

## Africa

- **Africa:** Africa must speedily establish the Continental Free Trade Area (CFTA), as it will make Africa more integrated, united and prosperous.

Africa must speedily establish the Continental Free Trade Area (CFTA), as it will make Africa more integrated, united and prosperous. The CFTA will unite 1.2 billion people and create a combined GDP of over \$3.4 trillion — under a single continental market for goods and services, including free movement of businesspeople and investments, and expansion of intra-African trade (from 15% to 25% in a decade). According to UNECA, the CFTA will make Africa the world's largest free-trade area in terms of member states. To improve the current low levels of regional trade, Africa must remove all the existing barriers on the demand and supply sides. Aligning the trade policies, regulations and institutions of the 54 countries to promote continental trade, will enhance the economies of scale, structural transformation, diversification, efficiency and productivity boosts. This will benefit producers, consumers and governments in phenomenal ways. The single market will exponentially increase the continent's annual economic growth, create wealth more inclusively and reduce poverty. A major obstacle to intra-African trade are tariff barriers, which must be removed. The CFTA therefore presents the hope for a more stable trade regime, continental market access and a huge increase in investments. For more information, read: <http://bit.ly/2pae6RW>.

CAS View: The various regional economic communities have been playing an integrating role with varying levels of success. The predecessor to the CFTA, i.e. the Tripartite Free Trade Area (TFTA) has been around for a while, but is still far from being a viable entity. By the end of last year, only one of the 26 countries had ratified the agreement. The idea was that this grouping, consisting of COMESA, EAC and SADC, would flow into the CFTA, with the addition of ECOWAS and other regional communities that were not included in the TFTA. The benefits of the CFTA are real; however, getting the CFTA up and running is going to take a lot longer than envisaged. Given the low levels of intra-African trade, and the powerful role that the CFTA could play in enhancing the level of this trade, it is important that African governments place more emphasis and focus on bringing about the CFTA. Also, inclusive growth and the ending of poverty are also important outcomes of the realisation of the CFTA. These are outcomes worth subordinating perceived non-negotiable national interests to regional interests, all for the greater good of both the regions and the continent as a whole.

- **Africa:** Secretary of State Rex Tillerson has cut short his trip through Africa, even as he continued to try to make up for President Donald Trump's comments and policies that have offended many of the continent's leaders.

Secretary of State Rex Tillerson has cut short his trip through Africa, even as he continued to try to make up for President Donald Trump's comments and policies that have offended many of the continent's leaders. As he combats the perception that the administration doesn't care about Africa, Tillerson is departing early to deal with pressing issues back home, where he seemed out of step with his boss on tariffs and North Korea. He faced tough questions about Trump's policies and his reported crude comments in the Oval Office, battling the perception that the Trump administration does not have a coherent Africa policy. Tillerson was also challenged over Trump's policies, especially in Chad, which was listed on the administration's third version of the travel ban. Chad itself was deeply offended and confused by the announcement and has worked since then to be removed. On Monday, Tillerson was supposed to spend the night in Abuja, Nigeria, before a full day of meetings on Tuesday. Instead, he met with the president and foreign minister Monday afternoon and departed that evening for Washington, with an expected arrival early Tuesday morning. For more information, read: <http://abcn.ws/2lopWRs>.

CAS View: First of all, Tillerson is old news. He has been fired as Secretary of State and replaced with the CIA Director, Mike Pompeo, when he arrived back early from Africa. There are rumours he was fired via Twitter. The question now centres on what happens to Africa's position in the mindset of the Trump administration. Also, how must Africa interpret this "recall" of Tillerson from his Africa tour? Are the issues they debated with Tillerson still relevant for the USA? Was it just a waste of their time? The USA is an important stakeholder in Africa, as its AGOA agreement helps Africa's trade with the USA tremendously. However, as it is, other countries, such as China, Russia, Germany, Japan, India and Turkey, to name but a few, have been targeting Africa and visiting them with high ranking officials (heads of state, etc.). Africa's perception is that the USA does not care about them, and they are turning towards countries in

Asia and the Middle East for support. Irrespective of Tillerson's message to the African leaders, they will be wondering whether they can depend on anything that was agreed upon. If the USA does not want to further entrench the idea amongst African leaders that the USA does not care about Africa, the Trump administration will have to reach out in a more legitimate manner. In the mean time, other countries such as China, Russia, Turkey, India and Japan are all having a field day!

## East Africa

- **Ethiopia:** Ethiopia and Russia have agreed to reinforce diplomatic and economic relations to heighten the level of their partnership.

Ethiopia and Russia have agreed to reinforce diplomatic and economic relations to heighten the level of their partnership. Enhancing ties in the economic area, including trade and investment, as well as peace and security, was on the agenda of the ministers. They agreed on and are proceeding to work on nuclear energy for peaceful purposes. They will soon start direct flights from Addis Ababa to Moscow that will help to boost people to people relationship, and economic development and trade between the two countries. They also agreed to boost the work of an intergovernmental commission for the sake of implementing joint projects in a number of domains such as energy, biological research, direct flight connections, amongst many others. Russia will also work with Ethiopia for the peaceful resolution of security issues in the horn of Africa, such as South Sudan. For more information, read: <http://bit.ly/2FOyT87>.

CAS View: This now makes it clear that Ethiopia has become a country of importance. We have seen China reaching out to Ethiopia in a meaningful way with support in a number of areas. In addition to building railways from Addis Ababa and supporting other ventures, China is encouraging Chinese textile companies to relocate to Ethiopia. We recently saw (before he was reportedly tweeted out of office) former US Secretary of State Rex Tillerson visiting Ethiopia to demonstrate to them that the USA cares about Africa in spite of Trump's clear indication what he thought about certain holes in Africa. Now we see Russia also reaching out to Ethiopia with various initiatives. Amongst them, there is the promise to "work with Ethiopia for the peaceful resolution of security issues in the horn of Africa." The USA must be having sleepless nights about this. However, as the saying goes, if you snooze, you lose!" While the USA, China, France, Italy and Japan have military bases in Djibouti, and Germany and Spain troops are hosted by the French, Russia does not. It therefore seems they have avoided overcrowding the already busy environment of Djibouti by cooperating with Ethiopia – thereby still obtaining a strategic presence in an area whose importance seems to be increasing on a continuous basis.

- **Kenya:** Kenyan president Uhuru Kenyatta has met the opposition leader, Raila Odinga, in public for the first time since last year's disputed elections, with the pair promising to heal the country's divisions.

Kenyan president Uhuru Kenyatta has met the opposition leader, Raila Odinga, in public for the first time since last year's disputed elections, with the pair promising to heal the country's divisions. The surprise meeting at Kenyatta's office in Nairobi on Friday ended with the symbolic appearance of the two men to deliver a joint statement. They announced a plan for a programme to overcome deep and longstanding ethnic and political divides, but provided few details of what it might involve. According to Kenyatta, they came to a common understanding that Kenya was greater than any one individual, and that for Kenya to come together, leaders must come together. Odinga expressed similar sentiments. Last Friday's meeting came hours before the arrival of the former US secretary of state, Rex Tillerson, as part of his first Africa tour. The US has been urging direct talks between Kenyatta and Odinga to resolve the political strife. For more information, read: <http://bit.ly/2tEZD69>.

CAS View: This is excellence news for Kenya and the Kenyans. The economy of the country was somewhat under pressure since the first presidential election in August 2017, and the re-election in October did not help. The reports of violence and deaths had the unfortunate side-effect of various diplomatic visits being cancelled. Given the multi-ethnic nature of Kenya (over 70 ethnic groups), it is important to avoid ethnic conflict. With Odinga having had himself sworn in as the "people's president," Kenya had all the makings of a disaster waiting to happen! This rapprochement between Kenyatta and Odinga will go a long way to prevent further bloodshed and economic degradation.

## West Africa

- **Ghana:** President Nana Akufo-Addo has pledged to increase the contribution of solar energy to Ghana's energy mix.

President Nana Akufo-Addo has pledged to increase the contribution of solar energy to Ghana's energy mix. Currently, solar energy only contributes 1% to the energy mix, as opposed to 59% from fossil fuels, and 40% from hydro. He is keen on developing utility-scale solar energy projects, as well as accelerating the development of mini-grid solutions in off-grid and island communities for lighting, irrigation and other economic activities. To this end, and in keeping with Ghana's commitments under the Paris Agreement, he outlined solar energy programmes for implementation by 2030, which include the attainment of utility-scale solar electricity from about 22.5 megawatts to 250 megawatts. He also stated that 200,000 solar systems in urban and selected non-electrified rural communities will be installed, and 55 mini-grid electrification systems with an average capacity of 100 kilowatts will be established. These solar systems will be hybridized with other generation options to serve islands and off-grid communities. Two million solar lanterns will be deployed to replace kerosene lanterns. A major strategy to achieving these targets in Ghana is to build the relevant domestic capacity in the manufacture and assembling of solar energy systems and accessories within Ghana, which would help create job opportunities for Ghana's youth. For more information, read: <http://bit.ly/2p6V1kr>.

**CAS View:** Slowly, but surely, we see African countries adopting renewable energy to complement its existing energy generation sources. Given the availability of sun in the tropics of Africa, and the inability of conventional sources to provide in the energy requirements of Africa, it just makes so much sense to turn towards solar as a source of energy. As for solar lanterns versus kerosene lanterns, not only is it cheaper, but it is also safer. Many Africans have died from fires caused by kerosene lanterns. As stated in previous newsletters, the flexibility created by solar mini-grids goes a long way to get electricity to rural communities, cheaper and faster.

## North Africa

- **Sudan:** Russia, Qatar, Britain and Turkey have all visited Sudan in the past week to strengthen their relationships with the country.

Russia has agreed to supply Sudan with a small-capacity floating nuclear plant to produce electricity. Sudan's Minister of Water Resources and Electricity added his ministry is working to complete the technical studies to build Sudan's nuclear power plant within 8 years. The project is part of a plan to generate more than 5000 megawatts by 2020. Qatar's Minister for Foreign Affairs, Sheikh Mohamed Bin Abdul Rahaman Al Thani, also visited Sudan. This will boost the strategic relations between the two countries in the various domains. Sudan's Deputy Prime Minister and Minister of Investment, Mubarak Al-Fadil, welcomed British investors in Sudan. A number of British businessmen expressed their willingness to invest in Sudan in the fields of alternative energy and agro-industrial projects, especially after the lifting of US economic sanctions, pointing out that Sudan has promising opportunities for investment. A Turkish company will support Sudan's Central Bank with \$2 billion, which will be used for importing petroleum products and wheat. The agreement came within the context of the trade and economic co-operation between Sudan and Turkey. Turkish President Erdogan paid a visit to Khartoum last December during a three-day trip to Africa. For more information, read: <http://bit.ly/2tGjjGJ>, <http://bit.ly/2tEr5km>, <http://bit.ly/2paTJUD> and <http://bit.ly/2GnGOHh>.

**CAS View:** Sudan is emerging as a target of various players in the global community. Just this past week or two, Russia, Britain, Turkey and Qatar have all reached out to invest or participate in some form or other in the country. This is not the first time we have reported on opportunities in Sudan. Last week we saw Turkish businesspeople being urged to establish a system to process Sudan's gold and integrate them with Turkey's gold exchange market to provide overseas finance for Sudan. Five consortiums were set with Sudanese and Turkish businesspeople in the fields of construction, energy, mining, agriculture and machinery. Whereas some countries are casting a doubtful eye on Sudan, others are seeing the opportunities waiting to be exploited. While it is so that the risk averse amongst us would be hesitant to venture into Sudan, others are clearly aspiring to be first movers in obtaining the benefits of investing in the country.