

Africa

- **Africa:** African economies need to transition to knowledge-based ones to sustain rapid economic development and growth. African leaders recently said there is no development if there is no science and technology. They want to base their economies on science and technology in order to have knowledge-based economies in Africa, according to Macky Sall, president of Senegal.

African economies need to transition to knowledge-based ones to sustain rapid economic development and growth. African leaders recently said there is no development if there is no science and technology. They want to base their economies on science and technology in order to have knowledge-based economies in Africa, according to Macky Sall, president of Senegal. Rwandan president Paul Kagame emphasized that a knowledge-based economy is the foundation of creativity and innovation, which feeds into wealth creation and prosperity for all. "In Africa we need to invest more in science and technology education for our young people to be able to invent and innovate. A knowledge-based economy is in line with the Africa we want," he said. According to Mmamoloko Kubayi-Ngubane, South African minister of science and technology, if Africa wants to reach a certain level of excellence, it needs a very solid quality base in its education system to propel Africa into a knowledge-based continent. Science, technology and innovation are seen as enablers for achieving continental development goals. For more information, read: <https://bit.ly/2GeXW5j>.

CAS View: Africa must focus on advancing STEM education, i.e. science, technology, engineering and mathematics. Unfortunately, in many African countries the level of this education is not sufficiently high enough. The call by the above leaders are therefore very timely. If Africa wants to diversify its economies away from the export of raw commodities and boost its industrialisation process and develop its manufacturing sector, it must generate the requisite education policies. This is probably the single most important requirement for the development of Africa's economies and the subsequent employment of Africa's unemployed, especially its unemployed youth. This requirement is not just important for economic development and to transform into a knowledge-based economy, but also for maintaining a safe and secure environment. A large portion of Africa's youth is unemployed and this always creates the potential for violence and upheaval. Boosting its manufacturing sector will help to create a demand for higher skilled people.

East Africa

- **Ethiopia:** Ethiopia's ruling coalition has picked Abiy Ahmed as its new chairman, paving the way for him to become Ethiopia's next prime minister, replacing Hailemariam Desalegn who resigned last month.

Ethiopia's ruling coalition has picked Abiy Ahmed as its new chairman, paving the way for him to become Ethiopia's next prime minister, replacing Hailemariam Desalegn who resigned last month. Ahmed is the head of the Oromo ethnic party within the ruling EPRDF coalition. As the country's largest community, the Oromos have for over 2 years now protested against the Tigray-dominated government, demanding land reform, full political participation, and an end to human rights abuses. Ahmed faces the challenges of not only strengthening the party, but also introducing widespread reforms that many people have died fighting for in his own Oromia state. By fronting Ahmed, the EPRDF hopes its historic move of electing the first Oromo to lead the coalition will save it from disintegrating and act as a salve for protesters. Analysts say Ahmed has a close relationship with both the Oromo youth and Ethiopia's political and security agencies. Some say his mixed religious background (a Christian mother and a Muslim father), his education, and his fluency in Amharic, Oromo, and Tigrinya as qualifying him for the job. Others note his time as a government insider and doubt whether he will eventually bring meaningful change. For more information, read: <https://bit.ly/2pLGEIM>.

CAS View: Ethiopia's political scene has for the past couple of years been marred by protests against the dominance of the government by the Tigraway tribe, who constitute about 6.1% of the population. The Oromo constitute ~34.5% of the population, with the Amhara at ~26.9%. With the Ethiopian economy making great progress the past number of years, the political protests have always been a source of concern. With a member of the Oromo tribe now set to become the next prime minister, hopefully the necessary reforms will be implemented to bring about more political freedom, an end to human rights abuses and greater participation by all in the economy of the country. The stabilisation of the political

scene in Ethiopia is imperative for sustainable economic development. It will be interesting to see what kind of reforms will be instituted. As it is, the rumours would have it that the previous prime minister, Hailemariam Desalegn, had been forced to resign as he was deemed to be too soft on the rioters and protestors. If this is true, can we expect a prime minister that will turn against the best interests of his own ethnic group, and those of the population at large? Hopefully not!

West Africa

- **Ghana:** Armech Africa Limited has signed a public private partnership agreement with the Electricity Company of Ghana to construct a \$300 million waste-to-energy (WTE) power plant. The plant will be situated in the Tema region, and once in full operation, will have the capacity to generate 60MW of clean energy.

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CAS View: This is a great development for Africa in general and for Ghana specifically. A recent article in the [Quartz Africa](#) stated as follows: "Ghana may be the world's fastest-growing economy this year, but its biggest city, Accra, is struggling to get on top of its garbage problem. The president is determined for Accra to be Africa's cleanest city, but the reality does not match the ambition. 'Accra's gutters are persistently clogged, despite pressure on government and promises in return,' we wrote in a recent feature. 'A common complaint through the city is that when people clean out the gutters, waste will sit in a pile nearby and eventually find its way back.'" Cambridge Industries is in the process of finalising the completion of the Reppi WTE plant in Addis Ababa, Ethiopia. In South Africa, we saw a similar initiative in Cape Town. All these cities, and many others in Africa, including Johannesburg, Lagos and Nairobi, have waste challenges. The above-mentioned Quartz article makes the following point: "Poor waste management is linked to health problems and environmental damage, of course, but also hinders broader economic growth in developing countries. The World Bank estimated in 2012 that 18 African countries, with a combined population of 554 million, lose around \$5.5 billion every year due to poor sanitation. That was equivalent of forgone annual economic growth of between 1% to 2.5% of GDP." WTE plants provide a good solution to both the problem of waste and its concomitant challenges, and the problem of a lack of energy (more than 600 million people in Africa do not have access to electricity). Africa's governments should adopt this solution with greater enthusiasm! In Singapore we saw the allocation of a tender in 2015 for the development of the 6th WTE plant!

- **Ghana:** President Nana Akufo-Addo and the President of Cote d'Ivoire, Alassane Ouattara, have signed the "Abidjan Declaration" to defend the interest of the two countries in the global cocoa industry.

President Nana Akufo-Addo and the President of Cote d'Ivoire, Alassane Ouattara, have signed the "Abidjan Declaration" to defend the interest of the two countries in the global cocoa industry. The agreement will address the common challenges cocoa producers from Ghana and Cote d'Ivoire face. With the two countries responsible for 60% of the world's cocoa output, fluctuations of cocoa prices on the international market, marked by a fall of around 20% in 2017, have impacted negatively on the revenues of millions of cocoa farmers, as well as on the budgetary revenues of the two countries. The 2 presidents have reaffirmed their commitment to define a better, common strategy and a sustainable solution for the improvement of prices for cocoa producers in their respective countries; committed themselves to harmonising their cocoa marketing policies; and agreed to annually announce the price to cocoa producers. They have also agreed to intensify collaboration in the field of scientific research. They also reached a commitment to process a major part of cocoa and to invite the African private sector to invest massively in cocoa processing in Africa. For more information, read: <https://bit.ly/2GgBbOm>.

CAS View: I have written previously about the intention of the governments of Ghana and Cote d'Ivoire to obtain some form of control over the cocoa value chain. The recent severe drop in the price of cocoa has put the farmers of Ghana and Cote d'Ivoire under severe pressure, forcing their governments to act to reduce the strain the farmers had been working under. This is not a new topic. It was addressed in the Friday@Noon Issue 98. [Victoria Crandall](#), a researcher on cocoa trends in Cote d'Ivoire, has cautioned against a quick and easy approach to value addition in the cocoa industry. She shows that chocolate manufacturing for global distribution will not work; as a matter of fact, even chocolate production for Africa has severe limitations. Understanding the respective elements of the industry value chain is crucial to identify the areas where value can be added in a meaningful manner. The lack of progress in the cocoa industry in West Africa is also a reflection that there is an uncertainty as to where the West African producers should be concentrating its efforts. It will be interesting to see to what extent these two countries, with their 60% of cocoa output, will be successful in controlling the market price of cocoa. Also, will they allow other cocoa producing countries to join the cocoa version of OPEC, an OCEC (Organisation of Cocoa Exporting Countries)?

Southern Africa

- **Botswana:** Botswana is set to play a bigger role in both the domestic and African coal industries. With coal reserves in Botswana estimated at up to 200 billion tons, the country has the resources to meet the growth in demand anticipated across Africa.

Botswana is set to play a bigger role in both the domestic and African coal industries. With coal reserves in Botswana estimated at up to 200 billion tons, the country has the resources to meet the growth in demand anticipated across Africa. Furthermore, with a supportive government that has a strategic focus on job creation, especially in the coal industry, things are looking optimistic for a country that has traditionally been entrenched in the business of diamonds. Botswana is a highly rated investment destination in Africa, with a long history of political stability and a well-managed and stable economy. The government has been investing in infrastructure, including trans-regional highways, railways and airports, and has identified the export of coal as a significant opportunity. Sadique Kebonang, Botswana's Mineral Resources, Green Technology and Energy Security Minister, commented that the government's approach is to focus on the domestic use and export of coal, as well as the generation of electricity for domestic users. He added that new coal export rules, as well as specific government focus on investment and infrastructure, are providing new life and growth for the industry in Botswana. For more information, read: <https://bit.ly/2GfUJCC>.

CAS View: Botswana has up till now been known primarily for its diamonds and tourism. However, Botswana also has an estimated 822 million tons of uranium and 200 billion tons of coal. The uranium reserves have been recently discovered, while the coal resources require exploitation to convert to revenue. It also has copper, nickel and beef, and is seen as an upper-middle-income nation. As its diamond reserves dwindle, it is looking for a new economic model. The fact that Botswana has a stable political dispensation, counts in its favour. It has also searched for markets for its coal outside of the country, looking at exporting to other SADC countries. Botswana offers an attractive value proposition to meet demand in Africa and, in particular, for many inland users in South Africa, as there are electricity consumer markets in North West and in the Northern Cape. The diversification of its economy is definitely a step in the right direction.

North Africa

- **Sudan:** Saudi Arabia and Qatar have entered into agreements with Sudan.

Saudi Arabia and the Saudi private sector are investing in maritime transport in Sudan, benefiting from the strategic situation of Sudan, to construct new harbours and ports at the Red Sea. Makkawi Mohamed Awad, Minister of Transport, Roads and Bridges, pointed to the importance of development in all transport units, particularly maritime transport, and constructing new ports and harbours. The Saudi Ambassador to Sudan expressed the Saudi desire to develop bilateral relations to realize joint interests. Sudan and Qatar will sign a \$4 billion agreement to jointly develop the Red Sea port of Suakin off Sudan's coast. Sudan last year also signed a separate deal with Turkey whereby Turkey will restore part of Suakin and

construct a naval dock to maintain civilian and military vessels. Sudan's strengthening ties with Turkey and Qatar come as it pledges further cooperation with Egypt after a year of rocky relations with this country. Sudan's Ministry of Finance has signed a deal with the Turkish company, Summa, to build the new Khartoum international airport at an estimated cost of \$1.15 billion. For more information, read: <https://bit.ly/2lc7tX8>, <https://bit.ly/2GEUMqW>, and <https://bit.ly/2laOk81>.

CAS View: There is now clearly a trend of foreign governments and companies investing in Sudan. While there are undoubtedly many challenges to investing in Sudan, an increasing number of countries have identified Sudan as an investment destination. Some, like Qatar and Turkey, in addition to the obvious role of China in Sudan, are increasing their footprint in this country. The reasoning behind these moves are not just economic, but also geo-strategic, given the location of Sudan along the Red Sea and the busy sea lanes to and from the Suez Canal. As it is, Djibouti, a bit further south, has become very busy, and one can even say a bit crowded. Developing other options in Sudan generates more strategic flexibility for the various stakeholders. To state the obvious, it is also good for Sudan to receive these investments given the long period of sanctions against it, driven by the USA. While Ethiopia had also been looking at developing links to Port Sudan further up north of Suakin, a more developed Suakin could reduce travel time from Addis Ababa and provide additional flexibility for Ethiopia and reduce its dependence on Djibouti. As it is, Ethiopia is also looking at participating in the development of the Port of Berbera in Somaliland for similar reasons.