

East Africa

- **Rwanda:** Rwanda will soon start exporting gentian flowers from its Japanese-owned firm, Bloom Hills Rwanda, but expects to expand the project by growing other varieties. It has been growing its export market for a number of years.

Rwanda will soon start exporting gentian (often blue) flowers from its Japanese-owned firm, Bloom Hills Rwanda, but expects to expand the project by growing other varieties. The first flower shipment to Europe, worth €400,000, is expected within 2 weeks, while the main exports from the project will start in November. Flower growing is one of the areas Rwanda earmarked as “quick win” sectors over 6 years ago as it sought to increase its export revenues. The plan also aimed to stop importing flowers worth millions of dollars. To attract investors into the sector, the government has developed a number of incentives. Rwanda also wanted to capitalize on its excellent climate and good business environment, and the institutional support for pioneer flower investors. With new projects coming on online, Rwanda can now have a larger portion of the flower exports, bolster its prospects as a flower exporter, spur foreign earnings and create new jobs. The attractive investment climate and government’s clear policy of supporting the development of the flower industry, were the other pull factors. Freight costs are now also much more affordable. Horticulture products are now key contributors to Rwanda’s export receipts. For more information, read: <https://bit.ly/2L7uZX0>.

CAS Analysis: Normally one does think of Africa as a major supplier of cut flowers to Europe and other parts of the world. When you think the Netherlands, you think of tulips, tec. The reality is that a major portion of the flowers auctioned daily on the European flower markets come from East Africa. Three countries that already play a major role in this industry are Kenya, Ethiopia and Rwanda, with Kenya being the biggest exporter. Given the growing maturity of the European market, these African exporters are also looking at expanding into the USA and elsewhere. The Rwandan government developed Bella Flowers, which had exported over 3 million stems of roses by the end of March 2017, and targeted to export 3 tons of flowers per week by the end of 2017. Overall, Rwanda is looking at increasing its flower production to 44,000 tons per year or \$140 million worth of export receipts by 2020.

West Africa

- **Ghana:** Ghana loses ~US\$12 billion annually to Burkina Faso (BF) through importing fresh tomatoes. This amounts to 90% of fresh tomatoes produced in BF, while the remaining 10% is consumed by BF and Cote d’Ivoire.

Ghana loses ~US\$12 billion annually to Burkina Faso (BF) through importing fresh tomatoes. This amounts to 90% of fresh tomatoes produced in BF, while the remaining 10% is consumed by BF and Cote d’Ivoire. The Burkinabe government had created the enabling environment by putting in place various incentives for the researchers and farmers. The Ghanaian tomato importers preferred to buy from BF because there had been a strong business link, collaboration and cooperation between the Burkinabe farmers and the importers. However, it appeared the required levels of cooperation and understanding between the Ghanaian farmers and the traders were absent. The farmers were advised to follow modern business trends by ensuring best fresh tomato farming practices for quality production. Senior industry stakeholders suggested the farmers should do the right thing as a country because they wanted all the money for importation to remain in Ghana. The application for establishing a tomato processing factory under the government’s “One District, One Factory” policy had been approved. For more information, read: <https://bit.ly/2IXeobK>.

CAS Analysis: Tomato production seems to be a challenge for several West African countries, and not only for Ghana. For example, in Nigeria, 2016 production estimates came in at 1.5 million tons, with 0.7 million tons lost post-harvest. Demand estimates for tomato were 2.2 million tons. As was the case for Nigeria, Ghana could also cover its requirements with local production should it transform its agricultural practices. The question that should be asked is whether there is a specific reason why the two larger economies in West Africa (Nigeria being the largest economy in Africa) are struggling with something as mundane as tomato production. There is no reason why these 2 countries should be importing tomatoes. It seems from the article that the lack of professional farming practices could be a challenge in Ghana,

which is unacceptable. Boosting this part of the agri sector could help Ghana achieve an even higher economic growth rate!

Southern Africa

- **Mozambique:** Mozambique plans to sign an agreement with Rosneft and ExxonMobil on gas field exploration in the north of Mozambique by the end of 2018. The plan is to sign an agreement in 2018 and launch the project on field development in Mozambique with the participation of Rosneft and ExxonMobil.

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CAS Analysis: Mozambique's gas reserves have been the subject of many articles. Hopefully the country will use the opportunity to diversify its economy and prevent an overemphasis on pumping gas to the exclusion of everything else. What makes the article interesting, is that instead of a Chinese company being the beneficiary of an agreement in Africa, we now see Russia joining the party. It is not only in the gas sector that we see Russia being active in Mozambique. Russia and Mozambique are planning to jointly develop and produce military equipment. An agreement between the two countries, signed in late January 2017, stipulates the deliveries of arms and military equipment, as well as other military-oriented products, spare parts and components. The agreement, originally signed for five years, will be automatically prolonged for another five years unless one of the parties withdraws. Russia has also been invited to participate in the oil sector in Sudan. In addition, it is active in Zimbabwe, helping the country developing its huge platinum deposits. Various other countries have also seen Russian involvement. An interesting one is Egypt. This country, under Anwar Sadat's rule, expelled Russian advisors in 1972. Since al Sisi took over as president of Egypt, Russia has been invited to return. It has been quite active in the developments of the Suez Canal since then. In the article on Zambia below, we also see Russia involved in providing nuclear energy to African countries.

- **Namibia:** The port of Walvis Bay is getting a new container terminal and an oil jetty, both being built by a Chinese company, i.e. the China Harbour Engineering Company (CHEC). Expected to be completed by the end of 2018, the port project lies at the heart of Namibia's ambition to become a logistic hub in the southern African region.

The port of Walvis Bay is getting a new container terminal and an oil jetty, both being built by a Chinese company, i.e. the China Harbour Engineering Company (CHEC). Expected to be completed by the end of 2018, the port project lies at the heart of Namibia's ambition to become a logistic hub in the southern African region. The expansion will see the throughput capacity of the port's container terminals more than double to 750,000 TEUs per year. It will also add the first government-controlled oil storage facility in Namibia and a cruise jetty to boost tourism of the country. Upgrading the key port is significant to the entire SADC region, as it will boost imports and exports of mineral-rich landlocked nations like Zimbabwe and Botswana that are using the port as access, and in the meantime increase Namibia's appeal to global investors. The port construction will spur upgrading of nearby roads and railways, fuelling Namibia's infrastructure boom that will hopefully will create employment and offset the current economic woes caused by low commodity prices. For more information, read: <https://bit.ly/2xttqAl>.

CAS Analysis: Walvis Bay is an excellent harbour and has the potential to serve as an entrepôt for various landlocked countries in Southern Africa. The route to Walvis Bay via Botswana is a safe and secure route, with very little security challenges we are sometimes seeing in Mozambique. It also provides the likes of Botswana, Zambia and Zimbabwe with alternatives, which reduces their vulnerability to being beholden to South Africa and Mozambique for their imports and exports. No surprises that a Chinese company is prominent in the construction process in the harbour. As it is, the president of Namibia, Hage Geingob,

recently visited China, where he and President Xi Jinping discussed, amongst others, Namibia's participation in the Belt and Road Initiative.

- **Zambia:** Zambia and Russia signed the Engineering, Procurement and Construction Contract, which will establish the Centre for Nuclear Sciences and Technology (CNST). This could improve Zambia's economy because of the benefits derived from the establishment of the Centre.

Zambia and Russia signed the Engineering, Procurement and Construction Contract, which will establish the Centre for Nuclear Sciences and Technology (CNST). This could improve Zambia's economy because of the benefits derived from the establishment of the Centre. Zambia will hopefully grow into a hub of nuclear sciences. The Centre is to be used for peaceful purposes such as boosting the energy, health and agriculture sectors. Zambia has seemingly embraced nuclear energy to ensure it does not lag behind in becoming an industrialised nation. Zambia apparently needs to go for nuclear energy because industrialisation requires a reliable source of energy. With energy being the driver of any economy, reliable energy reduces the cost of production, resulting in improved standards of living. The contract will hopefully translate into Zambia having sufficient cheaper energy, which provides Zambia with the potential to grow its GDP through industrialisation. For more information, read: <https://bit.ly/2IXI0CU>.

CAS Analysis: Russia has been actively marketing its provision of nuclear energy to African countries. Here we see Zambia as the target of this drive. However, Zambia is by no means the only African country targeted. We have also seen Angola, South Africa and Sudan, as well as Ethiopia as potential clients. Discussions are apparently also taking place with the governments of Ghana, Nigeria and Tanzania. The reality is that while countries do need a stable source for its base load energy provision, coal seems to be the cheapest source. However, its contribution to global warming is making it increasingly unpopular as a source of energy. Nuclear has also drawn a lot of criticism, amongst others because of the challenges surrounding dealing with nuclear waste. Benefits for Zambia, in addition to the provision of sufficient energy, include the creation of highly skilled employment opportunities. For Africa to industrialise in a meaningful manner, it does need a stable source of low cost energy. Renewable energy currently does not seem to be considered as a stable source of base load energy.

- **Zambia:** President Edgar Lungu has directed all government leaders and Zambians to stop talking and start working in order to get the job done. He noted that there has been a lot of procrastination among those charged with implementing programmes and projects, thereby negatively affecting service delivery.

President Edgar Lungu has directed all government leaders and Zambians to stop talking and start working in order to get the job done. He noted that there has been a lot of procrastination among those charged with implementing programmes and projects, thereby negatively affecting service delivery. Many programmes had been adopted since Zambia's independence without feasible success. Lungu's focus was especially on the programmes to make Zambia green. President Lungu said people needed to understand the importance and to participate in planting trees and keeping surroundings clean. Every last Saturday of the month, businesses are expected to shut down and all Zambians to take up positions and participate in cleaning up their backyards and communities in order to make their surroundings clean, green and healthy. For more information, read: <https://bit.ly/2JqFjvA>.

CAS Analysis: Bonang Mohale, current CEO of Business Leadership South Africa (BLSA), made the point during the Africa Singapore Business Forum 2016 that Africa was great at planning, but not as good at implementing. From the facial expressions of various visitors from Africa, it was clear that it was not well accepted. The truth of the matter is that Bonang was correct. President Lungu's point of view that his government leaders should stop talking and start doing, underscores Bonang's point. I recently researched how to involve the youth in agriculture. I found that for the past 5 to 10 years, various suggestions have been made, more or less being repeated on an annual basis by different stakeholders. Yet, very little has been done on this topic specifically. We do find in some sectors some leaders taking the initiative. This includes the likes of President Kagame in Rwanda and President Magufuli in Tanzania. Much more, however, needs to be done in more sectors. While the sector involved in the above article is the "green sector", what is a source of concern is the lack of action (in spite of a lot of talk) in involving

the youth in meaningful employment opportunities. It is therefore high time that Africa stops talking and starts doing!

North Africa

- **Egypt:** Egypt's economy is rebounding after years of economic stress and political turmoil. Christine Lagarde, MD of the IMF, noted earlier this year that Egypt is at a turning point in its economic structure and is signalling it's serious about reforming its economic system.

Egypt's economy is rebounding after years of economic stress and political turmoil. Christine Lagarde, MD of the IMF, noted earlier this year that Egypt is at a turning point in its economic structure and is signalling it's serious about reforming its economic system. Egypt's overall economic freedom has increased over the past year thanks to improvements in financial freedom, investment freedom, and business freedom. Reform of fuel and electricity subsidies has been a notable achievement, and market forces now determine the exchange rate. Egypt also aims to reduce bureaucracy and promote greater foreign investment. Earlier this year, it passed the country's first bankruptcy law, which should help viable companies return to business success more quickly. These reforms are paying off. Egypt has recently been ranked as the third-fastest growing economy in the world and it is predicted it will achieve average economic growth of more than 6% per year until 2026. In addition, tourism has been rebounding, helped by ongoing economic stability and an improved security situation. The USA is quite interested in Egypt's economic progress as it could serve as an effective partner in advancing regional efforts to fight terrorism, contain Iran, and stabilize the explosive Middle East. For more information, read: <https://bit.ly/2L7LGRZ>.

CAS Analysis: The latest available figures from both the World Bank and Trading Economics indicate that Egypt has the second largest economy on the African continent. Its latest annual economic growth rate (March 2018) is 5.4%, well above that of South Africa (third largest economy) at 1.5% (December 2017). Nigeria, the largest economy in Africa, showed an annual economic growth rate of 1.94% in March 2018. Egypt therefore seems to be ticking along very nicely. Various investment houses have also been quite bullish about the country's prospects. Although Egypt has undertaken a number of reforms to transform the ease of doing business in the country, the World Bank rankings for the past 5 years show an up-and-down pattern: 2018 - 128; 2017 - 122; 2016 - 131; 2015 - 112; 2014 - 128. However, compared to Nigeria, it is a much easier place to do business in, although to Nigeria's credit, this country has improved remarkably in the 2018 rankings, improving from 169 in 2017 to 145 in 2018. Interestingly, Nigeria started at 147 in 2014. It therefore shows the same pattern as Egypt; both ended in 2018 where it started in 2014. South Africa's rankings appear to be on a downhill slide, deteriorating from 41 in 2014 to 82 in 2018. However, with a new president, South Africa has the prospect of improving its ranking in the new future. It will be quite interesting to see how these 3 countries develop over the next few years. With the USA apparently interested in gaining Egypt as a strong ally in the Middle East, it is not unlikely we will see more investment in Egypt from the USA. This will give Egypt an additional boost and possibly an advantage over Nigeria and South Africa. What is important for all 3 countries is political stability, something which all 3 countries seem to be struggling with to some extent.