

East Africa

- **Horn of Africa:** Ethiopia and Djibouti are further consolidating the existing bilateral relationship to economic integration.

Ethiopia and Djibouti are further consolidating the existing bilateral relationship to economic integration. The two countries recently tried to identify and evaluate their achievements and failures in the process of creating economic integration. Reinforcing cross-border infrastructures, increasing the volume of trade, and consolidating the people-to-people relationships are some of the issues they identified. The people of Ethiopia and Djibouti share a common geography, history, languages, culture and social values. The two countries also enjoy economic, political and social cooperation. Ethiopia was eager to expedite its relations with Djibouti, a country with which it has long standing ties of friendship, understanding, and cooperation. Both countries are said to be interested in improving their cooperation. Earlier in April, the Ethiopian prime minister had met and discussed with the president of Djibouti the enhancement of economic integration by addressing the obstacles. Djibouti apparently attaches great importance to the excellent political relationship it enjoys with Ethiopia, and they are committed to pursue this partnership in all areas. For more information, read: <https://bit.ly/2KifLST>.

CAS Analysis: For Djibouti, its links with Ethiopia are crucial for generating revenue. It currently acts as an entrepôt for Ethiopia. It also generates considerable revenue from the rent of military bases to foreign countries, such as the USA and France, with China being the latest addition. Ethiopia, on the other hand, is beholden to Djibouti for about 95% of its imports and exports. This is not healthy for Ethiopia, and it has been scouting around in the neighbourhood, looking at diversifying its access to the sea via Sudan, Somalia and Kenya. Quite recently the two countries have discussed the exchange of shareholding in Djibouti's harbour and Ethiopia's airline, amongst others, to further cement this relationship. As it is, these two countries have been the solid foundation in the Horn of Africa. Their political and economic health is therefore not just of interest to the 2 of them, but for the region as whole.

- **Rwanda:** The Rwandan government has signed a memorandum of understanding with the Russian state-owned nuclear group Rosatom. This memorandum of understanding will be focusing on cooperation in the peaceful uses of nuclear energy. It is clear Russia is expanding its sphere of influence in Africa.

The Rwandan government has signed a memorandum of understanding with the Russian state-owned nuclear group Rosatom. It will be focusing on cooperation in the peaceful uses of nuclear energy. This is the first agreement between the two countries regarding the peaceful uses of atomic energy. Under the agreement, the two parties will deepen cooperation in the upstream and downstream nuclear power industry chain, including the development of a nuclear infrastructure in Rwanda. It is expected that Rwanda and Rosatom will also set up joint working groups that will identify specific cooperation projects. The next step in this process is expected to be the development of a Russia-Rwanda Intergovernmental Agreement. For more information, read: <https://bit.ly/2tz9APR>.

CAS Analysis: This is a continuation of a trend that is becoming increasingly more visible. Russia had reduced much of its footprint in Africa after the demise of the former Soviet Union. However, over the past decade or so, the country has been reaching out strongly to Africa. In addition to Rwanda, countries such as Mozambique, Angola, Namibia, Zimbabwe, Tanzania, Ethiopia, Nigeria, Egypt and Sudan, to mention but a few, have been visited by senior Russian government officials. Although there were military ties in some cases (e.g. Central African Republic and Sudan), the focus of most visits has been economic by nature, with nuclear energy infrastructure figuring strongly in the Russian sales pitch. We will no doubt see a lot more Russian interaction in Africa over the next few years.

- **Rwanda:** The RDB (Rwanda Development Board) has invited local and foreign cyclists to enjoy the world class trails across Rwanda. In addition, it is promoting paramotoring as another sport to entice sportsmen and women from across the world to visit Rwanda.

The RDB (Rwanda Development Board) has invited local and foreign cyclists to enjoy the world class trails across Rwanda. The trails encompass a combined distance of 760 km and give cyclists a chance to discover Rwanda. To provide cyclists with a rewarding experience, RDB maintains the different cycling

trails and has designed and mounted clearly understood signposts along the trails to guide cyclists. In addition, specialised guides and bicycle mechanics are available to ensure that the cycle experience is as seamless as possible. Secure campsites and other accommodation options are available on the cycling trails, some of which attract over 5,000 tourists annually. Events such as the Tour du Rwanda, Rwanda Cycling Cup and the Mountain Bike Race are positioning the country on the cyclist map. To further the growth of cycling, the Government has announced a 25% tax waiver on the importation of mountain and racing bicycles. In addition, the RDB has introduced paramotoring (powered paragliding) to its adventure tourism offerings. The new adventure tourism experience will be officially launched in 6 months and visitors will be able to enjoy paramotoring at various sites. Rwanda will be the only country in East Africa offering such an experience. For more information, read: <https://bit.ly/2tBHGmm>.

CAS Analysis: Cycling and paramotoring are but 2 examples of sport and related tourism in this country. Add a brand-new airport and a capital that is brand new, modern and clean, and kept as such, and you have a country really worthwhile visiting and vacationing in. The fact that it is rated as the 5th safest country in the world, is the cherry on top, as is the fact that it is probably the safest country to visit in Africa. In 2016, 1.2 million people visited this landlocked jewel, literally built on a thousand hills. Given the focus on increasing tourism by the RDB, this number could increase considerably in the near future, generating significant forex for the country. These initiatives provide potentially popular alternatives to visits to “gorilla tourism.” Tourism has the benefit of having a significant leverage effect on the economy, creating jobs upstream and downstream. The country has also been targeted by various upper-class hotel groups, providing good accommodation to prospective visitors. The Rwandan government seems to be using the RDB to good effect to generate interest in investing in the country. My apologies if I seem to be biased; it is probably because I am.

- **Uganda:** The National Development Plan II identified agriculture as a primary growth sector that will deliver Ugandans out of poverty. However, it seems to not have planned for the allocation of the requisite resources.

The National Development Plan II identified agriculture as a primary growth sector that will deliver Ugandans out of poverty. Agriculture employs more than 65% of Ugandans and feeds more than 80% of Uganda’s industries with raw materials. However, the continued small allocations to the sector is a weak link and indicates how its importance is perhaps only on paper. Government also seeks to make farming a competitive, profitable and sustainable job, but the allocations indicate a total mismatch. The strategic plan also seeks to create employment for youth and women, as well as increase household incomes and ensure food security. However, sectors such as crop resources, directorate of animal resources, agricultural extension and skills management, amongst others, have suffered huge cuts and realising their potential will be determined by how frugal they are. Advisory and research institutions have also suffered budget cuts. Government plans to increase agricultural productivity by at least 50% using research, yet one wonders how this will be achieved. Government also plans to increase agriculture exports to at least \$4 billion per year, and reform agricultural service institutions, extension and regulatory bodies to make them effective and efficient. For more information, read: <https://bit.ly/2MvKj0h>.

CAS Analysis: It is no use to formulate strategies and not plan for execution. Any newly-graduated MBA student would tell you this. What makes the above situation more problematic, is the absence of the required resources to implement the strategy, even if there had been implementation plans. Agriculture has been identified as a primary growth sector to rescue Uganda from poverty. Yet all the plans will amount to nothing with a lack of resources. If the country is serious that agriculture is indeed as important as the government states it is, it should mobilise its resources and actually apply them. The situation does create potential for Public-Private Partnerships, though, involving both local and foreign investors. Various global organisations have the means to make a difference in Uganda’s agri sector, generating sound returns in the process.

West Africa

- **Ghana:** The Ministry of Food and Agriculture is aiming at attaining a double-digit agricultural growth rate by 2020.

The Ministry of Food and Agriculture is aiming at attaining a double-digit agricultural growth rate by 2020. In 2008, the agricultural sector growth rate was 7.4%; this figure varied and registered 3.0% in 2016, never coming close to the 7.4%. The growth rate of the agricultural sector rose to 8.4% by the close of 2017. The current government was determined to attain double-digit growth annually within its first term. There was concern that agricultural productivity in Ghana was one of the lowest in the world. The Ministry aimed at recruiting 2,700 extension officers to bridge the gap between technology and the farmer. The Planting for Food and Jobs programme was to increase the productivity of food crops, ensure food security and raw materials for industry, reduce food imports and increase exports. The programme was also to create jobs and attract the youth in particular into agriculture, also expanding to cover educational institutions and other bodies. The programme had created 745,000 jobs in 2017. In spite of Ghana being blessed with vast arable lands, it continues to import food; in 2007, \$344.09 million of food were imported into Ghana, which increased to \$1.96 billion in 2015. For more information, read: <https://bit.ly/2MvQgu9>.

CAS Analysis: Ghana seems to be the opposite of what is not happening in Uganda. The growth rate in the agriculture sector is a very healthy 8.4%, with an even higher rate envisaged for 2018. The Planting for Food and Jobs programme has clearly achieved a considerable measure of success as far as jobs are concerned, with 745,000 jobs being created in 2017. However, the fact that the country's food imports have been increasing significantly, is a source of concern. As the article points out, Ghana has "vast arable lands", yet still imports large quantities of food. This situation is not unique to Ghana, though, with many other African countries importing food. According to the president of the African Development Bank, Africa is a net importer of food to the tune of US\$35 billion per annum. This is not a sustainable situation, putting pressure of foreign exchange reserves and "exporting" jobs to other countries outside of Africa. As was stated in the article on Uganda's agriculture, the sector has a very important role to play on the continent. Africa should start delivering on the numerous strategies it has formulated in this regard.

- **Nigeria:** According to the Central Bank, Nigeria's unbanked population currently stands at 37%, with just 2 years to go to reach the 2020 target of 20%. While there was still a lot of work to be done, the CBN was still committed to reducing Nigeria's unbanked population.

According to the Central Bank, Nigeria's unbanked population currently stands at 37%, with just 2 years to go to reach the 2020 target of 20%. While there was still a lot of work to be done, the CBN was still committed to reducing Nigeria's unbanked population. The banking penetration was relatively low due to a lack of access to financial services and the high cost of banking services. People were afraid to bring their money to banks because of banking charges, while the complexity of opening accounts contributed to the trend. The CBN had introduced several policies to promote financial inclusion in Nigeria, such as mobile money to enable banks to provide banking services to the poor. The CBN also reviewed bank charges to reduce them and contemplated the introduction of super agents. It also considered reducing the requirements for opening some bank accounts to promote financial inclusion. No nation could progress or truly develop if the majority of its population was under-banked or had no access to financial services. The CBN would support Fintech to enable it to provide a very suitable banking ecosystem. For more information, read: <https://bit.ly/2KrRsBe>.

CAS Analysis: What should the CBN do? It should reach out to a mobile network provider, or mobile network operator (MNO), such as MTN, and ask it to run a mobile money platform. It could also ask a local Nigerian-owned MNO. We already have a Nigerian-based mobile money operator, i.e. Paga. The CBN should then provide the necessary policy framework that will help the mobile money operator, with the support of the MNO, to grow its market share. Why will this strategy be the solution? Because it is what happened more or less in Kenya, where Safaricom's M-Pesa reduced the unbanked portion of the population in staggering numbers from 2010 to now. It will not be as easy though, because in Kenya the banks thought M-Pesa would not last or that it would not represent any significant threat. The banks throughout Africa now know better and will cry foul! The reality is that many of the unbanked do not trust the banks, in addition to being deterred by the high banking costs. Fintech has provided the solution to the problem of the unbanked people more than a decade ago. It is not rocket science anymore.

Southern Africa

- **South Africa:** Potential investors are encouraged to consider SEZ's, which offer incentives such as reduced corporate tax rates, Custom Controlled Area's (CCA), employment tax incentives and state-of-the-art infrastructure.

Potential investors are encouraged to consider SEZ's, which offer incentives such as reduced corporate tax rates, Custom Controlled Area's (CCA), employment tax incentives and state-of-the-art infrastructure. Traditionally, economic activity had been concentrated in the 3 regional industrial hubs of Gauteng, eThekweni-Pietermaritzburg and the Cape Peninsula, which account for ~70% of SA's gross value add. The spread of economic opportunities is central to building a more inclusive economy that benefits all South Africans. In establishing new industrial centres through SEZs, the government is helping balance growth and industrial development. In revitalising local communities, SA is reducing the labour and capital leaving its communities for cities. Its SEZ's have become growth engines that stimulate regional economic activity and create much-needed jobs. They help build thriving local communities, increase the ability of communities to create jobs and foster a spirit of entrepreneurship. Its SEZ's attract local and foreign investors who bring new technology and innovation that advances SA's industrialisation. These investments contribute to SA's national goals of socio-economic development for the reasons already mentioned. SA's government has earmarked R4.9 billion (~US\$357 million) for industrial infrastructure projects over the next 3 years in SEZ's and industrial hubs. For more information, read: <https://bit.ly/2Iz8KYb>.

CAS Analysis: Various African countries have turned towards SEZ's and industrial parks to stimulate their economies and boost their manufacturing sectors, in the process creating much-needed jobs. In addition to South Africa, other countries turning towards this strategy include Ethiopia and Kenya. In South Africa's case, the country also needs to address the unmanaged migration to the main points of attraction, i.e. Johannesburg, Cape Town and Durban metropolitan areas. Too many people are migrating to the cities and putting the infrastructure and job market under pressure. As stated, by stimulating economic growth in rural areas and boosting job creation, the SEZ's and industrial parks can play a significant role in addressing this situation. Job creation in South Africa has become a crucial objective. With about 37% of the population being unemployed (broad definition), most of these from the youth sector, creating more jobs have become not only a socio-economic issue, but a dangerous security issue. The country (and the continent) ignores this challenge at its own peril.