put some money towards funding part of its \$23 billion record budget deficit. Issued last week at 5.625%, the five-year bond raised \$300 million. The bond was pitched to Nigerians living abroad as a chance to contribute to Nigeria's development as the country looks to fund significant capital projects. With oil low prices and falling revenues, the government has been left cash-strapped over the past two years. Worse still, for much of that time, Nigeria's oil production output has dipped with militancy briefly resuming in the oil-rich Niger Delta region last year. Coupled with its ambitions to spend heavily on capital projects in a bid to stimulate growth and help turn around the economy, which has been in recession for the past five quarters, the government is left looking for various avenues to plug holes in its record deficit budget. The diaspora, particularly in the USA, could present the government with an avenue to raise some of that capital. For more information, read: <http://bit.ly/2siNXNk>.

CAS View: That Nigeria was aiming to tap into its diaspora as a source to fund infrastructure expenditure, has been public knowledge for quite a while. Their success in raising \$300 million was probably a pleasant surprise. But they are by no means the only country with a patriotic diaspora. Ethiopia's health industry is the beneficiary of a group of 250 Ethiopian doctors residing in the USA who are in the process of investing in a health care facility in Addis Ababa. Africa could do with a diaspora that ploughs back, given the benefits of an education at home. It is payback time. On the other hand, Africa's diaspora would be hesitant to invest in their country of origin should governance be a challenge and corruption a major problem. Africa's leadership should bear this in mind and create the requisite conditions to inspire their diaspora to invest in their home countries.

Southern Africa

- **South Africa:** Despite South Africa's downgraded credit rating, Capitec Bank has been rated the best bank in the world for the second successive year in the Lafferty Group's Global Bank Quality Benchmark.

Despite South Africa's downgraded credit rating, Capitec Bank has been rated the best bank in the world for the second successive year in the Lafferty Group's Global Bank Quality Benchmark. The Lafferty Group's ratings are based on information such as each bank's business model, assessed in terms of factors like strategy, culture and management. Capitec Bank is the only bank in the world to achieve five stars, beating other global leaders such as HSBC, Goldman Sachs and JPMorgan Chase and local contenders Standard Bank, Absa, Nedbank and FirstRand. Collectively, SA's major banks have the highest average of any country. Founder and Chairman Michael Lafferty put this down to the exceptional calibre of South African management, which allows banks to surpass the global standard. The world's best banks are not the giant universal banks or those banks that try to mimic them, but those that are focused taking a longer-term view that is in the best interests of their customers. The Lafferty group's ratings provide an independent global measure of bank quality. For more information, read: <http://bit.ly/2tjURZZ>.

CAS View: In the WEF's annual Global Competitiveness Rankings, South Africa's banking industry has figured very prominently as one of the best globally, if not the best. It is therefore not too surprising that a South African bank has been rated as the best bank globally. What is surprising (and refreshing), is that it is a very young bank serving the bottom of the pyramid that has walked away with the honours, in successive years! From being listed in the beginning of 2002, the bank has grown in leaps and bounds. It literally cherry-picked its management structure from other banks, and opted to use technology to support its operating model. In this regard, it benefitted from the fact it had no legacy systems and could design from a zero-base to put in place the best-in-class systems. It currently has the third largest customer base in South Africa. A bank that has a similar business model, and that also is tapping into technology to grow and serve its customer base, is Equity Bank in Kenya. It also needs to be followed closely as an example of an entrepreneurial and consumer-oriented organisation in an industry that frequently gets knocked for its lack of initiative and innovation. Capitec was listed in February 2002 at R2.75. On 18 March 2002 it fell to R0.80. It now trades at R815.00!