

African Union

- **Africa:** Africa's technology junkies are developing home-grown services and applications to ease city traffic congestion.

Africa's city roads are crowded and have the world's highest regional road fatality rate. A number of innovative startups are looking to address Africa's traffic congestion, safety, and emissions problems through mobile technology. Kenya's Ma3Route uses crowdsourcing to create a pool of real time information on road conditions, traffic events - such as accidents - and driver safety. Users send in road information they come across on their journeys. In Rwanda, local startup SafeMotos is working to make the motorbike taxi industry safer by leveraging technologies commonly used in the insurance industry combined with smartphones. SafeMotos uses the information it obtains to cut out drivers falling below a certain safety threshold. In Lagos, GoMyWay has created a web platform where users can invite people to take a space in their car, or search for spaces in cars going in their direction – ride-sharing. Drivers charge a small fee from passengers. All users are put through a four-step verification system to ensure members are identifiable, as a safety measure. Technology makes traffic safer, more efficient, and more reliable than public transport. It also leads to decreasing emissions. The roll-out of technologies needs to be accompanied by government regulation and real investments in infrastructure. For more information, read [here](#).

- **CAS View:** Anyone who has had to endure long periods of rush hour(s) traffic in Lagos and Nairobi, to name but 2 cities, has probably been scarred for life. Other large cities such as Johannesburg, Cairo, and Dar es Salaam, are equally frightening during rush hour. The development of the above technologies have a very real potential to make a difference. We already have GPS systems that do provide information of road congestion. This is but one way the above technologies can play a role to improve the quality of life of road users. The fact that African innovators are developing these services and applications, is a sign of the level of sophistication we nowadays can find in Africa. The old saying that necessity is the mother of invention, remains true. These technologies are but a small number of the services Africa's technology junkies have come up with, and they will definitely not be the last.
- **Africa:** Africa's pharmaceutical market is experiencing growth due to the rise of the middle class, and has attracted large foreign players to partner with local players.

Africa's fast growing pharmaceutical market is attracting big drug manufactures who are faced with thinning profits in developed countries markets. Between 2003 and 2013, Africa's pharmaceutical industry grew from \$4.7 billion to over \$20.8 billion. By 2016, pharmaceutical spending in Africa is expected to reach \$30 billion, driven by a growing middle class demanding more prescription medicines, generics, over-the-counter medicines and medical devices. With a steadily growing middle class, the disease burden of SSA has shifted from infectious diseases to the chronic, noncommunicable diseases experienced by Western populations, such as cardiovascular disease and diabetes, which are expected to account for 60% of illness and 65% of death by 2020. As a result, local drug manufacturers are integrating with bigger foreign players to be able to address the growing demand for lifestyle change medications. In spite of challenges, good returns have seen several global manufacturers set up in Africa. In spite of poor infrastructure, instability and corruption, Africa remains an attractive destination for local and foreign drug companies, especially those willing to take risks in the search of greater returns. For more information, read [here](#).

- **CAS View:** The growing middle class of Africa have been quick to adapt to Western diets and lifestyles, unfortunately falling victim to the typical diseases that plague Western civilization, such as cardiovascular disease and diabetes. In addition to attracting foreign companies to invest in Africa, smaller start-ups have started to target niche markets, selling generic medication to fields such as diabetes. They would partner with a large foreign pharmaceutical company to obtain the medication at a good cost and sell it to local clinics and hospitals. Their exit strategy is to become large enough to irritate a larger local player, that would then buy them out to consolidate the market, for greater control, and to get rid of smaller competitors that clutter the industry and drive margins down, given their low overheads. Africa will have to target generic medication, as the so-called ethical medication is too expensive for Africa's governments and population. This has frequently led to arguments over the protection of patents on medication for, amongst others, HIV/Aids, TB and malaria.
- **Africa:** Africa needs to industrialise its economies, and needs to be smart about it. It seems the way to go is to implement the Singapore model.

Although industrialization was a campaign promise across Africa, Africa is less industrialized today than 4 decades ago. Instead of using high commodity prices to stimulate manufacturing industries, African countries wasted the money on non-productive expenditures. Had African leaders pumped profits from the commodity boom into stimulating manufacturing companies, the results could have been different. The only viable option is to industrialize. Africa needs "policy imagination" and African policymakers have to avoid being bound to any single theoretical policy. Governments must firmly lead the way and set policy that create an enabling environment for market-based growth that creates jobs. Many experts have called on Africa to practice "so-called sophisticated or smart protectionism", by imposing temporary tariffs to shield budding industries from the negative effects of cheap imports—as part of its strategy to industrialize. The common thread among Ethiopia, Rwanda and Tanzania, who have succeeded at navigating the road to industrialisation, is that they have embraced policies that target and favour their own manufacturing industries. In addition to pursuing a "developmental state model," they have adopted investor-friendly policies, and have shown a commitment to and ownership of these policies. For more information, read [here](#).

- **CAS View:** The WTO has the broad objective of eliminating constraints to trade in the global arena. One of their ultimate aims is to reduce tariffs globally to zero. However, it does provide for members to use tariffs to protect infant industries against foreign competitors. There are therefore grounds for Africa to protect itself. One way for foreign companies to deal with this kind of tariff is by means of FDI, by developing businesses within the target country. This can be to the benefit of the target country's consumers, and can play a role to stimulate economic growth and create jobs. It is interesting to note the recommended strategy in the policy environment; it basically suggests that Africa should follow the Singapore model. This country has developed a business-enabling policy environment, with strong direction from government. At the same time they have a very strong focus on customer satisfaction, be they business consumers or citizen consumers. Africa could do a lot worse, and will struggle to do better!
- **Africa:** China can help Africa's industrialisation drive by convincing the G20 members to support Africa in its capacity building, investment needs and infrastructure development.

At the G20 Summit in China next month, China will hopefully push the members to support Africa's industrialization needs and improve its self-development capability. Accelerating industrialisation will happen through capacity building, increasing investment, improving infrastructure and other measures, to achieve their poverty alleviation and sustainable development goals. Skewed development might in future cause more problems to the global

economy. A new economic order is needed, governed by new rules of engagement that place the developing and the developed countries at par and as equal trading partners. China will advocate for balanced growth and global trade reforms, which should lead to a more open and unconditional global economy. Apart from developing infrastructure, China has shown a strong interest in establishing factories in Africa to help boost the manufacturing base, expand the economy and create employment. China's principle of mutual respect, equality in partnership and win-win cooperation can serve as important lessons to developed countries at the G20 Summit. To push Africa's case at the summit, China has invited more African countries, apart from South Africa, the only G20 member from Africa, such as Chad, Senegal and Egypt. Africa must convince the G20 to address its major concerns, particularly the strengthening of productive capacity, increasing productivity, value addition and accelerated industrialisation. For more information, read [here](#).

- **CAS View:** Africa is in dire need of physical capacity (infrastructure), people capacity (skills), and value adding opportunities. Industrialisation has long been punted as the strategy to address Africa's development needs. It seems that China has the profile to push global entities such as the G20 to support Africa in its industrialisation drive. It seems to be doing just that in its approach to Africa. At the last FOCAC meeting in Johannesburg in 2015, China pledged to support value-adding at source, thereby boosting Africa's manufacturing capacity. It also seems that the issue of respect and equality towards Africa are important for Africa. That is why it seems they would rather approach China for investment and other support than other countries. What is also obvious is that the G20 members have an important choice to make. The global community is an integrated system, and the world cannot afford a poor and undeveloped Africa. We have already seen the EU's inability to deal efficiently with migrants from Africa. If it does not want to deal with Africa's development challenges from a moral perspective, it will have to do so from a survival perspective. In the long run, it will be cheaper and easier for the developed countries of the world to help Africa industrialise and become more productive, in the process developing its people, than dealing with an impoverished and radicalized Africa. And to be honest, without displaying a victim mentality, Africa is owed.

East Africa

- **Tanzania:** Tanzania is developing SEZ's to stimulate economic growth and development; Inviting Chinese business enterprises to invest in Tanzania.

The Prime Minister, Mr Kassim Majaliwa, has directed regional commissioners in 6 regions to initiate the development of SEZs within their respective areas of jurisdiction. Concrete plans to establish SEZs should feature prominently in the respective regional development plans and implementation strategies of industrialisation in the context of the 2nd Five Year Development Plan. Mr Majaliwa also directed the Ministry of Industry, Trade and Investments to lead the way with the development of Mkulazi Agroindustrial Project in Morogoro Region to become the flagship SEZ of the TAZARA corridor. The corridor offers the shortest distance between the port of Dar es Salaam, Zambia, Malawi and parts of southern Tanzania. Mr Majaliwa called on more Chinese business enterprises to invest in Tanzania, to help in creating wealth for the mutual benefit of the two brotherly countries. A joint training programme was sponsored by the government of Tanzania and the private sector from China. Over the next 30 months, 400 new workers will be joining the ranks of industrial workers in the textile sector every three months after graduating from the training programme. For more information, read [here](#).

- **CAS View:** It seems Africa has woken up to the benefits that SEZs can provide them by easing the challenges of doing business in their countries and stimulating economic growth and development. Tanzania is by no means the only African country utilising SEZs to stimulate business. Others include Kenya, Nigeria, South Africa, Gabon,

etc. In addition, SEZs are being developed not only by governments either. One finds that private companies are also in the development game, and we also find PPPs. Africa has not had tremendous success with special economic zones (SEZs). According to Adeyeye (2016), reasons for this include “policies and institutional frameworks, unfriendly business environments, lack of zone management expertise and an infrastructure deficit. While some African countries are actively involved in reforms to reduce the cost of doing business and strengthen legal institutions and prioritize industrial development, much more needs to be done.” For more information, read [here](#).

West Africa

- **Nigeria**: Nigeria recognises the need for proper structures and modern agricultural processes to develop its agricultural sector, to help feed its population. It requires investment support in its endeavours.

President Buhari decried “the culture of waste foisted on the country due to a lack of means of preservation of agricultural products.” He lamented that cattle farmers threw away milk from their animals because there were no means of preserving and processing the product. Cattle farmers had to be educated that quality matters more than quantity, and they had to be organised into co-operatives for better business. The Minister of Agriculture and Rural Development, Audu Ogbe, assured that herdsman would soon be organised into ranches in the country, with special grasses and water which would give better yields and make the animals healthier. Buhari also said his administration had made agriculture a top priority primarily to revive the economy, ensure food self-sufficiency and create jobs. Government would continue to accord agriculture premium importance through programmes and initiatives designed to motivate Nigerians to produce enough food to feed the nation. For more information, read [here](#).

- **CAS View**: Once again we find that Africa’s rulers understand the necessity of industrialising its agricultural sectors. The article emphasises the importance of sound structures, such as cooperatives, to support the farmers of Nigeria. Cooperatives are by no means a new phenomenon in Africa, and have a rich and long history in South Africa. Farming practices must be modernised to support the farmers in their endeavours to produce sufficient volumes of quality food to feed Nigeria. This goes for the whole of Africa. I have shown in previous newsletters that Africa has the potential to feed the world, but due to inadequate structures and practices, cannot feed itself and have to import food. Modernising and industrialising agriculture is one of the main strategies of the AfDB to stimulate economic growth and create jobs in Africa. However, Africa in general does not have the ability to execute this strategy on its own, and will require support in the form of foreign direct investment.

North Africa

- **Morocco**: Morocco, thinking of itself as a company and using technology, has upped the levels of its economic development. It is succeeding in the diversification of its economy and is improving its infrastructure.

Think of your country as a company. As such, think of the advantages in the selection of what you do: The location of markets and ease of trading with them, the critical mass of skills and productivity and low costs of the workforce, and the efficiency of the infrastructure. And you need to adapt government to suit, improving each of these areas in making the business case to invest. Morocco shows that application is at least as important, for more jobs, as better governance. At its root of success in the aviation and car industries, are both policy changes and government action. To achieve diversification, Morocco had to focus on improving infrastructure. The result is that Morocco’s highways, ports and rail system and energy system are much improved. Government also embarked on growing tourism numbers and boosting agriculture. Morocco came up with 6 priorities in its 80 manufacturing

sectors: Aeronautics, cars, offshoring, textiles and apparel, electronics and agro-industry. It also involved the private sector. The government envisioned 4 roles for the application of technology: Social transformation, e-government, improving the competitiveness of SMEs, and a fund to finance start-ups and promote IT, Business Processing and Knowledge Processing Outsourcing at 5 offshoring facilities. For more information, read [here](#).

- [CAS View](#): This article by Dr. Greg Mills goes a long way to show how Morocco has progressed the past few years. Morocco is positioning itself as a prominent gateway into Africa. After have left the African Union 32 years ago due to the latter's recognition of Western Sahara, Morocco has recently notified the AU it wants to return to the AU as a member. It has also been quite vocal that it sees itself as an African country. The development of the Moroccan economy and its infrastructure, as well as its focus on education, will go a long way to create awareness of Morocco as a stable point of entry into Africa. Its focus on industrialisation and manufacturing is another feather in its cap. It is developing into an attractive investment destination in its own right, developing beyond just being a gateway into Africa. Some of the other prominent gateways into Africa (e.g. South Africa and Nigeria) are struggling somewhat, to say the least. What is quite refreshing, is to see that Moroccan decision-makers see the country as a company and deal with it as such. Africa would be a better place if more countries followed this approach, provided obviously that they also practiced good governance!