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Editor: Johan Burger

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African Union

- **Africa:** Various financial institutions from abroad are targeting the solar power sector in Africa to provide financing for the poor consumers of Africa to obtain their own systems on an affordable basis.

  Analysts have long expected that solar power will be important in filling the huge deficit in Africa's power generation capacity. One challenge has been delivering an affordable proposition for the poorest consumers in developing countries, especially in remote rural areas that are unlikely to be connected to a traditional electricity grid anytime soon. Services that allow customers to pay for solar equipment and service in small instalments, have picked up momentum in the last couple of years, particularly in East Africa. Two firms that supply solar power products with pay-as-you-go products, have raised a total of $75 million in financing this month to back up that long-held vision. San Francisco-based Off-Grid Electric, which serves about 150,000 people in Tanzania, Rwanda, Côte d'Ivoire, and recently in Ghana, has secured $55 million funding, which will be focused on R&D and further expansion in Africa. Their customers will pay in instalments or lease their system over 2 to 3 years before they fully own the equipment. The $20 million of UK-based Azuri Technologies will serve as working capital for its expansion in East Africa. Azuri installs rent-to-buy solar systems and its new satellite TV service. Power is paid for by mobile phone or scratch-card, and the payments go towards owning the system outright. For more information, read: http://bit.ly/2rByO1M.

  CAS View: Solar has indeed been punted as the energy business model of the future for Africa. Various countries have been developing initiatives in this regard. Amongst these we even find Nigeria, which has large oil and gas deposits. Given that approximately 620 million people in Africa are without access to electricity, and that "Lighting up Africa" is one of the High 5 Priorities of the AfDB, any initiative to increase access to electricity must be lauded. One challenge has always been the funding of any initiatives in the renewable energy field. Developing solar mini-grids that operate independently from the national grid, has also been described by various experts as the road to go. Although this does take off the pressure as far as the financing of major systems is concerned, the challenge is still with the poor people, of whom many live on $2/day. It is therefore to Africa's benefit that we find institutions such as the above that enable the poor consumers to finance their electricity systems in the way described. In East Africa, we also find M-Kopa, who have been around for quite a while, using the well-known M-Pesa application to help poor consumers transform a high upfront capital cost into a monthly operating cost. Given the vast backlog, we will probably still see many such players launching various initiatives to tap into this business opportunity.

- **Africa:** Africa must enhance its ability to trade and do business with itself in order to secure its own share of global economic growth and to sustain the economic growth of Africa itself.

  Africa must secure its own share of global economic growth and sustain the economic growth of Africa itself. The greatest opportunity for doing this, is Africa's ability to trade and do business with itself. Improvements to fiscal policies, governance and regulatory frameworks, along with a move to diversify economies away from Africa's traditional commodities-biased economies, present great opportunities to foreign investors. Africa's development must be underpinned by further regional integration and trade liberalisation. Africa must better integrate its fragmented markets, which have long constrained growth and acted as barriers to trade. World Bank statistics put intra-African trade at just 11% of Africa's total trade between 2007 and 2011. In 2015, intra-African trade was worth just US$170m, when the potential stood at trillions of dollars. As far as regionalisation is concerned, it is estimated that the implementation of the CFTA will nearly double intra-African trade by early next decade. Africa working together includes harmonising development and economic policies, regulation, market structure and governance, along with their implementation. Any regional initiative will need to be accompanied by huge investments in cross-border infrastructure. For more information, read: http://bit.ly/2FdUJhk.

  CAS View: Intra-African trade has long been a source of concern for African governments. The 11% referred to above increased to 12% by 2015, and some commentators are currently mentioning the figure of 15%. It is still way below the figure for many other parts of the world. The top region is that of the European Union at 70%. The Tri-Partite Free Trade Area (TFTA), consisting of COMESA, EAC, and SADC (26 countries), was said to have the potential to boost the intra-African trade to 30%, while the CFTA would boost that figure by 50%. Irrespective of the validity of the actual statistics, the reality is that

Africa must boost its intra-African trade and that regionalisation has great potential to support this. It is equally true that cross-border infrastructure investment is going to be crucial to support the benefits from regionalisation. African countries must come together to actively manage this initiative; they must set aside petty squabbles and look at the greater good. We do see various transport infrastructure in especially East Africa currently being developed. Amongst others, we see the Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor. We also have the new rail linking Addis Ababa in Ethiopia to Djibouti. There are also various other initiatives in East Africa, linking the ports of East Africa with the landlocked countries of Uganda, Rwanda, Burundi and Zambia, to name but a few. China is playing an active role in these many projects. Projects seem to be dependent on DFI funding, either through concessionaire loans or outright grants, and/or PPP agreements. According to some commentators, the vast majority of projects in East Africa are constructed mainly by international entities, with only Rwandan and Ethiopian firms noted as local key stakeholders.

East Africa

- **Rwanda:** Rwanda achieved the highest score on Agricultural Transformation in Africa and emerged 2017 Best Performing Country in implementing the 7 commitments of the June 2014 Malabo Declaration.

  Rwanda achieved the highest score on Agricultural Transformation in Africa and emerged 2017 Best Performing Country in implementing the 7 commitments of the June 2014 Malabo Declaration. Rwanda is followed by Ethiopia. Out of the 43 Member States that reported progress in implementing the Malabo declaration, only 17 are reported to be on track toward achieving the commitments by 2025. The 7 themes of the Malabo Commitments include: enhancing investment finance in agriculture; ending hunger in Africa by 2025; halving poverty by 2025 and upholding the Comprehensive Africa Agricultural Development Programme (CAADP); inclusive agricultural growth and transformation; boosting intra-African trade in agricultural commodities and services; enhancing resilience of livelihoods and production systems to climate variability and other related risks; and strengthening mutual accountability to actions and results. The CAADP set broad targets of 6% annual growth in agricultural GDP, and the allocation of at least 10% of public expenditures to the agricultural sector. Rwanda's areas of improvement include agriculture financing, policy, gender, foreign investment, crop irrigation, and fighting malnutrition. By the end of February, there will be over 1,000 university graduates in the agriculture sector to help farmers (under an internship programme). For more information, read: http://bit.ly/2Dzc1JA.

  CAS View: Feeding the people of Africa is another High 5 Priority of the AfDB. According to the president of the AfDB, Akinwumi Adesina, Africa is a net importer of food annually to the tune of $35 billion. Africa has the potential to feed the world, and it seems that they cannot feed themselves. Industrialising and modernising agriculture has also been punted by various stakeholders as the route to go. They have also suggested that the total value chain of the agri sector be targeted for improvement. Agriculture is also seen as very important in poverty eradication in Africa. We have the negative situation that many youths are not prepared to struggle with subsistence farming like their parents, and then flock to the cities in the often-mistaken belief there will be jobs available for them. This uncontrolled urbanisation process creates more problems, that need more solutions and resources, which are mostly lacking. Serious thought therefore needs to go into developing solutions for the problems prevalent in the agriculture sector of Africa. Seeing Rwanda developing initiatives to meet the goals and commitments of the Malabo Declaration, is very good news. Yes, there are still challenges, but one needs to accept this is a work in progress. That only 17 countries of the 43 Member States are on track towards achieving the commitments by 2025, is an indictment against the governments of these other 26 countries. It is a matter of political will!

- **Tanzania:** There are business opportunities in the agri sector of Tanzania, especially in the fields of coffee, maize, sugar and rice.

  Coffee, maize, sugarcane and rice farming will be highly lucrative in the next few years. The Tanzania Agribusiness Report (by BMI) for January 2018, says future demand for the four crops will be relatively high in both the domestic and export markets. Tanzanians' income levels will rise steadily going forward to the 2020/21 financial year, and this will increase rice consumption compared with other basic staples such as maize and cassava. Demand for rice (2.05 million tonnes last year) will increase by 2.9% during the 5-year forecast period to 2.27 million tonnes. The coffee sub-sector will face some challenges in the medium term, both on the production and marketing fronts, and this may affect the crop's production growth. Renewed government support for the sector has provided hope that it can recover over the longer term. Maize farmers are expected to benefit, albeit modestly, from solid demand in the domestic and export markets. BMI sees consumption rising by a compound annual growth rate of 1.0% to reach 5.8 million tonnes in 2021. The sugar sub-sector is expected to see limited production growth in the next few years, largely due to the fact that Tanzania scores poorly on productivity measures compared with its regional neighbours. For more information, read: http://bit.ly/2nc09lv.

CAS View: CAS recently published a report on business opportunities in the agriculture sector in Nigeria. It touched upon various crops, such as rice, tomatoes, cassava, eggs and poultry, cashew and groundnuts, and palm oil. Here we have another range of business opportunities for local and foreign investors in the field of coffee, maize, sugarcane and rice. A crop that was not mentioned, is cassava. Recently Tanzanian cassava producers concluded a deal with China to produce and export cassava to China. Both Nigeria and Tanzania have great agri potential, but do not produce sufficiently of the crops mentioned. In addition to meeting local demand (and creating import substitution with all its benefits), there is the opportunity to produce enough to export, with all its benefits of additional revenue, employment opportunities, general economic growth, etc.

West Africa

- **Ghana:** The EU said it plans to use Ghana's market as a target to reach the other countries in the Economic Community of West African States (ECOWAS) region.

  The EU said it plans to use Ghana's market as a target to reach the other countries in the Economic Community of West African States (ECOWAS) region. The EU is working closely with Ghana to further diversify and expand the country's production and exports, particularly in the agri sector where Ghana has so much potential. This was disclosed by the EU Ambassador to Ghana, William Hanna, at the first meeting of the joint committee on the implementation of the Interim Economic Partnership Agreement, IEPA. Hanna said that the EU is in the process of working with some investors from the region to take advantage of Ghana's business potential. The IEPA has all the ingredients to support Ghana's home-grown beyond aid strategy, designed to encourage more investment and a competitive private sector. For more information, read: http://bit.ly/2DGjWUD.

  CAS View: This intention of the EU is a feather in the cap of Ghana and its government. Ghana has been punted to grow at 8% for 2018. It is also one of the favourites for foreign investment generally. In Rand Merchant Bank's (RMB) (from South Africa) seventh edition of Where to invest in Africa, they ranked Ghana at fifth pace, behind Egypt, South Africa, Morocco and Ethiopia. RMB indicated that Ghana slipping from fourth to fifth place, was due to perceptions of worsening corruption and weaker economic freedom. However, it seems that the EU does not have the same views. In addition, the World Bank tipped Ghana to lead Africa as the fastest growing economy in 2018 with a growth rate of 8% as a result of increased oil and gas production, which boosts exports and domestic electricity production. It is good for West Africa that there are alternative investment destinations rather than just Nigeria. It is also good that they are targeting especially the agri sector, given the importance of this sector for Africa in general. However, Ghana's commodity resources in the mining sector, as well as its oil and gas reserves, must not be underestimated. Its new president, President Nana Akufo-Addo is also seen to be having a positive impact in his country since his election in 2016. Other countries in West Africa that are also good destinations, include Cote d'Ivoire and Senegal.

Southern Africa

- **South Africa:** South Africa's Rand is strengthening against the US$, pushing past the psychological barrier of R12/$!

  SA's jittery currency seems to be calming down. On Wednesday, 24 Jan, for the first time since 2015, the Rand pushed past the psychological R12/$ barrier, reaching R11.95/$. The Rand has been plagued by volatility in the last 2 years, thanks to a sluggish economy. SA markets are seeing it as a sign that things are finally improving in SA. The Rand has regained its confidence around rumours President Jacob Zuma may step down before his term officially ends next year. The currency started improving when Cyril Ramaphosa was elected as ANC president in December. Ramaphosa's insistence that corruption in SOEs, e.g. Eskom, be weeded out, has not only strengthened his pitch in Davos this week, it's also restored confidence within SA. The Rand was at its weakest when Zuma shuffled finance ministers in December 2015, going beyond R16 to $1. It was flustered every time it seemed Zuma was about to fire finance minister Pravin Gordhan (and then when he finally did). In a country where consumer confidence reached record lows and sovereign ratings downgrades became small talk for ordinary people on the street, the Rand's rosier outlook is celebrated as good news. For more information, read: http://bit.ly/2rEhtoJ.

CAS View: The newly elected president of the ANC, Mr Cyril Ramaphosa, will become the president of South Africa should the ANC win the elections in 2019. His election as president of the ANC was by no means a sure thing, given his relative small margin of victory (2440 against 2261) over his main opposition, current president Zuma's ex-wife, Nkosazana Dlamini-Zuma. That the business community and South Africans in general, who were fed-up with Zuma's corruption, rejoiced over his election, is no secret. The Rand started strengthening immediately, a trend that has gained momentum at the WEF meeting at Davos this week. Ramaphosa has created a lot of positive expectations, and I think that the ANC will win the next elections in 2019 with a comfortable margin. Ramaphosa will have no easy ride into the elections, however. His National Executive Committee (80 ANC members) include friends and foes (apparently a 50/50 split, more or less), as is the case with the Top 6, who more or less are the Exco of the ANC and are the most powerful people in the ANC. The ratings agencies have been watching the developments in South Africa very carefully, and they have no doubt been taking notice of the developments and the reception Ramaphosa received at Davos. The next important event will be the Budget Speech of the South African Minister of Finance on 28 February 2018. Ratings agencies will be very interested to see whether the budget is realistic and to what extent the general public will be taxed. Generally speaking, the general public and business community, both in South Africa and abroad, are very positive about the new president of the ANC. They will be watching to what extent he will be curbing corruption and putting an end to state capture. For them the icing on the cake will be a recall of the current South African president, Jacob Zuma. Him being prosecuted for the 783 charges of corruption he faces, will be the cherry on top!

- **Zimbabwe:** Emmerson Mnangagwa at the WEF in Davos, Switzerland, will hope to persuade the world to invest in the Zimbabwean economy.

  Emmerson Mnangagwa at the WEF in Davos, Switzerland, will hope to persuade the world to invest in the Zimbabwean economy. Zimbabwe has suffered an economic meltdown over the last 15 years and struggles with crumbling infrastructure and no currency to call its own. The investment document promises reform to become more attractive to foreign investors with the streamlining of legal frameworks and respect for bilateral trade agreements. There is also a promise of good governance and compensation when it all goes wrong. The government commits to the protection of all investments from expropriation, or from measures taken that will have a similar effect, except for a public purpose. The document also promises investors: "adequate and effective compensation." Zimbabwe also promises to compensate farmers in Zimbabwe who lost their land and is considering setting up a tribunal to determine how much should be paid. The document for Davos also promises to drop the infamous indigenisation requirement, that is 51% ownership by Zimbabweans, that has discouraged many investors. This unpopular requirement will, however, remain for diamonds and platinum, 2 of the big earning minerals. For more information, read: http://bit.ly/2GeIJ0r.

  CAS View: Former Zimbabwean president Robert Mugabe ruled the country since independence in 1980. He succeeded in destroying the economy of Zimbabwe by adopting various dubious policies. According to Wikipedia, the peak month of hyperinflation occurred in mid-November 2008, with a rate estimated at 79,600,000,000% per month. The agri sector imploded due to the land appropriation policies. Numerous sanctions were applied against Zimbabwe as well. President Mnangagwa seems to have been making all the right noises since coming to power. His interview at Davos was no exception. There are the cynics that say that he is not saying enough and that detail is missing. That may be so, but one has to give him time. Fixing what went wrong over a period of 37 years, will not happen in a month or two. We need to accept that Zimbabwe does not have the finances to do everything he promised in the short term. The country has great investment potential in various fields, e.g. mining, agriculture and tourism. Foreign investors with the necessary risk appetite can make a killing by entering Zimbabwe now and investing in a wonderful country. It would be tragic should we find that Mnangagwa is only going to be more of the same. Zimbabwe deserves more.