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AUTUMN 2017

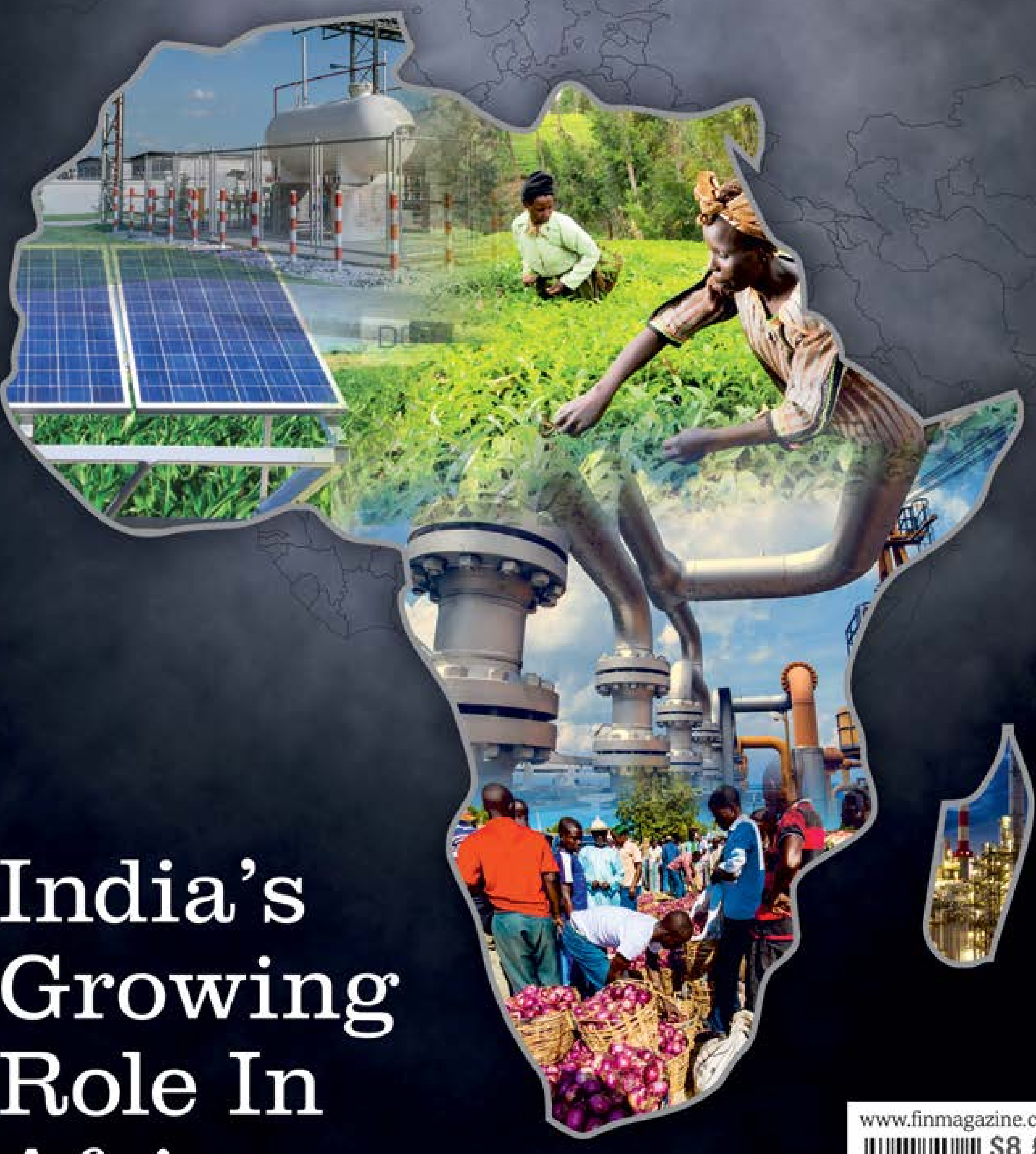
Obama: **'My life in White House'**

AfDB: **Investing Big In The High 5s**

NIGERIA: **TRANSFORMATION PRESENTS OPPORTUNITIES**

JAPAN LOOKS TO BOOST TRADE WITH AFRICA

KENYA: **SMEs TO THE RESCUE**



India's Growing Role In Africa

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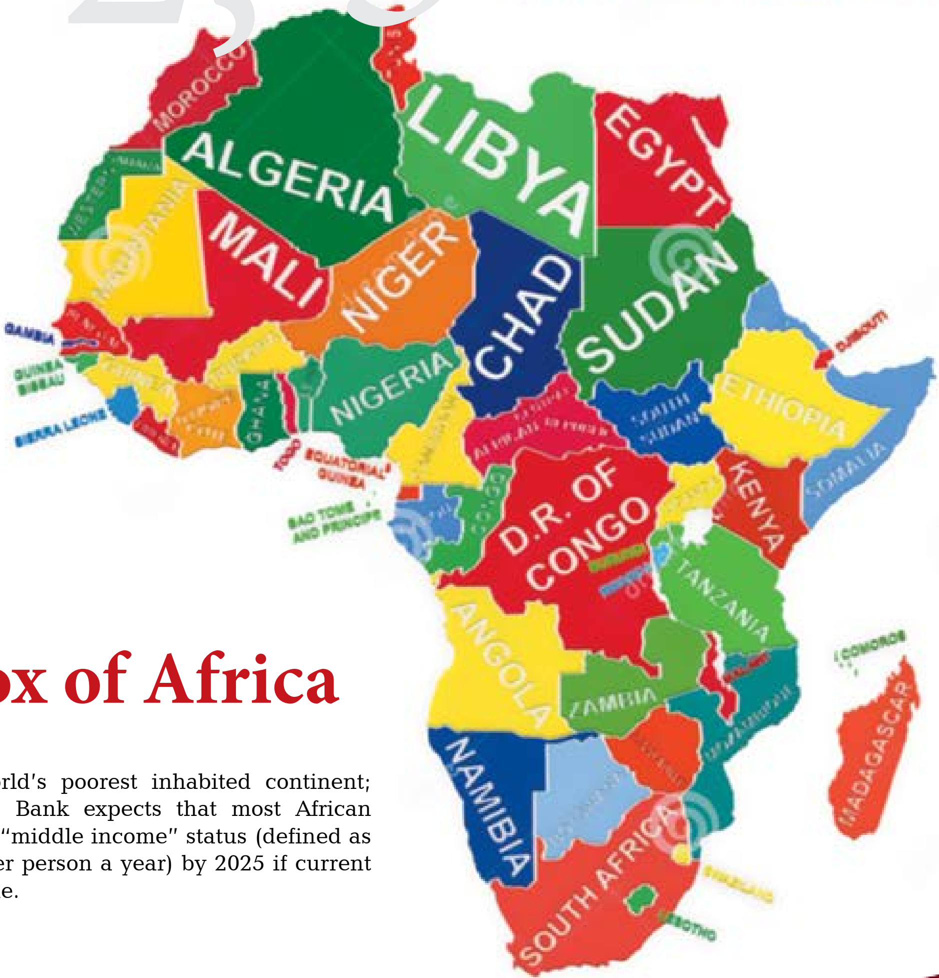
1, 2, 3 *of* AFRICA



Paradox of Africa

Africa is the world's poorest inhabited continent; however, the World Bank expects that most African countries will reach "middle income" status (defined as at least US$1,000 per person a year) by 2025 if current growth rates continue.

PROSPECT FOR AFRICA YOUNG LEADERS IN 2017

- After tensions that followed the historic electoral defeat of Gambia strongman Yahya Jammeh, West African leaders forced him out of power and on February 18, 2017 Adama Barrow was sworn in. It was a litmus test for democracy in Africa five years after the African Charter on Democracy, Elections and Governance came into force.
- At its meeting 17th & 18th of March, under the heading "Compact with Africa", G20 finance ministers, along with invited finance ministers from Côte d'Ivoire, Morocco, Rwanda, Senegal and Tunisia, met in Baden-Baden to discuss ways to strengthen the global economy and empower African youths to take over leadership in the continent and to ensure that the future of Africa is one of optimism and opportunity.

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Facts About Africa's Huge Agric Potential

African smallholder farmers are the people that feed Africa - but struggle to feed themselves. How is this possible? Our new report, Ripe for Change: The Promise of Africa's Agricultural Transformation, explains. It's a vision of what a continent-wide agricultural transformation would look like for millions of smallholder farmers, illustrated by examples of success across the continent.

We've put the top three findings into share graphics to help visually break down this phenomenon and make it easy for you to learn the facts and share them on social media. Use these graphics to spread the word on Facebook, Instagram, Twitter - wherever you do your sharing!

1. Most Africans make their living from agriculture - but not in a way that helps economies grow

That's a lot of farmers - but not a lot of GDP.

2. The reason why is because not enough African governments are investing in agriculture programs

Just 8 out of 54 African countries are committed to agriculture!

3. If they do, they could help lift 85 million people out of extreme poverty by 2024, provide jobs and boost the continent's economy. Other sectors like mining and utilities accrue wealth for just a privileged few.

4 World Records Held By African Animals

* Four of the five fastest land animals in the world are found on the African continent. They are the Cheetah, Wildebeest, Lion, and the Thomson's gazelle. The Wildebeest, Lion, and the Thomson's gazelle can reach a speed of up to 50 mph (80.47 KPH) for short burst. The Cheetah can hit an unbelievable 70 mph (112.65 KPH) for short burst. ♦

Lagos, Nigeria

African Countries with Great Real Estate Investment Opportunities

Real estate remains a booming opportunity for Africa-focused investors for good reasons. The growth of Africa's cities creates a demand for increased volumes of high-quality commercial and residential real estate.

The rise of the urban middle class drives retail property development, particularly as modern shopping malls spread across the continent.

A growing number of multinational companies are searching for office space in the newly emerging cities. The rise of regional tech hubs and an expanding oil and gas sector creates job opportunity with no place to house the employees.

Africa's population boom is also a burdening factor on Africa's cities. A need for mass market affordable housing, high-end properties and all in-between stems from the diversity in the multiplying populations, including middle to high-income locals and young entrepreneurs.

As an investor, these five countries offer the greatest investment opportunity in real estate (provided you find the right developer as a partner:

ANGOLA

Angola is Africa's fifth largest economy with Luanda and Huambo as its major cities. Despite the recent construction of new properties across both cities, primarily Luanda, the country suffers from a lack of good quality office and residential space. Surveys reveals that the majority of the near 300,000 square meters of office space brought to the market during 2014-2015 was already pre-leased or sold before officially opening. Although oil prices have fallen, the oil sector remains the primary occupier of local real estate with no signs of letting up. Prices for office space, accordingly, are the highest in Africa at $150/m2 per month in Luanda (the 2nd highest in Africa is comparatively $65/ m2 less).

A growing industrial property market – largely associated with the oil sector – is fully occupied, particularly in the Luanda port area. Some space is available in Viana to the east of the city but with strict criteria for potential tenants (i.e., many potential tenants cannot get access to space). Officials are consequentially looking to boost warehouse space, especially as port activity increases in the near future.

The retail market, although in its infancy, also provides a high return on investment with prices at $120/m2 per month and a rapidly expanding middle class in Luanda.

The residential market may be the least attractive in the country. "In the country" is the key word. Downward pressure on residential prices from falling oil prices still means that you pay more than 3x the price for a house compared to the 2nd most expensive market in Africa.

NIGERIA

Nigeria is Africa's largest economy with Lagos and Abuja as its major cities. You get mixed reviews from developers in Lagos and Abuja on the effects of recent construction. Capital has been poured extensively into both cities. Yet the prices in both markets are consistently two of the highest. Lagos office space rents for $85/m2 per month while the Abuja office space, despite being in a market nearly 1/4 the size of Lagos, still rents for US$72/m2 per month.

As Africa's sixth fastest growing economy (according to IMF projections 2015-2019), Nigeria is likely the most attractive market for retail property. Private equity funds have been active in this space in Nigeria for several years but prices remain high. It is home to the 3rd and 4th most expensive markets for retail space at $80/m2 and $72/m2 per month in Lagos and Abuja respectively. New construction was delayed a little prior to the 2015 election but has resumed to normalcy with prices not projected to significantly drop until late 2016, if not later, as population growth in Lagos remains one of the fastest in Africa. Housing prices accordingly still sit at the top of the range, only 'outpaced' by the aforementioned Angola. An executive house with 4 bedrooms goes for $8,000 and $8,500 per month in Lagos and Abuja…in Angola, the same property costs about $25,000.

Mozambique, capital city Maputo

EGYPT

Egypt is Africa's third largest economy with Cairo, Alexandria and Giza as its major cities. Egypt is not Africa's fastest growing economy - not even breaking the top 20 in Africa for the last five years. But its retail market is booming and looks to stay so in the near future. The drop in the retail sector during the Arab Spring hurt the growing sector back in 2013 through 2014.

The return to growth in 2015 begins with regaining lost production to match pre-Arab Spring numbers and then expanding at a rate that could surpass pre-Arab Spring projections. Cairo retail space accordingly is renting for $100/m2 per month with some insiders estimating that the price could rise in the short term as consumer spending grows and retail development slowly catches up to match the demand.

Office space rents for $35/m2 per month in Cairo, making it one of top 15 expensive cities. But the presence of a significant amount of office space and rather slowly re-emerging economy (especially if you exclude the retail sector) limits the upside for this subsector. The industrial and residential market are similarly in the same situation with pretty moderate prices compared to other major African cities.

MOZAMBIQUE

Offshore natural gas and a growing middle class underscores the changing real estate landscape in Mozambique and the country's global reputation. It is projected as the 2ndfastest growing economy in Africa over the next five

Aerial view of the city of Cairo along the Nile river

Aerial view of green point stadium and downtown of Cape Town

years, only trailing Ethiopia. Maputo is its major city (and capital). Although rather small for a major African city (with less than 2 million people), real estate prices show little sign of dropping.

Office space rents for nearly $40/m2 per month. Demand rapidly increases as banks, telecoms, and diplomatic/aid agencies consume the limited amount of good quality properties. The arrival of oil and gas executives has effectively led to the conversion of high luxury houses into office space until property developers can satiate the sector's appetite.

The Mozambican government's plans to invest heavily in the country's industry and manufacturing market is pushing up industrial real estate as companies rush in. Prices at the ports, particularly for warehouses, is one of Africa's most expensive. But most estimates and talk coming from government officials suggest this subsector may not be anywhere near as attractive as the office space subsector as the government may fit a good amount of the bill which should create downward pressure on prices.

Retail, although in a similar infancy stage, has a greater upside as consumer spending skyrockets. Retail space rents for $40/m2 per month in Maputo, which makes it one of the ten most expensive African cities for such space. Beyond that, it is also a city that will rapidly see rising incomes post-gas production and export in the near term.

SOUTH AFRICA/KENYA

Both countries are still 'top opportunities.' Retail space is attractive in both countries, specifically in Johannesburg (SA), Cape Town (SA), and Nairobi (Kenya). Retail space is the 5th most expensive at US$60/m2 per month in both Johannesburg and Cape Town and 8th expensive at US$48/m2 per month in Nairobi. Although attractive on the surface, insiders suggest that recent strikes in the South African market and the terrorism in Kenya has slowed the demand from potential retail tenants as the local economies flush out the internal issues. Office space prices moderated in the past 12 months in Kenya as business has been hesitant to expand until the government addresses its suddenly re-emerging terrorism concern. All that being said, we are discussing Africa's 2nd largest and 8th largest economies in South Africa and Kenya respectively with Kenya as the projected 10th fastest growing economy in Africa through 2019. What seems risky today will pay dividends in the long run…at least the numbers suggest so. ♦

* *http://venturesafrica.com*

6 Reasons to invest in Africa

Ventures and creativity: That's not news to companies that have paid close attention to the continent and invested there. The fast growing youth population, the urbanization expected to drive over 50% of Africans to cities by 2050, and Africa's formalizing economy are all well known. These trends and other developments have driven a half century or more of growth in Africa, and will continue to do so.

It's important to acknowledge that Africa tests an investor's patience. Time horizons and return models that fit other markets don't always work in there.

Africa needs 'connectors'

Missing across much of sub-Saharan Africa are the roads, rails, ports, airports, power grids and IT backbone needed to lift African economies. This lack of infrastructure hinders the growth of imports, exports, and regional business.

Companies that can connect Africans and markets can prosper. Sub-Saharan Africa is plagued by power outages -almost 700 hours a year on average-sapping productivity, adding cost and leaving businesses captive to back-up and alternative power options. Massive investment is leading to major upgrades and expansion at African ports and airports, but much of Africa's growth potential depends on in-country and intra-African road, rail and air connections.

Roads and rail lines are sparse, decrepit and over-burdened. A lack of aviation agreements has limited intra-African air connections. Africa's lack of efficient storage and distribution infrastructure hinders businesses, entrepreneurs and farmers. Up to 50% of African fruit and vegetables spoil before reaching markets.

There's a soft infrastructure deficit, as well. Outside of South Africa, the data and information critical to decision-making by businesses is missing or hard to obtain -credit and risk information, market data, consumption patterns, you name it. Lessons from Dubai and Singapore tell us that once an infrastructure race is on in a rapidly expanding market, being the first-mover is a significant advantage for investors.

African trade barriers are falling and intra-African trade holds enormous potential

With the 54-nation Continental Free Trade Area -Africa's own mega-trade deal -even the smallest African economies could see a lift. If duties are lowered and incentives introduced, manufacturers could see benefit from setting up production and assembly operations in multiple African countries. That could lead to development in electronics, machinery, chemicals, textile production and processed foods.

As a first step, free trade between and within the African economic blocs would make a huge difference. Africa's share of global trade-a meager 3%-can only increase if the continent's commodity and consumption-led economies begin to produce a broad array of goods for home markets and export.

And an increase in local beneficiation in the commodities sector could be a driver of growth-processing local commodities (such as minerals, coffee, cotton) in country rather than exporting them in raw form. That said, it will continue to be a challenge for regions with poor power and infrastructure to compete as global manufacturers.

CUSTOMERS ARE CHANGING

With the growth of Africa's middle class, we're seeing development of new expectations. Educated, urban professionals are young, brand-aware and sophisticated in terms of their consumption. Retailers and consumer brands want to anticipate and drive buying preferences in fashion, home and lifestyle products, but they know they need international standard supply chains if they are to meet demand. The largest economic forces in Africa are small to medium enterprises, working to meet this new demand and competing with global brands.

DIGITAL TRANSFORMATION

Africa leads the world in mobile adoption, which continues to offer the biggest cross-sectoral economic opportunities. Mobile payment networks, pioneered in East Africa, opened the wired, global economy to poor, unbanked city and rural dwellers. Companies such as Novartis are using mobile communications to manage their supply chain; Olam has used mobile to reach out to new African suppliers and farmers. These mobile initiatives have achieved huge successes.

To illustrate: In 2014, Ethiopia set up a telephone hotline allowing small farmers immediate access to advice from agronomists, with over 3 million calls done in the first six months of the pilot programme. Mobile is the area where Africa has pushed beyond the boundaries in the developed world, and African tech incubators are pushing to innovate. So what's next?

AFRICA IS DIVERSIFYING

African economies are finally beginning to diversify beyond commodities, though this is still in the early stages. Africa is seeing a returning diaspora that recognizes the potential and opportunities in their own countries. This population supports local economic growth with their skills and talent, by acting as "first movers", investing back in their communities.

At the same time, African countries are beginning to place bets on non-commodity areas where they can be competitive. And they are packaging themselves to appeal to a broader set of investors. Recognizing they can no longer count on growing investment from China, every country now has what are called "Investment Promotion Agencies", which act as one-stop shops for investors, assisting with registration, taxes, and other steps to establish companies locally.

AFRICA CAN LEAD IN SUSTAINABLE DEVELOPMENT

In energy, technology, supply chain design and other areas, Africa has the ability to look at what works elsewhere then fashion its own answers. It can openly embrace new technology and ideas, with no historical imprint from which to break free. It can develop flexible fuel grids that generate power with a mix of abundant wind, solar, hydro and bio energy, alongside conventional fuels such as oil and gas, which are also abundant. Nowhere on Earth is there as much unused or poorly used arable land, so look for big agricultural breakthroughs and productivity gains in food production in Africa. ♦

Weird African Customs And Traditions You Didn't Know Existed

MAASAI TRIBE OF KENYA:

The Massai tribe is found in Kenya and Tanzania and two of their customs make them enter this list of strange African tribes. The first is their greeting, member of the tribes spit as a way of saying hello. While the English man would say hello, a Yoruba man prostrate, spitting is a way of greeting. Aside playing the role of greeting, when a baby is born, it is the custom of the men to spit on the newborn and refer to him as bad, they believe this would protect the baby from evil spirits. It is the belief of the people that if a baby is praised, then it is cursed. Maasai warriors also spit in their hands before shaking the hand of an elder. Furthermore, the Massai tribe is also famous for its drinking of fresh animal blood.

HAMAR TRIBE OF ETHIOPIA:

In the Ethiopian Hamar tribe, young boys are made to prove their manhood by running, jumping and landing on the back of a bull, before then attempting to run across the backs of several bulls and this is usually done in the nude. Interesting to note is that before this ritual takes place, female friends of the boy to undergo the test cover their whole body, head and hair with red ochre mix with fats. They then have to dance and get whipped by elders until they have scars and wounds on their body. This is to show their loyalty to their friend.

BANYANKOLE TRIBE OF UGANDA:

Among the Banyankole tribe, a minority tribe living in Uganda, marriage means quite a burden to the bride's aunt. When a couple wants to get married, the aunt has to have sex with the groom as a "potency test" and furthermore, she has to test the bride's virginity. Some traditions assert that the husband would first have sex with the aunt before proceeding to have it with the bride. Another piece of tradition says that the duty of the aunt was to prove the potency of the bridegroom by just watching or listening to the sexual intercourse between the bridegroom and her niece.

SURMA TRIBE OF SUDAN AND ETHIOPIA:

The people of Surma tribe are found southern Sudan as well as southwestern Ethiopia. One thing one finds fascinating about them is their interesting physical features. During teenage years, females undergo the lip stretching procedure which involves removing their lower teeth to accommodate a lip plate; the lip plate is increased in size yearly until it is an astounding size. Not to be outdone, some of the men do this similar exercise with their ears while the elongated lip plate gives them a fierce strange and frightening look. They also indoctrinate their warriors known as 'stick fighters' by inflicting scars on them, the belief is that the more scars they have, the more attractive they are to female members of the tribe.

WODAABE TRIBE OF NIGER:

The Wodaabe tribe is a small subgroup of the Fulani ethnic group and can be found in the northern parts of Nigeria as well as northeastern Cameroon, southwestern Chad and the western region of the Central African Republic. The Wodaabe have a festival called the Gerewol Festival which calls for members of the tribe dancing at night. The dancing is not strange except for it also allows for men of the tribe to steal women from the tribe. It doesn't matter if the woman is married or not, the tribe recognizes the new union as a legitimate marriage except on the grounds that the woman refuses or her husband catches the man while he is trying to steal the woman.

CHEWA TRIBE OF MALAWI:

The Chewa are a Bantu people of central and southern Africa and the largest ethnic group in Malawi. Internationally, the Chewa are mainly known for their masks and their secret societies, called Nyau, as well as their agricultural techniques. They however have a more interesting ritual that some people may find disturbing. It is the custom of the people that when a tribe member dies, the body is taken to a sacred place where they cut the throat of the deceased open. The corpse is then cleaned by pouring water inside the dead body and squeezed through the stomach until water comes out clean. What is most shocking of this is that they use that same water to cook a meal for the whole tribe.

FULANI PEOPLE OF NIGERIA:

The Fulani traditional marriage is done in either three or two stages depending on the tribe's requirement and preferences. There is the flogging called Sharo, Koowgal a dowry payment and Kabbal. The Kabbal is an Islamic ceremony akin to marriage ceremony but without the attendance of bride or groom. The bizarre tradition here is the Sharo which means young men ready to start a family have to prove their manhood by being whipped by older members of the tribe to earn their respect as well as get a wife. If the man is unable to bear the pain, the wedding is called off and it is disturbing to note that many young boys die during this ritual perhaps accounting for why the Sharo isn't compulsory or recognized in certain tribes.♦

A Fulani groom undergoing traditional flogging

A Classic Adventure

An exciting or unusual experience it was. Bold, usually risky undertaking, with an uncertain outcome. That's exactly what MARTYN TUMWESIGYE and her two photographers (Joshua and Lauren) got the day they visited Lakeside Adventure Park

Lakeside Park, Uganda

Wikipedia describes an adventure as an exciting or unusual experience that may also be a bold, usually risky undertaking, with an uncertain outcome. That's exactly what I and my two photographers (Joshua and Lauren) got the day we visited Lakeside Adventure Park. As expected we were there to check out the place as assigned. This was our first time to the park so we didn't know what to expect. To say that it was a great experience is an understatement.

For those that know the Geography of Kampala, the following takes place from Kabira Country Club in Bukoto and Lakeside Adventure Park in Mukono via the Northern Bypass. Our trip started on a Sunday afternoon when Joshua picked Lauren and I from Kabira Country Club in his 1984 model, Toyota Camry. Yes! You read that right, 1984. It's code name: 'Iron Mongery' whatever that means. The car is in good condition only that the Air Conditioning doesn't work and this was one of the many mistakes that we made as you will soon discover why.

We'd waited for Joshua for almost an hour as he claimed to have taken Iron Mongery to the car wash. Another bad decision for an adventure. Rule Number One of an adventure is to never wash your car when you are going for one. On this Sunday afternoon with the sun scorching hot, we decided to stop by Tuskys Supermarket in Ntinda to get bottled mineral water bearing in mind that Iron Mongery had no Air Conditioning, which brings me to Rule Number Two as to when you are going for an adventure, always carry some drinking water with you.

The drive to Mukono Town was smooth, we stopped by a gas station and Joshua 'filled' up the tank with fuel worth 20,000 UGX which was also another bad decision. Rule Number Three when going for an adventure: If you are travelling with a personal car, always make sure you have enough fuel to get you to and from the destination. I don't even recall as to what happened on the way. The wind was blowing through my dreadlocks and we were having a nice laugh in the car until it hit us that we didn't actually know our way to Lakeside Adventure Park. We stopped by Mukono Town to ask for directions but no one seemed to know where the park was. Aren't we all grateful for Google Maps?

After clearly mapping out our route, Joshua lamented "Ho! Get prepared because there is a lot of dust on that road". Now remember Iron Mongery has no Air conditioning so in short we were in for quite an experience. We branched off in Mukono town at W'Antoni Stage (Which is on your right) and a few Kms into the journey we descended on a dirt road and to say that we swallowed a few kilos of dust is an understatement. Joshua moaned as to why he had even bothered to take Iron Mongery to the car wash and we were practically filled with dust from the toes to our hair. You could think we had just rolled in dust. A couple of minutes later having swallowed more dust and passed by many small mud houses and fields of green plantation we reached Lakeside Adventure Park which is right next to Lagoon Resort.

We quickly wanted to get on with what it was that had brought us. Josh and Lauren were tasked with taking photos and my job was to get as much information about the adventure park as possible. We met with the manager of the park a certain Mr. Perfect (yes, really).

Mr. Perfect ran us through the facilities at Lakeside and how much they cost: On entrance, to your right is a family house that has 2 self-contained bedrooms, a kitchen and lounge area and costs 150,000 UGX per night (Prices are subject to change). In the opposite direction is the obstacle course area which includes activities like jumping, crawling, swinging and costs 10,000 UGX per person.

Next to the obstacle course area are the dormitories. The dormitories are divided into two parts with a lounge in between them. Each dormitory has 15 beds, 3 toilets and 3 showers. They have huge windows, are clean and very neat. The lounge area meanwhile has a small library and is well stocked with interesting books to read and magazines some which are latest copies.

Opposite the dormitories is the parking lot for cars, the restaurant and dining area. For those that intend to order food from the kitchen, Perfect insists on giving a minimum of 72 hours' notice prior to booking. This because they don't use refrigeration services so all their food has to be bought prior to your order. They mainly have a snack menu with food ranging from 15,000 UGX-20,000 UGX while buffet costs between 25,000 UGX-30,000 UGX (Large groups).

To your immediate left besides the restaurant is a huge lush green compound used for camping. Camping per person each night costs 25,000 UGX and that comes with a tent, sleeping bag & mattress. If you bring your own tent and sleeping bag then it costs a 10,000 UGX charge for the premises.

The only alcoholic beverages served at the park are beers which cost 5,000 UGX each. You are free to bring your own wine and spirits plus juice but for those that want to bring their own beers, they charge a (negotiable) corkage fee of 50,000 UGX per crate.

From the camping grounds, you proceed to the main activity grounds which consist of a climbing wall which is 13 meters high, has 3 routes and costs 30,000 UGX per person. Right beside the climbing wall is the highlight and main activity at Lake Side Adventure Park: The high ropes course. For those familiar with the TV show Ninja Warrior you have a slight idea of what consists of the high ropes course. It basically consists of 2 levels and each level has 11 obstacles and costs 60,000 UGX per person.

Lauren and I decided to give course 1 of the high ropes course a try and see if it was worth the 60,000 UGX anyway. My opinion about it? It's an experience that provides adrenaline rush, demands control, patience and bravery. Is it worth the 60,000 UGX charge fee? Yes!

Right next to the course is the bar area and down is the beach area where other activities like beach volleyball take place from. Mr. Perfect warns though that swimming in the lake is done at your own risk.

Besides getting there by car, you can also get there using a boat from Gaba provided you make a booking. The small boat (7 people) costs 100,000 UGX while the big boat (22 people) costs 350,000 UGX (Inclusive of all fees, but prices are subject to change).

Lakeside Adventure Park is open from 8AM – 6PM and is perfect for school trips, Youth Camps, Family Day Outs, Corporate Team Building events and Adventure Enthusiasts.♦

AfDB: Investing big in the High 5s

By Chris Idowu

In his inaugural speech after taking office on September 1, 2015, African Development Bank President Akinwumi Adesina laid out the five priority areas that the Bank would focus its energies on in order to speed up the economic transformation of Africa over the next 10 years. He called them the "High 5s", with focus on these areas:

1. Light up and power Africa
2. Feed Africa
3. Industrialise Africa
4. Integrate Africa, and
5. Improve the quality of life for the people of Africa.

In the words of Adesina,

"We need growth that benefits everyone.

The High 5 priorities will get us there more quickly. To prosper, Africa needs a massive, concerted, ambitious effort to transform our economies."

The High 5s program and the Bank's recent progress were highlighted in the Annual Development Effectiveness Review 2016 - the 2016 edition of the Bank's key monitoring and tracking tool.

For 2016, the review gave greater attention to Africa's fundamental challenges and how the Bank was addressing them.

The Bank has also re-organised itself to become more agile and responsive to the continent's needs, and has adopted a new business model and established three new vice presidencies: on power, energy and green growth; on agriculture, human and social development; and on the private sector, infrastructure and industrialisation.

In order to strengthen its efficiency and effectiveness, the Bank is making efforts to be closer to its clients by establishing five regional integration and business delivery offices.

With these changes, the chances of achieving the structural transformation outlined in the Bank's Ten Year Strategy become brighter. The High 5 priorities which form an integral part of that effort are as follows:

1. Light up and power Africa - A large percentage of the African population still lack adequate energy supply while the demand for energy is rising rapidly. Through its New Deal on Energy for Africa, the AfDB is working to unify efforts to increase energy production and achieve universal access to energy for the over 635 million Africans who still live without electricity, while improving affordability, reliability and energy efficiency.

2. Feed Africa - Agriculture is the main source of livelihood for majority of Africans. Should the full potential of this sector be unlocked, agriculture would improve the lives of millions of Africans markedly. The Bank is adopting a business-oriented approach in framing its agricultural operations, based on a deeper understanding of the obstacles, potential and investment opportunities.

3. Industrialise Africa - Africa's economies are being held back by an inadequate level of industrialisation. Over the next 10 years, the Bank plans to invest US $3.5 billion per year through direct financing and leveraging to implement six flagship industrialisationprogrammes in areas where the AfDB can best leverage its experience, capabilities and finances.

4. Integrate Africa - Through its Regional Integration Policy and Strategy, the Bank's integration efforts concentrates not just on movement of goods and services but also on mobility of people and investment across borders.

5. Improve the quality of life for the people of Africa - Africa's economic growth has not been rapid or inclusive enough. The Bank is committed to building up the availability of technical skills so that African economies can realise their full potential in high-technology sectors. This will enhance the creation of jobs and improve quality of life. The Bank will nearly triple its annual climate financing to reach $5 billion a year by 2020, in recognition of the urgent need to address climate change.

Dr. Frannie Leautier appointed as Senior Vice-President of the African Development Bank Group

Cont'd on pg 21

South Africa's first Boys' 100m win at IAAF World Championships

Tshenolo Lemao delivered a historic performance at the IAAF World U18 Championships Nairobi 2017, becoming the first South African athlete to win a world 100m title in any age division.

In fact, South Africa had never before won a 100m medal of any colour at the World U18 Championships, but secured the top two spots at the fiesta.

While Lemao's compatriot Retshidisitswe Mlenga and Jamaica's Tyreke Wilson had entered the boys' final as the favourites, Lemao held his composure after the race was disrupted by two faulty starts in cold and wet conditions, charging across the line in 10.57.

Mlenga, who had earlier won his semi final in a PB of 10.37 in dry conditions, covered the short dash in 10.61 and Wilson held on for bronze in 10.65.

"It was a great race to run. I was really excited going into it and I just wanted to go all out," Lemao said.

"I knew the conditions would be tough, but I told myself I needed to stay strong and focused, and just go."

ROTOSOL
BY ROTOMAG

AfDB's Adesina at Rotosol exhibition stand

Rotomag Motors & Controls Pvt. Ltd. is a globally recognized manufacturer of high performance "ROTOSOL" Solar Pumps, Controllers and a comprehensive range of DC Motors.

Rotomag's group companies Rotomotive Powerdrives India Ltd. & Magtor Servomotion Pvt. Ltd. manufacture AC motors, Gearboxes and Servo motors.

Every year, over 30000 motors are exported to discerning customers in more than 20 countries across the world, including several European countries.

Rotomag was the first company chosen by the Indian Ministry of New and Renewable Energy (MNRE) to develop a 2 HP surface solar pump for its highly successful pumping program in the state of Punjab and Haryana in 1999. Since then more than 15000 ROTOSOL solar pumps have been installed under various Indian government and MNRE assisted programs.

The ROTOSOL solar pumps are available in a wide range for both surface and submersible applications and are ideally suited for drinking water, flood irrigation, drip irrigation, sprinkler systems, live-stock watering, aquaculture projects, salt pan farming and urban water supply.

The ROTOSOL modern manufacturing facility is spread over an area of 15000 sq.m and has a capacity to manufacture over 750 motors and pumps per day with key operations like winding, magnet assembly, magnetization, impregnation, assembly and testing being carried out inhouse. The assurance of ISO9001 quality systems allows us to achieve consistent quality, production flexibility and control over process variability.

The company also have design and engineering capabilities to reconfigure our pumps or develop customized pumps for variety of applications as per customer requirements.

Rotomag Motors & Controls Pvt. Ltd is represented in Nigeria by Foreign Investment Network Ltd.

It's about sustainable development

Consider this-between 2012 and 2014, about four million Africans benefited from new or improved access to water and sanitation, 11 million Africans were provided with new electricity connections, about 10 million Africans reaped benefits from improvements in agriculture, and about 49 million and 19 million Africans benefited from better health services and improved transportation respectively. These happy statistics are a result of the policies and labour of an institution that now stands at the centre of Africa's transformation-the African Development Bank president **Dr. Akinwunmi Ayodeji Adesina speaks more in this interview.**

Sir, what are the 'High 5s' of the African Development Bank?

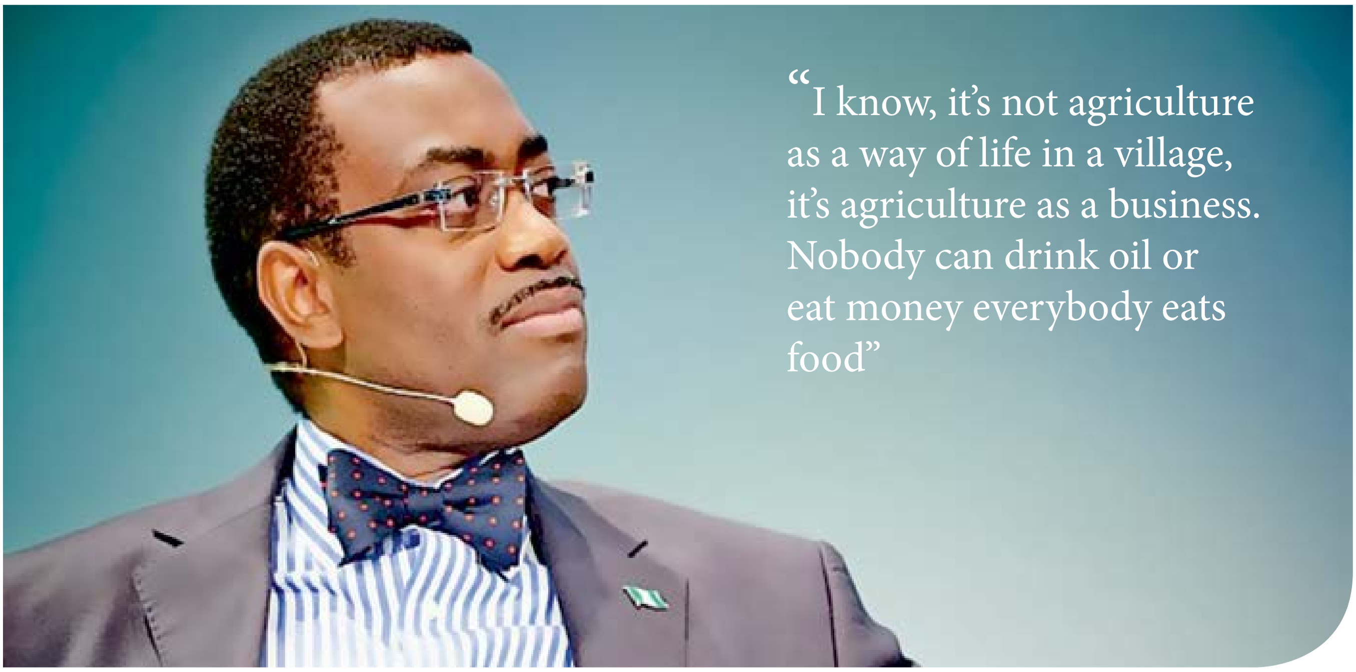
High 5s are the priority sector areas aligned with and building on the 2013-2022 strategy that sets out two primary objectives of promoting inclusive growth and a gradual transition to green growth. The priority sector areas include: Lighting up and powering Africa, Feeding Africa, Industrializing Africa, Integrating Africa and Improving the quality of life for the people of Africa.

You have worked and lived extensively in about 15 African nations, cutting across West, East and Southern Africa. If you were to comparatively analyse the situation of financial inclusion in these nations, which country do you think needs the most assistance?

Everybody needs assistance because here you have a situation – Africa is 54 countries. Hence, you have large countries, you have middle-income countries, and you have low-income countries. Therefore, the kind of support they need varies. For the low-income countries, many of them are quite vulnerable. For some of the middle-income countries, the challenge is how you upgrade them to higher income countries by creating more jobs through industrialisation. In addition, some of the countries that are large which depend on export of oil have been significantly affected by the global commodity price shock. Therefore, as a bank we provide them support to be able to ride through tough times. We also provide financing to help them diversify their economies.

You are one of the 17 world leaders chosen to galvanise international support for fulfilling the United Nations Millennium Development Goals. What has been the progress so far in this regard?

First of all, if you look at the sustainable development goals today, the fastest way which we can reach there is by working in five areas. The first one is power. Today, you have about 645 million Africans which do not have access to electricity. And you cannot develop in the dark. Children cannot go to school and learn in the dark. Businesses cannot function. You have vaccines, which cannot be stored if there is lack of electricity. African industries cannot function because of lack of power. That is why, as the President of the African Development Bank, I decided to invest heavily in providing universal access to power in Africa, not in 30 years or 40 years, but within ten years. Because I think Africans have waited to have access to electricity for way too long. Thus, the African Development Bank is investing about 12 billion dollars in the power sector. In the next five years, this will leverage between 45 and 50 billion dollars. The second area which I think is very critical in attaining the Sustainable Development Goals is agriculture. 70% of the poor live in rural areas, and they depend on agriculture as a source of livelihood. So the more we can make agriculture as a business opportunity, the faster we can grow, and the faster we can get out of poverty. That

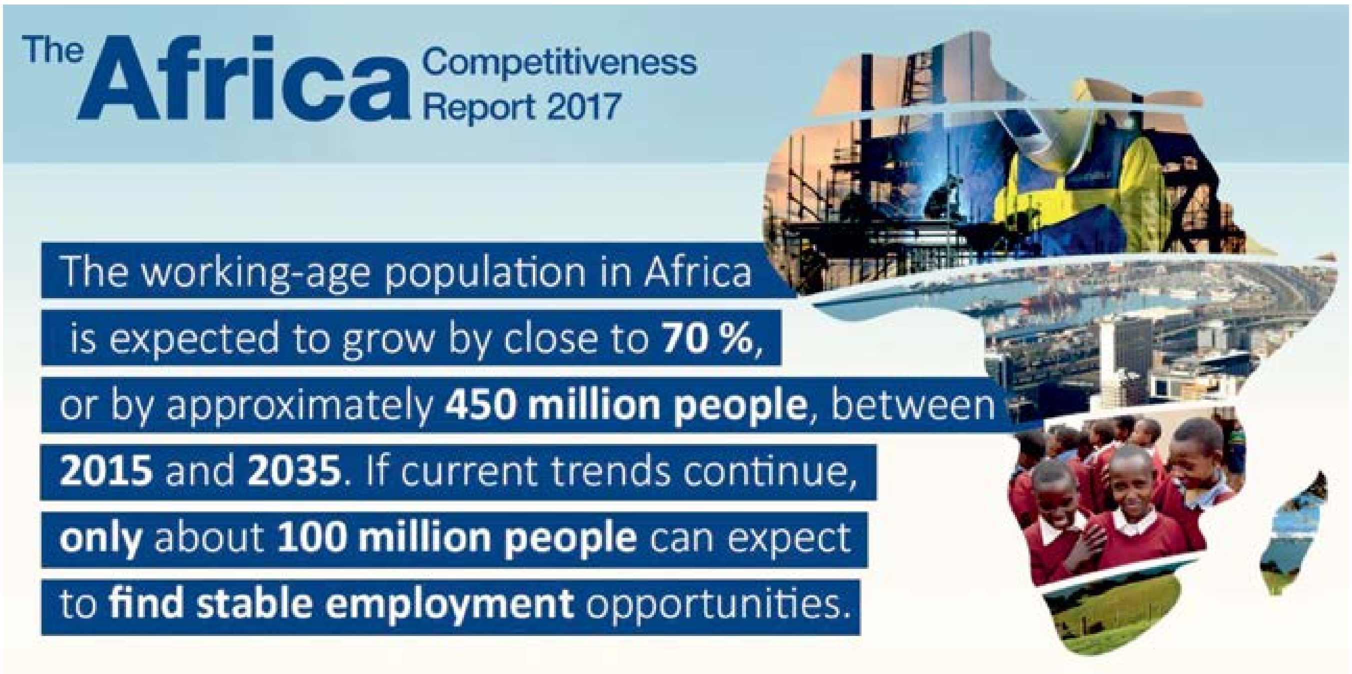


is why the African Development Bank is going to invest about 24 billion USD on agriculture within a span of ten years. Our focus is to make agriculture as a business opportunity and to have agriculture-value chains to support Africa. Because my own passion is to make sure that we can transform all our rural areas, from what they look like today – zones of economic misery because of lack of real economic activity – to zones of economic prosperity. That requires that we make agriculture work. The third crucial area is to create jobs for the young people. By 2050, Africa will have a population of young people of about 840 million people – Africa would be the youngest continent. But today, we have a responsibility. In the sense that 30 million young people will enter the labor market and thus we need to create jobs. Hence, the African Development Bank has launched a program for jobs for Africa's youth, with the goal to have countries to create 25 million jobs within ten years, a large part of which will come from Agriculture and the Information and Communication Technology industry.

But do you think the youth would be interested in agriculture? What are you planning to attract them towards this sector?

You know, when I talk about agriculture, I refer to it as a business. Today, I am the President of the African Development Bank and I come from an agricultural background. I was the Minister of Agriculture and Rural Development of Nigeria from 2011 to 2015, prior to becoming the President of the Bank. If you look at food from a commercial perspective in Africa, it is a money-looking business. Presently, Africa spends about 35 billion USD in importing food. And if you do nothing about it by 2025, it would be around 110 billion dollars. Imagine, if you can save that amount of money, then you can do a lot for the economy. So, I believe the future millionaires will come from agriculture business. Look at the Kellogg's Company. People take Kellogg's cornflakes as breakfast. And Mr. Will Keith Kellogg became a billionaire by a very simple, but brilliant idea- he took corn, mixed a few ingredients and that's it. In this regard, we have a program called Enable Youth, where we develop the new generation of young entrepreneurial agri-business people for Africa. So far we have put in about 700 million dollars since the launch of the program, in projects supporting the new generation of young people, with agriculture as a business. Therefore, I am absolutely confident that though some of them are lawyers, some of them are engineers, some of them are architects, the youth of Africa would definitely develop interest in agriculture. Because it's not the agriculture you and I know, it's not agriculture as a way of life in a village, it's agriculture as a business. Nobody can drink oil or eat money everybody eats food.

Culled from Times of Africa 11 May 2017



The progress, the challenges, the hopes

In spite of a myriad of structural imperfections, recent strong economic showing of some African countries proves the resilience of Africa and justifies optimism about the continent's future growth prospects, writes CHRIS IDOWU

The Africa Competitiveness Report 2017 is a collaboration between the World Economic Forum, the World Bank, and the African Development Bank. It is a special project within the framework of the World Economic Forum's Global Competitiveness and Risks Team. The central theme for the 2017 Report revolves round ADDRESSING AFRICA'S DEMOGRAPHIC DIVIDEND.

In their preface to this year's Report, Akinwumi Adesina of African Development Bank, Jim Yong Kim of the World Bank

Group and Klaus Schwab of the World Economic Forum opined that **"...the 2017 edition of The Africa Competitiveness Report comes out at a challenging time for the continent. In recent years, growth in several African countries has been subdued after more than a decade of solid expansion. The slowdown is largely due to the protracted low commodity prices as well as the reduced growth in emerging markets such as China, and in advanced economies. However, this situation has also given impetus to reforms and economic diversification. The strong economic performance of a number of African countries demonstrates Africa's resilience and brings optimism about Africa's future growth prospects."**

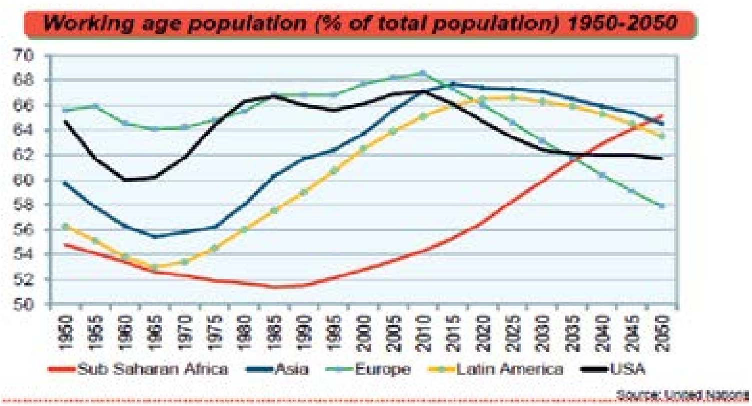
They concluded that the Report has conducted a "comprehensive analysis of Africa's most pressing competitiveness challenges", detailing the barriers and challenges to putting Africa's economies onto a solid footing and helping them to achieve sustainable, broad-based growth, taking into account rapid demographic changes.

Against the background of the expectation that Africa's working-age population would grow by 450 million people, or close to 70 percent, by 2035, the Report examines how this population growth can either help to achieve broader shared prosperity and improve the livelihood of African people and offers tips on ow to prevent it from becoming "a source of fragility, social tension, and economic hardships". It does so by examining the potential of Africa's fast-growing youth population to catalyze economic development through accelerating rates of job creation.

The Report also examines the capability of African cities to transform, strengthen, and diversify Africa's economies by creating more dynamic urban manufacturing and service sectors, and emphasizes the importance of ensuring that Africa's youth and working population at large acquire the necessary skills to build vibrant and inclusive economies. Detailed country-specific competitiveness profiles are presented for 35 African countries, with a comprehensive summary of the key factors that drive productivity and competitiveness within the continent.

In their assessment of the future of Africa and her potentials for development, Adesina, Jim Yong Kim and Schwab are of the view that **"…the continent's young and increasing population presents an unprecedented opportunity to spur rapid development. A growing labor force and a large and emerging consumer market hold the promise of significant growth opportunities. Yet challenges to reaping these potential gains and achieving greater shared prosperity remain. Most economies in the region still need to promote more productive activities that generate quality employment opportunities for their growing populations and contribute to improving the livelihoods of African people. Africa can make this happen, and decisions and actions taken today will determine whether governments and the private sector in the region can meet the growing economic and social aspirations of its population."**

This section contains three pivotal expert assessments of Africa's demographic issues, the burgeoning unemployment problem confronting her working-age people, and the low level of competitiveness of the continent's cities, with landmark contributions by eminent personalities, including Roberto Crotti and Margareta DrzeniekHanouz (World Economic Forum), El-hadj M. Bah and Audrey Verdier-Chouchane (African Development Bank) and Barak Hoffman and Jean Michel Marchat (World Bank)



OVERVIEW OF THE REPORT

The 2017 edition of The Africa Competitiveness Report submits that Africa is passing through a transitional time marked by low commodity prices and reduced growth in emerging markets and advanced economies which have retarded growth and development most African countries, after a decade of sustained GDP growth.

1. Sluggish GDP growth has, in turn, encouraged reforms and economic diversification in some countries. Such reforms are required because substantial demographic changes are taking place in these countries. For example, the continent's population will double over the next 25 years, and this is the only region in the world where the working-age population is projected to continue expanding beyond 2035.

2. Urbanization is advancing at a rapid rate, and over half of Africa's population will live in cities over the next quarter of a century. Such rapid growth of the working-age population can give a much needed impetus to regional economic growth. However, there is no established direct link between population growth and job creation. For example, unemployment and underemployment among African youth is high despite the rapid population growth.

3. The social and political vulnerability that are so palpable in African countries could be further exacerbated if the policy environment that supports rapid job creation is lacking, especially in economies featuring large youth and working-age populations. Experts are largely agreed that the limited ability of African economies to offer better employment opportunities can be traced to the slow progress in raising competitiveness and productivity. Research has identified the main bottlenecks to improving these factors, including the reinforcement of managerial skills and higher education and export diversification, among others. The 2017 Report takes advantage of the research and analyses in job creation and urbanization that have been carried out by the partner organizations to identify the policies that are required to enable Africa to maximize her potential demographic dividend. Large infrastructure deficits, significant skill mismatches, slow adoption of new technologies, and weak institutions are identified as key competitiveness challenges that have dogged African countries since the inception of the annual Competitiveness Report. In addition to these factors, weak financial sector development and

low levels of regional trade and integration, emerge as the main bottlenecks that prevent African economies from establishing the enabling environment for better employment and entrepreneurship opportunities.

4. Despite the debilitating effects of these trends, the last ten years have witnessed significant progress on a number of crucial competitiveness dimensions, given the positive trends on governance and the business environment, especially in areas such as health, literacy, and the quality of macroeconomic policy and human capital development. For example, child mortality sharply declined from 83 to 47 percent while primary school enrollment has grown to above 80 percent. Côte d'Ivoire, Ethiopia, Rwanda, and Tanzania are among African countries that have improved their competitiveness ranking by five places or more since 2015, and their real GDP is forecasted to grow close to or above 7 percent over the next few years. One common feature of these countries is that they are also making serious efforts to diversify their economies more, relative to others in the region. In this Report's view, competitiveness refers to the factors, institutions, and policies that determine a country's level of productivity. Productivity, in turn, sets the sustainable level and path of prosperity that a country can achieve.

The Africa Competitiveness Report 2017 also examines the catalogue of shortages of critical urban infrastructure such as electricity, transport networks, and water and sewerage systems, which shortages have been partly caused by the outdated and inadequate urban plans that fail to take into account the social, political, economic, and environmental contexts of urban development in Africa. These shortages have had a telling effect on competitiveness. In addition to the recommendations for reducing the infrastructure deficit, improving the business environment though better institutions, governance, and regulatory frameworks; and increasing the availability of skills, this chapter also recommends as follows:

a. Governments must update cities' urban plans to reflect local realities.

b. Investment in housing construction must be substantially increased to reduce housing deficit and improve the lives of urban dwellers.

c. Special economic zones can be an effective tool to jump start manufacturing, increase exports, and create jobs.

The main roadblocks for Africa's

Africa's Projected Population in Comparison to India and China, 2050

Reference: The Economist Intelligence Unit Limited 2012
United Nations - World population Prospects: The 2015 Revision

economic development remain slow progress in improving education quality, building infrastructure (especially in cities), adopting new technologies, deepening capital markets, and accelerating the rate of structural change. These issues are difficult and slow to modify and efforts to turn them around only sow positive results after many years, while the need to offer better opportunities to the large and growing cohorts of young African people is urgent. There is therefore the urgent need to start the reform process without delay.

Policy implementation should be emphasized, rather than policy definition, to circumvent one of the main weaknesses of Africa's development programs, and it is important to strengthen both public and private institutions whose poor quality has hitherto been a major hindrance to the implementation of reforms. Doing this will enable faster and incisive policy implementation and spark private-sector action. The Report also provides some specific short-term policies recommendations:

a. Adoption of sector-specific policies to increase labor demand, especially in labor-intensive sectors, such as agribusiness and construction, to boost job creation. With the expected 70 percent increase in working-age population in Africa between 2015 and 2035 and given the current trend, only about 100 million of them can expect to find stable employment opportunities. Countries therefore need to implement policy initiatives that would give impetus to job creation in order to benefit from this rapid population growth. Those that do not take such bold and positive steps may suffer the demographic vulnerabilities of unemployed and/or underemployed youth.

b. To address the coming rise in the working-age populations, African countries need to expand aggregate demand for labor and improve supply-side factors at the same time, through the traditional prescriptions of stable macroeconomic policy, a supportive investment climate, and improving the quality of human and physical capital, as well as the acceleration of the development of their manufacturing sectors. They must also place a strong emphasis on agriculture and microenterprises since these two sectors are their easiest way to job creation.

c. For fragile countries, job creation and growth efforts can focus on targeted support to vulnerable regions and/or populations, while resource-rich countries would need to embrace open trade policies and develop value chain links to extractive sectors in order to encourage diversification and job creation.

d. Fostering regional trade and integration can also improve job creation as well as improve firm-level productivity and economic competitiveness.

4. Rapid population growth and urbanization are straining the urban infrastructure of African cities. The rapidly growing youth population calls for sharp increases in job creation and infrastructure, including affordable urban housing availability, and if the cities must play the role of catalysts of economic growth and job providers, they need to become more competitive. This chapter focuses on the constraints and opportunities for creating competitive African cities and eventually improving the living standards of urban dwellers, by focusing on policy options that would improve the quality of life along the lines of the African Development Bank's High 5s.

The Report compares African cities

on the bases of indicators such as population dynamics, income and growth performance, employment, and the costs of housing and utilities, and reveals some interesting findings:

a. Over the period 2000 to 2016, cities in resource-rich economies grew rapidly, but were less successful in improving households' disposable incomes. In some cities, growth led to an explosion of slums and large housing shortages which, among other things, undermined household welfare and hindered labor productivity.

b. Because small and micro-businesses are the biggest employers of labor, policies must be tailored to the needs of this segment of the private sector, specifically in the areas of better access to finance, capacity building, and linkages to value chains.

c. The competitiveness of cities must be improved through better urban planning. Outdated and inadequate urban plans are preventing African cities from benefiting from rapid urbanization and associated economies of scale. New urban planning therefore needs to take recent economic, demographic, and urban developments into consideration. Creating special economic zones with better linkages to the rest of the economy also has the potentials to promote job creation and increased productivity through the higher growth of firms.

The time bomb that is African unemployment


Chaotic traffic in Lagos Nigeria – result of poor planning

d. There is need to reduce housing shortages to improve the lives of urban dwellers, create jobs, and enhance productivity. Better urban planning with adapted building codes, efficient regulation with reduced procedures and costs, improved governance, and better coordination between stakeholders will be necessary in order to address bottlenecks in the sector. Also, assisting small and medium-sized developers in capacity building and financing can improve their productivity and their ability to deliver large-scale housing programs.

e. In order to reduce the growing skills mismatch, African countries should enhance technical vocational education and training (TVET) programs and better regional cooperation.♦

AfDB: Investing big in the High 5s

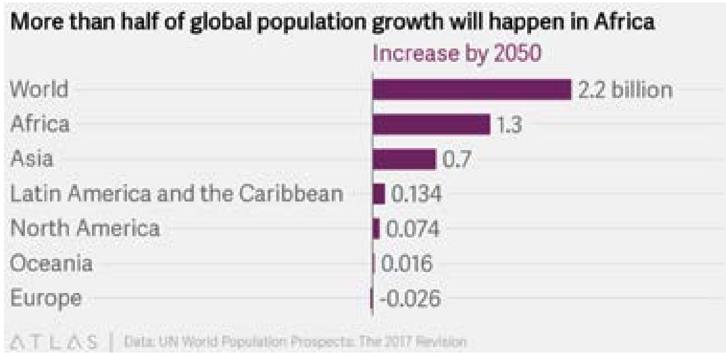
Cont'd from pg 15

To enable her monitor and disseminate information/data on the performance of African countries in the High Fives priority areas, the Bank has developed the High-Fives application, which can be accessed on the Bank's AIH Open Data Platform. The application is specifically focused on tracking progress of individual African countries in these five priority areas, thereby creating opportunities for any necessary and timely corrective action. Through the High-Five's application, users can access a wide range of priority-area development data compiled from multiple international and national official sources. They will also be able to perform visual data comparison across time and countries.

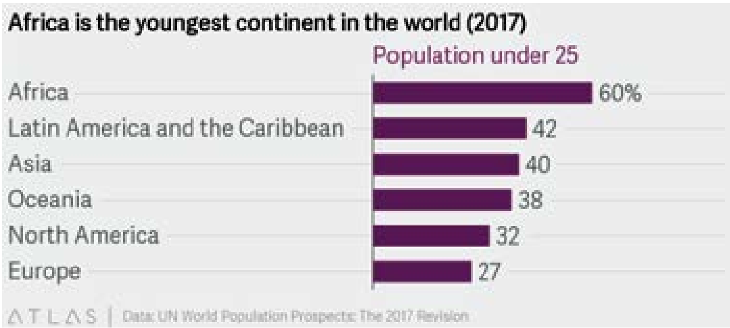
According to Charles Lufumpa, Director of the Bank's Statistics Department,

"What makes the application unique is its ability to provide the Bank with the facility to easily track comparative progress for different indicators coming under the High-Fives at national and sub-regional levels from their mobile devices." ♦

WORLD POPULATION GROWTH TRENDS



More than half of global population growth will happen in Africa. Credit: UN/Quartz



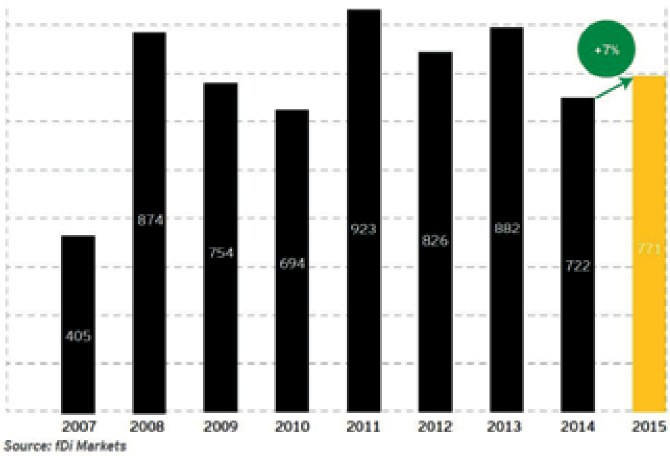
Africa is the youngest continent in the world. Credit: UN/Quartz

By 2050 around 2.2 billion people could be added to the global population and more than half of that growth will occur in Africa.

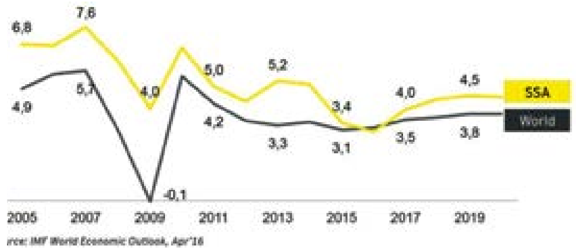
Africa will account for the highest population spurt with an additional 1.3 billion people on the continent, a new UN population report shows.

Much of Africa's population boom will come from Nigeria, currently the world's 7th most populous country. By 2050, the report predicts, Nigeria will become the world's third largest country by population, becoming one of the six nations projected to have a population of over 300 million.

Africa Investment Attractiveness 2016



The next few years will be tough – partly, even largely, as a result of a fragile global economy – but many African economies remain resilient, with two-thirds of Sub-Saharan African (SSA) economies still growing at rates above the global average this year.



From an investment perspective, the next few years may be challenging – this is not because the opportunities are no longer there, but rather because these opportunities are likely to be more uneven than they have been. It is now more important than ever for organizations and investors, who sometimes place too great an emphasis on shorter term economic growth trends, to adopt a granular, fact-based approach to assessing investment and business opportunities for the long-term.

Analysing Africa's free zone advances

Mr Claude Baissac talks about the successes and failures of free zones in Africa, assessing free zone investments, and the future of the model worldwide.

Claude is a specialist in private sector development, sustainable development, growth and investment with over 20 years of practice. He has extensive experience in Africa. He is a recognised leader in special economic zones, growth poles, and economic diversification. Claude's clients include businesses, governments and international organisations. Claude leverages extensive experience and research at macro- and micro-levels through consulting ventures, non-profit research, public policy work, and policy advocacy. Claude is currently Managing Director of Eunomix B&E Ltd., a policy and economics consultancy focused on resource rich counties in Africa, and he is regularly contracted by the World Bank Group as a technical expert. Claude has been involved in over three hundred consulting projects.

To what extent have Special Economic Zones (SEZs) and Free Trade Zones (FTZs) in Africa met countries' policy goals to date?

While many African countries were early adopters of Export Processing Zones (EPZs) – Ghana, Kenya, Mauritius, Togo and Senegal among them – in no country besides Mauritius and, to a more limited extent, Kenya, did these programmes deliver on expectations. Investments remained limited and concentrated in narrow product categories, and job creation was insufficient to address the perennial problem of unemployment. These zones never became more than small enclaves of export industries to the consumer markets of Europe and North America. They never led to the kind of export supply response that was witnessed in Mauritius and in the famous Asian tigers of the 1970s-1990s, either through massive FDI or through significant domestic investment. And this despite the fact that the vast majority of African countries benefited from massive advantages in consumer markets access. More concerning is the fact that the competitiveness of these zones was never sufficient despite such access. Infrastructure constraints were not adequately addressed, with sub-par industrial zones offering in most cases intermittent electricity and water supplies, costly telecommunications, and inefficient logistics and customs services. Low labour costs were not sufficient to compensate these problems. This led to a problematic response by governments trying to boost attractiveness or retain investors: tax incentives were, and in many cases remain, the easiest lever available. As a result, many early SEZ programmes remain unsustainably dependent on a costly form of competitive dumping that is, frankly, a race to the bottom.

These EPZs were supposed to be the springboard from which Africa would rise as a manufacturing center. This never happened: the poor conditions in these EPZs were far better than conditions outside. And that has been a tragedy, as the region as a whole missed the pre-WTO opportunity it then had. Someone said that China ate Africa's manufacturing lunch. I entirely concur. The proof of that is in the fact that manufacturing as part of GDP for Africa actually declined throughout the 2000s. Africa's "choice" has been instead to focus on the export of unprocessed commodities.

Madagascar is a case in point: in the 1990s and 2000s it developed a meaningful garment export industry located in EPZs, with at some point over 100,000 jobs in that sector. Regular cycles of political turmoil caused by contestation over presidential election results have resulted in a dramatic decline of that sector. And today Madagascar's first exports are natural resources. This is regressive, as commodities have been afflicted by wild price swings and generate well documented economic problems – like Dutch disease and the infamous resource curse. Yet, nothing in the international trading system prevented that country from starting a potentially virtuous industrialisation process.

I hear very often the notion that the lack of progress in turning the region into a manufacturing hotbed is caused by the region being denied market access, being subjected to unfair competition and other quasi-conspiracy theories. This is nonsense. If small, isolated, cyclone-affected and resource-poor countries like Mauritius could do it, then any country can. In my view, too few governments in the past were ready to do SEZs seriously.

Now, new generation SEZs have sprung up in just about every country, or are being considered. Old or defunct EPZs are being rejuvenated. Countries that never had programmes are adopting them. I have personally worked on this new wave in Botswana, the DRC, Ethiopia, Kenya, Lesotho, Madagascar, Mauritania, Senegal, South Africa, Togo and Zimbabwe. Here is an opportunity to change the game, where the focus is not incentives to attract footloose firms to serve narrow product bands in narrow markets, but to provide a meaningful improvement in competitiveness. This means a balanced offering of solid infrastructure, responsive business environment (business permits and licences,

logistics and customs, immigration and visas, labour regimes, etc.) and a focus on sectors where host countries possess meaningful potential for competitiveness.

This is hopeful. But I must confess that I see a few issues presenting risks:

* Firstly, I am not convinced that most governments understand why EPZs failed, and are ready to muster the political muscle required to generate truly special economic zones. It takes a lot of resources to create the right infrastructure, and even more resources to convince (and sometimes force) existing vested interests in the public administration (licencing, tax, labour, immigration, customs) to do things differently. And then it takes a lot of resources to invest, promote and effectively enforce the SEZ regime so that a truly effective business environment prevails, and eventually acts as a positive pull on the rest of the economy.

· Secondly, the world trading system has changed dramatically, and Africa must now compete against countries on a level playing field. This means that the SEZ offering must be world-class. Incentives just won't do. And they are actually dangerous from an economic standpoint. There is very little point developing kinda-sorta-SEZs. Do them well or do something else with your scarce fiscal and technocratic resources.

Emerging African economies without strong industrial bases, like Ethiopia and Uganda, are planning to use SEZs to add value to raw materials and create home-grown industry. Which countries or specific free zones should they look at as positive examples, or as cautionary tales?

As I said earlier, there are many cases of failure in Africa which are rich in lessons that still need to be absorbed. I would strongly encourage government officials and members of the private sector keen to see SEZs succeed in their country to take the time and read two essential books on success and failures of SEZs in Africa and beyond: Special Economic Zones in Africa: Comparing performance and learning from global experiences, and Special Economic Zones. Progress, Emerging Challenges and Future Directions. Both were published in 2011 by the World Bank under the direction of Thomas Farole. They are reference works.

As examples that are nearshore, I would obviously use Mauritius, which is a case study in pragmatism, progressive infrastructure investment designed to match incoming FDI, a strong encouragement of active domestic private sector investment in the different sectoral SEZs developed over the past four decades, and a judicious use of incentives.

As cautionary tales I would point to Senegal, which has for the same four decades experimented with different regimes without creating predictability while at the same time overcompensating for an overall weak offering with too many incentives. In my view, Senegal systematically got it wrong, doing the exact opposite of what Mauritius has done.

I would also point out to Lesotho, which is a fascinating success story in rapidly attracting large amounts of FDI in the apparel and garment industries, and experiencing rapid rises in productivity, and then getting stuck there. My own view is that they emphasised incentives and AGOA too much, without seeing the huge opportunities offered by their large regional market.

How far do you see China's Belt & Road Initiative going toward promoting the diversification of industries in African free zones?

The role of China is really interesting. The arrival of China in the international trading system in the 1990s negatively impacted Africa, in that the continent found itself unable to compete against that economic juggernaut for the attraction of offshore manufacturing serving the world's main consumer markets. For the reasons mentioned earlier the vast majority of African countries failed to develop frameworks like EPZs that could take advantage of their preferential market access. Yet, as demonstrated by authors like Ancharaz in the case of Mauritius, even when China's share of global manufacturing exports was rising, concerted strategy could yield comparative advantage to smaller countries in select value chains.

In parallel to this competitive syphoning, China's role as a trading and investment partner of Africa rose dramatically in the 2000s, supplanting all others by the end of the decade. Two factors contributed to this astounding phenomenon:

* First, China's voracious need for commodities, which both served Africa's need for export revenues and contributed to the relative decline of manufacturing

in the region.

· Second, China's search for markets for its consumer products, which also contributed to the region's crisis of manufacturing.

The country simply swamped the region with cheap consumables. There is a telling set of statistics to support this view. One is the increased correlation between China's GDP growth and Africa's from circa 2000. Another is the increased correlation between China's imports of minerals from Africa and Africa's natural resource rents.

There is some argument that a new phase in China's relation with Africa began post-financial crisis, marked by rebalancing. There are both economic and political factors behind this, including the lowered competitiveness of China in export manufactures, and the China Dream project, which seeks to turn the country into an advanced economy. China is now exporting jobs, searching for more competitive labour costs. The Chinese SEZ projects that are dotting Africa are a manifestation of this. Results in Ethiopia are impressive. There is similar progress in Rwanda, and movements in Senegal. Is this the beginning of a manufacturing revolution in Africa? My own experience tends to say that results are going to vary enormously between countries. Resource rich countries are now facing a resurgent resource sector. This will make competitiveness in manufacturing difficult to achieve. On the other hand, resource poor countries may be facing a real opportunity to regain what was lost in the past twenty years. But, as stated above, this requires a serious commitment toward meaningful SEZs, and encouraging domestic entrepreneurs to play an active role in manufacturing. Otherwise we risk seeing enclave manufacturing all over again, with no long term impact, and a systematisation to that economic dead end: the fiscal incentives based race to the bottom. That risk is real.

What kind of risk analysis will a multinational typically undertake before investing in a free zone?

This varies a lot according to the country of origin, type of firm (listed or not), size of firm and sectors. Large listed OEMs have to be very systematic, rational and adequately address country risk factors before selecting a location. Considerations are vast: geographic location within the commodity/value chain, logistics and transport costs, tax compatibility, country stability, factor costs competitiveness, quality of life, and so on. They must increasingly weigh in social and environmental issues that may create perception issues and liabilities. Specialist consultancies and divisions are dedicated to this task, using extensive databases and proprietary software. Selection rigor also applies to the large order taking manufacturing groups that serve OEMs and consumer brands, these businesses that produce most of the world's stuff and whose names are not household names. To a larger extent, cost competitiveness is a much more significant factor for them. At the level of small firms or single factory entities, the selection process is much less empirical and much more experiential; personal experience or networks, recommendations by other firms, encounters with investment promotion agencies, etc.

To what extent do you see protectionist trade policies posing a threat to the expansion of free zone programmes worldwide?

This is a really interesting question. I remember clearly the debate on what the impact of WTO would be on SEZs back in the early to mid-1990s. At the time I was privileged to have been offered a research position at WEPZA by that giant of SEZ experts, Richard Bolin. Many experts then dismissed the relevance of SEZs in a post-GATT world as redundant since preferential trade agreements would be superseded, and most EPZ programmes at the time were designed to take benefit of these agreements. Right before joining WEPZA I had done a stint as a consultant with UNCTAD, and that view was prevalent there. A prominent SEZ expert there told me that SEZs were finished! For Bolin, this aspect of SEZs was but one of them. He understood that they were primarily an investment climate and innovation instrument. His views on this were very close to those of new growth theory (as propounded by the new Chief Economist at the World Bank, Paul Romer). At about the same time, New York was emerging on exactly the same topic. Johansson used Mauritius as a case study of SEZs as catalysts for growth. My own view is that they are a laboratory for government and domestic private sector to learn about international trade, investment and innovation. They are, if well done, tools of structural transformation. But, if badly done, they are costly failures… But, in summary, SEZs are resilient to changes in trading conditions and environment. Bolin was clearly right: the number of SEZs keep on rising. ♦

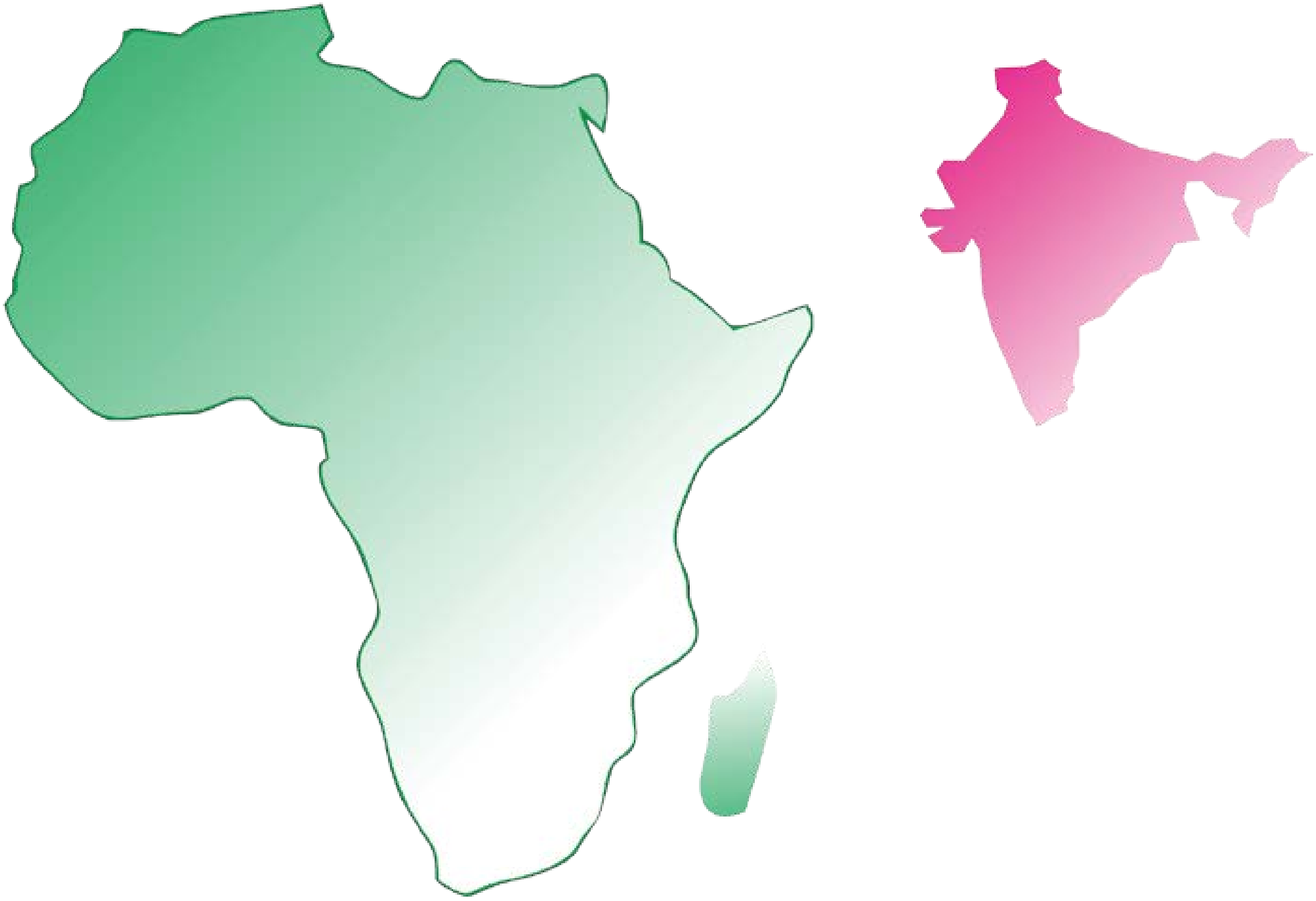
Culled from Free Zone Watch (© 2016)

Roshan's Kaabil to get Hollywood remake

Director Sanjay Gupta, whose film Kaabil got rave reviews, is reportedly getting a Hollywood remake. The film that released in January 2017, was produced by Rakesh Roshan. According to Mid-day, 20th Century Fox approached Roshan for the remake rights of the revenge drama.

If the buzz is to be believed, this could be a great moment of recognition for the Kaabil Director who has been previously accused of lifting Hollywood films. The film revolves around a blind dubbing artist (Hrithik Roshan) who avenges the rape and murder of his blind wife (YamiGautam). Gupta told Mid-day that Tomas Jegeus, president, Fox International Productions, had approached

Roshan, adding, "Even though the developments are too premature to talk about at this moment, it is an honour for the team." Gupta's previous movie, Jazbaa, was an official remake of the Korean film Seven Days.



INDIA'S GROWING ROLE IN AFRICA'S DEVELOPMENT

By Kunle Somorin with Agency reports

During the third India-Africa Forum Summit in New Delhi in October 2015, India's Prime Minister, Narendra Modi promised that the country was going to make available US $10 billion in lines of credit for Africa.

Early last year, the Export-Import Bank of India (EXIM) announced US $10 billion for Africa Annual Meeting of the African Development Bank (AfDB) in Lusaka, the Zambian Capital.

Exim Bank of India Chairman Yaduvendra Mathur said the Government of India has approved a US $10-billion in lines of credit for health and other sectors, which would be rolled out to the African continent.

"We will be rolling out US $10 billion to the African continent specifically meant for health care and this has been approved by the Government of India," Mathur said at the Africa-India Partnership Day hosted by the AfDB.

The news was in line with one of the key features of India's foreign policy in the post-cold war era. New Delhi's ambition to emerge as an important global player required that the country first builds itself as a strong economy.

Sanjaya Baru, Adviser to former Indian Prime Minister Manmohan Singh, stated in his ground-breaking book Strategic Consequences of India's Economic Performance, "in recent years, nothing has defined India's place in the world more importantly than the new profile India's economy has acquired."

The AfDB event provided an opportunity for India to share its experiences in implementing projects in the healthcare sector with Africa.

In attendance where the $10bn largesse was announced were more than 40 African leaders, foreign and trade ministers and senior officials. Among these were notable African leaders at the Summit include Nigerian President Muhammadu Buhari, Egyptian President Abel Fattah Al Sisi, South African President Jacob G. Zuma and King Mohammed VI of Morocco among others

Secretary in the Indian Ministry of Finance Dinesh Sharma sharing his thought at the AfDB conference.

Speaking at the Africa-India Partnership Day, AfDB Acting Vice-President, Sector Operations, Kapil Kapoor, said, "Africa is transforming and is transforming rapidly. Over US $60 billion in investment is needed for the continent over the next five years."

Kapoor said India was better place to help Africa in the areas of investments saying that the demand for jobs exceeds the supply by 8 million jobs each year.

Giving an overview on India's experiences in the Public Private Partnership model, Additional Secretary in the Indian Ministry of Finance Dinesh Sharma indicated that the PPP model have worked well in the power generation projects, roads and transport sector.

Sharma said, "Healthcare cannot be done by the government alone. We need the private sector to help develop the health sector."

AfDB Executive Director Heikki Tuunanen announced at the Africa-India Partnership Day that India will host the 2017 AfDB Annual Meetings.

"I don't think I will be breaking any protocols here, but I would like to announce that for the AfDB Annual Meetings next year…we look forward to going to India," Tuunanen said.

At the event, a research paper was released by the Exim Bank entitled India-Africa Healthcare Cooperation: Way Forward.

The 2016 Annual Meetings theme is aligned with two of the Sustainable Development Goals (SDGs): SDG 7 to "ensure access to affordable, reliable, sustainable and modern energy for all" and SDG 13 to "take urgent action to combat climate change and its impacts".

Zambia's Health Minister Joseph Kasonde said, "We came into government with a clear policy on universal health coverage, to us this meant three things, namely: access to increasing health care, quality of health care in our institution and nobody should be subjected to pay for health care through their pocket."

Kasonde said the Government of India through the Exim Bank was assisting Zambia set up 650 health posts across the country.

"We are now in discussion about the public-private partnership (PPP) arrangement with India to improve the healthcare systems in our country, therefore diminishing the need for people to travel for treatment," he said.

Kasonde said the Government of Zambia would soon introduce a health policy to alleviate the difficulties people are facing in paying for healthcare services.

Historically the relations started and was mainly concerned with India supporting Eastern Africa at the turn of the century. Recently, New Delhi has developed investment ties with most of the African nations.

In 2013 trade between India and Africa stood at US$72 billion making India the fourth largest trading partner of Africa the Africa-India Partnership Day taking place at the Annual Meetings, which has attracted over 4,000 delegates and participants this year.

In addition to a soft loan of $10bn there were an additional grant of $600 million and 50,000 scholarships for African students over the next five years.

This is not the first time India is offering Africa a "soft" loan, in 2011 the country gave Africa a soft loan of $5bn.

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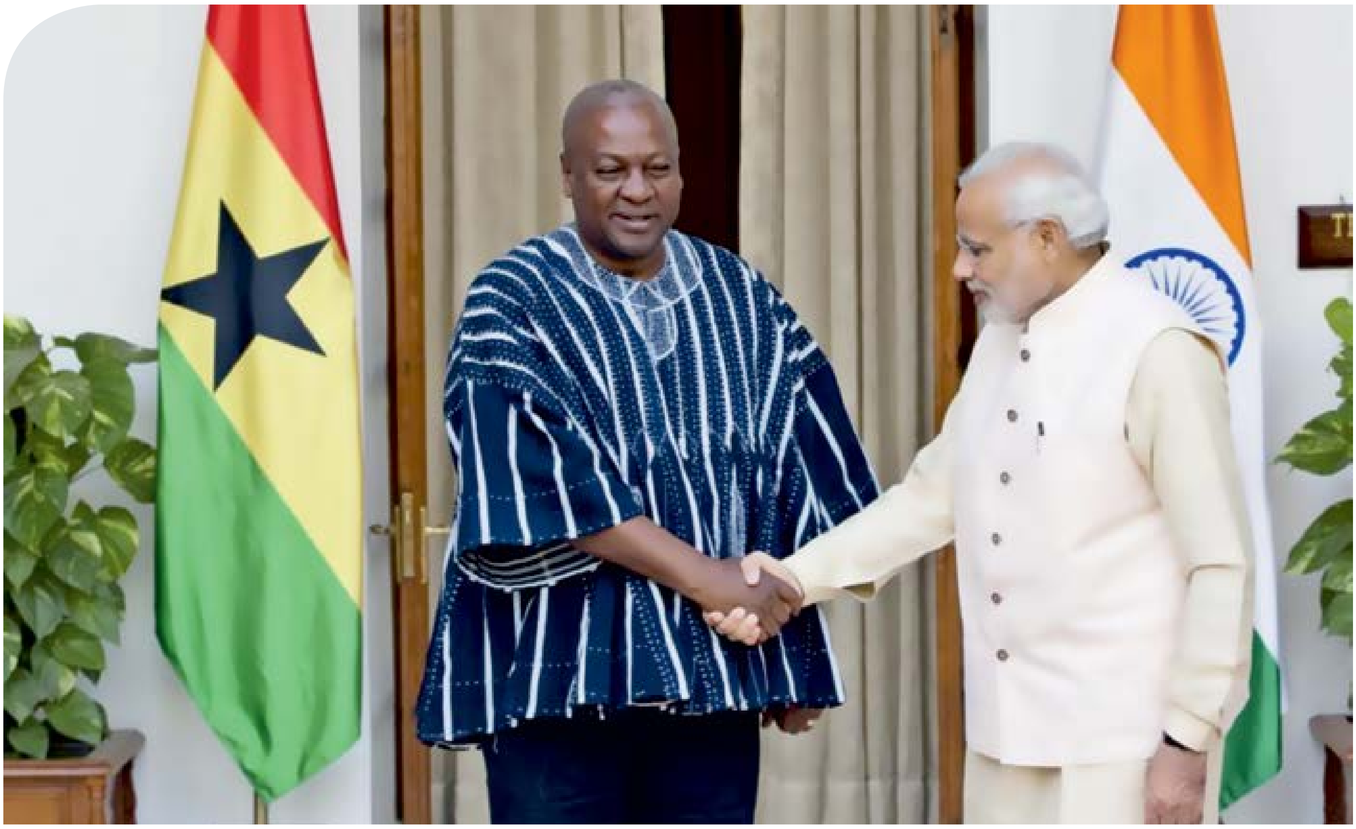


Former President John Dramani Mahama extends hand of fellowship to India's Prime Minister, Nerendra Modi.

Investment: INDIA EYES GHANA

By Kunle Somorin

HOW ACCRA WELCOMES NEW DELHI

Indo-Ghana relationship has traditionally been warm and friendly. The strong foundation was built by India's first Prime Minister Jawaharlal Nehru and Ghana's first President Kwame Nkrumah; the two great leaders enjoyed a special kind of friendship. Both were influential in the formation of the Non Aligned Movement in 1961.

It is significant that the Flagstaff House which served as the office of President Nkrumah was located near India House, the residence of the High Commissioner of India. The location of the two buildings reinforces the special bond between India and Ghana. Coincidentally, when the current government deemed it prudent to build a presidential palace, it chose the same place for that wonderful architectural edifice designed from India. The building has been made possible with a loan from the India Government.

The Ghana Investment Promotion Council recently reported that India has the highest number of new large projects in Ghana. This is good news to all Ghanaians; it shows the confidence that India has in Ghana's economy.

There are a lot of companies in Ghana which are owned by Indians and are doing very well in the local and international market. Indians have investments in agricultural, manufacturing and other sectors of the economy and most of the pharmaceutical companies are collaborating with Indian firms to manufacture and supply quality and affordable drugs for the health sector.

The employment of Ghanaians by these companies has also helped to lessen the burden of unemployment in the country. This amply demonstrates the level of commitment India has to the developmental agenda of Ghana. Indians are not only investing in the manufacturing and commercial sectors of the country, they are also investing in the financial sector.

Bank of Baroda, one of the reputable banks in India, just established a branch in Ghana and hopefully it would expand its operations to other parts of the country very soon.

The IT sector is also one of the areas with a lot of Indian investment; India is regarded as one of the super powers in Information Technology. Current globalization trends have revealed that a country would only develop when it builds the confidence of its youth and invests a lot in manpower and Information Technology. The Electronic and Computer Software Export Promotion Council of India for some time now has been inviting 5 to 6 persons in the IT sector annually to attend their exhibitions, during these programs ideas are shared on new technologies in the IT sector.

Currently, NIIT an Indian owned ICT educational organisation, is training a lot of Ghanaian youth in different IT programs. It is expected that the graduates from this school would help place Ghana on the ICT map of the world. The contribution of the Indian Government in the establishment of the Kofi Annan ICT centre, the award of scholarships to Ghanaians to study in India through the annual Indian Technical and Economic Cooperation (ITEC) and also scholarships for graduate and post graduate programs in India shows the extent to which India has the development of the human resource base of Ghana at its heart.

Every year, a number of business fairs are held in India focusing on Africa. Most reputable Ghanaian companies are invited to participate in most of these fairs.

For some time now a lot of people have been clamouring for women to take up the leadership mantle in Ghana. This is another area where India has already shown the way.

India now regards Africa as a partner than a continent with a cup in hand. India is importing a lot of natural resources from Africa and giving Africa a lot of loans and machinery like tractors and other engineering equipment for its development.

India's position in the geopolitics of the world is worthy of emulation by Ghana and the earlier Ghanaians develop the can do spirit and commit ourselves to the development of the country, the better our country would be. ♦

How Accra became a must-go destination for foreign investors

Market Risk Head of Access Bank Ghana, Pamela Ankoh shares factors promoting business in the country with **KUNLE SOMORIN**

What has change the investment portfolio in Ghana?

The investment portfolio in Ghana I would say continues to have the same structure i.e, Services sector is in the lead followed by Industry and then Agriculture. The stable energy supply, reduction in port charges, and reduction in some other taxes is expected to spur growth in the industry sector. Also the stability in Gold prices have also increased activities in the mining sector.

Why are the Indians and to some extent Chinese finding the climate of Ghana irresistible?

Many Ghanaian contracts for infrastructure building are awarded to these foreigners and they in turn bring in their citizens to support in these projects. Most of these Chinese and Indians have also taken advantage of Ghana's weak mining laws and have taken to galamsey mining (illegal) which the government is fighting.

Are there changes in government policies that threw up Ghana as an investment destination?

Most of the new policies can be found in the Ghanaian Budget 2017. (You can find this at the ministry of finance website). This comprises of lower taxes in varied sectors and categorization. Our free Zones companies have a 10 year tax haven which is attractive to the foreigners. The international community also has more confidence in this new government hence the confidence to invest in the country. The government is also partnering the private sector in the building of factories in all the districts. Check the GIPC (Ghana Investment Promotion Centre) for more information on this.

How does the Ghanaian private investors fit into the new policy framework of the Government and what are the regulatory framework in place to ensure a win-win situation?

The government is determined to reduce interest rates to single digits to push banks to lend to the private sector. This will grow the private sector and invariably increase job creation. Many port charges have also been reduced/waved amidst many more other taxes (can find details in the 2017 budget) all in quest to grow the private sector. The government is also putting plans in place to pay the financial industry its energy legacy debts to increase liquidity in the banks.

Any other stimulus necessary to boost local entrepreneurship and return on investment for citizens of the sub-region?

Same as stated above. ♦

Indian investors target Ghana's factories and dam projects

Indian investors are keen on investing in government's proposed establishment of a factory in each of the 216 districts in the country and the construction of irrigation dams in every village in the three northern regions.

The Indian High Commissioner to Ghana, Birender Singh, told the B&FT that: "As the new administration is finally settling down, we think this is the right opportunity for our businessmen to travel to Ghana so that they sit with the Ghanaian businessmen and see how they can contribute to the policy decisions of government's 'one district-one factory' and 'one village-one dam'."

The Nana Addo Dankwa Akufo-Addo-led administration has promised to make good its manifesto pledge of constructing one factory in every district to leverage the natural resource endowment of the area and create jobs for the hundreds of unemployed youth in the country.

"We are in fully in support of the initiative that the current administration is introducing. India is ready to support in whatever manner that will lead to the development of the country.

So, let us wait for the government to come up with a concrete plan and our side will be ready to discuss the modalities of how we could collaborate in this endeavour of the government of Ghana," Mr. Singh said on the sidelines of the Indian Film Festival held in Accra last week.

India has been one of Ghana's main trading partners. Total bilateral trade between Ghana and India between 2015 and 2016 reached $US3billion in favour of Ghana.

India's exports to Ghana include: pharmaceuticals; semi-finished iron and steel; machinery; sugar; plastic products; wood products and rice. Ghana's exports to India also include: cashew nuts; scrap metal; wood; cotton; oil seeds and spices.

There is also a large number of Indian companies in the country engaged in the production of various products. The recently resuscitated Komenda Sugar Factory was constructed with a loan facility of US$35million from the Government of India-sponsored Exim Bank of India.

Aside Indian investors, a lot of local and foreign investors have also expressed their preparedness to invest in the districts' factory and irrigation projects.

The Ghana Investment Promotion Centre (GIPC) has been inundated with inquiries about the one district, one factory project.

"The one-district, one-factory content has sparked very interesting discussions and interests from investors both here and abroad. There are a lot of people who are now asking questions about what they can do, where they can find information about what is available in the districts in terms of raw materials.

Some, too, are asking about demographics. Some are also asking about incentives that might be available to investors once they invest in the rural areas etc.," the CEO of GIPC, Yofi Grant told the B&FT last week.

Government last month, revealed documents detailing the implementation of the plan. The documents spell out the implementation plans as well as the timelines for the first phase of the policy.

Government has also given the go-ahead for the project's implementation to be managed through an organisation which will specifically be set-up for that purpose.

The dedicated organisation will only serve as promoter and facilitator of the policy for ensuring nationwide spread of industrialisation, and will not be a direct investor in the resultant industrial projects.

The private sector will, rather, provide the investment, although local governments could partner them in this regard if such an investment of public funds is adjudged prudent and advantageous. ♦

Ghana-India trade investment to reach $5bn by 2020

Bilateral trade investment between Ghana and India is targeted to increase to five billion US dollars by 2020, President of India has disclosed.

Pranab Mukherjee said the increase in trade investment in Ghana is an expression of his country's confidence in its relations with the West African country.

Currently, the bilateral trade between the two nations is at the level of three billion US dollars, but the President of the South Asian country says "there is full potentiality to make it much more."

Speaking at a meeting held at the Flagstaff House in Accra to discuss how to enhance economic trade between the two countries, Mukherjee said: "I am happy that our [India, Ghana] economic cooperation is going well."

"Therefore, I am proposing that let us fix the target of $5billion bilateral trade between India and Ghana by 2020," he said enthusiastically.

Former president John Dramani Mahama lauded the proposal of the India President saying the increase in bilateral trade will benefit the two nations.

"I believe the first visit by sitting India President to Ghana will not only deepen the friendly relations between our two countries but will also deepen our economic cooperation and collaboration," he said.

He expressed confidence in what he described as the "strong beneficial ties" that exist between the two countries adding "I hope that this visit and discussions and the agreements that we will sign will strengthen the relations even further."

Mahama assured his Indian counterpart that "Ghana will continue to work with India to overcome the global challenges that confront our two nations and the rest of the world."

He thanked the India community in the country for its enormous investments in Ghana's economy.

According to him, such trade investments have over the years provided jobs for many Ghanaians. ♦

CASH FLOW CONCERNS IN THE CASHEW INDUSTRY

There is serious debate surrounding investment and management of nut production in Ghana

Ghana's cashew industry, seen as an alternative to cocoa, the country's largest foreign exchange earner, is in crisis as majority of the local processors have shut down operations due to many challenges, chiefly the lack of raw cashew nuts (RCN) and the current energy crisis.

According to the processes, other challenges are the high cost of credit and the inefficient processing methods they employ.

Of the 12 cashew processors located in the Brong Ahafo Region, the production hub, only one, Min Cashew Nuts Limited is operating. Raymond Taylor, managing director of Kona Agro Processing Limited at Awisa near Wenchi, admitted that buisness has become uncompetitive, this year.

He attributed the lack of RCN to insufficient local production and the 2013 ban by Cote d'Ivoire on the export of cashew nuts to Ghana through the land route between the neighbouring countries.

LIMITING LAND MOVEMENT

Ivorians say that the ban restricting movement of RCN through land borders was instituted to improve monitoring of the nut's trade and maximize tax revenues.

complying with the ban raises Ghanian cashew processing costs and export profiability. It also negatively affects the economic fortunes of residents on the stretch of the border between the two countries for whom cashew trade provides considerable income. Potential investors who would have set up new cashew processing businesses in the Brong Ahafo Region on the basis of adequate availability of RCN are discouraged to invest.

The Ghana Cashew Industry Association (GCIA) has petitioned the government to intervene and convince the Ivorian authorities to allow at least 100,000 tonnes of RCN to be imported through the land border.

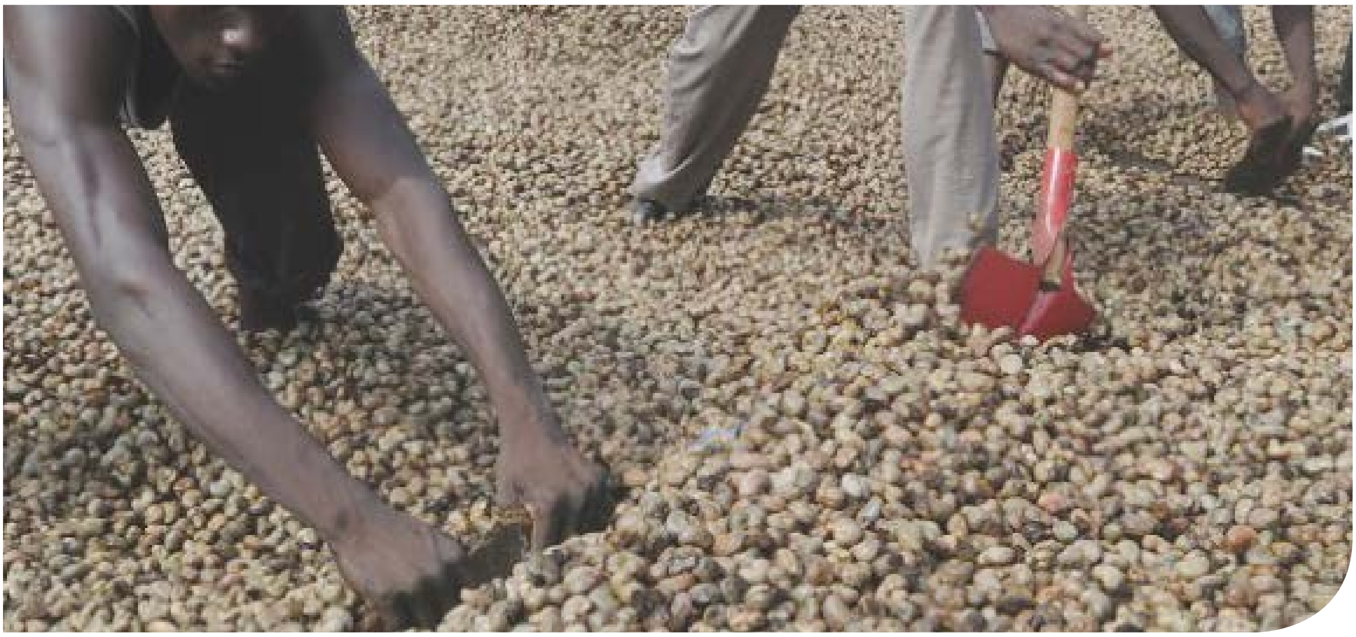
INDUSTRY CAPACITY

Ghanaian exporters and processors trade around 150,000-200,000 metric tonnes (mt) - annually and rely heavily on RCN from Cote d'Ivoire, Burkina Faso and Togo to supplement local production, estimated at about 65,000 mt annually. Ghana can potentially increase annual production to 200,000 mt, valued at about US$400mn.

Total cashew processing capacity in Ghana is more than 27,000 tonnes, while the national annual export target is 150,000 tonnes.

Despite the government's repeated expressions of willingness and commitment to bolster processing and value addition in the cashew value chain, the production environment suffers from electricity and water shortages, as well as lack of finance.

Research has indicated that 40,000MT of RCN processed in Ghana creates 8,000 jobs in the production areas resulting in a combined monthly income of US$685,000 to the workers who are mostly women. Export of the produce



at US$900/mt will result in revenue of US$36,000.00. Processing 40,000MT of cashew will also yield approximately 9,000MT of kernel which at US$7,000/MT bring extra import revenue of US$63,000,000 resulting in approximately US$8.2mn being paid as wages into the rural economy yearly.

Ghana with its proximity to both the European and US markets and with the increasing requirement for traceability in the food supply from the trade as most buyers are reaching out to West Africa to source cashew kernels directly. The distance travelled to shorter and the carbon footprint is much smaller.

Others have blamed the local processors for not adopting new technologies as Vietnam has done by lessening both time and effort for processing including 'shelling', which has been automated thereby reducing the adverse effects of cashew nut shell liquid (CNSL) on workers hands.

Winfred Osei Owusu, president of GCIA, said that processing plants were located strategically in major producing towns in the Brong Ahafo Region. "We did this because of the proximity to supply sources as well as importing through the sea ports, our cost will increase because we will have to transport the nuts by road", he said.

INCOME ISSUES

To stem this problem, the processors in recent times have advocated an outright ban on export of RCN as one of the "necessary interventions" needed to salvage the processing industry from total collapse.

The farmers have however an undue advantage to dictate prices to the farmers' detriment. "The current keen competition in the purchase of RCN presents a fair opportunity for us farmers to make our desired profit," Anthony Kwaku Adu, national president of the Cashew Farmers Association, said describing the processors' suggestion as an attempt to suppress their income.

Meanwhile, sector operators have for the first time agreed on GHc2.70 (about US$0.70) per kilogram as the starting price for the RCN in the 2015 cashew season.

Data from the Ghana Export Promotion Authority (GEPA) indicates that the crop generated about US$170m in foreign exchange in 2013, making it the second-largest contributor to the non-traditional exports sector.

Currently, she produces 65,000mt of cashew annually but has the potential to increase production up to 200,00mt yearly with a value of about US$400mn. ♦

Joint agreement signed for Ghana wind power project

ENGIE and eleQtra, a developer of power and transportation projects in sub-Saharan Africa, have signed a Joint Development Agreement that sets the terms and the schedule for the development and construction of the 50 MW Ada Wind power project in the Greater Accra Region in Ghana. The project is expected to require an investment of approximately US$120mn and to start operations early 2019. ENGIE will enter as a 40 per cent partner in the project, which was initiated by eleQtra. Initial studies have already been completed and demonstrate the project's viability.

The Ada Wind power project is located in the eastern part of the Greater Accra region, which benefits from strong wind resources, availability of open land and good access to transmission infrastructure. It will contribute to the Ghanaian Government's objective of generating 10 per cent of its electricity from renewable resources, as well as its ambition to become a power generation hub in West Africa with the benefit of exporting power to its neighbours in the West African Power Pool.

eleQtra partner Ebbe Hamilton said,"eleQtra is delighted to have ENGIE joining the development of what we believe will be the first wind energy project in Ghana. We will now start the next phase of the development in order to bring the project as soon as possible into operation."

Philippe Miquel, regional manager Western & Central Africa for ENGIE said, "The Ghanaian Government is looking to strengthen its renewable energy industry and is putting in place a regulatory framework that should encourage the electrification of the country in an affordable and sustainable manner. The Ada Wind Project will be instrumental in the diversification of Ghana's energy portfolio. Our partnership will bring the technical experience, the local knowledge and the funding required to develop, construct and deliver this competitive 50 MW wind project."♦

What India's $10bn means to Africa
- Amobi

Cont'd from pg 27

In an exclusive interview Ifediora Amobi, an economic expert and the Executive Director of African Heritage Institution highlighted what that the $10 billion concessional loan means for Africa thus:

India announced that it was going to give 54 African countries a concessional loan of $10 billion, what's you view on this?

Every economy needs some financial assistance and I am not against borrowing or a loan. What I am more concerned about is how the loan is used. When the Prime Minister of India announced the $10 billion concessional loans to African countries, I was shocked. It sounds like a lot of money but when you consider the fact that we have about 40 African Presidents at the summit in New Delhi, you know that the money is small. For instance, in a country like Nigeria, $10 billion is less than the Lagos state's budget in a year. I don't actually know the sectors or areas the fund is going to be used in. Would it be for security, education, agriculture or health?

What is your take on the $600 million grant?

Yes, $600 million is a grant and a grant is free money. $600 million grant to a continent of over 50 countries, doesn't really scratch the surface unless the country is really willing. One of the things the former minister of finance was encouraging, which everybody was constantly attacking her for, was that we should borrow but we should use concessional loans against those high interest loans so that even if our debt is 100 billion, the interest would be 1 percent and that is better than 60 billion with 20 percent interest. So you are taking cheap money to pay off expensive ones. Essentially, they are giving out $10 billion not to each country but to the whole continent on a concessionary basis.

How do they (India) intend to monitor the way the loan is spent?

Indians are ready to monitor this loan by ensuring that the money is utilised. But the big question here is, what is really the motive behind this summit? In 2008, I attended the first summit, promises were made of course and you know in every sector, good speeches were given but between 2008 and now, which is almost 6 years, can we really say a lot has been achieved with the partnership with India? I am going beyond the $10 billion because I know India feels threatened by China.

So, this could be a competition between India and China for Africa?

Absolutely, India is competing with China indirectly but India wants to also invest in Africa because its is a continent that does not think for itself. We let others think for us, we let others lead us. Why would all our Presidents leave our continent for India, why can't the Indians come here if it is for our benefit? There is quite a lot one can actually look at and I think because Africa still has natural resources, India feels it is a good idea to invest. Europe has benefited from this in the past, America too, the Chinese are doing it now and are reaping benefits from it and the Indians would like to benefit too. So are we really thinking as Africans?? Is there really a hidden agenda, is there a motive?

Don't you think India is doing this to rally for a permanent seat in the United Nations Security Council?

It is 99 percent likely.

As an attendee of the 2008 summit, did you do a follow up on how the loan was used ?

Well, I left in 2010 so there was not really enough time to know. I did not really monitor it.

What has been the attitude of African countries to loan?

African countries have had some issues with loan however, it is up to Africans to decide what the loans would be used for. It has to meet certain criteria set by the Indian government for both India and Africa.

Did African leaders request for this loan or were they given as a dividend for the summit?

No! One rule of it is that the history in credit line is the same way in banking. The bank gives you a facility that you can draw from but you cannot just walk in and take your money and walk out

because it is not your account. You have to apply and draw from the credit facility made available. That is how the concessional loan also works. The $10 billion facility is there, but the problem now is how it is going to be settled so that a country like Nigeria would not request for $10 billion dollars. Is the loan going to be based on the size the country or size of the economy or based on the population so that everyone benefits? These are the things the Indian government has to work on. ♦

SECTORS WHERE INDIA IS FEEDING THE AMBITIOUS ELEPHANT

Africa since the beginning of this millennium has been relevant to the India's foreign policy shift. During what has now famously been dubbed the "Indian Decade" - 2000 and 2010 trade and investment between India and Africa have skyrocketed, reaching unprecedented levels.

A snapshot of Indian investment in Africa enunciated by Alioune Ndiaye, co-founder of the Center for the Study of India-Africa Partnership, and lecturer in African politics and international relations at the University of Sherbrooke, Canada, the role of private and state-owned businesses, as well as the main sectors where Indian investment is funneled has been facilitated by Mauritius.

Mauritius capital city centre, Port Louis

MAURITIUS: A KEY PLAYER

Africa accounts for over 16 percent of India's foreign direct investment (FDI) stock for a total of US$13.6 billion. Surprisingly enough, Africa's FDI stock in India is five times higher, amounting to US$65.4 billion in 2013 which represents 26 percent of the country's total inward FDI stock.

However, that a large part of this FDI is done through Mauritius. The double taxation avoidance agreement (DTAA) signed between India and Mauritius makes it very attractive for investors to funnel their investment through the island.

Outward Indian FDI into Africa follows the same logic, as seen in the table below. Even though the actual investment is often taking place in a different country, it is always funnelled through a head office that is registered in Mauritius.

Country	Percentage of outward FDI
Mauritius	**95.42**
Nigeria	**1.43**
South Africa	**1.39**
Morocco	**0.89**
Libya	**0.88**

Select Indian investments in the Africa oil and gas sector

Country	Company	Operation
Gabon	ONGC in association with other Indian companies	Prospecting permit for the shakthi field (3 760 km2)
Mauritius	ONGC	Exploration of hydrocarbons in Mauritius' EEZ
Ghana	ONGC	Exploration on Ghana's coastline, After agreement with Ghana National Petroleum Corporation (GNPC)
Nigeria and Sao Tome and Principle	ONGC with British company Equator	Exploration rights on Bloc 2 in the joint Development Zone (692 km2)
Mozambique	Bharat Petro Resources Ltd	Investment of US$75 million for 10 Percent on a off-shore block
Egypt	Hindustan Petroleum and oil India Ltd	Production sharing plan on 2 oil blocks (Bloc-3 in Quseir and Bloc-4 in South-Sinai)
Libya	Oil India Ltd	Bloc 102/47 in Sirte

Energy sector: A public-private synergy

India's engagement with Africa is largely driven by energy, with the Asian giant seeking to secure oil resources from the continent.

Therefore, a large part of India's investment in Africa is done in the energy sector. ONGC Videsh Limited (OVL), which is the division of the National Oil and Natural Gas Corporation dealing with foreign assets, has been very active in the African energy sector, with investments both in the upstream and downstream sectors.

In Sudan for instance, OVL has invested about US$2.5 billion both for exploration and production. It has also secured prospection rights in Gabon, Ghana, and Ivory Coast to name but a few.

In securing energy assets in Africa, India is facing fierce competition from China. During a bid that was launched in Angola for an exploration block, the China National Petroleum Corporation offered US$2.3 billion, whereas ONGC could only offer an insignificant US$200 million.

In order to match Chinese companies' deep pockets, Indian state-owned businesses sought to enter in joint ventures with private companies, which helped them to increase their capacity.

The case in Nigeria was the same in 2006 where OMEL, a joint venture between OVL and Mittal Energy Limited, offered 6 billion dollars for two exploration blocks. A small number of investments by Indian companies in the African oil and gas sector.

Exim Bank of India's lines of credit: An effective market penetration tool

A major conditionality that is tied to the Exim Bank of India's lines of credit is the 85 percent Indian procurement. This has proven to be a key factor in increasing Indian investment in Africa and an effective market penetration tool for Indian companies. A firm like Tata has been able to open a number of assembly plants for its buses and trucks through the lines of credit the Exim Bank of India extended to African countries in the framework of their urban mobility programmes.

Important public infrastructure and power projects in Africa funded totally or in part by India's lines of credit have also made it possible for state-owned companies to extend their footprint in African economies. The railway companies RITES and IRCON, for example, have increased their presence in Africa in countries like Kenya, Mozambique, Senegal, and Sudan.

As a result of these lines of credit, the Exim Bank of India has become a major player in New Delhi's Africa policy. They are extended through programmes such as Focus Africa, or Team 9.

India has been increasing their volume since the first Indo-Africa Forum Summit (IAFS) in 2008, where a total of US$5 billion was announced by then-Prime Minister Manmohan Singh.

During last year's summit, Prime Minister Modi announced US$10 billion in concessional credits to Africa for the upcoming five-year period.

Agriculture, pharmaceuticals, telecommunications, and mining

Whereas state-owned companies are very present in highly strategic sectors such as infrastructure, energy, and power, Indian private companies, in what seems to be a division of labour,

have been very active in sectors such as agriculture, pharmaceuticals, telecommunications, and mining.

In what has been the second most important takeover made by an Indian company overseas, Bharti Airtel has acquired in 2010 a license from the Kuwaiti telecom company Zain, which allows it to operate in a dozen African countries, hence competing with major western companies. Ever since, Airtel has increased its presence on the continent by adding more countries to its area of coverage.

The Indian pharmaceutical industry is also very active in Africa, and has recorded tremendous success especially thanks to antiretroviral (ARV) drugs. CIPLA, which is a major actor in this industry, has helped reduce the cost of antiretroviral therapy from US$10,000 to less than US$400 per patient.

Combined with other companies providing the same type of low-cost medication, the volume of patients receiving ARV treatment in Africa has grown from 2 percent in 2003 to 37 percent in 2009. Overall, Africa accounts for about 15 percent of Indian pharmaceutical exports.

Indian pharmaceutical companies' strategy consists of entering into joint ventures with their African counterparts, which makes the local production of drugs possible. In some cases, however, they also open subsidiaries or enter into distribution agreements with local companies.

In Uganda, for instance, CIPLA has entered into a joint venture with Quality Chemicals Industries Ltd. in 2008, opening a production unit for anti-malaria drugs. Ranbaxy, another Indian firm, does business in South Africa under the name of Sonke, whereas Lupin's and CIPLA's South African subsidiaries are respectively known as Pharma Dynamics and CIPLA Medpro.

Agriculture also drives an important part of Indian investment in Africa. Based on data provided by the governments of some African countries, nearly 80 Indian companies have invested about US$2.5 billion in Africa's agricultural sector.

Indian agricultural investment in Africa can be linked to three major factors. The first one is the quest for food security, due to the fact that the growth of its population is not paired with an increase in its production.

The second reason is the depletion of water resources, which represents a tremendous challenge to its agriculture. The third reason is the high rate of return of the investments made in Africa, which is related to the low cost of the factors of production.

Investment in the mining sector is also significant, especially in diamonds, where India has become a major cutting and polishing centre. Some analysts are linking this new role to the investments made in Africa to secure diamond resources. Surat Rough Diamond Sourcing India Ltd has entered in an agreement with the Zimbabwean government for US$1.2 billion worth of rough diamonds. It has also signed an agreement with the Angolan company Endiama. ♦

NIGERIA:
TRANSFORMATION PRESENTS OPPORTUNITIES

By Paul Trustfull

Nigeria and its central bank are working toward greater economic stability, a task that includes shoring up infrastructure, expanding public-private partnerships, reviving agribusiness and diversifying exports.

Godwin Emefiele

In mid-July, the International Monetary Fund (IMF) predicted that the Nigerian economy would expand by 1.9% in 2018. It also projected that Nigeria would exit its current economic recession this year with a slim economic growth of 0.8%. Nigeria is undergoing structural transformation and challenges instigated by internal and external developments.

Godwin Emefiele, Governor of the Central Bank of Nigeria (CBN) and his Deputy Governors are steering the nation's financial system through the economic turbulence. Since Emefiele assumed office in June 2014, he and his team have charted a course to greater stability and growth.
In line with the provisions enshrined in the CBN Act (2007), CBN has remained focus on the bank's core mandate of ensuring monetary and price stability; issuing legal tender currency in Nigeria; maintaining the country's external reserves to safeguard the international value of the legal tender currency; promoting a sound financial system in Nigeria; and acting as Banker to the Government and providing the fiscal authorities with economic and financial advice.

Emefiele says strong policy coordination is needed among those guiding the nation's direction. "In Nigeria, this would include fiscal, monetary, exchange, and trade policies, which must be targeted at protecting farmers, companies and industries that are committing resources to support government's drive to diversify the economy away from oil and fossil fuels."

Focus on Infrastructure Investment

A recent World Bank study estimates that Sub-Saharan Africa's infrastructure deficit – especially in power and transportation – costs the region about 2 percentage points of GDP growth per year, Emefiele reports. The study also indicates that about US$93 billion per year would be needed to tackle the region's infrastructural challenges. Although Nigeria has relatively better infrastructure than many of its African peers, its core stock of infrastructure is estimated at about 25% of GDP. Given that most middle-income countries of Nigeria's size have core infrastructure of about 70% of GDP, the African Development Bank estimates that Nigeria has an infrastructure-funding gap of US$300 billion.

This presents major investment opportunities in the areas of infrastructure. Nigeria seeks to construct and rebuild basic infrastructure including roads, bridges, airports, railways and information technology. Beyond the benefits of immediate job creation, infrastructure improvements will act as a catalyst to the movement of goods and services across the country.

Nigeria is also looking to explore opportunities for public-private partnerships for similar opportunities in infrastructure projects that could offer returns to investors and help drive economic growth across the country.

Policies Seek to Stimulate Economy

Fiscal policy for Nigeria looks to stimulate household consumption and business investments. These two make up more than 85% of Nigeria's GDP by expenditure. Work is underway ensure that fiscal policy is targeted at improving productivity of labor, increasing disposable incomes for workers, and deploying resources to creating an enabling environment for investors.

Agriculture remains the largest employer of labor in Nigeria and contributes about 24.2% of its GDP. "The CBN has both a direct and indirect rationale to ensure that this sector is revived in a significant way," says Emefiele. "The CBN's Anchor

Godwin Emefiele and Christine Lagarde

Borrowers' Programme, together with other initiatives like the Commercial Agriculture Credit Scheme and NIRSAL, are proving to be successful in several states. To date, the Bank has committed close to N29 billion in the Anchor Borrowers' Programme, with active participation across 24 States of the Federation."

In Kebbi State, for example, over 78,000 smallholder farmers are now cultivating about 100,000 hectares of rice farms, with an expected yield of over one million metric tonnes of rice this year.

"The positive impact of catalyzing domestic agricultural production is that we restore wealth and create employment in our rural communities," Emefiele notes. "The CBN remains committed to doing more in the identified crops such as rice, maize, sorghum, tomatoes, cassava, cocoa, cotton, dairy, and groundnut. We also need to find ways to make land cultivation much easier, especially for smallholder farmers. In this regard, the Nigeria Incentive-based Risk Sharing System for Agricultural lending (NIRSAL) can assist with technical knowledge and deployment of relevant GIS and Satellite imaging that will realize this within a short period of time."

Diversification is Key

Non-oil exports present another area of opportunity. Diversified exports can help Nigeria bolster its reserves while also creating jobs and engendering broad-based economic growth.

"From preliminary analyses of global trade trends and discussions with potential trade partners, it is now increasingly evident that Nigeria can benefit significantly from tapping into the market for certain high-demand goods," Emefiele says. "For example, the demand for Halal meat and sesame across the Gulf Cooperation Council (GCC) countries is huge. The demand for cashew nuts and shea-nut butter across the world is rising. Nigeria has comparative advantage in all these products, and can quickly tap into the vacuum created from the sharp fall in availability of these products from other major suppliers."

Another area of opportunity ripe for expansion is the flourishing entertainment industry. The rate of movie production in Nigeria, in fact, now surpasses the number of movies produced in China annually. Opportunities in the industry have drawn the interest of Huaxia Movie Distribution Group, the second biggest movie distributors in China, reports Nigeria's Ministry of Information and Culture. Alhaji Lai Mohammed, Minister of Information and Culture, welcomed the Chinese movie group to invest in some critical aspects of the creative sector, including the establishment of cinema houses, studios and exhibition centers.

The "pioneer status" recently granted to the creative sector will enable investors to benefit from tax incentives. "Nigeria is ready to receive investors in the creative industry, having created the enabling environment for investments through favorable economic policies," said Mohammed. "We have a very determined administration that believes in diversification."

Services for Investors

The Nigerian Investment Promotion Commission (NIPC) coordinates, monitors and provides necessary assistance and guidance for the establishment and operation of enterprises in Nigeria. It serves as the gateway to investment in Nigeria for foreign investors and Nigerian investors, and is Nigeria's window to the international investment world. Its One-Stop Investment Centre (OSIC) was established in 2006 to facilitate investment in all sectors of Nigeria's economy. www.nipc.gov.ng


Godwin Emefiele and Paul Trustfull

Central Bank of Nigeria's headquarters building, Abuja Nigeria

NIGERIA: Giant strides of the Central Bank

When the CBN commenced operations, the economy, and by extension banking were still in their infancy with very few banks in operation. As the economy grew and became more internationalized, the Bank has had to grapple with and resolve momentous situations and developments that would determine the economic health and growth of the Nigerian economy. The Bank has been fortunate to have at the helm of her affairs most of the time, dedicated, thorough and highly capable professionals who, with a clear understanding of how central banking should be run in a developing economy, have recorded important developmental landmarks at the helm of affairs at this 59-year-old institution. Banking has now come of age and the CBN's role has become more dynamic, due to the ever changing economic environment, as well as the effects of globalization.

Godwin Emefiele, the incumbent and eleventh governor of the CBN, was appointed by President Goodluck Jonathan in 2014, to replace the suspended Sanusi, and thus took over an apex bank that was well on the path of reformation. Prior to his appointment as head of the CBN, he had spent over 26 years in commercial banking culminating in his appointment as Group Managing Director and Chief Executive Officer of Zenith Bank PLC, one of Nigeria's largest banks, with subsidiaries in Ghana, Sierra Leone, Gambia, South Africa, China, and the United Kingdom. He therefore came to the apex bank with over eighteen years of banking experience.

In his maiden press briefing, Emefiele acknowledged the excellent work and successes of his predecessors especially in the areas of achieving financial system stability, low inflation, exchange rate stability, an efficient payment system, and a consistent monetary policy. He stated, inter alia, that

"…the vision of the Central Bank of Nigeria is to create a people-centered Central Bank by delivering price and financial system stability and promoting sustainable economic development".

That vision appears to be this banking

Godwin Emefiele

czar's guiding principle as he chalks up important achievements in the onerous task of steering the ship of Nigeria's apex bank to stability and policy effectiveness, viz:

a. Introduction of a centralized biometric system of customer identification for the Nigerian banking industry, which gives each individual a Bank Verification Number (BVN), a unique identity which can be verified across the banking sector.). In one fell swoop, this initiative has succeeded substantially in reducing identity theft, impersonation and assisted in the tracking of blacklisted customers.

b. Devaluation of the naira against the dollar in November, 2014, bringing the rate of naira to N168 to a dollar against the old official rate of N155. The CBN also released the N100 note in commemoration of Nigeria's centenary celebration. The currency note had symbolic engravings.

c. Restoration of the independence of the CBN as a policy-making institution, free from political interference.

Of recent, the most momentous preoccupation of the CBN governor appears to be what many observers have dubbed "the currency war", referring to the apex bank's struggle to establish a fair and equitable exchange rate for the naira against major international currencies, devoid of manipulation by commercial banks and other players in the foreign exchange market.

In the words of a former Economic Adviser to the President and Minister, National Planning Commission, Professor Ode Ojowu,

> **"It appears this time around, the CBN has decided to become smarter than the market manipulators, by putting on its cap of authority to look beneath the market forces."**

Analysts believe if this development is sustained the apex bank would also achieve its core-mandate of price and exchange rate stability.

However, Emefiele's monetary reforms have not been without their critics. The CBN governor has been variously accused by investors and business groups alike of frittering away whatever gains the attempts to stabilize the naira had recorded before his era. They would prefer that he floats the naira and raises interest rates as some other oil exporting countries had done, which would be the direct opposite of President Buhari's preference for a strong naira.

President Muhammadu Buhari GCFR and Godwin Emefiele

Criticism of Emefiele is quite loud and scathing from those operators in the market who had hitherto fed fat on the imperfections in the market, but his efforts are beginning to sow appreciable results as evident in the gradual appreciation of the naira and the restoration of stability in the market. The Vanguard newspaper reported on 11 March 2017 that

> **"Current reports across markets indicate that Central Bank of Nigeria's long-haul strategy may have a sustained positive results in the area the apex bank had been most vulnerable – foreign exchange market and the external sector. Despite the huge foreign exchange resource deployment to counter speculators in the Nigerian currency market, the external reserves reached a 17-month high yesterday at USD30.1 billion, indicating a new threshold in the external sector strategy of the Central Bank of Nigeria, CBN. The apex bank has been in a battle to save the local currency from speculative attacks since 2015, at the backdrop of worsened foreign exchange inflow orchestrated by the sharp drop in the oil prices, Nigeria's major foreign exchange earner."**

Emefiele has recorded some laudable achievements and would appear to have put the economy firmly on the course of recovery and stability. So far, a combination of his deft strategies and improvement in the fortune of oil price and output rebound in the fourth quarter of 2016 ensured a reversal of the decline with a sustained accretion and build up since then. One can only hope that the apex bank under this seasoned banker will remain consistent in the pursuit of the vision to "create a people-centered Central Bank by delivering price and financial system stability and promoting sustainable economic development" in Nigeria.

Central Bank of Nigeria Monthly Report For May 2017

Despite the tight monetary policy stance, growth in the major monetary aggregates increased in May 2017, relative to the level at the end of April 2017. The 17.5 per cent increase in net foreign assets of the banking system brought a 1.2 percent month-on-month growth of the broad money supply (M2) - sitting at N21,975.34 billion. This was above the level at end-December 2016. However, M2 fell by 6.0 per cent, reflecting the 7.4 per cent and 6.7 per cent decline in other assets (net) and net foreign assets of the banking system, respectively. Similarly, narrow money supply (M1), rose by 4.4 per cent, on month-on-month basis, due to increase in its demand deposits component. Reserve money (RM), fell by 6.2 per cent to N5,499.2 billion at the end of the review month, reflecting the fall in both currency and bank reserves.

Banks' deposit rates generally trended downward, while lending rates rose in May 2017. The average savings and term deposit rates fell to 4.08 per cent and 8.65 per cent from 4.24 per cent and 9.10 per cent, respectively, in the preceding month. The average prime and maximum lending rates rose by 0.14 percentage point and 0.44 percentage point to 17.58 per cent and 30.75 per cent, respectively, at end-May 2017. Consequently, the spread between the average term deposit and the maximum lending rates widened by 0.89 percentage point to 22.10 percentage points at end-May 2017.

The total value of money market assets outstanding at end-May 2017 stood at N11,540.84 billion, showing an increase of 1.6 per cent, as against the 3.3 per cent decline in the preceding month. The development was attributed to the 1.4 and 1.7 per cent increase in FGN Bonds and commercial paper outstanding, respectively.

Gross Federally-collected revenue (gross) in May 2017 was estimated at N458.42 billion. This was lower than the receipt in April 2017 by 13.4 per cent, reflecting decline in both oil and non-oil revenue components. Oil and non-oil receipts (gross), at N238.09 billion and N220.33 billion, respectively, constituted 51.9 per cent and 48.1 per cent of total revenue.

Agricultural activities in May 2017 were dominated by planting of crops, legumes and harvesting of vegetables.

President Muhammadu Buhari receiving a briefing from the Governor of the Central Bank of Nigeria (CBN), Godwin Emefiele.

Domestic crude oil production was estimated at 1.63 mbd or 50.53 million barrels (mb) in May 2017. Crude oil export was estimated at 1.18 mbd or 36.58 mb in the review month. The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API) fell to US$51.20 per barrel in May 2017 from US$52.89 per barrel recorded in April 2017, representing a decline of 3.20 per cent.

The end-period headline inflation (year-on-year) was 16.3 per cent in May 2017, compared with 17.2 per cent in April 2017. On a twelve-month moving average basis, headline inflation was 17.6 per cent in May 2017.

Foreign exchange inflow and outflow through the CBN in May 2017 were US$2.26 billion and US$3.02 billion, respectively, and resulted in a net outflow of US$0.76 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US$2.64 billion and represented a 70.8 per cent increase above the level in April 2017.

The average exchange rate of the naira at the inter-bank segment, at N305.54 per US dollar, appreciated by 0.2 per cent, compared with the level in the preceding month, but depreciated by 35.5 per cent, relative to the level in the corresponding period of 2016."♦

www.cbn.gov.ng

NSUKKA – *The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has challenged tertiary institutions in the country to focus on research that will boost economic development, just as he assured that the CBN will work with relevant stakeholders in the educational sector to stimulate research for the overall good of Nigeria.*

He gave the charge while delivering a lecture entitled: "The Dilemma of Monetary Policy and Exchange Rate Management in a Recession: Potential Options for Nigeria" at the second Homecoming Series of the Economics Department of the University of Nigeria, Nsukka (UNN) on Saturday, July 22, 2017.

Access Bank Wins Karlsruhe Sustainability Award for 2nd Consecutive Year

Access Bank Plc has just scored a rare repeat performance at the 2017 Karlsruhe Sustainable Finance Awards in Germany by receiving the **"Outstanding Business Sustainability Achievement Award 2017"**.

The award was presented to Access Bank CEO, Herbert Wigwe in Karlsruhe, Germany's most sustainable city a year after Access Bank made history as the first African bank to receive this prestigious accolade. The award was received barely a week after Nigeria's foremost rating agency, Agusto & Co upgraded the Bank's rating from A+ to AA-

The award conveners presented the accolade in recognition of Access Bank's outstanding success in incorporating economic, social and environmental aspects into its corporate strategy and business processes. This prize also brings global recognition to the Bank's impressive success in holistically embedding sustainability across all aspects of operations within the financial institution.

The award ceremony which held on July 13th, 2017, was attended by CEOs of leading international financial institutions, senior executives of other winning institutions and top German government officials.

Speaking at the presentation ceremony Herbert Wigwe, Group Managing Director/CEO of the Bank said the award validates the Bank's continuous efforts and commitment to the Sustainable Development Goals.

"Since we were here last year to receive the 2016, 'Outstanding Business Sustainability Achievement Award', Access Bank has continued to champion responsible investing, innovative health initiatives, environmental protection and financial inclusion. We are doing this profitably. So, we continue to encourage other institutions to embrace the same principles and practices", Wigwe said.

"At Access Bank, we believe our operations, loan and project finance must have the barest environmental footprint. Indeed, we believe the net impact of our activities must be positive on the environment. As such, we are champions of climate change mitigation and adaptation" he added. He assured that the Bank will be further motivated and maintain profitable growth while embracing sustainability.

The conveners said the 2017 awards focused on honouring organizations that have made outstanding contributions in the field of sustainable finance, stimulated the interests of financial institutions and other stakeholders in integrating sustainability in their core business strategy.

It also recognises candidates who promote growth of sustainable financial instruments and markets worldwide particularly in the fields of green finance and investments, financial inclusion and social finance, green equity and holistic integration of sustainability in the financial services institutions. ♦

Culled from www.accessbankplc.com

FCMB: NGO Secures N10bn Loan For Young Farmers

United Young Farmers Forum (UYFF) has secured a loan of N10 billion from First City Monument Bank (FCMB) to empower 10,000 young farmers in the country.

President of the association, Mr Orimadegun Wilson, said on Sunday in Abuja that a pilot phase of the scheme with farmers from the from the North West and North East geo political zones during this farming season. Wilson, who said the loan was derived from FCMB, said the pilot phase was started from the two regions because of the enthusiasm shown by the prospective participants in the region.

He added that 75 per cent of the loan guarantee would be covered by Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL), while 25 per cent of the risk would be borne by UYFF.

FCMB: NGO Secures N10bn Loan For Young Farmers

According to him, beneficiaries are expected to deposit one per cent of whatever was collected to NIRSAL to serve as collateral, adding that the repayment period was one year from the time the beneficiary's crops mature.

He also said that the organisation will make a presentation on Bio Organic fertilizer at a joint Federal Government of Nigeria and International Fund for Agricultural Development (IFAD) mission from May 1 to May 12.

He said that the presentation, which would hold in Katsina, was in line with the Climate Change Adaptation and Agribusiness Support Programme (CASP).

"UYFF, a Non-Governmental Organization (NGO), is a coalition of young farmers in Nigeria, focused on building the capacity of young people interested in agribusiness.

"We believe agribusiness is the future for Nigeria, our vision is to create a new generation of farmers who will create wealth, jobs and ensure food and nutrition security in Nigeria."

Wilson also said that the organisation was in partnership with other organisations to build the capacity of the youth in Nigeria.♦

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ABSA challenges Public Protector's report

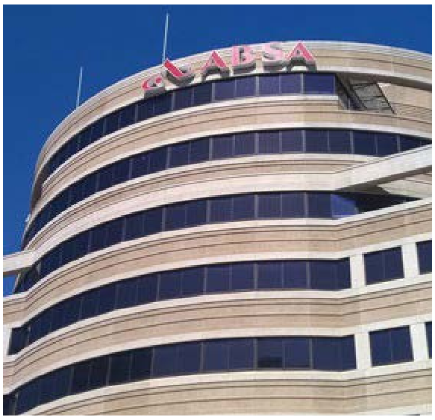
By Duncan Alfreds

Cape Town-Absa has launched an application in the North Gauteng High Court in Pretoria to review and set aside the Public Protector's Bankorp report, the bank announced on Thursday. Public Protector Busisiwe Mkhwebane in June ordered Absa to pay back a bailout of R1.125bn that the SA Reserve Bank (SARB) granted to Bankorp, which was later bought by Absa, during Apartheid.

Mkhwebane said two investigations into the matter established that the financial aid given to Bankorp was irregular. She found that in granting the financial aid to Bankorp the SARB failed to comply with the South African Reserve Bank Act. Furthermore, she said the Ministry of Finance had a duty in terms of the act to ensure compliance by SARB, something she claims it failed to do.

The Public Protector also found that the government failed to adhere to section 195 of the Constitution by failing to promote efficient and effective public administration. Her report released in June also ordered Parliament to amend the Constitution to change the SARB's mandate of inflation targeting to one that is more pro-growth.

The SARB filed court papers to take Mkhwebane's report on review. At the time, ABSA filed an urgent application in support of the SARB's application. Mkhwebane indicated that she will not oppose the aspect of her report proposing to have the Reserve Bank's constitutional mandate changed. Finance Minister Malusi Gigaba and Parliament are also taking the report on review.



ABSA, Courtesy Fin24

On Thursday Absa issued a separate application to the high court. "We look forward to this case being brought to court," the bank said."The years of baseless accusations have been unfair and prejudicial to Absa." Absa said since the business of the courts is conducted in the open, South Africans will get an opportunity to hear the facts and watch them being interrogated, in order for this matter to be put to rest. Absa is challenging the Public Protector's report on several grounds, namely:

1. The Report's findings and remedial action are based on material errors of fact, including that Absa benefitted from SARB financial support and that the SARB assistance did not benefit the general public. There is no debt owed by Absa, it insisted.

2. The Public Protector's process was procedurally flawed and unfair to Absa.

3. The debt that is alleged to be due had prescribed and is therefore not recoverable.

4. The Public Protector has no jurisdiction to investigate the matter.

Absa is of the view that the Public Protector appears to have ignored facts and disregarded evidence provided to her. It said the price paid to purchase Bankorp took into account the assistance from the SARB.

"The eventual price paid for Bankorp by Absa was R1.23 billion and the net asset value of Bankorp was R1.222 billion (calculated including the total net yield payable under the financial assistance programme to Bankorp). Absa was therefore not enriched."

It further argues that the Public Protector's conclusion, that the SARB assistance to Bankorp was not in the public interest, is not proven.

"On the contrary both the Davis Panel and Heath investigation, the two statutory investigations on the matter, found that the assistance was warranted to protect the financial system of South Africa. The unlawfulness, the investigations found, was in the manner in which the SARB extended the support."

Absa said the facts found by the Davis Panel were corroborated in the evidence Absa and SARB placed before the Public Protector.

"There was no evidence to contradict those facts. The Public Protector was selective in which aspects of the various reports put before her she would use. As a result, the report fails to explain why the Davis Panel (as well as Absa, the SARB and the Treasury) was wrong in its analysis of the agreement of sale between Absa and Bankorp."

Commenting on the CIEX Report, Absa said the investigation offered no reasoning whatsoever for its conclusion that Absa was liable for R3.2bn. **"It was merely advice from Ciex that the government should coerce Absa into paying."**

The CIEX Report, which was put together in the late 1990s, outlined how the new South African government could recoup monies that were lost because of alleged apartheid era looting or illicit activities. The 52-page report was drawn up by former British operative and founder of CIEX, Michael Oatlely. CIEX is based in the UK and specialises in recoveries. However, the administration under former president Thabo Mbeki decided not to act on the CIEX report. ♦

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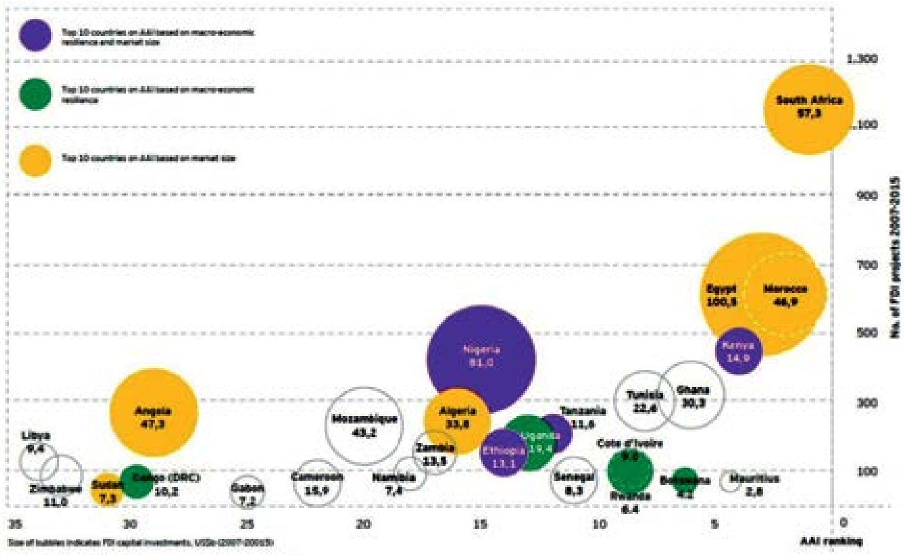


Source: fDi Markets and EY Africa Attractiveness Index

Given the scale, complexity and fragmented nature of the African continent, making well-informed choices about which markets to enter when and via which mode will be more critical than ever. A country's macroeconomic resilience is also only one of several factors that investors and organizations need to consider when conducting this kind of analysis.

1.	South Africa	10.	Cote d'Ivoire (Ivory Coast)
2.	Morocco	11.	Senegal
3.	Egypt	12.	Tanzania
4.	Kenya	13.	Uganda
5.	Mauritius	14.	Ethiopia
6.	Ghana	15.	Nigeria
7.	Botswana	16.	Algeria
8.	Tunisia	17.	Zambia
9.	Rwanda	18.	Namibia
10.	Cote d'Ivoire (Ivory Coast)	19.	Benin
11.	Senegal	20.	Mozambique

To support investors in adapting to a more uncertain environment and to assess variable opportunities and risks across the continent, EY has developed a tool that provides a balanced set of shorter and longer term focused metrics. The Africa Attractiveness Index (AAI) – helps to measure both likely resilience in the face of current macroeconomic pressures, as well as progress being made in critical areas of longer-term development, namely governance, diversification, infrastructure, business enablement and human development.

DONALD TRUMP:
A controversial presidency

"YOU KNOW, I'M, LIKE, A SMART PERSON." UH HUH.

By Max Boot

I'm starting to suspect that Donald Trump may not have been right when he said, "You know, I'm like a smart person." The evidence continues to mount that he is far from smart - so far, in fact, that he may not be capable of carrying out his duties as president.

There is, for example, the story of how Trump met with the pastors of two major Presbyterian churches in New York. "I did very, very well with evangelicals in the polls," he bragged. When the pastors told Trump they weren't evangelicals, he demanded to know, "What are you then?" They told him they were mainline Presbyterians. "But you're all Christians?" he asked. Yes, they had to assure him, Presbyterians are Christians. The kicker: Trump himself is Presbyterian.

Or the story of how Trump asked the editors of the Economist whether they had ever heard of the phrase "priming the pump." Yes, they assured him, they had. "I haven't heard it," Trump continued. "I mean, I just … I came up with it a couple of days ago, and I thought it was good." The phrase has been in widespread use since at least the 1930s.

Or the story of how, after arriving in Israel from Saudi Arabia, Trump told his hosts, "We just got back from the Middle East."

These aren't examples of stupidity, you may object, but of ignorance. This has become a favorite talking point of Trump's enablers. House Speaker Paul Ryan, for example, excused Trump's attempts to pressure FBI Director James Comey into dropping a criminal investigation of former National Security Advisor Michael Flynn on the grounds that "the President's new at this" and supposedly didn't realize that he was doing anything wrong. But Trump has been president for nearly five months now, and he has shown no capacity to learn on the job.

More broadly, Trump has had a lifetime - 71 years - and access to America's finest educational institutions (he's a graduate of the University of Pennsylva-

"These aren't examples of stupidity, you may object, but of ignorance. This has become a favorite talking point of Trump's enablers. House Speaker Paul Ryan, for example, excused Trump's attempts to pressure FBI Director James Comey into dropping a criminal investigation of former National Security Advisor Michael Flynn on the grounds that "the President's new at this" and supposedly didn't realize that he was doing anything wrong. But Trump has been president for nearly five months now, and he has shown no capacity to learn on the job.

nia's Wharton School, he never tires of reminding us) to learn things. And yet he doesn't seem to have acquired even the most basic information that a high school student should possess. Recall that Trump said that Frederick Douglass, who died in 1895, was "an example of somebody who's done an amazing job and is being recognized more and more." He also claimed that Andrew Jackson, who died 16 years before the Civil War, "was really angry that he saw what was happening in regard to the Civil War."

Why does he know so little? Because he doesn't read books or even long articles. "I never have," he proudly told a reporter last year. "I'm always busy doing a lot." As president, Trump's intelligence briefings have been dumbed down, denuded of nuance, and larded with maps and pictures because he can't be bothered to read a lot of words. He'd rather play golf.

The surest indication of how not smart Trump is that he thinks his inability or lack of interest in acquiring knowledge doesn't matter. He said last year that he reaches the right decisions "with very little knowledge other than the knowledge I [already] had, plus the words 'common sense,' because I have a lot of common sense and I have a lot of business ability."

How's that working out? There's a reason why surveys show more support for Trump's impeachment than for his presidency. From his catastrophically ill-conceived executive order on immigration to his catastrophically ill-conceived firing of Comey, his administration has been one disaster after another. And those fiascos can be ascribed directly to the president's lack of intellectual horsepower.

How could Trump fire Comey knowing that the FBI director could then testify about the improper requests Trump had made to exonerate himself and drop the investigation of Flynn? And in case there was any doubt about Trump's intent, he dispelled it by acknowledging on TV that he had the " Russia things" in mind when firing the FBI director. That's tantamount to admitting obstruction of justice. Is this how a smart person behaves? If Trump decides to fire the widely respected special counsel Robert Mueller, he will only be compounding this stupidity.

Or what about Trump's response to the June 3 terrorist attack in London? He reacted by tweeting his support for the "original Travel Ban," rather than the "watered down, politically correct version" under review by the Supreme Court. Legal observers - including Kellyanne Conway's husband-instantly saw that Trump was undermining his own case, because the travel ban had been revised precisely in order to pass judicial scrutiny. Indeed, the 9th U.S. Circuit Court of Appeals, in refusing to reinstate the travel ban on June 12, cited Trump's tweets against him. Is this how a smart person behaves?

You could argue that Trump's lack of acumen is actually his saving grace, because he would be much more dangerous if he were cleverer in implementing his radical agenda. But you can also make the case that his vacuity is imperiling American security.

Trump shared "code-word information" with Russia's foreign minister, apparently without realizing what he was doing. In the process, he may have blown America's best source of intelligence on Islamic State plots -z a top-secret Israeli of the militant group's computers.

Trump picked a fight on Twitter with Qatar, apparently not knowing that this small, oil-rich emirate is host to a major U.S. air base that is of vital importance in the air war against the Islamic State.

Trump criticized London's mayor, Sadiq Khan, based on a blatant misreading of what Khan said in the aftermath of the June 3 attack: The mayor had said there was "no reason to be alarmed" about a heightened police presence on the streets - not, as Trump claimed, about the threat of terrorism. In the process, Trump has alienated British public opinion and may have helped the anti-American Labour Party leader, Jeremy Corbyn, win votes in Britain's general election.

Trump pulled out of the Paris climate accord apparently because he thinks that global warming - a scientifically proven fact - is a hoax. His speech announcing the pullout demonstrated that he has no understanding of what the Paris accord actually is - a nonbinding compact that does not impose any costs on the United States.

Trump failed to affirm Article 5, a bedrock of NATO, during his visit to Brussels, apparently because he labors under the misapprehension that European allies owe the United States and NATO "vast sums of money." In fact, NATO members are now increasing their defense spending, but the money will not go to the United States or to the alliance; it will go to their own armed forces. Trump has since said he supports Article V, but his initial hesitation undermines American credibility and may embolden Russia.

Trump supporters used to claim that sage advisors could make up for his shortcomings. But he is proving too willful and erratic to be steered by those around him who know better. As Maggie Haberman of the New York Times notes: "Trump doesn't want to be controlled. In [the] campaign, [he] would often do [the] opposite of what he was advised to do, simply because it was opposite."

The 25th Amendment to the U.S. Constitution provides that if the vice president and a majority of the cabinet certify that the president is "unable to discharge the powers and duties of his office," he can be removed with the concurrence of two-thirds of both houses. That won't happen, because Republicans are too craven to stand up to Trump. But on the merits perhaps it should. After nearly five months in office, Trump has given no indication that he possesses the mental capacity to be president.

Max Boot is the Jeane J. Kirkpatrick senior fellow for national security studies at the Council on Foreign Relations. His forthcoming book is "The Road Not Taken: Edward Lansdale and the American Tragedy in Vietnam." ♦

On 60 Minutes, President Obama discusses with Steve Kroft his two terms as commander-in-chief, Donald Trump and what has been one of the strangest presidential transitions in history

The Obamas at the first inauguration in 2009

'My life in White House'

If you had to write a brief description of this job beginning with wanted-- how would you describe the position? And what are the tasks? And what skills do you think you need?

President Barack Obama: Thick skin helps.

Thick skin, stamina.

Stamina. There is a greater physical element to this job than you would think, just being able to grind it out. And I think your ability to not just mentally and emotionally, but physically be able to say, "We got this. We're going to be OK."

You came into this office trying to unify the country. You said that many times during the campaign. You wanted to bring people together. You wanted to change Washington. You talked about transformative change. And you became the focal point for some of the division.

I became a lightning rod for some partisan battles. I could not be prouder of the track record we've put together. By almost every measure, the country is significantly better off than when I came in. If you can look back and say, "The economy's better. Our security's better. The environment's better. Our kids' education is better," if you can say that you've made things better, then considering all the challenges out there, you should feel good. But I'm the first to acknowledge that I did not crack the code in terms of reducing this partisan fever.

You didn't change Washington.

> "People who are closest to me will tell you that the guy who came here is the same guy who's leaving

You know, I changed those things that were in direct-- my direct control. I mean, I-- look, I'm proud of the fact that, with two weeks to go, we're probably the first administration in modern history that hasn't had a major scandal in the White House. In that sense, we changed some things. I would've liked to have gotten that one last Supreme Court justice in there. I'd like the Supreme Court to take a look at–

...--and lead that-- you know, everybody in Washington writes about the sort of aloofness that you have and I`m sure that drives you crazy. That you've let other people define you, that you haven`t sold your successes well enough?

I think it`s a fair argument, you know, I think that over the course of two years we were so busy and so focused on getting a bunch of stuff done that we stopped paying attention to the fact that, you know leadership isn't just legislation, that it's a matter of persuading people and giving them confidence, and bringing them together and setting a tone.

For the next six years, there would be legislative gridlock, and by 2016, the people who had looked to Obama for change were looking somewhere else.

And you seem to be saying, in some ways, maybe it is broken.

In the first two years, when I had a strong majority in the House and the Senate, we were as productive as any administration has been since the '60s. I mean, we got a lot done. And so you can get a lot of stuff done through this system. But to sustain a governing majority, that requires an ability for Republicans and Democrats to find some common ground. And right now, the structure of the system is such where it makes it really hard for people to work together. And we mentioned, an example earlier, the Supreme Court nominations. I mean, the fact that Mitch McConnell, the leader of the Republicans, was able to just stop a nomination almost a year before the next election and really not pay a political price for it, that's a sign that the incentives for politicians in this town to be so sharply partisan have gotten so outta hand that we're weakening ourselves.

How serious do you think this is? I mean, how stable do you think that the political system, the democratic system, is?

President Barack Obama: Look, I think it's stable, because the framers, in their wisdom, designed the system so that power's pretty disbursed. You know, we have states. And we have cities. And we have counties. And we have the private sector. And-- and so the country still works even when Washington's dysfunctional. But the problem is that, over time, big pieces of business that have to get done without leadership from Washington, don't get done.

I want to go back just briefly on this. But I think, look, this last election, you had a political system. Well, first of all the people elected somebody who went around saying that the system was rigged.

Yeah.

You had two of the most unpopular presidential candidates selected by the two parties in history. Doesn't that say something's wrong, something serious is wrong?

It indicates that there is a lot of cynicism out there. It indicates that the corrosive nature of everything from talk radio to fake news to negative advertising has made people lack confidence in a lot of our existing institutions. I think it indi-

The Obamas at their last holiday in Indonesian island of Bali.

cates, at least on the Democratic side, that we've got more work to do to strengthen our grassroots networks. In some ways, the Democratic Party hadn't constructed itself to get that message out to the places it needed to get to. The Tea Party I have huge disagreements with, obviously. But I give them credit for having activated themselves. And they made a difference in terms of moving the Republican Party, in terms of moving the country in a particular direction. It's a direction I disagreed with. But it showed that, in fact, you get involved, if your voice is heard it has an impact.

Do you feel the same way about Donald Trump?

Well I think that he clearly was able to tap into a lot of grievances. And he has a talent for making a connection with his supporters that overrode some of the traditional benchmarks of how you'd run a campaign or conduct yourself as a presidential candidate. What will be interesting to see is how that plays out during the course of his presidency. We are moving into an era where a lot of people get their information through tweets and sound bites and some headline that comes over their phone. And I think that there's a power in that. There's also a danger, what generates a headline or stirs up a controversy and gets attention isn't the same as the process required to actually solve the problem.

You said you don't know how he's going to do when he governs, but we're in this transition period and one of the first things that he has done in this transition period is to pick a fight with the intelligence agencies. Do you think that that's a smart move?

You're not going to be able to make good decisions without building some relationship of trust between yourself and that community.

Do you see that happening?

Not yet, but, you know, again, he hasn't gotten sworn into office yet.

When we come back, President Obama talks about one of the strangest transitions in White House history -- and he acknowledges some mistakes.

At the White House on Monday, crates and boxes lined the hallways and cluttered the East Room. Some carpets had been rolled up. Outside, there are bleachers on Pennsylvania Avenue and moving vans in the driveway–visual evidence that there's a transition underway.

This ritual of democracy, this peaceful transfer of power can be awkward under the best of circumstances. And these are not the best of circumstances for either the outgoing or incoming president.

> **"I'm the first to acknowledge that I did not crack the code in terms of reducing this partisan fever."**

You have to admit that this is one of the strangest transitions in history.

It's unusual. I'll agree with that. Well, I---he is an unconventional candidate.

Do you ever wish you had a mulligan? I mean in the eight years that you've had, if-- if you had-- if you had three or four mulligans would you use 'em?

Yeah. You know, there's no doubt that probably at least once a week, maybe once a day, I said, "Ah, I should have done that better." I bet at the end of this interview I'll say, "Oh, that's-- that would have been a really good answer for that or this." I think we've done the big stuff right. I think that there are some big, obvious fumbles--

What are you going to miss most about this place?

This walk is one of them.

On the way, he told us that his family life had thrived living and working under the White House roof, but that his wife and daughters didn't feel the same way about life in what Harry Truman called "the finest prison in the world."

How do they feel?

Ah, they're ready to go. I mean, the girls, obviously, you know, they are now of an age in which the constraints of Secret Service and bubbles and all that stuff has gotten pretty old. Michelle never fully took to the scrutiny. I mean, she's thrived as a first lady, but it's not her preference. And so--

She was the hardest sell.

She was the hardest sell. And she never fully embraced being in the public spotlight, which is ironic, given how good she is. Having said that she would acknowledge, and I certainly feel that we-- we just have a lot of memories here. You know, our kids grew up here. Some of our best friends have been made here in this place. There have been moments that were highlights for us-- that-- you know, are going to be hard to duplicate. So--

She's glad you did it though?

She is now. Ahhh, I think I've said this story before. You know, she used to say to our friends, "Barack's exactly the kind of guy I want to be president. I just wish he didn't want to do it when I was married to him." So-- so now that we're--

But you're still all right? I mean, everything's OK?

So far, as far as I know. I better check later. Yeah.

You have said you're going to take a big vacation. You're going to write your book. You're going to work on your library. You're going to set up a foundation. I mean, that sounds very professorial compared to what you've been doing, like the ivory tower equivalent of puttering around the garden. Are you going to be happy doing this?

Well--

Are you--

--look, I'm going to try to get some sleep. And do a little puttering. Because I haven't had a lot of chance to reflect and absorb all this. I do not expect to be behind a desk a lot. I look forward to teaching the occasional class, 'cause I was a professor. And I had fun doing it.

You're not going to go to Wall Street, make a lot of money?

I'm not going to Wall Street. The amount of time that I'll be investing in issues is going to be high. But it'll be necessarily in a different capacity.

Roosevelt's remembered for Social Security. Eisenhower is remembered for a speech about the military industrial complex. Ten years from now, what are they going to say about you? What are they going to remember you for?

You know, I don't think you know now. I think you're not going to know until 10 years from now. I do think that, you know, saving the economy was a pretty big deal. We did a lot of stuff early that ended up having an impact. I believe that the work we've done in moving our energy future in a cleaner direction is going to stick even if some of the individual steps that we took are reversed by future administrations. I think that it's embedded itself in the economy. And we've been able to organize the international community around it in ways that aren't going to go back. I think we've set the bar with respect to the notion that it is possible to provide health care for people. Now I know that the incoming Congress and administration talks about repealing it. But we've set a bar that shows that this can be done. And that core principle is one that the majority of Americans, including supporters of Donald Trump believe in.

What are your memories of this office? What's going to stick in your mind? What are you going to remember from here?

Well I think the number of decisions that you make just with your advisers sitting here-- we've had some big powwows around, is the banking system about to collapse and what do we do about it? To questions of war and peace. So you remember the decisions that were made in this room. The objects in this room-- only a few of 'em I really attach to. I think that I'll always remember the bust of Dr. King. I thought having an American here who represented that civic spirit that got me into this office was useful. Over there I've got the original program for the March on Washington that was framed and given to me by a friend. You know, I'll remember the view out this window, because this is where we had our-- the playground that we put in when Malia and Sasha came in. Being able every once in awhile to look out the window and see your daughters during the summer, swinging on that swing set, that made the presidency a little bit sweeter.

When Sasha and Malia Obama arrived at the White House in 2009, they were age 7 and 10. Their parents -- for the most part – were successful in keeping them out of the limelight, except in the rarest circumstances. In the fall, Malia begins at Harvard after a gap year. Sasha is a sophomore at her private school in Washington. This month, the swing set was dismantled and given away.

You feel older?

Yeah. You know, it's interesting. Physically, I feel probably as good as I've ever felt. And I've got as much energy as I ever did. But what you feel after eight years--and I think you'd feel this no matter what, but anytime you have a big transition, it gets magnified – is time passes. Your kids grow up. I think they more than anything are making me feel as if, you know, you want to squeeze everything you got every single day out of this thing. Because it passes quick.

You're having trouble letting go?

No. I am looking forward to getting out of the bubble. I am glad that I'm leaving this place at a relatively young age, at 55. So I have the opportunity for a second maybe even a third act in a way that I think would be tougher if I were, you know, the age of some presidents when they left. There's some bittersweet feelings about leaving the people here. 'Cause even though all the team you assemble, you know, you're going to stay in touch with 'em, it's not the same, you know? The band kind of breaks up. And, I think I'm the best president I've ever been right now. And I think the team that is operating right now functions as well as any team that I've had. And so, you know, there is a part of you that thinks, "Man, we're pretty good at this stuff right now." And you hate to see that talent disperse. ♦

Visionary driving Africa's transformative agenda

Akinwumi Ayodeji Adesina, the 8th President of the African Development Bank, was elected in May 2015. The former Nigerian Minister of Agriculture and Rural Development defeated seven other candidates to succeeded Donald Kaberuka of Rwanda, and assumed duty on September 1, 2015 in Abidjan.

He had worked at the Rockefeller Foundation since winning a fellowship from the Foundation as a senior scientist in 1988. From 1999 to 2003 he was the representative of the Foundation for the southern African area and from 2003 to 2008 he was an Associate Director for food security.

In 2010, United Nations Secretary General Ban Ki-moon appointed him as one of 17 global leaders to spearhead the Millennium Development Goals.

Adesina, 57, is a distinguished development economist and agricultural development expert with 25 years of international experience. He is the first Nigerian to serve as President of the Bank Group.

During his term as Nigeria's Minister of Agriculture and Rural Development from 2011 to 2015, he implemented bold policy reforms in the fertilizer sector and pursued innovative agricultural investment programs to expand opportunities for the private sector.

He was previously Vice-President (Policy and Partnerships) of the Alliance for a Green Revolution in Africa (AGRA). He was also Associate Director (Food Security) at the Rockefeller Foundation in New York, where he worked for a decade (1998-2008) in senior leadership positions, including as Regional Office Director and Representative for Southern Africa.

Adesina was Principal Economist and Social Science Research Coordinator for the International Institute of Tropical Agriculture (IITA), Principal Economist and Coordinator of the West Africa Rice Economics Task Force at the West Africa Rice Development Association (WARDA) and an Assistant Principal Economist at the International Crop Research Institute for the Semi-Arid Tropics (ICRISAT). From 2008 to 2010, he was the President of the African Association of Agricultural Economists.

Adesina has received a number of global awards for his sterling leadership qualities and valuable work in agriculture. In 2010, United Nations Secretary General Ban Ki-moon appointed him as one of 17 global leaders to spearhead the Millennium Development Goals, along with Bill Gates, the Spanish Prime Minister and the President of Rwanda. He was named Person of the Year by Forbes Africa magazine in 2013.

Adesina earned a first-class honours Bachelor's degree in Agricultural Economics from the University of Ife, Nigeria in 1981. In 1988 he completed a PhD in Agricultural Economics at Purdue University in the United States, where he won the Outstanding PhD Thesis Award for his research work. He also won the prestigious Rockefeller Foundation Social Science Post-Doctoral Fellowship in 1988, which launched his international career in global agricultural development.

> **"It is not just a social issue or just a health issue. Economic progress in the continent is being undermined by malnutrition**

Since taking over the mantle of leadership at the African Development Bank, this erudite scholar, champion of nutrition and tireless agrarian reformer has chalked up laudable progress in his life-long work towards advancing agricultural development, which has contributed significantly to food security, particularly in Africa.

Born on February 6, 1960, Adesina speaks fluent French and English.

In his enviable career, this illustrious son of Africa as received numerous international awards and recognition, including

- The YARA Prize for the African Green evolution in Oslo (July 2007).

- Purdue University's College of Agriculture's Distinguished Agricultural Alumni Award (2008).
- Franklin and Marshall College's award of Honorary Doctor of Humane Letters (2010).
- Forbes African Person of the Year (2013).
- Extraordinary Achievement Award by Silverbird Television, Nigeria(2015).
- The 2017 Gene White Lifetime Achievement Award by the Global Child Nutrition Foundation (GCNF) (June 2017)

He and his wife Grace have two children.

Adesina, was honored with the 2017 Gene White Lifetime Achievement Award by the Global Child Nutrition Foundation (GCNF) in Washington DC, on Tuesday, June 13, 2017. The award is in recognition of Adesina's life-long work towards advancing agricultural development, which has contributed significantly to food security, particularly in Africa.

"A champion of nutrition, Dr. Adesina co-hosted the first official meeting of the African Leaders for Nutrition in 2016, and serves on the Global Panel on Agriculture and Food Systems for Nutrition," the organisation said.

In his acceptance speech, Adesina underscored the importance of food, nutrition and the need to banish hunger and famine in a world full of surplus food and over-consumption, where annual food losses in developing countries are estimated to be US $310 billion.

In Africa's case, he said, food wasted can feed 300 million people in a continent where 250 million do not have enough food each day, he said, emphasizing the need to reduce food losses along the food chain, improve food distribution and target supplementary food supplies to poorer households.

According to him, good nutrition is critical to building "grey matter infrastructure" that builds a healthy and productive workforce for the future, he said, adding that unlike physical infrastructure that can be repaired, stunting that arises from malnutrition is irreversible.

"Governments across the world must invest in grey matter infrastructure," Adesina said, noting that he established the 'African Leaders for Nutrition' with other world leaders such as Bill Gates, Aliko Dangote, Kofi Annan and former President of Ghana, John Kufuor.

In Africa, 58 million children under the age of five are short for their age (stunted), 13.9 million weigh too little for their size (wasted), and 10.3 million are overweight, underscoring the importance of building Africa's grey matter infrastructure for its development.

"It is not just a social issue or just a health issue. Economic progress in the continent is being undermined by malnutrition which costs African economies around 11% of GDP annually – at least $25 billion annually in Sub-Saharan Africa. Malnutrition leaves a lasting legacy of pain and loss. Stunted children today leads to stunted economies tomorrow," he said. In the course of a distinguished career as agricultural economist, development expert, Minister of Agriculture and Rural Development and President of the AfDB, Adesina has spared no effort to make agriculture the centre-piece of economic transformation, jobs creation and overall well-being of people. Adesina recounted an interesting family experience that bonded him to agriculture and dedicated the Award to Rotimi, his son who has recently completed his residency program in paediatrics at the world famous Crozer-Chester medical center in Pennsylvania, and concluded his remarks by quoting the renowned Greek physician, Hippocrates: "Let food be thy medicine and medicine thy food".

The 2017 Gene White Lifetime Achievement Award complements a long list of global laurels earned for Adesina's leadership and work in agriculture. In 2010, UN Secretary General Ban Ki-moon appointed him as one of 17 global leaders to spearhead the Millennium Development Goals, along with Bill Gates, the Spanish Prime Minister and the President of Rwanda. He was named Person of the Year by Forbes Africa magazine in 2013.

The Global Child Nutrition Foundation is a network of governments, businesses, and civil society organizations working together to support school meal programs that help children and communities thrive. GCNF provides training, technical assistance, and networking opportunities to help governments build national school meal programs that are nutritious, locally-sourced, and ultimately independent from international aid.

The Award for Child Nutrition was created in 2004 to honor individuals who have made outstanding contributions to the worldwide dream of ending childhood hunger. The award is given in the name of Gene White, who has dedicated her life to the nutrition and well-being of children.

Djibouti opens most advanced port in Africa

Djibouti has today opened the country's latest mega project -the Doraleh Multipurpose Port (DMP). The official opening ceremony was held under the auspices of Djibouti's President His Excellency Ismail Omar Guelleh, together with His Excellency Hailemariam Desalegn, Prime Minister of Ethiopia.

The new 690 hectare facility is equipped with ultra-modern facilities that can accommodate 100,000 dwt vessels. The USD$590m project was started in 2015, and jointly financed by Djibouti Ports and Free Zones Authority (DPFZA) and China Merchant Holding (CMHC). The state-of-the-art port equipment was all manufactured by the Chinese firm ZPMC. Vessels have already begun using the facility.

The port provides a world-class logistics platform for shipping. The new facilities will vastly improve the efficiency and ease of doing business in the Horn of Africa. The project cements Djibouti's position as a critical junction on the "Maritime Silk Road".

At the opening ceremony, Aboubaker Omar Hadi, Chairman of DPFZA remarked: "With this new world-class infrastructure, Djibouti confirms its position as a major trading hub for the continent. We are proud to show the world our capacity to deliver major infrastructure projects – some of the most technologically advanced on this continent."

DMP is the latest in a series of mega projects in Djibouti. These projects include four new ports, a Liquefied Natural Gas facility, an oil terminal, and two brand new airports. Together they will dramatically expand Djibouti's ability to serve as a platform and trade hub for the region.

The projects follow the completion of the Addis Ababa-Djibouti Railway, a new 752km track linking Ethiopia's capital with the Port of Djibouti.

Djibouti sits at the centre of world trade routes, connecting Asia, Africa and Europe. The port is a gateway to one of the fastest growing regions of the world with 30,000 ships transiting the port each year. Goods from Asia represent 59 per cent, with 21 per cent coming from Europe and 16 per cent from elsewhere in Africa.♦

USTDA supports geothermal project development in Zambia

The US Trade and Development Agency (USTDA) has signed a US$1.5mn grant with Kalahari GeoEnergy Limited, a Zambian geothermal development company, for a feasibility study supporting the development of a 10-20 MW geothermal power plant.

The grant was signed by US Ambassador to Zambia, Eric Schultz, on behalf of USTDA, at a ceremony at the US Embassy in Lusaka, along with Peter Vivian-Neal, CEO of Kalahari GeoEnergy.

Kalahari GeoEnergy selected California-based Geologica Geothermal Group to carry out the study, which will provide technical and environmental analysis needed to advance the project. The plant, which is expected to be the first geothermal generation facility in Zambia, will add new renewable energy capacity to the Zambian grid and will expand access to reliable electricity.

"This grant is an endorsement of the work Kalahari GeoEnergy has conducted to date, and of the Bwengwa River geothermal resource, which we can now validate as a source of stable sustainable power," said Peter Vivian-Neal, chief executive officer of Kalahari GeoEnergy.

"This type of power source is essential for economic development." "USTDA is excited to support this new project, which will expand access to reliable electricity in Zambia," said Lida Fitts, USTDA's regional director for Sub-Saharan Africa. "This project represents an excellent opportunity for U.S. businesses to export technologies and services in support of Zambia's infrastructure goals.

RwandAir celebrates first direct flight to UK with trade competition

RwandAir has announced a new trade competition to celebrate the launch of the first direct flight between the UK and Rwanda. Any bookings made on the RwandAir London Gatwick-to-Kigali service between 1 June 2017 and 14 July 2017 for outbound travel between 1 June 2017 and 14 July 2017 can be entered into the prize draw. Agents who make a booking during this period will have the chance to win a trip for two to Rwanda in business class. The second prize consists of two return economy flights from London Gatwick to Nairobi via Kigali, and the third prize is a US$254 voucher redeemable against a RwandAir flight.

The London Gatwick-to-Kigali route is served by a new Airbus A330-200 offering travellers Business, Premium Economy and Economy Class travel. Flights depart London Gatwick on Tuesdays, Thursdays and Fridays with a flight time of just eight hours 40 minutes and return fares starting from US$467.

South Sudan to push ahead with comprehensive petroleum audit

South Sudanese celebrating their independence.

The South Sudanese Ministry of Petroleum has launched a public tender to perform an audit and produce a report on the country's petroleum sector.

Despite ongoing civil unrest, the Government of National Unity in South Sudan plans to move ahead with development plans for the country's emerging oil and gas industry. The audit and report is part of this plan, with transparency and efficiency as the major aims.

Earlier this year, it was announced that South Sudan aimed to increase its oil production to 290,000 barrels per day in the 2017/2018 fiscal year, up from the output of around 130,000 barrels per day at the start of 2017.

China National Petroleum Company (CNPC), Malaysia's state oil and gas company Petronas, and India's oil and gas company Videsh are the three main companies currently involved in South Sudanese oil production.

The audit has multiple objectives including completing an accurate assessment of oil, condensate and gas reserves, reporting on revenue and investment flows, and making recommendations to the government on the technical, fiscal and regulatory issues faced by all players in the petroleum sector. As well as providing the government with a clear overview of the country's hydrocarbons industry, the report will be used by South Sudan as an important step towards Extractive Industries Transparency Initiative (EITI) membership.

Companies can bid on the open tender until 14 July 2017.

Traffic in downtown Juba

Better dams needed

Over one million people in sub-Saharan African will contract malaria this year because they live near a large dam, according to a new study which, for the first time, has correlated the location of large dams with the incidence of malaria and quantified impacts across the region. The study finds that construction of an expected 78 major new dams in sub-Saharan Africa over the next few years will lead to an additional 56,000 malaria cases annually.

The research published recently in the journal Malaria, has major implications for new dam projects and how health impacts should be assessed prior to construction. Encouraged by the increased volume of international aid for water resource development, sub-Saharan Africa has, in recent years, experienced a new era of large dam construction.

'Dams are at the centre of much development planning in Africa. While dams clearly bring many benefits - contributing to economic growth, poverty alleviation and food security - adverse malaria impacts need to be addressed or they will undermine the sustainability of Africa's drive for development', said biologist Solomon Kibert of the University of New England in Australia, the paper's lead author.

Undertaking as part of the CGIAR Research Program on Water, Land and Ecosystems, the study looked at 1,268 dams in sub-Saharan Africa. Of these, just under two-thirds, or 723, are in malarious areas. The researchers compared detailed maps of malaria cases associated with the dams was estimated by comparing the difference in the number of cases for communities less than five kilometres from the dam reservior with those for communities further away. The researchers found that a total of 15mn people live within five kilometres of dam reserviors and are at risk, and at least, 1.1mn malaria cases annually are linked to the presence of the dams.

'Our study showed that the population at risk of malaria around dams is at least four times greater than previously estimated', said Kibret, noting that the authors were conservative in all their analyses.

The risk is particularly high in areas of sub-Saharan Africa with 'unstable' malaria transmission, where malaria is seasonal. The study indicates that the impact of dams on malaria in unstable areas could either lead to intensified malaria transmission or change the nature of transmission from seasonal to perennial.♦

Economic recovery: **Is Nigeria there yet?**

By Chris Idowu

THE ECONOMY BUHARI INHERITED

President Muhammadu Buhari was sworn into office on 29 May, 2015. He rode to power on the crest of his promise to turn around the Nigerian economy, which most people were agreed was in a very bad state, brought to its knees by the administration of President Goodluck Jonathan which has been generally seen as visionless and profligate. Throughout his campaign, Buhari repeatedly harped on his resolve to revitalize Nigeria's battered economy.

The President reiterated the determination in his inaugural speech on May 29, 2015 when he hinted that he was going to put together strategic economic policies to revive the poor economy, combat corruption and sanitize the polity, enhance power supply and improve the security situation in the country, for the prosperity of all. He blamed the cause of Nigeria's battered economic performance on the power situation in the country. Head mitted that turning the fortunes of the power sector around was a daunting task, but insisted that it was surmountable. According to the President: **"No single cause can be identified to explain Nigeria's poor economic performance over the years than the power situation."**

But Buhari soon discovered that the problems were deeper, hydra-headed and more all-pervading than he ever imagined. The people had become despondent, having learnt from years of broken promises that the nation's salvation may never come from the political class.

1. The power sector had virtually collapsed, with an economy of 180 million generating only 4,000MW and distributing even less. In spite of over $20b spent and repeated tinkering with the structures of power supply and distribution since 1999, the country's efforts had only 'generated' darkness, frustration, misery and resignation among Nigerians.

2. The country's security situation was almost completely out of control, with as many as 13 local government areas

No single cause can be identified to explain Nigeria's poor economic performance over the years than the power situation

in the northeast still under the control of the Boko Haram terrorist group as of two weeks before the 2015 general elections. There had been a resurgence in the destructive activities of the Niger Delta militants which had reduced Nigeria's oil output and export earnings substantially. Kidnapping for ransom, the new fad among criminals was spreading at an alarming rate. The combination of all these negative trends was sending discouraging signals, especially to foreign investors.

3. Corruption had eaten so deep into the fabric of the country's polity that it had virtually become a nation of 'anything goes'. While majority of the people were wallowing in extreme poverty and deprivation, a few politically well-heeled were feeding fat on the economy and appropriating the commonwealth into their private coffers, acquiring pricey properties in choice locations all over the world and embarking on a new type of competition reminiscent of author Adaora Lily Ulasi's famous line: "my private jet is bigger than yours"!

THE PRESIDENT'S PROMISE

Buhari rode to power on a promise of 'change'. He pledged to find solutions to the battered economy, confront and eradicate corruption, terrorism and insurgency, and, in his words: "…identify the quickest, safest and most cost-effective way to bring light and relief to Nigerians."

Nigerians were brimming with hope that the President's economic policies would bring back to life moribund industries, lead to job creation and reduction in inflation, and improve the people's standard of living, among others. They had also expected that the first one year in office would have laid the foundation for actualizing the President's lofty promises and ideas.

Among other lofty promises, President Buhari assured Nigerians that the focus of his policies would be on

a. Fixing the broken economy

b. Renewed vigor in the war against Boko Haram

c. Waging a "non-negotiable" war against Corruption

d. Appreciable improvement in power supply in various parts of the country

e. Cleanup of the messy NNPC - the "juiciest" fragment of the national economy

f. Mending of Nigeria's fractured relationship with the world powers Nigeria's relationship with the global powers, especially the West, and

g. Reducing the size and cost of governance

in fulfillment of his campaign promise and as symbolized in his very popular and oft-repeated "Change" mantra.

KEMI ADEOSUN,
Nigeria's Finance Minister

"Nigerians were brimming with hope that the President's economic policies would bring back to life moribund industries, lead to job creation and reduction in inflation, and improve the people's standard of living, among others. They had also expected that the first one year in office would have laid the foundation for actualizing the President's lofty promises and ideas

President Buhari (left) and Vice President Osinbajo

TWO YEARS ON, IS BUHARI DELIVERING?

In attempting a mid-way assessment of the Buhari presidency, we shall examine the degree of success that has been achieved in the pursuit of his central objectives and policies, especially the efforts to get Nigeria out of the economic woods, the fight against corruption, resolving the power supply logjam, and the efforts to dislodge and neutralize Boko Haram.

The strongest criticism levied against the Buhari presidency has been that of slowness and indecisiveness. Bodunde Omolade, a social affairs analyst opined that: "The government, because it took off very slowly, did a lot of damage to the economy. Because of the indecisiveness of the current government, we have had problems even in the capital market. Inflation has soared beyond measure. It has never been this bad in the last 22 years.**"So, the economic policy is just crystallizing because the government is very slow, but the people tend to have hope that with the passage of the budget now, it will serve as a catalyst that would galvanize actions on the economic front."**

Mr Omolade may have a very good point here.

RESUSCITATING THE ECONOMY

The government lays claim to some progress in some key areas of the economy in fulfillment of its campaign promises on the economy.

Appreciable improvement in power supply: Though not equally felt in all parts of the country, there's been a marked upswing in power supply in many parts of the federation for some time now. According to the Transmission Company of Nigeria (TCN), power generation in the country reached an all-time high of 4,810.7MW on August 25, 2015. This represents an improvement on what obtained in the past, when it usually hovered around 2,000MW and sometimes dipped below that. However, it should be noted that the power supply is still far from stable and hardly is 4.8 thousand megawatts enough for a country of over 175 million people.

Cleanup of the messy NNPC: The Nigerian National Petroleum Corporation (NNPC) has, for decades, been the nexus of unchecked, gargantuan corruption. It appears as if government is determined to now make concerted efforts declutter the cesspit.

A "non-negotiable" war against Corruption: In 2015, President Muhammadu Buhari in referring to his war against corruption as 'non-negotiable', said

"It is sine qua non to the overall reconstruction of the economy and social system which have suffered destruction and severe denigration under the last administration."

But some have criticized the manner in which the fight is being conducted. For example, Nigerians would rather the government learns to go about it with more hush and decorum, instead of the current spate of media trials and shoddy investigation and lame-duck prosecution which have led to failure to secure conviction against some really 'big fish'.

The Treasury Single Account: President Buhari is implementing a strict enforcement of the contentious Treasury Single Account which his administration inherited from former President Goodluck Jonathan's government. TSA is a public accounting system which requires all government revenue, receipts and incomes to be centrally controlled in and by one single account or a network of accounts with one control of all inflows and outflows, maintained by the Central Bank of Nigeria. The aim is to block financial leakages in the public sector, make more money available for governance and ensure provision of desirable welfare to the citizens.

UDOMA UDO UDOMA,
Nigeria's Minister of National Planning

Some experts have criticized the implementation of the TSA, arguing that while the thinking behind it was commendable, the implementation as not impacted the people's lives positively in any form, in spite of the government's claim of raking in over N3tn through its implementation so far. In the words of Dr. Ayo Teriba an economist and CEO of Economic Associates: "...unless the TSA impacts on the revenue situation of the country, we cannot say we are making progress. We have heard much about TSA, but we have yet to hear anything about the impact it has made.Unless the TSA impacts the economy, the administration is just playing with acronym. Unless the government demonstrates the extent the TSA has helped to block leakages and if it blocks leakages, government should show it in terms of increasing revenue in the government's coffers. Until it does that, the government is just playing with acronym or terminology. Anything that does not positively impact the availability of the revenue that can make the difference in the life of the populace is not an achievement".

The Treasury Single Account: President Buhari is implementing a strict enforcement of the contentious Treasury Single Account which his administration inherited from former President Goodluck Jonathan's government. TSA is a public accounting system which requires all government revenue, receipts and incomes to be centrally controlled in and by one single account or a network of accounts with one control of all inflows and outflows, maintained by the Central Bank of Nigeria. The aim is to block financial leakages in the public sector, make more money available for governance and ensure provision of desirable welfare to the citizens

One fundamental lapse is the fact that the government does not seem to have a discernible economic team similar to what obtained under former Presidents Olusegun Obasanjo or Goodluck Jonathan. Most key members of the present economic team have no apparent competence or marked experience in core economic matters. For example, both the Vice-President, who is said to be the head of the economic team, and other key Members like the ministers of Budget and Planning the Minister of Power, works and housing are all lawyers. We therefore have no real economists who are able to measure the impact and the implication of the policies that the President has been coming up with lately.

Henry Boyo, a renowned economist, based his assessment of Buhari's achievement in the area of economy on four major indices and concluded that it would be difficult to score the administration a pass mark, he said: "You cannot assess an economy without looking at certain indices such as: the rate of the inflation in the country, the cost of fund for the real sector, rate of unemployment and the rate of productivity. Basing the assessment on those four indices, it may be difficult for anyone to score the administration a pass mark of 50 per cent because inflation has risen from eight per cent to 12 per cent today. The implication of this is that it has made everybody to be poorer because it has reduced consumer demand. Unfortunately, because it reduces consumer demand, it also reduces productivity. When this happens, definitely the capacity of the companies producing the consumer goods will be also hampered."Similarly, the rate of unemployment rose. It is difficult to say that the policies of the current administration have impacted satisfactorily on the economy."

On the crisis in foreign exchange, experts have also criticized the government's slow response to issues. It is felt, for example, that it shouldn't have taken the government a whole year to allow flexibility in the foreign exchange issues.

REDUCING THE SIZE AND COST OF GOVERNANCE

President Muhammadu Buhari's vow to significantly cut down the number of Ministries, Agencies and Departments (MDAs) in the country by merging the duplicates and jettisoning the non-performers appears to have had some limited success. If fully implemented, it will save Nigeria billions of naira currently wasted in maintaining a bloated civil service. An equally aspect of this cost-cutting initiative which concerns the cost of maintaining the legislature appears to be less successful as the National Assembly does not seem to be interested in it and is consistently thwarting government's efforts in that direction through budget-padding and refusal to review the lawmakers' unreasonably huge remuneration package. The successful blockage of these leakages does not only make economic sense, but it will also be a giant leap in the fight against corruption.

THE WAR AGAINST BOKO HARAM

Thus far, one important area in which the Muhammadu Buhari administration has recorded marked success is in the fight against the Boko Haram terrorist group and suppression of insurgency and militancy in the Niger Delta. He has overhauled the dysfunctional topmost hierarchy of the Nigerian military, brought in new service chiefs and moved the military command centerto Maiduguri, nearer to the theatre of war, all of which strategic moves have boosted the troops' morale and confidence. Furthermore, substantial international assistance is coming in now, especially from the United States government which has finally agreed to commit their resources to the fight against the insurgents after previously backing out of negotiations with the previous Nigerian government, citing alleged human rights abuses by the Nigerian military. The Israeli government has also indicated their interest in helping Nigeria win the war, if the words of Speaker Yakubu Dogara of the House of Representatives are anything to go by. In addition, there is improved collaboration with other West African countries, especially Nigeria's neighbors that are directly affected by the terrorist activities of Boko Haram.

Buhari did not create the present mess. But he is Nigeria's president and as a responsibility to rescue the economy and make life better for the citizens.

Watchdog News of 30 May, 2016 has this to say: "His most ardent supporters are just as despondent as his harshest critics to decipher exactly where the country's economy is heading. Supporters, who are getting smaller by the day, will be quick to point out that given the rot President Buhari met; more time is needed to clean the Augean stable. They are quick to point out that the country practically became riddled with corruption, weakening economy and faltering oil prices, which are only just rebounding.

There seems to be a general consensus among Nigerians that, assessed against the backdrop of the gargantuan economic mess in which the country was wallowing prior to is assumption of duty, President Buhari as done relatively well. But there is much more to be done. Experts have advised the President to urgently:

a. strengthen policies that would attract foreign investors into critical infrastructure areas like rail transport and power transmission, so that private investors can come and "succeed where the government has failed";

b. put stronger teeth to the fight against corruption by sanitizing the judiciary an re-focusing EFCC get its act properly together, especially in the areas of investigation and diligent prosecution;

c. inject more energy into diversification, especially on agriculture;

d. strengthen his team with the injection of tested experts like Julius Ihonvbere and Oby Ezekwesili, and bury political ego and pride to invite back people like Okonjo-Iweala to salvage our dwindling economy with a view to minimizing the untold hardships Nigerians are being put through;

e. drive OPEC towards a production cut to buoy oil prices;

f. redouble efforts to improve local refining of oil;

IMF's Director, Fiscal Affairs Department,

MR. VITOR GASPAR

g. enhance local access to credit, which is about a paltry 2% of GDP as against 20% in USA and 50% in Brazil;

h. leverage infrastructure deficit financing to boost the economy; and

i. see efforts towards salvaging the economy as the biggest job he has to do, even bigger than the war against Boko Haram and the anti-corruption crusade, some commentators say.

THINGS ARE BEGINNING TO LOOK UP

There is still hope for Nigeria. Things are beginning to look up and the Buhari government appears to still possess some masterstrokes up its sleeves. In her comments on key policy initiatives planned by government to salvage the Nigerian economy, Kemi Adeosun, the Minister of Finance, recently listed some key policy initiatives, viz.

1. Further streamlining of the cost of governance and improved efficiency of public service delivery across the Federal and State governments.
2. Targeted spending on innovative social programs and infrastructure, including social infrastructure.
3. Direct and model economic policies away from oil and towards non-oil revenues as global demand for oil decreases and supply increases.
4. Focus on delivery of basic services to the Nigerian population upon which business can be built and improved standard of living can be achieved.
5. Build revenue capacity across State governments by increasing IGRs to reduce dependence on the Federal Government.
6. Alignment of fiscal and monetary policies across medium and long-term goals.
7. Increase investor confidence in Nigeria.
8. Increased revenue mobilization and plugging of leakages.
9. Greater focus on Power, Transport, and Housing because these areas help to create wealth.
10. Strengthen institutions of government across board including tackling corruption.
11. A financial sector that is strong, resilient and able to support the real economy.
12. Inclusive and sustainable growth -mobile communication, film industry, financial inclusion, among others.

In his assessment of the Federal Government's recently launched Economic Recovery Growth Plan (ERGP) 2017- 2020, The International Monetary Fund (IMF)'s Director of Fiscal Affairs Department, described the plan as "how fiscal policy should be thought in developing countries."

Commenting on the same issue, Catherine Pattillo, another senior IMF official, welcomed the country's ERGP, saying its focus on diversification and attention to some of the problems facing the economy were steps in the right direction. According to Pattillo,

"We very much welcome the ERGP. As you are aware, Nigeria went into recession last year, there have been forecasted recovery, but still very fragile this year and the need to address the fiscal situation is urgent. Our recommendation is for the continued fiscal consolidation."

According to figures recently released by Nigeria's Federal Bureau of Statistics, the economy contracted by 0.52 percent in the first quarter of 2017, indicating a negative, but not as large a contraction as was experienced in the preceding quarter. That means we are still in a recession but gradually emerging out of it as well.

Nigerian leaders have for far too long paid lip service to diversification. Hopefully, with the price of oil plunging in the international market, we will now see concerted efforts, especially as it has become a situation of "diversify or burst for the country."

Recent happenings also indicate that investors are beginning to make a return to Nigeria, thanks to the new flexible exchange rate policy of the central bank of Nigeria. Also, N2.18T (about 30% of the 2017 budget) has been earmarked for infrastructure development. This is encouraging as an economy is only as strong as the infrastructure on which it is built.

Nigeria's crude oil production levels have been stable for a while now, thanks to a semblance of peace in a restive Niger Delta region. Foreign exchange reserves are now in excess of US$30B, as against US$24B of reserves in October 2016. On the floor of stock exchange, positive things are happening again as reported by Pulse.com, with the All Share Index (ASI) and market capitalization each rising by roughly 25 per cent since the turn of the year.

Although the journey may be tortuous and progress slow, Nigeria is certainly on the road to economic recovery and with consistency of purpose and a diligent pursuit of well thought out policies, the largest economy in Africa will eventually get out of the woods.

OKECHUKWU ENELAMAH,
Nigeria's Minister of Trade and Investment

How SMEs grow Kenya's economy

Small Medium Enterprises create jobs and boosts the country's GDP, but improved bank investment will underpin their sustainability. Mwangi Mumero reports.

While Kenya's small and medium enterprises (SMEs) continue to create jobs and boost the country's GDP, they face challenges that always hamper their growth.

Kenya's 2017 overall GDP growth is projected at 6.4 per cent, with SMEs contributing 3 per cent.

A National Economic Survey report by the Central Bank of Kenya (CBK) indicated that SMEs constitute 98 per cent of all business in Kenya, create 30 per cent of the jobs annually and contribute to 3 per cent of the GDP.

According to the 2014 survey, 80 per cent of the 800,000 jobs came from the informal sector by SMEs.

"Overall, these businesses help many Kenyans from suffering unemployment while boosting their incomes. There are challenges but we create jobs as well for others," said Sheila Njuki, an interior décor business owner in Jevanjee. She has an annual turnover of Ksh3mn (US$30,000).

Under the Micro and Small Enterprises Act of 2002, micro enterprises have a maximum annual turnover of Ksh500,000 (US$5,000) and employ less than 10 people.

Small enterprises have between US$5,000 to US$ 50,000 annual turnover and employ 10-49 people.

Medium enterprises, while not covered by the Act, have a turnover of between US$50,000 and US$8mn and employ 50-99 people.

The Jua Kali sector, where artisans make all types of merchandise, constitutes an integral part of the SMEs in Kenya. The artisans produce a variety of high quality hard and soft wood furniture, and priceless pieces of art created from scrap metals and carpets. All items are fitted to meet the customers' needs.

Their products are mainly for local consumption or are exported to nations within the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) regions.

REGULATORY CHALLENGES

Yet, even with its immense contribution to the economy, Kenya's SMEs are faced with numerous challenges.

According to a report Deloitte Kenya Economic Outlook 2016, SMEs are hindered by inadequate capital, limited market access, poor infrastructure, inadequate knowledge and skills and rapid changes in technology. Corruption and other unfavourable regulatory environments present other bottlenecks to this vital cog of the economy.

A survey by the Kenya National Bureau of Statistics released early this year indicated that approximately 400,000 micro, small and medium enterprises do not last longer than two years, leading to concerns of sustainability of this critical sector.

Although the World Bank's Doing Business Report 2017 lauds the country for making it easier to start a business, major issues remain in smoothing the process.

In Kenya, starting a business involves seven procedures, takes 22 days and costs 21.1 per cent of income per capita for men and women.

The World Bank notes that the ease with which businesses can be registered has a bearing on the number of entrepreneurs who start businesses and lead to jobs and more government revenue.

The government has formulated strategies to quicken the processes of starting a business in favour of small firms. The government has addressed SME challenges by enforcing legislation and increasing access to funds, such as through the Uwezo Fund, a government financial tool to promote women and young people.

Experts, however, say some of the challenges with SMEs are beyond government bureaucracy.

"Most people prefer replicative businesses. Nobody does a market survey to see whether the business is viable," said Dr Bitange Ndemo, an associate professor at the University of Nairobi's School of Business and a former government official.

But finance remains the most critical challenge affecting SMEs in the country.

"The critical factor remains under-financing. Few banks are eager to finance SMEs, especially at the inception stage," added Njuki.

BANK COLLABORATION

To alleviate the financing gaps, the Kenya government in collaboration with partners created the Financial Sector Deepening (FSD) programme to expand access to financial services among low income households and smaller enterprises. Funders include the UK's Department for International Development (DFID).

Two years ago, FSD, the World Bank and Central Bank of Kenya conducted a research project to understand the supply and demand side of the SME market. The report highlighted the difficulty in tracking the size of the SME and its need for financial services. According to the research, the evolution of the supply side of the SME between 2009 and 2013 resulted in rapid expansion of Kenya's financial sector. ♦

Equipping to expand in Suez

Supplied by Egyptian dealer Otrac Heavy Equipment, Doosan and Bobcat equipment has played an important role in the intensive construction works that have been undertaken for the recently completed extension of the Suez Canal, heralded as an historic achievement that will help to boost the Egyptian economy.

The Suez Canal dates back to the middle of the nineteenth century and the original canal was completed in November 1869. Egypt was the first recorded country to build a man-made canal of this kind across its land for international trade. Connecting the Mediterranean Sea directly with the Red Sea, the Suez Canal is the shortest route between the East and the West.

The Egyptian Ministry of Defence (MoD) initiated and managed the US$8.5bn canal extension, deepening the main waterway and providing ships with an additional 35k (22 mile) channel parallel to the main Suez Canal, as part of a larger undertaking to expand trade along the fastest shipping route between Europe and Asia.

Hatem Quda, chairman of Otrac Heavy Equipment, discussed his company's role in supplying Doosan and Bobcat machines to the MoD for use on the Suez Canal Extension project. He said, **"Our machines have been taking part in this great project and are now considered a part of Egyptian history. This has been based on the trust placed in Otrac and the confidence shown by the MoD in our capabilities."**

THE ECONOMIC BENEFITS OF EXTENSION

With the new parallel waterway allowing two-way traffic on the Suez Canal, the Egyptian government aims to more than double annual canal revenues to some US$13bn in less than a decade. Authorities also plan to build an industrial and logistical zone along the canal over the next five years, hoping to draw investment on the vital shipping lane between Asia and Europe for companies eager to place operations along the route.

Mr. Outa commented, **"Our success would not have been possible without the full assistance of and collaboration with Doosan Construction Equipment to fully achieve our goals."**

He elaborated, "Since we were established in 1992, our company has had the business philosophy of assisting employees to achieve their career dreams, ensuring customers' success and satisfaction and increasing Doosan market share and reputation in the Egyptian market. We will continue to provide excellent management and our unique aftersales services under our "Machine Never Stop' slogan, to not only maintain but increase our customers' satisfaction in Doosan and Bobcat products.'

Electricity from Ethiopia's clean energy

Ethiopia has commissioned a pilot electricity product project at the US$1.8mn Gilgel Gibe III hydro plant

Located on River Omo in south of the country, the Gibe III plant has 10 turbines each with a capacity of 187MW. According to Alemayehu Tegenu, Ethiopia's Water, Irrigation and Energy Minister, the trial power generation will involve three turbines with an output of 561MW.

Gibe III is part of an ambitious GibeOmo hydroelectric project in which the first two phases are operational. Gibe IV and V are planned for the future. With a height of 243m and a total installed capacity of 1,870MW, the Gibe III project is expected to increase the generated capacity by 234 per cent upon completion.

Even with a current installed capacity of 2,200MW, just above 20 per cent of the country's 100mn people are connected to the national grid. A huge demand for electricity exists within the domestic market.

The majority of the rural based populace rely on fuel wood - hurting the forest cover through deforestation.

It is expected that increased availability of cheap electricity will provide an increasing number of young people with an opportunity to start small businesses and reduce environmental degradation.

While half of the electricity generated from Gibe III will be used domestically, 500MW will be exported to Kenya, 200MW to Sudan and 200MW to Djibouti. The country plans to have an installed capacity of 37,000MW by 2037 and become a key electricity export to the fast expanding economies of the region.

Ethiopia is expected to benefit from the Eastern Africa Power Pool (EAPP) initiative aimed at creating and expanding clean energy transmission lines among over 12 countries in East Africa and the Horn of Africa.

Beyond Kenya, Sudan and Djibouti, Ethiopia has recently signed deals with Tanzania, South Sudan, Rwanda and Yemen to supply power, mainly from hydro sources.

According to Mekuria Lemma, head of strategy and investment at the Ethiopia Electric Power Corporation (EEPCo,) the regional power pool will increase Ethiopia's export earnings and boost economic growth in power importing nations. Already, the construction of the high voltage 500kV, 1,100km long power transmission line from Wolyta Sodo in Ethiopia to Suswa substation in Naivasha Kenya is scheduled for completion in 2018 to commence trading in electricity.

Recently, the Ethiopia Electric Power signed a US$19.3mn contract with China Electric Power & Equipment Technology Company (CET) for the construction of the 433km transmission line the Ethiopia side. The funding came from the African Development Bank (AfDB) which has also loaned US$118mn to the Kenya Government for the project. The overall cost of the project which includes two estimated at US$1.26 billion. Two converter station will be located in Wolayta Sodo in Ethiopia and Suswa in Kenya. Construction will also involve putting up steel towers and transmission cables.

On the Kenyan side of the border, compensation of land owners on the expected route of the 437 km transmission line is currently underway. 'The direct beneficiaries of the project are households, business and industries in communities located in Kenya, the direct offtaker of the power. The interconnection with Ethiopia will ensure access to reliable and affordable energy to around 870,000 households by 2018," noted AfDB's Gabriel Negatu. Meanwhile, Ethiopia is also seeking to develop other clean energy osurces.

Recently, the EEPCo and the Corbetti Geothermal Company have signed a 25-year power purchase agreement for the first 500MW to be generated from the Corbetti project in Central Oromia region.

Corbetti Geothermal Company is owned by Reykjavik Geothermal Ltd of Iceland.

Expected to cost US$4 billion, the planned 1,000MW Corbetti project is to be construction in two phases over a period of 10 years and will be one of the largest geothermal facilities in Africa upon completion. The project US$4 billion project will be funded through 25 per cent equipment and 75 per cent debt financing.

According to EEPCo Chief Executive Officer Azeb Asnake, Ethiopia will connect transmission lines to neighbouring countries to create market for power trade. While the country has invested heavily in hydropower generation, it has become necessary to exploit geothermal as the country falls in the Rift Valley region. The only geothermal power plant in the country of 7.3MW. It is currently undergoing a US$30mn, two phase upgrade to attain 70MW with funding from the World Bank, Japan and the Ethiopian Government.

At least 24 wells, each with a depth of 2,500 metres, will be drilled in this expansion. ♦

How Rwanda forged past genocide

It takes a deep level of forgiveness to shake hands with the killer of one's father but Gabriel Ndutiye does it – a couple of times every year.

He was 11 years old during the Rwandan genocide of 1994 that killed over a million people. He alone survived, losing five brothers and both parents. Although he can never forget, Gabriel has learnt to respectfully co-exist with those responsible for the killings.

Beyond forgiveness, Rwandans have been drilled with acceptance and oneness – such that it has become a part of them.

THE TRICKY BUSINESS OF FORGIVENESS

"When you come to Rwanda, you can't think something like that [genocide] happened. And that's because of reconciliation…. but it's still in our hearts," said Ndutiye, a tourist service chauffeur.

Ndutiye admitted that while reconciliation is possible, forgetting is herculean.

Nowadays, he shares drinks with the perpetrators of the acts because he has accepted what happened, forgiven all involved and has resolved to be a team player in the growth of Rwanda.

But one day, he will share the painful memories with his children, who are too young at the moment to be told.

"I have to tell them," he said.

'WE ARE RWANDANS' AND KAGAME'S SPEECH

Nowadays in Rwanda, there are no Tutsis, Hutus or Twas. Everyone is a Rwandan and citizens appear determined to have it that way.

Paul Kagame's speech of July 19, 1994, was among the catalysts for that united resolve to forge ahead in unison.

"If we look at what we have gone through and where we are heading, I feel that no one should deceive themselves by saying that we have completed the task and can now sit back and think that the problems are over," the speech read in part.

At the time, then major general Kagame was vice president of Rwanda.

PRESIDENT KAGAME

REMEMBER, UNITE, RENEW

In universities and secondary schools, young Rwandans are taught to fight the genocide ideology such that they never forget what it cost to put tribe above nationality.

Genocide memorial centres are strategically positioned around the country for people to visit and remember the past and build on their progress.

"For me, I feel blessed because I got to learn about my country's past," said Iradukunda Diane, a student of College St Jean, Nyarusange.

Diane – whose mother lost a sister – had come with other students to pay respects and learn about the past at the Kigali Genocide Memorial Centre.

Yearly, between April and July, the entire nation observes what is called '100 days of remembrance' – and everyone participates.

Around Kigali, thousands of banners bearing the same message hang visibly.

"Remember, unite, renew (Fight genocide ideology – build on our progress). Kwibuka Twiyubuka," they all read.

BUILDING AND REBUILDING INFRASTRUCTURE

The infrastructure that has been put in place in Rwanda since 1994 is impressive, considering the fact that it's taken other African nations much longer to develop.

Another portion of that Kagame's 1994 speech read: "I think it is time for all of us to stand up and work together, as we did in the past in order to reach the point at which we are now, when we are establishing a government in the hope that it will lead this country along the path of its development.

"A path that will bring Rwandans together, so that the country can once again become for Rwandans, with all their liberties, and feel that no Rwandan has the right to deprive other Rwandans of their rights."

Although the government seeks to revert to the master plan of the country, the people are being consulted, compensation is being awarded and replacement is provided before relocation is carried out.

There's a saying in the country that 'When it is said in Rwanda, it is done' -

which means the government and elected officials are trusted to fulfil their promise to the people.

Kigali and most parts of Rwanda enjoy stable power supply from different sources while the higher institutions in the country are now 40 from the three the entire country had after the genocide.

YOUNG POWER AND 'POWER TO THE WOMEN'

Before the genocide, Rwandan leaders were preaching divisionism but afterwards, the new leaders rallied round to create unity and invest in young people.

Unlike Nigeria, the young hold sway in Rwanda.

Many top positions and important roles are being played by Rwandans in their 20s-40s.

That is perhaps helped by the fact that half of all Rwandans are under 20 while nearly three-quarters are under 30.

Rwanda can also boast of an almost equal women representation in government – the best in Africa. And it was achieved within a short time.

The country's women hold 64% of parliament seats and 39% of ministerial positions.

ALMOST EVERY RWANDAN LOST SOMEONE

"Did you lose someone?"… "Who did you lose to the genocide?"

Charles Borromeo heard the first time but stared for a moment before muttering, "a lot of them… almost nine," in a manner that suggested the question was an understatement in itself.

And it was. Because almost everyone in Rwanda lost a family member or friend in the genocide.

Borromeo whose picture hangs in the Genocide Memorial Centre in Kigali – where more than 250,000 corpses were buried – lost nine people in the genocide.

His wanting mathematics acumen served as his saviour when the killers came for his family. He was at an aunt's place, observing lessons.

Dealing with the loss, Charles says, "is not easy" but the realisation that he is not alone has helped him thus far.

He has three children one of which was adopted because he was keen to help reduce the ripple effects of the genocide – in the little way he can.

"Who am I to be alive?" he asks. "I'm so blessed to be alive at this moment."♦

>QUOTES

"On a continent where time and capital are both daunting barriers to closing the massive energy supply gap, fast-track mobile power is going to be vital. With it, Africa could begin to realise its potential as the world's next industrial powerhouse in weeks rather than years."

ERIC TOUMAYAN

Managing Director of Government Affairs for APR Energy

"People in Tanzania look at my wealth and think I must be sunbathing and playing golf all day. But I work really hard. I put in a hundred hours a week. It's a never stopped game. You can never say I've worked hard enough now.

MOHAMMED DEWJI

CEO, METL, Tanzania

Africa's youngest billionnaire

>QUOTES

"Africa's hotel sector has remained resilient in the face of strong economic headwinds. One of the positive outcomes for the hotel market in South Africa was the amendment of visa requirements that required foreign visitors from certain countries to provide biometric data in person. International visitor numbers to South Africa rebounded significantly in 2016 with a 12.8 per cent increase as compared to the 6.8 per cent decrease in 2015."

PIETRO CALICCHIO

Hospitality & Gaming Industry leader for PwC Southern Africa

Morocco to build world's largest seawater desalination plant

Morocco will soon be home to the world's largest renewable energy-run desalination plant for drinking water and irrigation, following the signing of phase one of the €309 million ($352.9 million) project.

The project will be developed by Abengoa, an international company that applies innovative technology solutions for sustainability in the energy and environment sectors, in the Agadir region in partnership with the National Office of Electricity and Drinking Water (ONEE) and BMCE Bank.

The project involves the construction of a desalination plant with a 275,000-cubic-meter total production capacity of desalinated water per day which will be the largest plant designed for drinking water and irrigation. The contract also provides for the possible capacity expansion to up to 450,000 cubic-meter/day.

The desalination plant, which also provides for the option of being operated on wind power, meets the demand of water for domestic use in addition to irrigation water needs in the area of Agadir. At the same time, it will contribute to the development of the main economic drivers, the agricultural and tourism sectors, and the conservation of the aquifers in the area, therefore preventing their over-exploitation.

Under the contract, Abengoa will continue to undertake the engineering, construction and operation and maintenance for a period of 27 years. Abengoa and the Moroccan company InfraMaroc will be investment partners and responsible for the project financing.

Abengoa has been present in Morocco since 1977 and has offices in Rabat and Casablanca. It has carried out major large-scale projects in the country, such as the world's first ISCC (Integrated Solar Combined Cycle) plant located in Ain Beni Mathar. ♦

>BRIEF

Trade between Cameroon, Tunisia increases

Cameroon's imports from the North African country include agro-industry, hydrocarbons, building materials, pharmaceuticals products, and machinery and production equipment produced.

Yaounde wishes the trend to continue, through a shift towards the trade in manufactured goods.

The meeting in Yaounde has, according to the relevant departments of the ministry of Commerce, identified the ways of boosting cooperation through business partnerships, technology transfer and the sharing of experience from Tunisia in the field of agro-industrial processing.

Other areas of interest include strengthening cooperation in scientific research, intensifying vocational training and promoting investment opportunities.

AfDB reiterates commitment to support women's empowerment in the Sahel

The African Development Bank has reiterated its commitment to support women's empowerment and creation of employment opportunities for the women and youth in the Sahel.

"To transform agriculture we must recognise the critical role women play in agriculture in Africa. We must invest in measures that target the needs of women farmers including access to land, improving market access, increasing access labour-saving tools, and providing improved seeds and quality fertilisers"

Building Human Capital in Madagascar

Idealisoa Ravaohelimanana, a 25-year-old mother of two, routinely visits the community nutrition center in Andafiavaratra village to monitor her baby Tinah's growth. Idealisoa has also been sending her four-year-old son to preschool, because she feels that this has made him livelier and more curious than the other young children around.

Mothers have always known that investing in the earliest years of life matters but they don't always know why. Today, there is also a growing body of scientific and economic evidence which shows that what happens to children between conception and age five-whether they are healthy and well nourished, how they are cared for, their exposure to language and their exposure to stress has a profound impact on their future learning ability, their ability to interact with others and even, their income as adults. Ultimately, this affects human capital accumulation and the competitiveness of nations.

While we don't know what new technologies and scientific breakthroughs will remake the world in the next few decades, one thing is certain: The economies of the future will require a workforce that can reason, analyze, collaborate, and quickly adapt to keep pace with innovation.

Despite these clear implications, millions of young children are not able to reach their full potential because of inadequate nutrition, early stimulation and learning, or exposure to violence and neglect. Worldwide, 25 percent of children under age five exhibit signs of having suffered from chronic malnutrition, they are stunted short for their age, and preschool education is not yet the norm. In Madagascar, the prevalence of stunting is a staggering 47 percent and just 28 percent of children get to attend preschool.

The fact that only half of Madagascar's children under five get these advantages means that Madagascar may not achieve its full potential long-term economic development. Without maximizing people power, a country cannot sustainably transform the future trajectory of its growth and competitiveness or prepare its workforce for the more highly-skilled jobs of the future. Children who benefit from good health care, good nutrition, early learning and nurturing care are hard-wired to learn more and earn more.

Madagascar as a nation has recognized that something drastic has to be done to ensure that it gains these advantages. The government has shown growing commitment by not only increasing its strategic investment in young children-it has increased preschool coverage from 9 percent to 28 percent in 2015-but also

by trying to learn from countries that have demonstrated success.

Last April, for instance, a group from Madagascar visited Peru to learn how the Peruvian government cut chronic malnutrition by half in less than a decade. The Peruvian success in reducing stunting has shown the world that much can be achieved in a short time.

There is good news from other African countries too. The most effective national strategies empower families with the time, resources and skills to provide nurturing care. They target the most vulnerable young families with high-impact intervention packages and streamline service delivery.

One country where that model has worked well is Senegal. With strong political leadership at the highest levels, Senegal integrated a low-cost service delivery system and coordinated with NGOs and a vast network of community volunteers to reduce its stunting rate from more than 30 percent in the late 1990s, to approximately 18–19 percent in 2014, one of the lowest rates in sub-Saharan Africa.

What will it take for Madagascar to follow suit? Lesson one is that investing in children is a holistic business, calling for a 'whole of government approach' that coordinates the delivery of critical services across sectors-health, nutrition, education, social protection, water and sanitation. Lesson two is that governments will do this better and faster in partnership-with civil society, with the private sector, with development partners.

At the World Bank Group, building human capital is at the very heart of our strategy to end extreme poverty and boost shared prosperity. This is not only because we know that investing in people-beginning with young children-is the right thing to do, we also know that it is the smart thing to do. Human capital accounts for as much as two-thirds of the income variation between national economies. Since smart and timely investments in the early years of life play a central role in shaping the trajectory of nations, we are excited to support Madagascar in scaling up its efforts at this key stage of the life cycle. Because, put simply, we are convinced that investing early delivers healthy, educated, productive and resilient people who are able to fuel stronger children, stronger households and stronger economies.

Hansen is Vice President of Human Development, World Bank Group.

This opinion piece first appeared in L'Express de Madagascar ♦

Germany touts Africa investment as signature issue

A new approach to foreign investment and aid in Africa by the world's richest nations is being called for by Germany's chancellor, before she hosts a meeting of the world's 20 wealthiest nations next month. The so-called "Merkel plan" calls for more investment in Africa, as a way of stemming African migration to Europe.

This week, German Foreign Minister Gerd Muller said he fears 100 million African refugees might come to Germany if nothing is done.

So, Chancellor Angela Merkel has vowed to invest some $335 million to attract foreign investors to Africa, and will try to convince the other 19 nations attending the G-20 summit to show greater commitment to the continent's struggling economies.

Germany has identified four countries as its focus: Ivory Coast, Morocco, Rwanda and Tunisia, but has also had discussions with other African leaders.

Talitha Bertelsmann-Scott heads the Economic Diplomacy Program at the South African Institute of International Affairs, and says Germany has worked hard to overcome its violent African colonial past and emerge as a business leader.

"Germany has given so much, has been very inspiring in terms of how it emerged after the Second World War as this leading manufacturing powerhouse," she said. "And Africa is really looking towards ways they can industrialize. And Germany does give leadership here."

Front from left, the President of Egypt, Abdel Fattah el-Sissi, Chairman of the African Union and President of Guinea Alpha Conde, German Chancellor Angela Merkel and the President of Tunisia during the conference 'G20 Africa Partnership – Investing in a Common Future' in Berlin.

But she said she has some reservations about the plan outlined by Germany's Finance Ministry, which she says did not involve consultation with African nations.

German business: all in the family

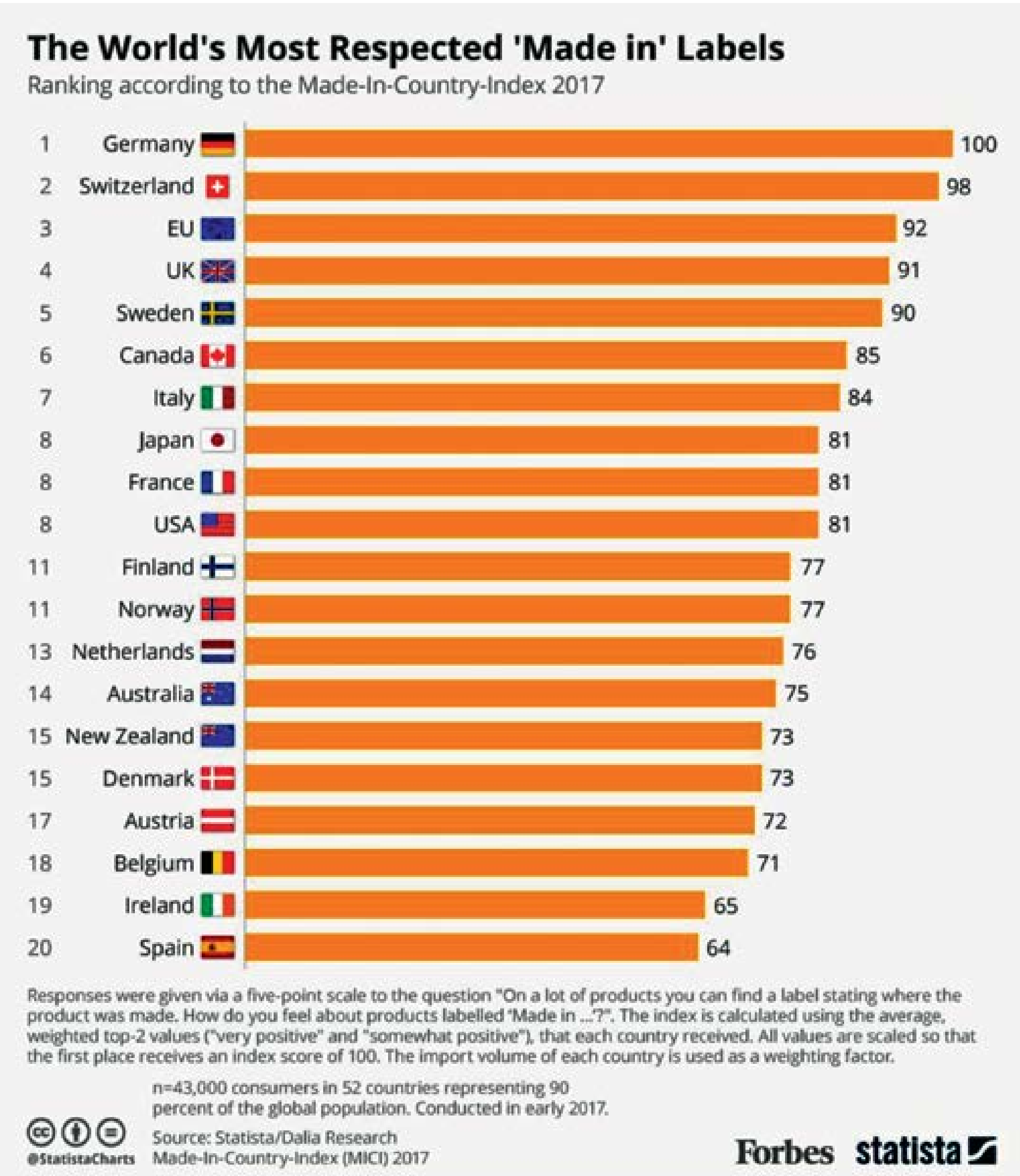
Marc Zander leads business consultancy Africon, a German-based company that focuses on helping businesses set up in

The World Loves 'Made In Germany'!

Products made in Germany enjoy the highest reputation among consumers worldwide, according to a new study. Statista's Made-In-Country-Index (MICI) 2017, shed light on the global reputation of products produced in 49 different countries (plus the EU). Germany's far-reaching reputation as a producer of top-quality products hasn't been dented by Volkswagen's emissions scandal and the nation had the highest score (100), beating the likes of Switzerland and Sweden to grab top spot.

The British originally introduced the "made in" label in the late 19th century to protect their economy from cheap counterfeit goods produced in Germany. Ironically, with the Germans now sitting at the top of the scale, the U.K. has been pushed down to (a still respectable) fourth in the rankings. Products produced in the United States enjoy a healthy level of respect across the world but "made in USA" is still only tied for eighth place with France and Japan. Out of the countries surveyed, China had the second worst score (28 index points) while Iran came rock-bottom (27 index points).

By Niall McCarthy



Spotlight: China's investments help least developed countries pursue brighter shared future - UN Report

Least developed countries (LDCs) are benefitting from lucrative business deals with China, with the world's second-largest economy becoming the biggest injector of foreign direct investment (FDI) in these countries. Between 2010 and 2015, the stock of Chinese FDI in LDCs more than tripled to 31 billion U.S. dollars, making China by far the largest investor, said a 2017 United Nations (UN) report on the state of the LDCs.

NOT ONLY CAPITAL

As agriculture still employs the largest share of the population in most LDCs, China's focus on agriculture investment will lay the groundwork for local farmers to acquire modern farming technologies and sell their products abroad.

Run Ta Ek, a pilot eco-village located about 20 km from the Angkor world heritage site in Cambodia's northwestern Siem Reap Province, now benefits from China's agricultural investments to alleviate poverty.

Founded in 2004, the 1,012-hectare eco-village can accommodate around 850 families. The government offered 20 hectares of land in the village to Forword Company from southwest China's Guangxi Zhuang Autonomous Region to implement a gardening and farming pilot project for the next 20 years.

The company built a small vegetable yard open for all villagers with the main purpose of showing and teaching agricultural techniques to local farmers.

"They teach us, transfer to us their knowledge, and after we produce vegetables and food, they will buy them back," said Mey Marady, director of the Run Ta Ek eco-village development project, pointing out that this buying-back policy really gives the farmers confidence in long-term development.

In Zimbabwe, Chinese tobacco company Tianze has injected 40 million dollars annually in interest-free loans and subsidized inputs, in addition to free technical support, training and other services to its contracted farmers. Through its support, Zimbabwe's tobacco output has rebounded and reached 217 million kilograms in 2014, which had plummeted to a low of 48 million kilograms in 2008.

"Chinese investment in agriculture has to a large extent sustained Zimbabwe's tobacco industry through the outgrower scheme operated by Chinese firms. In addition to providing capital for farmers, the outgrower scheme has guaranteed a ready market for Zimbabwean tobacco and ensured the viability of the sector," said Joseph Ngwawi, head of the Regional Economic Development Institute at the Southern Africa Research and Documentation Center.

INTEGRATION INTO LOCAL MARKET

In the price-sensitive markets of the LDCs, an increasing number of local people have become very reliant upon Chinese products and technologies, which are competitively priced, durable and have good after-sales service.

Currently, more than 90 percent of digital television (DTV) users in Burundi's capital city Bujumbura choose the Chinese company StarTimes, said Chen Yongzheng, General Manager of StarTimes in Burundi.

"I choose StarTimes because it has good channels, including children's channels, also because of the price, which is cheaper than other companies'," 31-year-old technician Edouard Nduwimana told Xinhua.

StarTimes' service is also better than other companies', he added.

Chen said the Chinese media group has lowered the barrier of using DTV in Burundi, which was only for the rich before 2010 when StarTimes entered the market. Besides offering DTV at a lower price, it provides customers with good after-sales service, he said.

In South Africa, Hisense, a China-based home electronics manufacturer, has successfully integrated itself into the local business culture by greatly contributing to the local social economic development and creating hundreds of jobs.

In contrast to many other foreign investment companies, Hisense has opted to open its major manufacturing facility in South Africa in an attempt to create local job opportunities instead of importing products from overseas plants, said Claire Noyes-Smith, marketing manager at Hisense South Africa.

In the last two decades, the brand, which is widely recognized as a cost-effective alternative in home electronics, has expanded to South Africa's four major cities and is now found in over 3,500 retail stores nationwide as well as 10 neighboring countries.

CREATING A BRIGHTER SHARED FUTURE

To help shape a better world for all, Chinese President Xi Jinping has proposed the notion of building "a community of shared future," and the Belt and Road Initiative to materialize his vision.

Beijing holds that by building highways, railroads, bridges and ports, different parts of the world can be better connected, thus creating potential for stronger development.

From the perspective of LDCs, Chinese investments -- especially in infrastructure projects -- are more than welcome. Without convenient transportation, potable water, adequate power and reliable communication, the least developed countries cannot thrive.

With the recent launch of operation of Kenya's Mombasa-Nairobi railway, China's remarkable infrastructure capabilities are again being highlighted and promoting regional interconnectivity to pave the way for global economic growth.

The Chinese-built 472-km-long Stan-

Cont'd on pg 73

Japan's FDIs to Africa hit $6 billion, keen to up trade

By Lawrence Quartey

Japan's Foreign Direct Investment (FDI) to Africa exceeded its 2012 target of $3.4 billion, reaching over $6 billion two years ahead of time.

The country's yearly FDI rate between 2008 and 2010 exceeded the baseline that was needed to double its investment to the $3.4 billion expected last year.

Koichiro Matsuura, a former Unesco Secretary General, said the huge Japanese injection went into expanding business opportunities in African nations.

The investment, he said, had created employment, expanded trade and investment and promoted political stability for peaceful atmosphere for foreign investors leading to Africa's economic development.

Matsuura's lecture came ahead of the Fifth Tokyo International Conference on African Development (TICAD V), which took place in Yokohama, Japan, from June 1 to 3, 2013.

TICAD V seeks to consolidate the shift in terms of the relationship between Japan and Africa from one historically premised on development aid to one designed to facilitate higher levels of trade and investment.

TICAD was initiated by Japan in 1993 with the support from the United Nations, the World Bank, the United Nations Development Programme and the African Union Commission.

Japan has since established diplomatic relations with most African countries, with embassies in 32 nations on the continent.

Matsuura said TICAD has grown into an international forum with participation from international organisations, regional organisations, civil society organisations, donors and Asian countries.

TICAD V will be on the theme: "Hand in Hand with more Dynamic Africa, Transformation for Quality Growth".

Matsuura believes that to realise Africa's growth, concrete action plans should be created for three themes - robust and sustainable economy, inclusive and resilient society and peace and stability in Africa.

Ghana's Foreign Affairs and Regional Integration Hannah Tetteh commended Japan for its assistance in education, healthcare, agriculture and the sustenance of peace and stability.

She said Ghana will continue to dialogue with Japan on the way forward for African development agenda for economic growth.

In terms of trade relations, Japan is currently South Africa's third trading partner, with two-way trade of nearly $1 billion recorded in 2011. ♦

Culled from www.theafricareport.com

Africa welcomes new trade initiatives from Japanese investors

TICAD VI's Nairobi Declaration is aimed at boosting economic ties, writes Kingsley Ighobor

African leaders who took part in the Sixth Tokyo International Conference on Africa's Development (TICAD VI), held last August in Nairobi, Kenya, are eager to test the latest Japanese commitment to investment and development on the continent and how it will improve the quality of life of African citizens.

After the welcoming ceremony, which was full of colour and culture, the leaders, together with business and civil society representatives, quickly began the serious business of fashioning ways to transform Africa's economies and improve political stability.

Japanese Prime Minister Shinzo Abe, who co-chaired TICAD VI with Kenya's President Uhuru Kenyatta, had come with leaders of more than 70 Japanese companies to the event in Nairobi. Also attending were presidents Jacob Zuma of South Africa, Muhammadu Buhari of Nigeria, Macky Sall of Senegal, Ellen Johnson-Sirleaf of Liberia and Filipe Nyusi of Mozambique.

Drawn to the Kenyatta International Convention Centre, the venue of the conference, were some 18,000 participants, including 300 top business executives, 1,700 business representatives from Japan and 2,000 from Africa.

SETTING THE TONE

TICAD, organized by the Japanese government, the UN's Office of the Special Adviser on Africa, the UN Development Programme, the African Union (AU) and the World Bank, this year held its first session on the African continent since it was launched in 1993. In response to pressure from African participants, meetings will from now on be held every three years instead of every five years, with alternate hosting by Japan and Africa.

As with all previous five events, leaders used this year's TICAD to deliberate on Africa's socio-economic development, using the yardsticks of the Sustainable Development Goals and Agenda 2063, a set of aspirations adopted by African leaders to transform the continent.

Prime Minister Abe set the tone in his opening address: "Africa is now up and running, aiming at long-range goals, aspiring to be a certain kind of continent with certain kinds of countries in 2063."

In addition to agriculture and infrastructure development, participants said improved trade can boost Africa's industrialization. The 77 Japanese companies whose leaders accompanied Mr. Abe to Nairobi were big and not-so-big corporations, indicating an attempt to connect with Africa at varying levels of trade and investment.

"These are firms which are passionate about Africa," Mr. Abe stated. "I hope my visit will boost bilateral relations with Kenya and Africa."

FRIENDSHIP AND TRADE

The two-day event was as much a jamboree as it was a marketplace of ideas. Companies set up tents to advertise products and services even as political and business leaders were busy canvassing their individual country's attractiveness to foreign investments. But it was the announcement of Japan's commitment to mobilize $30 billion for Africa's infrastructure, health care system and security that grabbed the headlines.

There was also a package to train or "empower" up to 10 million Africans over the next three years, including 1,500 experts under Japan's African Business Education Initiative for Youth (ABE Initiative), and an additional 30,000 engineers by 2018 to support "the foundations of industry," said Mr. Abe.

Participants considered three priority areas for Africa's development. The first is economic diversification and industrialization, which require investments in roads, ports, energy and food value chains. The second is building a resilient health system, an issue that gained urgency following the 2014 Ebola outbreak and the inability of the health systems of Guinea, Liberia and Sierra Leone to respond to the epidemic.

And finally, achieving social stability, which will require leaders to tackle socio-economic instability and climate change disasters through jobs creation for women and youth, disaster risk management and others. The hope is that economic stability will diminish the propensity for armed insurrections.

While maintaining that Japan will not let up on supporting efforts to "resolve the issues facing Africa" such as insecurity and the plunge in commodity prices, Mr. Abe also underlined the fact that Japan's relationship with Africa is not one-way traffic in which only one partner benefits.

"We have a feeling in our gut that in Africa, where possibilities abound, Japan can grow vigorously. Japanese companies can grow vigorously." Despite current economic problems, experts believe the continent's abundant natural resources, growing population and rising middle class offer good investment opportunities for Japan's companies.

Japan currently has a balance-of-trade advantage over Africa. In 2015 its exports to Africa were valued at $11.6 billion, while imports were valued at $8.5 billion, according to the Japan External Trade Organization. Rich countries need to trade more with developing countries, advised President Kenyatta.

INFRASTRUCTURE PLAN

President Kenyatta welcomed Mr. Abe's announcement that $10 billion of the expected $30 billion would be injected into a three-year African Infrastructure Plan targeting projects in education, energy, urban transport (roads and ports), health, agriculture and others. The funds will be channeled through the African Development Bank (AfDB) to boost Africa's electricity generation by 2,000 megawatts and connect 3 million homes to electricity by 2022.

Japan and the AfDB have a long-standing relationship. Between 2005 and 2014, Japan, under its Enhanced Private Sector Assistance for Africa programme, announced sums totaling $3 billion for the AfDB to support sovereign co-financing of projects in agriculture, water, health and infrastructure. Examples of such successfully executed projects are the Bujagali hydropower plant in Uganda, the Sahanivotry hydropower plant in Madagascar, the Lekki toll road in Nigeria and the Takoradi II gas-fired plant in Ghana.

While its engaging with AfDB indicates a strategy of partnering with pan-African institutions to implement projects, Japan is also dealing directly with individual countries, such as by providing Egypt with a $451 million loan earlier this year for the construction of the Grand Egyptian Museum.

At TICAD VI, a total of 73 agreements were signed in what was dubbed the "Nairobi Declaration." Some of the bigger deals include the signing of an agreement between the AfDB and Sumitomo Mitsui Banking Corporation to promote Africa's economic development. Both institutions will cooperate to provide finance for trade as well as for industrial and infrastructural projects and efforts to mitigate trade risks.

Japanese companies are interested in Africa's green energy, agriculture, automobile, motorcycle, textiles, finance and service-sector projects. Toyota Tsusho is developing geothermal energy generation at Olkaria II plant in Naivasha, northwest of Nairobi. The company is also involved in fertilizer production in other countries. Toshiba Corporation, an electronics and energy firm, signed an agreement with Kenya Power and Lighting Company on a project that will cut power distribution losses in the national grid.

BUSINESS-FRIENDLY ENVIRONMENT

President Kenyatta expressed Kenya's readiness to "support partnerships that will ensure that our youth not only get quality jobs but our farmers can also earn more from their sweat and at least 90% of their agricultural exports are processed locally."

Some experts say Japan could have done more for Africa, considering that in May 2015 the country announced a commitment of $110 billion to develop infrastructure in Asian countries. But African leaders generally lauded the goals of TICAD and Japan's relations with Africa, which they viewed as respectful. They want homegrown solutions to Africa's problems. Rwanda's Paul Kagame said, "Modernity does not mean importing values; it means improving your own values," underscoring the need for partners to support Africa's initiatives.

Mozambique's President Filipe Nyusi envisioned "the construction of the economic and financial independence of our continent."

Nigeria's presidential spokesman Garba Shehu said President Buhari wooed new investors and extracted commitments from existing ones, including Honda Motor Company, Mitsubishi Corporation, Toyota Tsusho, and West African Seasoning Company, to expand operations in the country.

Despite African countries' depiction of their continent as ready for investments, Prime Minister Abe and his entourage continued to stress the need to strengthen a more business-friendly environment. Mr. Shehu interpreted that as an indirect reference to "the problem of insecurity." Nigeria is battling Boko Haram insurgents, and across the border from Kenya is Somalia, where the Al-Shabaab rebels continue to wreak havoc, sometimes inside Kenyan territory.

At the summit, Chadian president and AU chairperson Idriss Déby called on Japan and other partners to contribute to the AU counter-terrorism fund.

Experts suggest that a business-friendly environment also means stable economic and trade policies and reliable infrastructure, which many African countries lack. Nevertheless, Tomohiko Taniguchi, a special adviser to the Japanese government, says "otherwise risk-averse Japanese companies have finally come to be aware that Africa can provide them with real growth opportunities."

A highlight of TICAD VI was the launch of the Japan-Africa Public and Private Economic Forum, which is expected to serve as a platform for forging business ties between governments and corporations. The forum will bring the "power of the public and the private sectors together to forge solutions," said Mr. Abe, adding that Japanese cabinet members and top business executives will visit Africa every three years to meet with African companies to identify "what needs to be done to enable Japanese and African companies to do more business together going forward."

For its African beneficiaries, TICAD VI was a shot in the arm. President Jacob Zuma, representing South Africa, Japan's largest trading partner, said that what is now needed is for Japanese investments "to be structured in a way that all [African] countries are able to benefit, particularly when it comes to bigger projects." That's a view that will cheer leaders of Africa's smaller economies.

The next TICAD will be held in 2019 in Tokyo and should be one more opportunity to take stock of progress made since the Nairobi Declaration. ♦

From Africa Renewal:

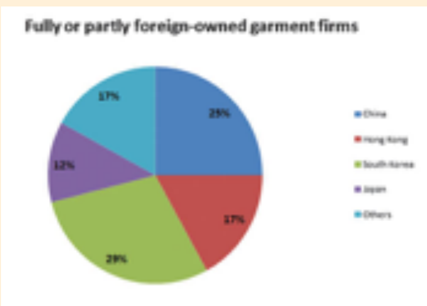
December 2016 - March 2017

Myanmar: More FDI essential for substantial increase in garment exports

By Thompson Chau

Foreign direct investments (FDI) in labour-intensive activities such as garment exports should be actively promoted from China and elsewhere in order to facilitate Myanmar's economic transformation, according to the latest briefing paper published by a UK-based think tank.

A study has called for an expansion of training in the garments sector to tackle shortages of high-level skill as well as complementary reforms in finance and trade policy. The briefing paper "Foreign direct investment and economic transformation in Myanmar", written by Stephen Gelb, was published in June 2017 by Supporting Economic Transformation (SET).



Data provided by the Myanmar Garment Manufacturers Association, as of mid-2015. Thompson Chau/The

MYANMAR: MORE FDI ESSENTIAL FOR SUBSTANTIAL INCREASE IN GARMENT EXPORTS

Myanmar Times

Funded by the UK Department of International Development (DFID), SET is an Overseas Development Institute-led (ODI-led) program which aims to provide practical policy support to governments and their partners in development countries. The Overseas Development Institute is a London-headquartered think tank specialising in international development and humanitarian issues. The briefing paper is a summary brief of the ODI report of the same title. The report explores the potential for FDIs, including from China, to contribute positively to economic transformation and poverty-reducing growth, focusing mainly on garments and construction.

In value terms, China is the largest foreign investor in Myanmar, and power and oil and gas are the largest sectors, based on data provided by the Department of Investment and Company Administration (DICA). But Chinese and Hong Kong investments are substantial in the garments sector as well.

The briefing paper argued that FDIs in Myanmar's garments industry has been significant and that the sector is a major job creator. As of mid-2015, about 55 percent of registered garment firms in the country were known to be fully or partly foreign-owned, according to data from the Myanmar Garment Manufacturers Association. Among them, a quarter came from China, 17pc from Hong Kong, 29pc from South Korea and 12pc from Japan.

The publication stated that foreign-linked firms supply almost all garment exports, and these have surged in recent years. The lifting of EU and American sanctions helps further boost export growth. The industry creates a lot of jobs, with around 200,000 employed in total in mid-2015, and a quarter of the workforce were hired in Chinese and Hong Kong firms. However, the paper argued that these foreign-linked garment firms have produced few benefits, linkages or spillovers in Myanmar beyond export and job creation.

It further pointed out that the foreign-owned firms have very few local managers, reflecting the country's shortage of high-level skills.

The publication argued that FDIs are essential in the garments sector.

"...Myanmar cannot meet its [garment exports] target in either sector [garments or construction and infrastructure] without substantial numbers of new mid-size firms.

"Since competitive local firms have not emerged in large numbers, more FDI is essential in both sectors, and China is the most likely source, given its economic size and geographic proximity," it stated.

It recommended the country to ease entry restrictions and get rid of "cumbersome procedures", which discourages transparent formal entry by international businesses.

"Myanmar should further ease entry and undertake active investment promotion in garments and other labour-intensive exports such as footwear...

"Entry of Chinese and other foreign garment assemblers could also be encouraged through engagement with buying firms, especially global retail or apparel corporations," it noted.

Additionally, three solutions were suggested to tackle Myanmar's shortage of entrepreneurial, management and technical skills in the garments sector. The short-to-medium term measure is "labour circulation"-the movement of foreign and domestic skilled employees from international businesses to existing and new local ones. Entrepreneur support policies should also be made available to foreigners as well as the Myanmar diasporas.

In the longer term, the country should develop tertiary educational institutes which are dedicated to the garments industry in order to increase the supply of managers and technicians in the sector. ♦

Spotlight: China's investments help least developed countries pursue brighter shared future – UN Report

Cont'd from pg 69

dard Gauge Railway (SGR) linking Kenya's capital Nairobi and East Africa's biggest port city Mombasa comes as part of ambitious efforts to build a 2,700-km East Africa corridor connecting Kenya, Uganda, Rwanda, South Sudan and other East African countries.

It was constructed at a cost of 3.6 billion dollars, co-financed through commercial and semi-concessional loans from China and input from the Kenyan government

The recent launch of the much anticipated SGR has also been a game-changer with the project ushering in a new era in the transport of goods and people from the coast to the hinterland and vice versa, said Stephen Ndegwa, a lecturer at MultiMedia University and public policy analyst in Kenya.

In Ethiopia, China has built and financed a 4.2-billion-dollar 756 km Ethiopia-Djibouti electrified rail line to boost Ethiopia's industrial exports.

The electrified rail line, the first trans-boundary electrified rail line in Africa, is expected to start commercial operation in October.

Once the electrified rail line starts operation, it's expected that average transportation time to reach Djibouti port from the Ethiopian hinterland will be cut from two days to 10 hours.

"The industrial parks lying on the path of the rail line will be a game changer for both countries and in general for the region, enhancing economic transformation and easing transportation of goods," said Ahmed Shide, Ethiopia's minister of transport.♦

Source: Xinhua | 2017-08-02

Foreign investors losing confidence in South Africa

by Robert Jeffrey and Johannes Jordaan on '16 May 2016'

The South African economy has made great strides since 1994, when apartheid was replaced with a democratic system. One useful measure of this is the country's FDI liabilities-FDI stock held by foreign companies in the country. In 1996, these were US$14.4bn in nominal terms, but by 2015, they were $148bn, having reached a high of $179bn in 2011.

JOHANNESBURG, SOUTH AFRICA

However, the tide of FDI to South Africa is turning. In 2015, world FDI flows increased an estimated 36.5% to $1.7tr, according to the United Nations Conference on Trade and Development (UNCTAD). Meanwhile, FDI flows to Africa decreased 31.4% to $38bn in the same year, and FDI flows into South Africa decreased 74% to $1.5bn.

Data from the SA Reserve Bank (SARB) shows that FDI to South Africa reached a record level of ZAR80.1bn in 2013 and was still high at ZAR62.6bn in 2014, but that it dropped to ZAR22.6bn in 2015. FDI flows tend to be volatile, but the 2015 level is the lowest level in nominal terms since 2006.

According to UNCTAD, the large decline in FDI to African countries is due to the recent end of the commodity "super-cycle", which has seriously affected the flow of FDI to resource-rich countries. In 2015, FDI flows into Mozambique were down 21% to $3.8bn while FDI to Nigeria declined 27% to US$3.4bn, for example. However, both of these figures were higher than South Africa's FDI of $1.5bn in the same year. (UNCTAD preliminary data for 2015. Differences in value with respect to the previous paragraph may be due to different definitions of FDI used by SARB and UNCTAD.)

Meanwhile, South African companies are increasingly investing elsewhere. According to SARB data, South African FDI flows into the rest of the world were ZAR83.2bn in 2014 and ZAR68.3bn in 2015. This demonstrates the entrepreneurial qualities inherent in South African business, but it is also an indication of a lack of confidence in the domestic economy. In 2014, South African companies held more foreign FDI assets as compared to the FDI liabilities held by foreign companies in South African companies. It was the first time we have seen this since 1998.

The sharp decline in FDI to South Africa is highlighted by its performance on the AT Kearney FDI Confidence index. While the country occupied the 11th position out of the top 25 rated countries in 2012, it dropped to the 13th position in 2014. More ominously, it was not included in the 2015 ranking at all. According to the 2015 EY Africa Attractiveness survey, FDI flows into new green- and brown-fields projects in South Africa declined in 2015, for a second consecutive year.

Internally, South Africa has seen a dramatic slowdown in key goods-producing sectors in recent years, mainly in agriculture and agricultural processing and in the mining and manufacturing sectors. Following the global recession of 2008/9, many of the country's economic sectors faced sharply reduced domestic and export demand levels. Key sectors of the economy have also seen longer-term declines. Manufacturing contributed about 30% of GDP in 1986, but that share is currently at about 21%. The share of mining fell from 13% to 7% in the same period. Meanwhile, services have grown from 51% to 69% of GDP.

The UK remains the largest FDI investor in South Africa, according to SARB data. The FDI assets (stocks) held by UK companies in South Africa were 45.6% of the total South African FDI liabilities in 2014. However, this share decreased from 54% in 2009. As against this, companies from the Netherlands held 16.6% of South African FDI liabilities in 2014, an increase from 10.6% in 2009.

In another development, foreign investors are changing their interest in South Africa, with more emphasis on the service industry and less on value-added industries such as mining and manufacturing. FDI liabilities in manufacturing decreased from a share of 27.9% in 2009 to 16.5% in 2014. However, the FDI share in finance, insurance, real-estate and business services increased from 27.1% in 2009 to 44.4% in 2014 from ZAR235bn in 2009 to ZAR715bn in 2014 (in nominal terms). FDI liabilities in mining and quarrying accounted for 33.4% of total FDI liabilities in South Africa in 2009, but dropped to 23.5% in 2014.

The increased share in the service sector was mainly driven by foreign investment in South African banking. This could change, depending on who buys the Barclays share in Barclays Africa Group. In early April this year, London-based Barclays plc confirmed its plans "to sell down its 62% stake in Barclays Africa (Absa) over the next two to three years, to a level at which it can deconsolidate it, probably below 20%", according to the Johannesburg daily newspaper, Business Day.

One contributing factor to the lower inflow of FDI to South Africa in 2015 was the sale by UK pharmaceutical giant GlaxoSmithKline of half of its 12.4% stake in South African drugs manufacturer Aspen Pharmacare for R10.5bn. Steinhoff bought control of Pepkor, a South African holding company with extensive interests in retail, from South African business tycoon Christo Wiese and Brait, an investment company with South African roots but a primary listing in Luxembourg. The deal also involved Brait Mauritius, which was holding Brait's 37% of Pepkor, and "therefore counted as a foreign investor disinvesting from a South African asset for balance of payments purposes," according to the Rand Daily Mail, a South African website. These deals resulted in a net FDI inflow of -ZAR13.9bn in the first quarter of 2015, but this was followed-up with positive net inflows of ZAR6.9bn, ZAR15.9bn and ZAR13.7bn in quarters two, three and four respectively, according to SARB data.

Nevertheless, the recent sharp decline in FDI to the country is clear evidence that foreign investors are losing confidence in the South African economy. Given the sluggish growth of the South African economy, investors were looking elsewhere, according to the 2015 EY investment attractiveness report. Significant investment from other countries, notably the Brics grouping, which consists of Brazil, Russia, China and

India, as well as South Africa, has not been forthcoming. These countries are also facing economic challenges caused by the global economic slowdown and the fall in prices of commodities.

South Africa's economic performance has certainly been influenced by low commodity prices, but the end of the commodity super-cycle tells only part of the story. Resource-rich countries, particularly in Africa, have generally failed to develop much-needed infrastructure and to develop their potential downstream supply and other industries. They have also suffered the twin scourges of corruption and poor policymaking. Sadly, South Africa is now no exception. In particular, policy uncertainty generated by the South African government and the resulting poor sector performance are negatively shaping the situation. As in other African countries, government policy decisions are impeding economic growth and discouraging foreign investment – particularly from Western industrialised countries, traditionally the major source of FDI to the country.

Without improved economic growth, the country's domestic consumer growth will be limited. Currently, South African households are in serious debt. Government investment growth is limited because the government is short of funding. Realistically speaking, the only source of growth in the near future will be a significant increase in domestic investment, and in particular, foreign direct investment. If the country is to turn its economic fortunes around – and hence its ability to deliver services and a decent quality of life to its citizens – a number of measures will be necessary.

- Restrictive legislation that leads to inefficiencies and low productivity must be withdrawn.
- Legislation that promotes both domestic and foreign investment must be encouraged, rather than discouraged.
- The country's infrastructure must be enhanced to support growth.
- South Africa's goods-producing primary and downstream industries must be developed.
- Many of the country's state assets, which are performing inadequately, must be privatised, and control handed to the private sector.

Individual freedom and true economic independence will only come by focusing on those factors that increase economic growth. Countries that do not participate in the process of globalisation, or which introduce inferior or inadequate policies as compared to those of developed or other developing countries, run the risk of becoming comparatively less competitive in the global economy. Such a fate awaits South Africa, unless its political leadership wakes up.♦

This article was first published by Good Governance Africa.

SA foreign direct investment jumps 38% in 2016 - UNCTAD

By Carin Smith

Cape Town - South Africa saw a 38% increase in foreign direct investment (FDI) inflows in 2016, though they remained at a relatively low level of $2.4bn, according to the latest Global Investment Trends Monitor of the United Nations Conference on Trade and Development (UNCTAD).

At the same time, global FDI flows fell 13% in 2016, reaching an estimated $1.52trn, as global economic growth remained weak and world trade volumes posted anaemic gains.

"This decline was not equally shared across regions, reflecting the heterogeneous impact of the current economic environment on countries worldwide," according to the report.

Foreign Direct Investment (FDI) flows to Africa registered a decline of -5% to $51bn, with the region sharing similar external vulnerabilities with Latin America, according to the latest Global Investment Trends Monitor of the United Nations Conference on Trade and Development (UNCTAD). The low level of commodity prices continues to have an impact on resource-seeking FDI. Flows to Angola more than halved after surging in 2015. Mozambique saw its FDI fall 11%, but the level was still significant at an estimated US$3 billion.

However, there was some uptick in flows to parts of Africa, centred on traditional FDI recipients such as Egypt (from $6.9bn to $7.5bn) and Nigeria (from $3.1bn to $4bn).

"Slowing economic growth and falling commodities prices weighed on FDI flows to developing economies in 2016. Inflows to these economies fell 20% (to an estimated $600bn) in the year, because of significant falls in Developing Asia and in Latin America and the Caribbean," according to the report.

"There was a widespread downturn in cross-border M&A activity across developing sub-regions during the year, which

fell 44% in terms of aggregate value. In contrast, the value of announced green field projects rose 19% to reach $540bn, but this was largely due to the announcement of a few very large investments in a small number of countries, as the majority of countries recorded falls."♦

SAFER DRINKING WATER: The need to replicate successful intervention

Though immediately impactful elsewhere, LifeStraw still seeks to find a foothold in South Africa

In Africa, diarrhoea causes more deaths in young children than AIDS, malaria and measles combined, largely due to exposure to polluted water sources in poor communities. Studies have showed that filtration is the most effective way to prevent diarrhoea - treating water at the household level has been proven to be more than twice as effective in preventing diarrhoea as treating water at the source.

In South Africa, the disease is responsible for 20 per cent of under-five deaths, and though progress has been made in scaling up multiple interventions to reduce diarrhoea in the last decade, challenges still remain.

Life in fibre

Swiss company Vestergaard has built a pioneering water filtration system that removes 99,9999 per cent of bacteria and viruses, virtually eliminating the risk of contracting waterborne diseases. The Life Straw system uses advanced hollow fibre membranes that require no chemicals such as chlorine or iodine. Water enters the system and is forced through the narrow fibres under high pressure, trapping bacteria, protozoa and other contaminants, making the filtered water completely safe to drink.

The LifeStraw system is available in personal, household and community guises, with the latter able to hold between 70,000 and 100,000 litres - enough to serve communities for several years. The device was awarded Times Magazine's Invention of the Year for 2005, and has garnered numerous other international awards.

Aqual4Life is the Southern African distributor of LifeStraw products, and is partnering with governments, NGOs, and aid organisations to deliver their life-saving systems to impoverished communities. The biggest successes have been achieved in Kenya, with 1,700 LifeStraw Community purifiers being delivered to over 300 schools in the country last year, reaching 160,000 children. Nearly 900,000 household water filters are being introduced to the country's Western Province, providing point-of-use water filtration to Kenyan residents for at least 10 years.

However, despite the Kenyan success story, the devices are reportedly being ignored by the South African government. South Africa is facing a water crisis, with ageing infrastructure and poor operations severely impacting the provision of clean water.

According to Chris Bateman, editor for the Health and Medical Publishing Group (HMPG), LifeStraw could at the very least give dysfunctional rural municipalities enough time to fix broken pipes and increase their maintenance capacity.

"The applicable LifeStraw technology, available for the past nine years and winner of ten top international awards for excellence in design, outperforms any similar device on the South African market, exceeding the World Health Organisation's criteria of the 'highly protective' category for microbiological performance', says Bateman.

A community unit costs around US$500, working out at around 0.5 cents per litre over three years, representing a very affordable option.

At one of the few places where the system has been installed in South Africa, the results have been startling.

"Already the prevalence of infant and child diarrhoea at a crèche in Masiphumelele township in Cape Town, serving 106 small children, has dropped by 100 per cent" Bateman pointed out.

Nico Germishuizen, managing director of Aqua4Life, says that only 35 community units have been installed in the provinces of Kwazulu-Natal, Pretoria and Cape Town, while another 250 family units have also been installed. We need to roll out clean water to approximately 11mn people in rural areas and with the daily break down of sewage works affecting major waterways this will start affecting peri urban and urban population in near future,' Germishuizen said. The system can be used in any area where there is some development, particularly in the mining and agricultural sectors, some of the biggest culprits in contaminating water sources.

'Anywhere where you have some development, be it mining, agriculture or urbanisation, there will be water sources close by. These will become compromised so there has to be a solution to keep it clean. If not the development will cease. So Aqua4life looks for solutions to that whether in the medium or long term, while authorities get their issues sorted out', Germishuizen explained.

Costs and analysis

According to a study by the University of the Witwatersand (Wits) governmental departments need to scale up 13 interventions in order to significantly reduce diarrhoea by 2030.

These range from vaccinations, to treatment of comorbid diseases, adequate nutrition for mothers and children and most importantly, interventions for the provision of water, sanitation and hygiene.

The cost of implementing all 13 interventions will range from US$510m to US$960mn, and will take a number of years to put into action. Approximately five million scaled up to full coverage.

However, despite achieving these goals, approximately six million households (46%) do not have access to piped water in their homes and 1.4mn households (11 per cent) still lack access to sanitation services. Furthermore, the sanitation services in over 3.8mn households (26 per cent) in formal areas do not meet the required standards. ♦

Fostering innovation on the African factory floor

Digital transformation is impacting everything around us, but can it really change the manufacturing industry? Can collaborative software really help innovate working practices? We believe it can.

Collaborative software isn't new, but has migrated from desktop PCs buried in back room offices to always-available mobile devices across the workspace.

Transparency Market Research expects the global enterprise collaboration service market to reach $56 billion by 2025. These solutions are part communication, part analytics, part asset management, part schedules and more. They allow better face-to-face interactions – even between remote teams – can generate new insights and enable new working practices.

"We are seeing our multinational manufacturing vertical customers based in Africa behind the curve when it comes to the adoption of certain digital technologies such as Cloud and IoT. We have seen a surge in certain pockets and areas and also noted that there is a lag effect in many countries. In the Sub-Saharan African sub continent we have noted that maturity in certain countries varies considerably. Some businesses even display vastly different technology adoption across their various locations in countries across the region," explains Mark McCallum, CTO & Head of Solutions, sub-Saharan Africa, Orange Business Services. **"However, we are noting a strong upsurge in connectivity across the sub-Saharan African countries. In the manufacturing sector in particular, our customers are typically co-located within large cities where mobile, wireless and other high capacity connectivity is available, with the strong uptake in fibre allowing to high capacity services. We have even seen some of our customers deploying their own high capacity campus networks to support their ambitions to modernise and advance their manufacturing processes and systems. Further, we have seen a strong demand for VSAT services in remote areas and also to add continuity services when customers are evolving, looking for strong business continuity and backup for their cloud and IOT services."**

The Federal Government of Nigeria aims to generate an additional US$20 billion to US$30 billion (i.e. NGN 3.2 trillion to NGN4.8 trillion) in manufacturing revenues over the next 3 to 5 years, while creating jobs, generating wealth, diversifying the economy from oil & gas, substituting imports, diversifying exports, and broadening the Nigerian government's tax base, NIPC (2015). McCallum explains that the digital transformation will be key in assisting the Government in achieving these goals.

At best, collaborative software provides co-workers from across the business with deep insights and new tools to break down traditional silo-based workplace cultures. It's important to distinguish between social media collaboration and collaborative tools for business. Consumer tools lack the depth and power needed in professional environments, they tend to favour the sharing of trivial resources. In the workplace, the tools must be strictly business focused. They must traverse multiple tasks, as well as communication. They also act as knowledge management platforms capable of capturing transactional data, resources and assets.

This means that when you use these tools you don't just discuss topics and share resources, but can also analyse previous project commitments, schedules, outcomes and more, providing up to the minute insight into the state of your business, projects, and team efficiencies.

When you make these tools available across traditional team boundaries you can erode silo-based workplace culture. Such collaboration means teams from product design to traditional tech support can all begin to share and find common ground, boosting innovation, understanding, and the sharing of skills.

Manufacturers embrace collaboration

That's certainly the expectation among Nigerian manufacturers, many of whom are now looking at increasing their investment in such technologies.

Despite the fact that cost of connectivity remains a barrier to entry for Africa, the Siemens 2017 African digitalisation maturity report notes that some of the

largest growing economies in Africa – among them South Africa, Ethiopia, Kenya and Nigeria – have made great strides in the adoption of innovation practices.

Digitalisation in the manufacturing industry goes beyond the automation of production. It also paves the way for new approaches to manufacturing and the supply chain that enables it. The adoption of technology creates real opportunities to merge the digital and physical worlds.

Facilitating such a collaborative culture across your organisation's teams makes it far more likely you will detect market changes early, empowering you to more swiftly respond to business needs. How might this work? Your marketing department, for example, may pick up on a change in consumer expectation that your product design and manufacturing groups may otherwise have missed.

Beyond communication and effective internal collaboration, tools used can boost company understanding of customer preferences and trends; improve knowledge management and product innovation; and (perhaps crucially) boost revenues through improved business efficiency.

Take Nigeria's Eko Atlantic, for instance. Its infrastructure was installed even before people started moving in. The tranches for fibre infrastructure were made ready and operators were allowed to put in their own cables and connect directly.

It's rocket science

Ikeja Electric, Nigeria's largest power distribution company recently achieved large-scale ICT breakthroughs with its Advanced Metering Infrastructure (AMI) solution. The system resolves many problems arising from practical operations, and the company installed smart metering terminals, and created an IT-based application system to improve its operational efficiency.

"The most important collaborative functions include the engineering and design processes, business process integration, real-time financial reporting and analytics, and fully connected manufacturing execution capabilities," notes an Infor report.

"The most important collaborative functions include the engineering and design processes, business process integration, real-time financial reporting and analytics, and fully connected manufacturing execution capabilities

The report explains the added utility of building in strong reporting and analysis functions that turn the data you have gathered through collaboration into actionable insights to improve business management and create future opportunity.

Collaborative tools optimize teamwork by combining human ingenuity and problem solving with powerful analytics and asset, schedule and project management. They enable insights to feed into group decision-making that may never have been shared between different parts of your business. This combination empowers agile businesses to pivot swiftly in response to changing market needs.

These tools are also important components within the emerging "Industry 4.0", providing layers of insight and communication designed to underpin increasingly automated factories.

"Manufacturing technology is coming fast to Africa and the continent has the ability to leapfrog due to the strong uptake and penetration of enabling technologies, such as high capacity mobile broadband services and the massive deployment of capacity to the continent for Internet and private connectivity services. Technology in Africa is undoubtedly an equaliser that enables innovation and transparency. Nigeria is being prepared for a digital future where manufacturers foster innovation on all factory floors," concludes McCallum.

Mark McCallum is CTO and Head of Solutions, sub-Saharan Africa, Orange Business Services ♦

Germany touts Africa investment as signature issue

Cont'd from pg 64

sub-Saharan Africa.

He says German companies are looking to make serious, long-term investments and more are looking each day.

"A lot of German companies are still family-owned so their approach to the African region might be on the one side be very cautious, but on the other side, a lot of German companies do properly work on the the strategies and also think-long term," he said from Stuttgart, Germany.

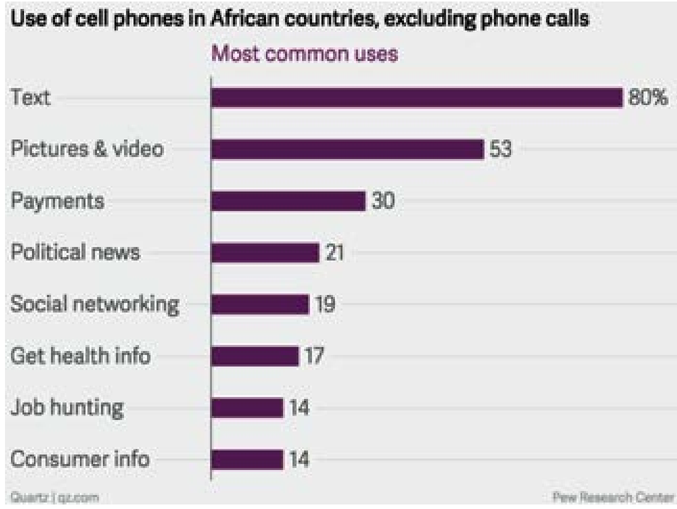
Christoph Kannengiesser, CEO of the Berlin-based German-African Business Association says 600 German companies are already working on the continent and he expects that number to grow. The continent's booming population and growing consumer base make it an attractive business destination, he says.

"The new German approach to Africa is first of all to accept and to take into consideration much more that Africa is a political and economic factor, and that Germany should strengthen the ties to Africa and build up more and more intensive relations to Africa in general and to important African countries," he said. "And I think the second aspect is that we recognize Africa as a continent of economic opportunities and that we should engage as well."♦

KEY POINTS

- Economic growth across many (but not all) African economies will remain slower over the next few years.
- Nevertheless, despite current uncertainties, longer term prospects for growth and investment remain positive.
- Most African economies are in a fundamentally better place today than they were 15 years ago, and overall growth will remain robust relative to most other regions in the world.
- Supporting our longer term outlook is the fact that FDI levels into Africa remained relatively strong in 2015 (with a 7% year-on-year increase in FDI project numbers).
- However, in a context of uncertainty, the opportunities for growth & investment are a lot more uneven than they have been; making investment choices based on fact-based analysis are more important than ever.
- To support clients in this process EY has introduced a tool – the Africa Attractiveness Index – which ranks countries based on a balanced set of shorter- and longer-term focused metrics (helping to put some of the current 'noise' regarding economic performance of some of these economies into a proper context).

We are at an inflection point in terms of the structural evolution of most African economies. Decisions made and actions taken now will determine, which of these economies consolidate the gains made over the past decade as a platform for sustainable growth in coming decades



The top 8 uses for cell phones in Africa (excluding phone calls). Credit: qz.com

FIFA U-20 WORLD CUP: Senegal and South Africa complete Korea Republic 2017 line-up

Senegal and South Africa booked their tickets to Korea Republic 2017 after advancing to the semi-finals of the CAF U-20 Africa Cup of Nations from Group B.

Senegal were the only undefeated team in the group, with two wins and a draw, rounding out their successful group stage campaign with a 2-0 victory over Cameroon. Les Lions de la Teranga return to the FIFA U-20 World Cup for the second consecutive time, following their memorable debut at New Zealand 2015 where they finished in fourth place.

South Africa's success meant they return to the U-20 World Cup for the first time since Egypt 2009. Amajita defeated Sudan 3-1 in their final Group B match at the African qualifying tournament to assure them a place in the last four. South Africa's best finish at the U-20 World Cup came in Egypt eight years ago when they reached the Round of 16, before getting knocked out by eventual tournament champions Ghana after extra time.

Continental tournament hosts Zambia were the first team to secure their spot at Korea Republic 2017 after winning Group A with victories over Guinea, Mali and Egypt. It ended a ten-year absence from the global finals for Zambia, having last attended Canada 2007. Their journey to the Far East will be the Chipolopolo's third trip to the U-20 World Cup, having debuted in 1999, with their last-16 appearance a decade ago their best performance to date.

© Getty Images

They are joined by Guinea, who return to the U-20 World Cup for the first time in 38 years after a 3-2 victory over Mali in their final Group A match. Combined with a draw versus Egypt, Syli Nationale finished second in Group A behind the host Zambians to reach the last four of this year's U-20 Africa Cup of Nations. Guinea's last appearance at the world finals was Japan 1979.

The four African sides join 20 other teams from Asia, Europe and South America who had already booked their place prior to the Africa U-20 Cup of Nations' kick-off, with all four semi-finalists earning a place in Korea Republic.

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Nigeria's crude account one of world's least transparent - NRGI

Nigeria's Excess Crude Account tied for the world's most poorly governed sovereign wealth fund, according to a report by the Natural Resource Governance Institute (NRGI) released recently.

The $2.4 billion account was ranked alongside the Qatar Investment Authority as the worst in terms of oversight and transparency in NRGI's index of resource management. NRGI rated 11 sovereign wealth funds, managing least $1.5 trillion in total, as "failing".

"The government discloses almost none of the rules or practices governing deposits, withdrawals or investments of the ECA," the report said. It added that the account, along with the other worst performers, is "so opaque that there is no way to know how much may be lost to mismanagement."

Nigeria's finance ministry did not immediately return a request for comment.

Money from the account – which is rainy day fund – is occasionally used by the government to cover budget shortfalls. In such cases, the money is shared between the Federal, State and Local Governments.

Nigeria also runs the Nigeria Sovereign Investment Authority, with some $1.25 billion under management, but NRGI said it had ranked the ECA due to its larger balance sheet

The NRGI report ranked Nigeria 55th in overall resource management, with a high score on its taxation ranking helping to balance its last-place finish in Sovereign Wealth Fund management. It scored higher than 70th placed Angola, which is second to Nigeria in African oil exports, while nearby Equatorial Guinea was fifth from the bottom of the table.

At independence in 1966, Botswana ranked as one of the 10 poorest countries in the world. Just over half a century later, with the help of a significant diamond endowment, the richest on the planet, government has managed to elevate the country from a low-income country to one with a mid-income per capita GDP, as it invested the proceeds of its minerals rent into physical and human capital, and into institutions.

The success of this responsible management is to be seen everywhere, as the World Bank elaborates, "at independence, Botswana had six kilometers of paved roads, three secondary schools, too few healthcare facilities to mention, and a mere 1.5% of the population had completed primary schooling. Today, it has more than 7,000 kilometers of paved roads, more than 300 secondary schools and 95% of Botswanans live within eight kilometers of a healthcare facility, and primary school education is free."

At a time when its southern neighbor has cold shivers running through its markets, in anticipation of whether or not rating agencies will downgrade the South African sovereign rating to a non-investment grade credit, Botswana has a ranking far from a junk credit. Its upper Investment grade is the highest in Africa.

Government acknowledges, however, that among the challenges it faces, a high HIV/Aids infection rate (the second highest in the World) slows growth. It recognizes it has to diversify the economy, away from an over dependence on mining – especially diamonds

– to areas that can carry GDP growth forward. For this reason, it has rolled out the National Development Plan (NDP-11) into tourism, construction, energy and transport. In short, government has assessed that doing the same is not good enough, and to use the worn cliché, diamonds will not be forever.

It has not forgotten where the roots of its humble existence began, and has not forsaken the mining sector's contribution to the growth in its output, for beneath its soil, lies some 200 billion tons of coal – an estimated two thirds of Africa's total – a happy co-existence with the volcanic diamond treasures its fiscus holds so dear, and which government manages proceeds from in its public-private partnership venture with Debswana. With so much focus on mineral wealth, it is easy to forget where other areas of promoting economic growth exist. A good example is Botswana's biodiversity of resources, such as the Okavango Delta, as well as the Kalahari and Chobe, which boost eco-friendly tourism uplift socio-economic conditions of rural communities.

Timing is everything

While the need to diversify the economy grows urgent, there is a frank acknowledgment that government cannot do this on its own. This land-locked country faces challenges from climate change, and has a critical shortage of water and electricity, which threaten any sustainable moves to diversify the economy. Also, government will

"Money from the account – which is rainy day fund - is occasionally used by the government to cover budget shortfalls. In such cases, the money is shared between the Federal, State and Local Governments

not hesitate to engage the help of the private sector.

As controversial as the decision may have been to close loss-making copper and nickel mines, the government has indicated a strong resolve to protect its hard-earned fiscal integrity, making any adjustment it deems necessary which would shield the taxpayer, despite mine closures shedding jobs.

Another indication of this responsibility was the decision taken by the Botswana Power Corporation to shed its loss-making Morupule B power station. The drive to privatize the state-owned enterprises theoretically embraces the concept of Public-Private Partnerships, structures considered to be generally successful.

Cash is falling out of fashion – will it disappear forever?

Although 4.3% GDP growth in 2016 may not be high by historical standards, it remains a solid base against which key financial stability ratios can be monitored by credit rating agencies. A surplus of 16% of GDP on the current account of the balance of payments, and an almost negligible budget deficit of -0.7% of GDP, appear to have underpinned the decisions by the rating agencies to maintain the upper investment grade ratings by S&P (A-) and Moody's (A2) last April.

If there is a conundrum that policymakers have to solve, it is not that GDP growth must be diversified, and that a stronger export base will drive growth in output sufficiently to alleviate poverty and income inequality, but rather that the success of economic diversification will be reflected in economic intangibles, such as better levels of education, better healthcare, better institutions to manage the rents derived during times when economic cycles are more volatile and in better regulating private enterprise. ♦

Understanding change catalysts in Africa's oil and gas sector

By Thabo Thobejane

Despite having experienced significant growth in recent years, Africa's oil and gas industry remains poised for continued expansion, mainly to the energy appetites of many developed and developing countries across the globe, according to Thabo Thobejane, Senior Associate of oil and gas finance at Nedbank Corporate and Investment Banking. Thobejane says a number of recent events in this vital sector of the overall African economy also point to significant change and the potential for continued growth in coming years. This is particularly true for African countries where the upstream and power sectors are fast moving towards development, with a number of projects predicting Final Investment Decisions (FID) either this year or early in 2018.

Some of the more notable of these change and growth catalysts include the agreement of the route for the 1 400km pipeline to carry Ugandan oil through Tanzania for export. Tullow and Total are also expected to reach a final investment decision (FID) on the Uganda project in 2017/18 while, in Kenya, both companies are planning to reach FID in 2018/19.

EXPLORATION SECTOR

In the exploration sector, Africa-focused exploration and production company, Kosmos, invested substantial sums in 2015/16 and they now appear to be moving towards development for their discoveries in Senegal and Mauritania.

In East Africa, and particularly Mozambique and Tanzania, the gas-to-power industry appears set to continue gaining momentum, as evidenced by Sasol's planned development of a 400MW gas-to-power plant in Maputo on the back of clear indications of a very healthy supply of gas in the region.

Even countries that have historically been dependent on coal imports for their power needs are moving towards gas-to-power solutions, according to Thobejane. Botswana is a prime example and is actively investigating such solutions in partnership with AIM/ASX-listed company, Tlou Energy, which is in the process of tendering to develop a 100MW gas-to-power capacity in the country.

In Ghana, gas-to-power is also advancing, while in the Ivory Coast, there is talk of the development of a Liquefied Natural Gas (LNG) regasification terminal and a Floating Storage Regasification Unit (FSRU) for gas-to-power generation.

"On the subject of LNG, this remains another significant oil and gas growth catalyst with the prospect of exports from both Mozambique and Tanzania. While there have been some delays, Mozambique is expected to reach FID on the Coral floating LNG project this year, or in early 2018. ExxonMobil is also said to be in talks with Eni and the Mozambique Government about buying into Area4. Moving west, the Angola LNG project has come to fruition and is said to be ramping up," says Thobejane.

NIGERIA

Nigeria is set to soon reclaim its position as Africa's number one oil producer thanks to continued negotiations between that government and militant groups that appear to be halting militancy in the Niger Delta region.

These, and the many other forward-looking oil and gas developments in Africa of late are especially positive given the challenges experienced by the industry as a result of very low liquidity levels in 2015 and 2016, due mainly to the global slump in price. Since the start of 2017, however, we have seen a measure of stability and liquidity return after OPEC's announcement that it would cut production in the last quarter of 2016. Private equity involvement in the industry is also playing an increasingly important part in improving liquidity, with the likes of Kosmos and New Age - another Africa-focused exploration and production company - seeking funding from the private equity market.

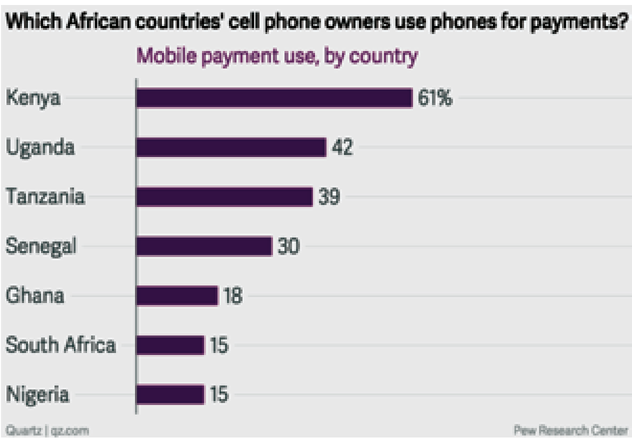
"As always, the governments of African countries have a vital role to play in maintaining and growing this positive momentum. Fundamental to the sustainable success of the industry is reliable, long-term legal frameworks that ensure the laws governing the oil and gas activity in any given country are consistent across projects. This will afford prospective investors the comfort they require and the solid foundation they demand in order to invest," says Thobejane.

Local or indigenous African banks will also play an increasingly important part in the growth of oil and gas in Africa, in his view.

"In addition to having their finger securely on the financial pulse of the countries in which they operate, these banks have invaluable local knowledge in terms of stakeholders, rules and regulations that stand to make or break any undertaking," says Thobejane.

"That said, most mega projects tend to be dollar-funded, particularly upstream, and most local banks struggle to raise dollars cheaply. As a result, one can expect that the involvement by indigenous banks in oil and gas growth will be more focused on the downstream sector, which tends to be funded in local currency, but is nevertheless equally important to the sustainable development of the industry and its vital ability to positively impact economies and populations across Africa."

Thabo Thobejane



The top 7 African countries for mobile money. Credit: qz.com

As many as 30% of cell phone users in Africa report that they participate in mobile banking.

A new report from the Pew Research Center shows the transformative power of the cell phone in the world's fastest-growing market for mobile technology.

The organization surveyed mobile users in 7 countries in Sub-Saharan Africa, finding that two-thirds or more respondents said they owned a mobile phone.

In South Africa and Nigeria, two of the continent's largest economies, it was nine-in-ten. This is an enormous leap from just a decade ago. For instance, in 2002, 8% of Ghanaians had mobiles. Now that number is 83%. But what they are used for could come as somewhat of a surprise: while most people make calls and text, 30% of mobile users said they used their phone to make a payment in the past 12 months.

Gulf crisis: Uganda investment deals not affected - Minister

Uganda's diplomatic and business engagements with Qatar and the rest of the Gulf States are unaffected by a recent standoff among the Middle East powers.

A regional diplomatic crisis in the region erupted in April when Saudi Arabia, United Arab Emirates, Bahrain and Egypt announced a sudden freeze of diplomatic relations with Qatar.

The countries accuse Qatar of destabilizing the region by supporting groups they linked to terrorism, including: Muslim Brotherhood, al-Qaeda and Islamic State (ISIS).

They also accuse the oil-rich nation of paying more than $1b in ransom money to militia groups to secure the release of a royal hunting party held captive in Iraq.

Qatar denies all charges of supporting terrorism, including payment of ransom to terrorist groups. The Arab nations issued a 13-point list of demands to end the standoff and gave Qatar 10 days to comply.

The deadline expired on Monday and the countries extended it by another 48 hours within which to have acted on the demands, although Qatar's Foreign Minister insisted they had no case.

The four neighbours ordered Qatari citizens to leave their territories and imposed sanctions on several Qatari firms and financial institutions.

Of the 13 demands issued by the Gulf states to Qatar closing down Qatar's controversial satellite TV network, Al Jazeera, which has long been a thorn in the side of its conservative neighbours is the toughest.

COURTING INVESTORS FROM GULF

The State Minister for Investment and privatization, Evelyn Anite says Uganda's plans to attract investment from the Middle East were undeterred by the diplomatic crisis. "We are working with everyone," she said but declined to divulge details of discussions surrounding the diplomatic engagements.

The State Minister for Foreign Affairs, Okello Oryem could not be reached on phone for comment, as he was reportedly out of the country.

Earlier this year, Uganda had embarked on a campaign to attract investment from the gulf nations in such areas as food processing, energy, roads, minerals and textiles.

In April, President Yoweri Museveni, accompanied by the First Lady, Janet Museveni travelled to Qatar on a three-day state visit at the invitation of the Emir of Qatar, Sheikh Tamin Bin Hamad Al Thani.

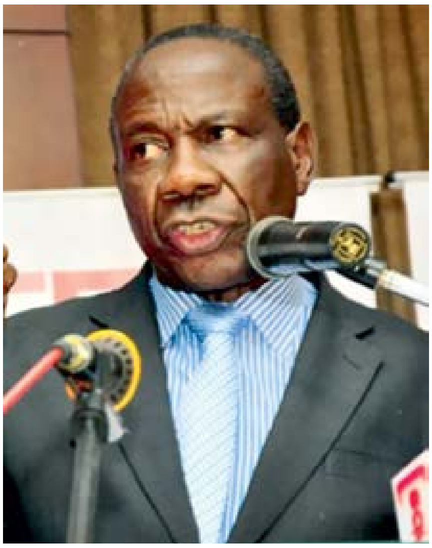
During the visit, his first ever Qatar, the President held a meeting with the Emir and the two witnessed the signing of four Memoranda of Understanding between Uganda and Qatar.

Ministers Sam Kutesa (Foreign Affairs) and Matia Kasaija (Finance), who were part of the delegation, signed agreements with their counterparts Khalid bin Mohammad Al-Attiyah (Defence), Mohammed bin Abdulrahman Al-Thani (Foreign Affairs), Sheikh Ahmed bin Jassim Al-Thani (Economy and Commerce) and Sheihk Mohammad Al Rumaihi (Municipality and Environment).

The highlight of his interaction with the oil-rich nation was that Africa and the Arab peninsula, while close to each other, do not conduct as much trade with each other.

The offer was that Africa, with a population of 1.25 billion people (projected to increase to 2.5 billion in the next 5 years) is a good market with huge returns on investment.

With a population of 40 million people, an investor in Uganda has not only the local market, but also the East African region (170 million people) and the Common Market for Eastern and Southern Africa (COMESA) with over 500 million people, Museveni said in his pitch to investors. ♦



Minister Kasaija *Woos Indian Investors with Uganda's Energetic Jobless Youths*

Trade-off, inevitable in settling corruption matters

The African Development Bank's Integrity and Anti-Corruption Department (IACD) recently concluded settlement agreements with three multinationals following the companies' admission of corrupt practices in a Bank-financed project. As part of the settlement agreements, IACD imposed financial penalties totaling US $17 million.

First of all, congratulations for the recent conclusion of the settlement.

Thank you. The settlement concluded in March by IACD that includes the payment of a fine in the amount of US $17 million and a three-year debarment of three companies is a great success for the Department. With the exception of the resolution of allegations of corrupt practices between the World Bank and Siemens, this is the largest financial penalty ever imposed by any MDB. It is unfortunately still very uncommon for stolen assets to be returned to the countries directly harmed by corrupt practices. In cases of foreign corrupt practices, only about US $200 million of approximately US $6 billion in monetary sanctions imposed on companies found to have engaged in bribing foreign public officials have ever been returned to the regions whose public officials have accepted the bribes. By re-investing monetary penalties in programs supporting anti-corruption programs, the Bank could contribute to redressing this situation in line with its strategic focus on Good Governance.

What will the US $17 million in financial penalties be used for?

The Sanctions Procedures tie the imposition of fines to stringent conditions: The collected monetary penalties can only be used to finance programs aimed at fighting corruption in Regional Member Countries. Clearly, the Bank must avoid any perception that it is financially benefitting from wrongdoing that occurred in its own projects. Such an impression would be extremely damaging to the Bank's reputation. In order to prevent any moral hazard and ethical dilemmas, both the World Bank and the European Investment Bank in similar situations have opted to keep funds deriving from financial penalties strictly separate from their administrative budget or from funds dedicated to operations in the normal course of business.

What exactly is a settlement?

Settlements are part of today's legal toolkit available to both national law enforcement and the Integrity Departments of all MDB's to conclude cases of corrupt practices or other wrongdoing short of a full sanctioning process. The Resolution by the Board of Directors on the implementation of an independent sanctions process within the Bank adopted in July 2012 formally provides IACD with the authority to resolve cases through settlement in order to facilitate investigations and the sanction process. To be very clear, this does not mean that IACD is allowed absolute discretion: the agreement between the Bank and a respondent must be fair, proportionate, credible, and transparent and must be cleared by the Bank's General Counsel as well as the independent Sanctions Commissioner.

What are some of the advantages and disadvantages of settlements?

Settlements are a pragmatic solution to a growing case load and a marked increase in the acceptance of unethical business practices among private sector players. Settlements allow for an efficient use of very limited investigative resources to process comparatively more cases, particularly highly complex financial investigations involving multiple respondents in various jurisdictions using sophisticated means. Yes, it is, to a certain extent, a trade-off; settlements frequently go hand-in-hand with limited concessions in sanctioning. However, we also have to be realistic with respect to the investment any institution is able to make on any given case. That said, if global enforcement actions for corrupt practices have risen sharply in the last decade, it is largely due to the use of settlements in an increasing number of countries.

Do settlements always entail financial penalties?

No, the sanction that is agreed upon between the Bank and the respondent will not necessarily include a financial component. The settlement agreement may cover a certain debarment period, the implementation of a compliance program to prevent sanctionable practices going forward, cooperation with IACD on separate investigations, payment of restitution to the country whose project was affected, etc. We need to consider the specific individual circumstances of each and every case. What is absolutely non-negotiable is the respondent's full admission of the facts that constitute the offense and the acceptance of guilt. ♦

“Settlements are part of today's legal toolkit

Culled from MAfDB website

Anna Bossman, Director of AfDB's Integrity and Anti-coruption Department speaks on the Bank's mechanism to tackle the menace.

Automotive franchising in Mozambique

A new automotive franchise in Mozambique transforms prospects for both passenger carriers and logistics operations.

Entrepreneur, engineer, aviator and owner of MAN's Swaziland dealership, Ernest Da Cruz, recently expanded MAN Truck and Bus' Sub-Equatorial Africa dealer footprint by building a sophisticated sales and services dealership in Matola, just outside Mozambique's capital city, Maputo. The new facility, built at an initial cost of US$2.14mn, boasts a 1,200 sqm workshop, a 400 sqm parts department and 600 sqm of office space. The workshop includes three service bays, eight repairs bays and one wash bay.

EXTENDING A NETWORK

At the official roof-wetting ceremony of Matola Truck & Bus Mozambique held in mid-September 2015, Da Cruz and his staff members hosted MAN customers from Mozambique, whom he has been servicing from his Swaziland MAN dealership for over 20 years, as well as executives from MAN Sub-Equatorial Africa Region, MAN Truck & Bus SA, MAN TopUsed and members of the media. He said, "Today's event goes beyond the basic task of establishing an automotive franchise. This new dealership is not just another outlet for selling trucks and buses, but represents a step towards establishing an infrastructure capable of supporting the immensely competitive transport industry in the region and to make it an essential partner in the development of the country of Mozambique.'

The new dealership is equipped with the latest hi-tech workshop and parts inventory management systems, including a computerised oil dispensing system, a five-tonne crane and a powerful server running cutting-edge inventory management software which links the Matola parts warehouse with Da Cruz's Swaziland MAN dealership.

Da Cruz said, "Our vision is to manage cost-effective business processes with minimum risks with appropriate approval by our management system ensuring market competitiveness by supplying products and services of the highest standards, on time and within budget."

"The new dealership is equipped with the latest hi-tech workshop and parts inventory management systems, including a computerised oil dispensing system, a five-tonne crane and a powerful server running cutting-edge inventory management software

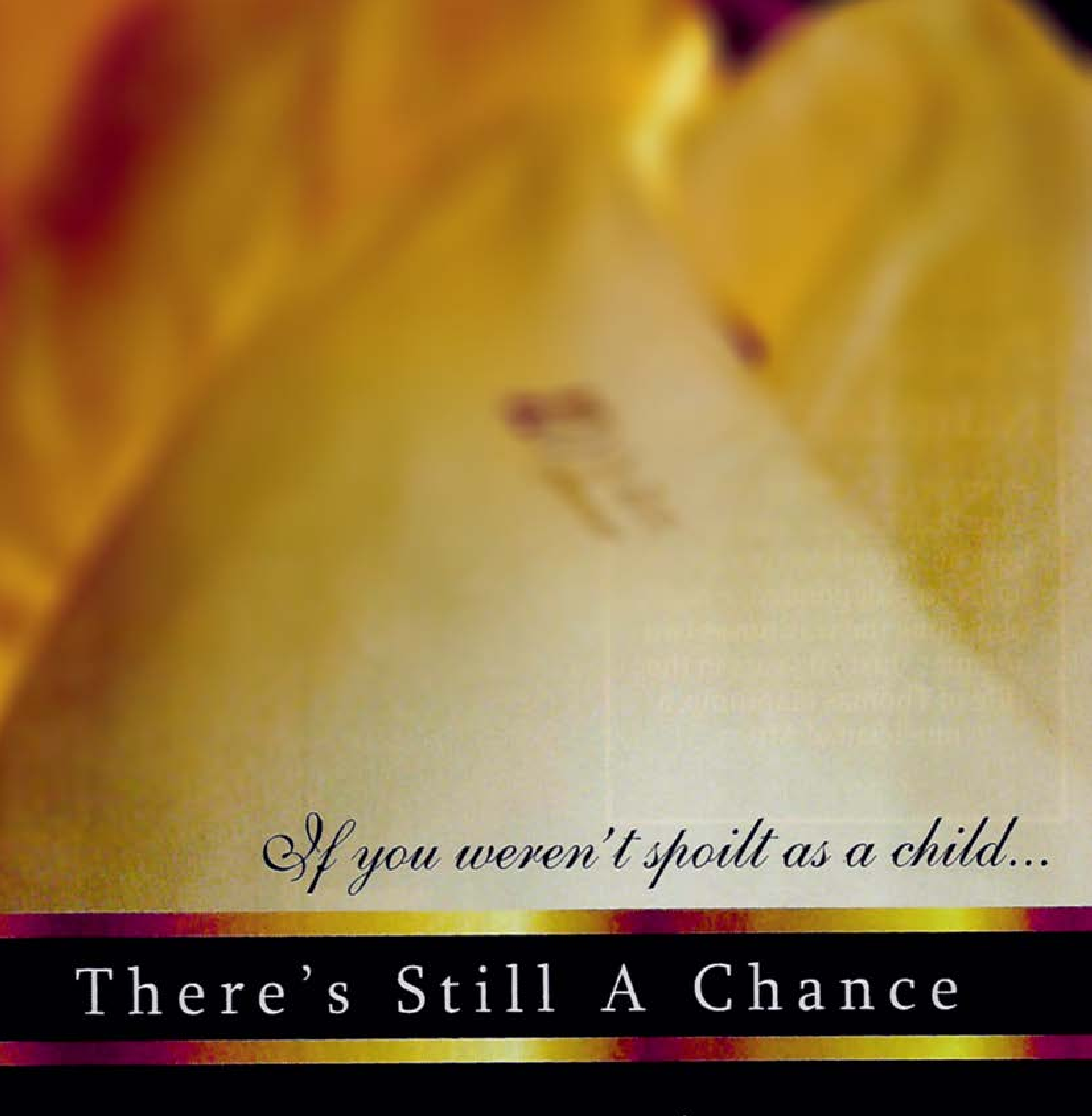
HIGH PERFORMANCE

Mozambique is currently one of Africa's star economic performers with annual GDP growth between six and seven percent. "The absence of any significant rail networks from South Africa and other neighbouring countries to Mozambique make truck transport the predominant logistics provider on the sub-continent and this new dealership, which is perfectly located alongside the N4-Maputo corridor, will become an invaluable service and support centre for long-haul trucks running from Gauteng to Maputo and other ports in Mozambique," said Thomas Ferreira, head of export after-sales, MAN Sub-Equatorial Africa.

Coca Cola Mozambique is one of Da Cruz's premier customers, Leonell Amaral, the beverage manufacturer's national fleet manager, said, "Having a world-class MAN service dealership on our doorstep will bring new efficiencies to our fleet of six MAN TAS 27,440 truck-tractors. Ernest's dedication to his customers is exemplary and the quality of his technician's workmanship is attested to in the performance of our MAN trucks, which outperform their counterparts in ourfleet as far as fuel consumption is concerned by an impressive margin."

Matola Truck & Bus' order book also suggests a swift return on investment for Da Cruz, stated MAN's Robert Clough, acting head of Sub-Equatorial Africa.

Da Cruz said, "Despite the slowdown in the global economy these last few years, especially in the automotive industry, we have tried to maintain and create an environment where employees are able to realise their true potential and maximise their performance, thus enabling the company to be the employer of choice in our industry." ♦



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Nigerian herder's daughter who became UN Deputy Chief

Mother of six Amina Mohammed rose from a humble upbringing in the Lake Chad region to become a Government Minister and the UN's second in command

In a Twitter aside during his election campaign, Donald Trump dismissed the UN as "just a club for people to get together, talk and have a good time". For Amina Mohammed, the organisation's new Deputy Secretary General, it is anything but.

Attempting to meet some of the world's most intractable crises and developmental challenges head on is what drives the focused Mohammed, for whom battling against the odds has been a lifelong theme.

The former Nigerian Environment Minister once confided that she had to raise money when she wanted to study hotel catering management in Italy.

"I said to my father: 'I'm leaving,'" Mohammed told me. "He said, 'OK, but I have no money to give you'. So I challenged everyone and said I am walking from Kaduna to Zaria – which is 76km – to raise the cash. They all said 'You can't do it!' But I raised £4,000, and that was it, I was off."

In a rare moment of self-reflection as we sit in her office on the 38th floor of UN headquarters in New York recently, she said:"For me, it has been a long journey, step by step, using the education I had to make a difference."

The journey has indeed been long, all the way from a primary school by Lake Chad to a place at the side of UN chief AntónioGuterres, torchbearer of a sprawling organisation that, for all its very publicly displayed weaknesses, is of such vital importance to the global south.

Even Mohammed's CV is a marathon. She is the eldest of five daughters and now a mother of six children. Her father, a Nigerian herdsman and a vet, met her mother, a nurse, while studying in Britain. After Mohammed finished her studies in Italy, her father demanded she return to Nigeria, and to a job – he promised – at the American Consulate in Kaduna. When she arrived, though,

it quickly became apparent there was no job.

"So I walked around and around and, eventually, I was 11 years at an architectural design office in northern Nigeria. It was tough being a single woman and going into offices," she says. "The men would say, 'Why is she here?' They also often thought I couldn't speak the native languages, so I would hear an awful lot of stuff they thought I couldn't understand, I can tell you."

After years in the private sector, Mohammed served three Nigerian Presidents before becoming Adviser to Ban Ki-moon, Guterres' predecessor as Secretary General, on the post-2015 development agenda.

Now back at UN headquarters after a brief stint as Environment Minister in Nigeria, her development and environment brief is as sharp and specific as the 17 sustainable development goals she helped to hone down from the 500 or so originally proposed by Member States.

Mohammed knows whereof she speaks. After Paris, she visited Lake Chad to witness the effects of climate change at first-hand. Her childhood stamping ground had changed beyond recognition.

"Here I was, maybe 40 years later, looking at it, and it was a tenth of the size it was. It is in an area where, of course, terrorism has taken hold and all the livelihoods are lost; the fishing lost, no jobs, no trade. In our youth there used to be trailer loads of fish going from the north down to the south - that's lost. This has exacerbated poverty, it has created a sense of no hope, a lack of governance."

Mohammed is determined there will be no comparable lack of governance at the UN. As the organisation braces itself for a whirlwind of proposed cuts under the Trump administration, the new leadership in Turtle Bay is committed to ensuring the UN remains capable of delivering on its development, peacekeeping and many other commitments.

Still, how do you go about persuading Trump, like Ronald Reagan before him, that the UN is good value for money? Mohammed is characteristically unfazed. "We don't always communicate very well the effect that we have on the ground and the lives that we change. That needs to be done better and, once we have the changes, we will see the United States doing probably even more." ♦

Culled from: www.theguardian.com/global-development/2017/may/26

Dankwambo: Oasis in the Savanah

Like the Gombe State description, Jewel in the Savanah, Governor Ibrahim Dankwambo stands in heroic splendour as the only re-elected governor in Northern Nigeria. His accomplishments in the first term earned him a return ticket of his party, Peoples Democratic Party (PDP) and resounding success at the polls. Even more than that, his unrelenting modernisation of Gombe State marks him out as an oasis in the savannah.

When change became the buzz word for political engineering and the tsunami swept through the landscape, not many gave Alhaji Dankwambo a chance. Part of the reason for his success at the polls has to do with how the former Accountant General of the Federation impressively managed the lean resources accruable to the state from the Federation accounts to make Gombe a model not only in the savannah but in the country as a whole.

Governor Dankwambo has through exemplary leadership, prudent public financial management and determination proved that politics is not all about failed promises; his is not the usual political discourse, full of hypocrisy and make-believe.

"In the last six years, he has turned the State to a huge construction site

In the last six years, he has turned the State to a huge construction site comprising over 35 international standard model schools in all the Local Government Areas of the state; 116 asphalted roads within the Gombe metropolis and other township roads; expansion programme in the university sector with the purchase of equipment for the College of Medicine and Faculty of Pharmaceutical Science; multi-billion naira spent on hostels, classrooms, libraries and laboratories in the School of Remedial Studies at Kumo.

The Talban Gombe completed the construction of the 54km Kanawa-Kuri-Jorogutel road with some connecting access roads linking all the most agricultural fertile parts of the state and the Federal Government at a point was indebted to the state to the tune N6.2 billion refund.

With the backing of the Bank of Industry (BoI), he has been able to empower about 12,000 Gombe citizens to become net employers of labour after facilitating skills acquisition for 133 Cooperative Societies that is youths biased and with adequate gender balance.

Dankwambo has gone beyond micro and medium scale prognosis into full blown industrialisation with the establishment of an industrial cluster cum enterprise zone for groundnut oil and rice millers at Bogo/Nasarawo Industrial Estate in Gombe. This in spite of the debilitating terrorism challenge plaguing the region. With 300 slots allocated to the two trade groups for production shades, the administration also provided three transformers at the site to ease power problems as part of its wealth creation policy.

The establishment of five more clus-

Gombe International Conference Centre

ters are in the works, according to him, to accommodate the increasing number of small-scale industries from the BOI initiative. The establishment of a multi-billion naira Modern Commodity Depot and Exchange Centre in Gombe, the state capital, to promote Modern Commodity Trading is in progress, with costs projected at well over N4 billion.

Quite recently, Governor Dankwambo unveiled 200 fuel efficient mini-brand taxi cabs; 1,100 Keke NAPEP tricycles, combined with 80 hummer buses for Gombe State Transport Service through the State Ministry of Finance as a more meaningful approach to alleviating the scourge of poverty among the populace rather than the negative approach to survival.

Beyond his reputation as an effective technocrat, the highly cerebral disciplinarian surrounded by brilliant, young and articulate civil servants has made remarkable stride in human capital development, provision of water and power generation, infrastructural development and good governance.

Incorruptible and stubbornly principled, the technocrat turned politician is using his second tenure to more vigorously pursue the principles of probity, transparency and accountability that promises to lay the foundation for the emergence of true heroes in the sedentary state, desperate in need of iconic figures and statesmen.

In these days when hypocrisy ironically has become the major characteristic and criterion for leadership, the next generation may have Dr Ibrahim Hassan Dankwambo, Talban Gombe, to look up to for revolutionary zeal, inspired leadership and dynamism in the socio-economic spheres.

Born on April 4, 1962 at Herwagana Ward in Gombe, the political tornado attended Central Primary School, Gombe and Government Secondary School Billiri in Gombe State. Armed with a Second Class Upper Division degree in Accounting from the prestigious Ahmadu Bello University, Zaria; a Master of Science Degree in Economics from the University of Lagos, Nigeria and a post-graduate diploma in Computer Science from Delta State University, Abraka, Dankwambo last year bagged a PhD at Igbinedion University. The Governor's working career spanned both the private and public sectors. From Coopers and Lybrand International (Chartered Accountants), now Price water House Coopers between 1985 and 1988, he joined the Central Bank of Nigeria in 1988 and worked there till 1999 when he was appointed the Accountant-General of Gombe State. He later that year got appointed as the nation's Accountant General. A fellow and Associate of six professional bodies in finance-related field, Gov. Dankwambo is happily married to Hajiya Adama Ibrahim Dankwambo. ♦

Gombe International Conference Centre

Talban Gombe
Major interventions in Gombe state

In Gombe State politics, it is good to be bad and bad to be good; memories die fast, poverty and affluence brings out the worst in us as the poor trample on each other to serve the whims and caprices of the elite class in the opposition.

In the context, of the discourse there is no politician or head of government who has been serially maligned and misrepresented like Governor Dankwambo; not for lack of information dissemination but simply because of his forthrightness. He has suffered so much "labeling and indignity" of setting the record straight, severally, like him, all designed by his tribe of haters to discredit him.

Placing the argument in the right context, with the realization of the key development goals of the Dankwambo-led administration in the state, history and histrionics cannot be wished away; any objective criticism would admit that the business of government has changed fundamentally, with his commitment to the development of infrastructure at an all –time high…… moving the state from point A to B in the state's development indices.

His foray into the political grazing in 2011 was not foreseen by the grandmaster that thought of him as "too subservient" who would not hurt a fly. Dankwambo is one politician who would not be caught in double –speak; he is not a politician made in the Nigerian hue. Those who treaded the same road with him, politically found this out and soon fell apart like the decampees of late. Governor Dankwambo will not be gullible to cheap blackmail!

It has become the stereotypical and fastidious nature of Gombewas to deride their achievers, which is not based on the facts on ground. The ingrained criticisms are based on the perception of the individual analysts who premise their conclusions on hearsay information and for anyone to have forgotten so soon Dankwambo's frenetic developmental projects in the state especially on road construction and infrastructure renewal is to say the least, uncharitable.

On proper reflection, and to ensure that all was well with the society, all that one needed to secure Governor Dankwambo's support by the populace is a stack reminder of what it took him to achieve in Gombe which is clearly in multitude (in proportionate terms) of what it took the four administrations before him to achieve, put together; a powerful symbol of the importance and major landmarks recorded by his administration in Gombe in the last six years. These projects can indeed be rewarding to the populace; projects that hold a lot of potentials for commercialization and industrial growth.

Granted the similarity of human development throughout the world, it is unarguable that the development programmes and projects of Governor Ibrahim Hassan Dankwambo should be a matter of joy to the teeming millions of Gombewas in a world where certain programmes and concept such as basic social infrastructures, good governance, security, quality education, affordable and good health services, good road network among others, have become the benchmark to define the responsibilities of a government to her citizens.

The processes leading to the series of road construction, combined with his application of fiscal budgetary allocation could rightly be regarded as black boxes which consist of the demands of the society into policies and programmes. His commitment to the attainment of the State 2020 Development Plan which he has identify as the basic resource for the actualization of such initiative as road construction in all the nooks and crannies of the state is proven and beyond any iota of imagination or doubts, the construction of well over 250 township roads and highways which currently poses a major challenge to individual citizens, urban managers and developmental partners across the country.

The thrust of the Governor Dankwambo-led administration in Gombe is about signposting the roads not hitherto travelled by erstwhile government in the state, viz, the pursuit of sustainable growth and human development strategy by devoting massive resources to road construction and enhance the efficiency of transportation and property values; improve safety, security and better economic productivity. Exclaimed Governor Dankwambo Talban Gombe at the inception of his administration in May 2011, "massive infrastructure renewal and expansion across diverse sectors is a key opportunity of virtually constructing our way out of poverty", his historic remark at the commencement of the first phase of his road construction programme in the state and rebuke the condition of life in the state as an interregnum that will definitely pass.

Governor Dankwambo's revolutionary instinct permeate the current Gombe social–economic environment which seeks to put the state on the world map of great achievers in policy ideas, ideologies and programmes, providing solutions to the multi-dimensional complex issues of the state's development priorities.

The administration, within the period under report (2011-2017) has constructed well over 250 township roads in all the 11 Local Governments Areas of the state including sixteen highways; landscaping of five locations in Gombe metropolis consisting of the City Centre; New Market roundabout; Union Bank roundabout; Mile 3 triangle; Government House roundabout and the Emir's Palace roundabout

The first phase of roads under his administration included the Specialist Hospital-Tashan Dukku Arabic Teachers College, Kasuwan Mata Gombe State University; the Nasarawo Crescent; Liberty Junction-Specialist Hospital. Others are Bello Sabon Kudi road; Post Office-Gadan Mallam Pela, Idi praying ground-Emirs Palace round about; Kasuwan Doya-Hassan Central Primary School; Bogon Dubino-Bolari Central Mosque; Gadan Mandola-Barunde Bye Pass; Miyetti Junction-Gada Y.D,. Yalanguruza-Kurata with two spurs, spurs to Gadan Dangusau and Yalanguruza.

On the Gombe Township roads that fall within the Shongo, Federal Low Cost Estate are the Nana Aisha Secondary School to National Population Commission to Central Bank road with a distance of 1,034 meters; Federal Low cost to Ministry of Health, 997 meters and Dukku Road to Federal Low Cost 789 meters.

Other roads constructed within the township are Fire Service Station to Tudun Wada, 708 meters; Skill Acquisition Centre to Gandu Secondary School, 520meters; Tudun Wada to Comprehensive Secondary School, 644 meters; NNPC-Mega Station to New Market, 460 meters; and SabonLayi to K/Kumbiya quarters to lslamiyya to Land and Survey with a distance of 770 meters. Emerald Hotel to intersect Gadan Dahiru Deba road that has a distance of 470meters and the Yalanguruza to Bye pass with a distance of 2 kilometers.

Others include Gombe Night Club to Bolari (Layin Waziri), 493 meters; Herwa Gana to Sabon Layi 530 meters; Kwannan Plateau to Pantami; 591m, 1.9km and 665 meters respectively. There are also the Yalanguruza to Bye pass with a distance of 2 kilometers. The Bello SabonKudi, Kasuwan Doya to Central Primary School, Idi praying ground to Emir's palace and the State Low Cost to Barunde to Bye Pass dualized. All the township roads in Gombe were handled by Messrs Triacta Nig Ltd at the cost of N3.56 billion.

Other major roads awarded by the Dankwambo-administration and constructed to set standards and quality are Akko-Bula-Abuja road awarded to Tinka Constructions Nig. Ltd at the cost of over N859 million; Bajoga to Ashaka Gari road awarded to CCIEEC Nig Ltd at the cost of over N859; Ture-SabonLayi-Awak-Dogon Ruwa road was awarded to Datun Nig. Ltd and the Billiri-Gujuba-Kamo-Awak road was awarded to A.Y.U Civil Engineering Ltd. at the cost of overN2.2 billion. Similarly the Gona-Garin Galadima-Tukulma was awarded to EEC Nig Ltd at the cost of over N1.8 billion.

Other township roads included, the Billiri township road networks awarded to A.Y.U Engineering Ltd at the cost of N683.3 million;

Bajoga township roads awarded to Messrs H & M Limited at the cost of N233.8 million and the Dukku Township roads awarded to Messrs Builders at the cost of N405.7 million. The Cham and Dadiya Roads was awarded to DatunNig Ltd at the cost of N407. 3 million.

Being the new economic link of the North-East sub-region the Dankwambo-led administration landscaped five locations in Gombe metropolis consisting of the City Center near Old Market, New Market roundabout. Union Bank roundabout, Mile 3 triangle, Government House roundabout and the Emir's Palace roundabout. The contracts were awarded in lot land lot II at the cost of N268.7 million and N46.1 million respectively. Solar powered traffic lights were also provided in 19 different locations in the capital metropolis to reduce the spate of accidents in the state capital awarded to Messrs Dachi Nig. Ltd for lot I at the cost of N202. I million while lot H was awarded at a cost of N73.2 million. Also at the Government House Gombe, work on an annex office complex of the Secretary to the State Government was awarded to B/K Engineering services at the cost of N463,877,411.61k.

"The administration, within the period under report (2011-2017) has constructed well over 250 township roads in all the 11 Local Governments Areas of the state

Initially, after the flag-off of the phase one of the roads network, the sum of N434 million was paid out as compensation by the Dankwambo administration. In the months of April 2012, another sum of over N900 million was paid to other beneficiaries. The Governor told the beneficiaries that the compensation was, "aimed at demonstrating government's commitment to provision of infrastructural facilities and according priority attention to the welfare of citizens towards facilitating the socio-economic transformation of the state." He however

Alh. Bello Sabon-Kudi Road

Gombe main market

solicited with them "to see the development as their own sacrifice and contribution to the development of Gombe State," as according to him, "there can be no amount adequate enough to compensate for the social and psychological effect as a result of the exercise". So far, Governor Ibrahim Hassan Dankwambo, Talba, has all cause to be proud and bold enough to tell the people of Gombe State that the construction of roads successfully being carried out and on-going all over the state is a fulfillment of his campaign promises to the electorates and to the development of the state in terms of social, economic and structural transformation to ease movements of goods and persons thereby improving their wellbeing and prosperity.

It is to be noted that 51 township roads and six highways were constructed by the administration within its first one year in office at a total cost of N19 billion. The four township roads inherited from the past administration included Gombe township Phase IV Mararaban Kulani-Degri road, GarinDogo-Kupto road and Kanawa-Boltongo-Birdeka-Kembu-Kumo Road.

Also, the Ministry of Works and Infrastructure under the Dankwambo-led administration from constructed the following roads, Ture Mai-Baule-Kaltin-Talasse road; Bambam-Yin-Bwele-Kuture road; DukkuDakoro-Jamari road; Mararraba-Lembi-Barambu road, Ladongor-Sansani Amtawalam Pobawure road; Dongor-Ayaba road. New Liji-Kaishingi-Kumo road (Phase II); Dadin Kowa-GarinBukai Junction near Kurjale road; Bangunji-Dadiya-Mwona road; Tula Wange-Baule road Malala-Zaune road and Spur road to Kinafa and Gwani West. Similarly, the Ministry provided street lights for 12 township roads under phase V and from the FCE (T) roundabout to junction of PDP road near Police Barracks.

The Dankwambo-led administration has also awarded contracts to complete reconstruction of Kanawa-Deba-Jagoli-JauroGotel road as well as provision of spur roads to Lano, Kuri, Kurjale and Maikaho including replacement of some hydraulic structures (where necessary). The main road was completed with 40 mm asphalt wearing course surfacing while the spur road were surface-dressing.

In 2014, a contract of N6 billion was awarded for the construction and upgrading of two roads over a completion period of 20 months.

The administration's decision to construct the 15km long Lawanti-Yola road dualization was a tall one considering its cost parameter and timing at a time when most of the state government administrations in the country have recoiled into their shelf due to the harsh economic recession in the country occasioned largely by the dip in statutory allocation- Dankwambo as a critique of incrementalism as a political ideology would not be deterred in his determination to bequeath a worthwhile and lasting legacy in the state, especially in the road construction sector.

Like the multi-billion naira Bello Sabon Kudi road dualization which ranks among the best under the Dankwambo-led administration with conformity to standard, and provided with electronic streetlight, the thinking behind the construction of the 15km-long Lawanti-Yola Junction road dualization can be comprehended in its usefulness for the clearing of importation and exportation of goods to complement and raise to the optimum the presence of Gombe International Airport and mainstream aviation.

The priorities of leaders across the state should be to rise to the monumental challenge provided by Governor Dankwambo's developmental programmes and reassure their citizens about the future. It should be about consolidating the gains of the current administration in its transformational drive widely acclaimed and applauded by the generality of Nigerians.

Gombe State under Governor Ibrahim Hassan Dankwambo's administration within the last six years have witnessed a veritable burst of activism in policy initiatives, enriching in knowledge and sound, marking the beginning of an unprecedented infrastructural intervention in the state's political history, noting that the growth and prosperity of any nation-state is critically dependent on the adequacy and efficiency of its infrastructure.

Dankwambo's mastery of the intricacies of modern-day governance lends itself more to matters of principles and communications. As a former Accountant General of the Federation, AGF, and current Gombe State Chief Executive, he has carved a niche for himself as one of Nigeria's foremost State Chief Executive, politician and policy think-tank.

As a critical link between professionalism and power, his over-riding ethos is the resolution of extreme views, his policies and programmes in Gombe in its telling, highlights the value of quintessential leadership and the finer points of quality and moderation.

Rather than reflect deeply and inwardly on the lessons of Governor Dankwambo's phenomenal transformation of Gombe State in his six years of stewardship and face the reality of the acclaim of political pundits and watchers of the new political awareness evolving in Gombe State, perception would have been reality if his administration had taken to the corruptive route of past administrations in the state and failed his citizens by not guaranteeing them the basic needs of life.

Governor Dankwambo's scheme of values and the struggle to achieve an egalitarian society in Gombe is in the melting pot and the principles of its refashioning have not yet been determined and he enjoins all to identify with him in the making of history in Gombe.

The opposition politics of smear and hate on the person of Governor Dankwambo and the sensibilities of the people of Gombe are better left to the animal kingdom where reason does not hold sway, and this is the paradox.

When will Gombewas gather to celebrate their own? Politics of anger and destruction will not endure; together, we can organize rather than agonise. Power without responsibility gives room to chaos and disorder. The leadership in Gombe must collectively fashion a new value system and learn to give honour to whom honour is due. What experience and history teach is that Nigerians, nay, Gombewas have never learnt anything from history, or acted upon any lessons they might have drawn from it. Hossanah today! Crucify tomorrow! is their sing-song.

In spite of the rancour and bad feeling that has permeated the political horizon, my position is that we should stay together as member of one family and make sure that we have the right person at any given time to govern us; not the person who can throw the money around or who can talk loudest; a God-fearing, hard working leader who is prepared to dedicate his life to the good of mankind and to the entire state.

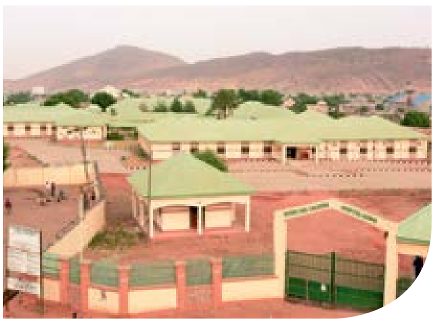
The kernel of my advice is to fellow Gombewas is simple and clear; that in other to preserve and sustain the People Democratic Party, PDP's dominance in the politics of the state, Dankwambo's unrelenting struggle for the complete economic freedom of the state should be consolidated by successive adminis-











trations so as to bequete to generations coming after us something to cheer, cherish and behold.

A conceptual clarification of Dankwambo's intellectual approach and philosophy on governance in his early years through the archives, and one will find pages of footage of a Dankwambo-led administration spending over N19billion on road construction; plural capital projects implementation which also generates employment in the public sector, combined with the establishment of an enabling environment to attract foreign investors to the state.

In the current Gombe State politics, established patterns and believes have started crumbing down like a pack of cards. The situation is no more the same. Now, it is a choice between party and state interest; choice of candidates and programmes from which to choose from. People are much enlightened and will not allow any disparaging politician to destroy the future of Gombe State.

Governor Dankwambo is far more

"Governor Dankwambo is far more grounded and dominant in the political field and his track record of public service is stellar and uncommon from the general trend; an epochal leader who arise to fight the state's course at a time it was most needed

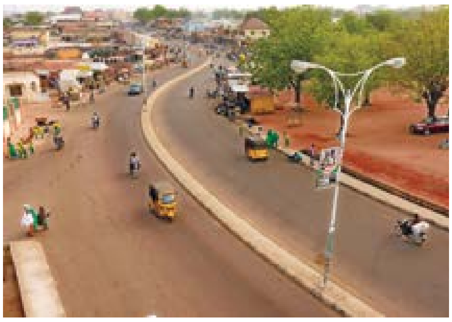
grounded and dominant in the political field and his track record of public service is stellar and uncommon from the general trend; an epochal leader who arise to fight the state's course at a time it was most needed. This is apparently the reason for Allah's mercy, benevolence and blessings on him (Dankwambo) Talban Gombe for being so forthright and God-fearing in his interactions with the people he has sworn to serve. Our nation, Nigeria will be much better served with

the likes of Dr. Ibrahim Hassan Dankwambo of Gombe State at the helm of affairs, - forthright, focus on set goals and intellectually inclined in all his approach to the business of governance, pointedly on economic issue, bothering on social effects.♦

Junaidu Usman Abubakar
S.S.A Press to his Excellency







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Japan looks to boost trade with Africa

Japan should accentuate its strengths and continue the current diplomatic uptick which aligns with Africa's growth. The hosting of Mugabe reveals the duelling pressures that face Japan as it looks to engage more states in Africa, writes **J. Berkshire Miller.**

Last week, Japanese Prime Minister Shinzo Abe hosted Zimbabwean President Robert Mugabe for an official five-day visit in Tokyo. Abe has now met Mugabe three times, despite Harare's isolation from the West - and, more acutely to Japan - especially the United States.

Zimbabwe remains under a number of sanctions from the US and some European countries, which have repeatedly called out Zimbabwe for its record on human rights issues. The hosting of Mugabe reveals the duelling pressures that face Japan as it looks to engage more states in Africa while still maintaining its image as a democratic state that promotes a rules-based order.

BILATERAL TIES

During the summit, Abe focused efforts on securing Mugabe's support for Japan's policy of reforming the United Nations Security Council (UNSC) to include more permanent members.

Mugabe and Abe agreed that the UNSC "does not fully reflect the realities of the international community in the 21st century" (PDF). Tokyo has long held the belief that this reform is necessary and that the current Permanent Five structure is out of touch with current geopolitical realities (PDF).

Japan's efforts over the years to lobby for its inclusion in an expanded permanent Security Council have resulted in Tokyo casting a wide diplomatic net in Africa, where numerous countries support UNSC reform.

Japan is still in the backseat with regard to engagement with the continent as China continues to pour billions across Africa.

Tokyo also took the opportunity to explain its new security legislation - enacted last month - and its policy of

a "proactive contribution to peace". Japan highlighted its role in Africa as an example of this - for example its contributions to peacekeeping operations in South Sudan.

Tokyo's contribution in South Sudan, where it has deployed more than 400 Self-Defense Forces (SDF), is operating under the umbrella of the UN Mission in the Republic of South Sudan.

Abe and Mugabe also agreed to a package of investment and assistance projects that Japan would provide Zimbabwe in the coming years, including $5m dedicated to infrastructure improvement as well as continuing a $15m project on irrigation enhancement.

Zimbabwe also inked a memorandum of understanding with the Japan Oil, Gas and Metals National Corporation to help facilitate Japan's investment in Harare's mining sector.

CHINA FACTOR

Despite these announcements, Japan's ties with Zimbabwe remain quite limited and don't rival those of China. Indeed, Mugabe was given the title of "old friend" by Chinese President Xi Jinping during his last visit to China in 2014.

China also has invested billions of dollars in Zimbabwe's energy and infrastructure sectors. Meanwhile, Zimbabwe endeared itself to Beijing by adopting the Chinese yuan as its international currency last year - becoming the first country in the world to do so.

Therefore, Abe's eagerness to court Harare is motivated less by replacing Chinese influence and more through providing an option of diversification in Asia and weakening Beijing's monopoly.

While Abe did visit Africa (Ethiopia, Mozambique and Ivory Coast) in 2014, his engagement with the continent has not been as strong as similar outreach in Asia, Europe and the Middle East.

UN Mission in South Sudan: peacekeepers from Japan assemble a drainage pipe at Tomping camp in Juba [Reuters]

Over the past five years, Tokyo has been averaging more than $4bn in foreign direct investment to Africa. This number is steadily climbing, but still pales in comparison to what other Organization for Economic Cooperation and Development (OECD) countries have invested there, and is just a fraction of the $16bn that China had invested by the end of 2011.

UN Mission in South Sudan: peacekeepers from Japan assemble a drainage pipe at Tomping camp in Juba [Reuters]

Simply put, Japan is still in the backseat with regard to engagement with the continent as China continues to pour billions across Africa.

COMPREHENSIVE APPROACH

A renewed focus now should take a more holistic and diverse look at engaging with the continent encompassing development assistance, investment opportunities and stronger political-security cooperation.

There are 49 countries in Sub-Saharan Africa through which Japan has been looking to enhance relationships with to gain support in international bodies, such as the UN. Japan should also look to leverage this year's Sixth Tokyo International Conference on African Development (TICAD) - a very successful forum through which Japan has solidified its reputation in Africa.

But aside from UNSC reform and economic competition with China, there are other important drivers for stronger ties, including the growth of violent extremism in North and West Africa, highlighted by the sustained challenge of Boko Haram and al-Qaeda along with the more recent emergence of the Islamic State of Iraq and the Levant (ISIL, also known as ISIS) in Libya.

There is also the threat of piracy around the Horn of Africa and Japan's deployment of SDF in Djibouti to take part in a multilateral policing action there to mitigate those threats. Security issues in Africa are no longer strictly peripheral for Tokyo.

In sum, Japan's strategic interests in Africa are diverse. Despite this, Tokyo should not play the game of jostling and one-upmanship with China in Africa, but rather accentuate its strengths and continue the current diplomatic uptick which aligns with the continent's growth in the coming years.♦

Source: Al Jazeera, 8 APRIL 2016