

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**T S Bhasin**

India's enhanced trade relations with the world heavily relies on its trade relations with Africa. Africa has a prominent place in India's export strategy. India's export to countries in the continent amounted to over \$34 billion in 2015, constituting over 13% of total exports in 2015. In terms of growth since 2010, India's exports to Africa have increased by 93% while imports rose by 28%.

Further, with new measures in place in both India and African countries, we expect significant growth in the coming period.

## Message from Chairman, Committee on Trade with Central, Eastern & Southern



**Mahesh K Desai**

In this eighteenth edition of the 'Newsletter on Africa,' we focus on Africa's need to increase trade by relaxing laws and finding solutions to its trade barriers. Africa aims to increase its intra-regional and also trade with countries outside the continent to improve its economical condition and also its place in the world economy.

This newsletter provides an insight on the top engineering product panels that is imported by African countries including Sub-Saharan and North Africa. Key news and tender information is also provided in the Newsletter.

## Message from Chairman, Committee on Trade with Western & Northern Africa



**Aakash Shah**

We are coming out with the eighteenth edition of the 'Newsletter on Africa'. This edition focuses on the urgent need of the African continent to increase its trade and economy and it aims to do so by starting to promote trade between the various regional economic communities of the continent.

The newsletter also provides additional information on the various events and tenders in Africa. I hope the readers will benefit from this newsletter and help them grow.

Territorial  
NEWSLETTER – Africa

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## Basic Facts: Africa

**Area:** 11,668,599 Sq. km

**Population:** 1.1 billion

**GDP:** USD 2.39 trillion

**Climate:** Africa is the hottest continent on earth and 60% of the entire land surface consists of dry lands and deserts. Climate of Africa ranges from tropical to subarctic on its highest peaks. Its northern half is primarily desert, or arid, while its central and southern areas contain both savanna plains and very dense jungle regions.

**Natural resources:** Diamonds, salt, gold, iron, cobalt, uranium, copper, bauxite, silver, petroleum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.

## Africa's CFTA (Continental Free Trade Area)

The vast majority of Africa's 54 nations are members of at least one of what African Union officials call the "spaghetti bowl" of more than a dozen regional economic groups like SADC, COMESA, SACU etc. Last year, three of the largest economic groups, namely the Southern African Development Community (SADC), the East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA), came together under the Tripartite Free Trade Agreement. The ambition of Africa's leaders is to create a single free-trade area spanning the continent that would boost commerce, stimulate growth and create much-needed employment. The African Union and UN hosted the first conference on the Continental Free Trade Area (CFTA), as the pan-African trade initiative has been named, in the first week of December 2016.

The African Export-Import Bank estimates that intra-African trade will be worth \$180bn this year, of which about 40 per cent is informal. It hopes to boost this by a third by 2021, which is only 19 per cent of the continent's \$930bn total trade. This needs to be supported by enhanced industrialization levels, free movement of labor and adequate infrastructure.

The CFTA conference in the Ethiopian capital Addis Ababa brought together governments, the private sector, academics and civil society group with the aim of finalizing the structure of the negotiations. It was expected that African heads of state will approve these at a summit next

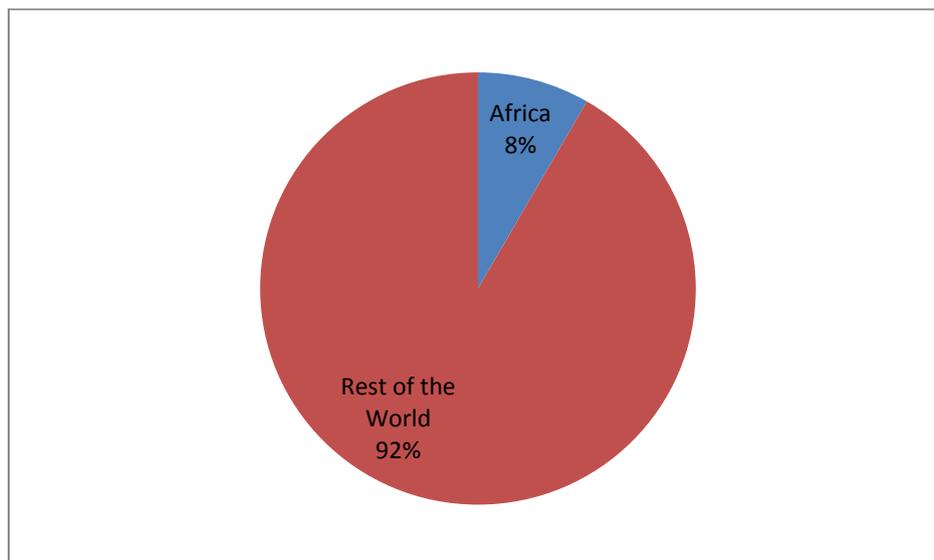
month (January 2017). The CFTA is to initially focus on trade in goods and services and later on policy issues like competition and intellectual property rights.

With CFTA Africa aims at reducing trade barriers that would not only increase trade but also lift Africa's growth rate by 1-2 per cent a year. African countries are at very different stages of development, with per-capita gross national income ranging from under \$300 in Burundi to \$16,000 in the Seychelles. This is also a problem faced in bringing together all the regional economic communities under one roof, CFTA.



## Monthly Trade Trend Analysis in Africa

India's total engineering exports to Africa for the month of November 2016 was USD 402 Million (Approx) constituting a share of approx 8.4% of the total engineering exports from India for November 2016 which stood at USD 4.8 billion. Africa's share in total Indian engineering exports to world in November 2016 (US\$ 402 mn) decreased in value as compared to previous month October 2016 (US\$ 502 mn).



Source: DGCIS, Kolkata

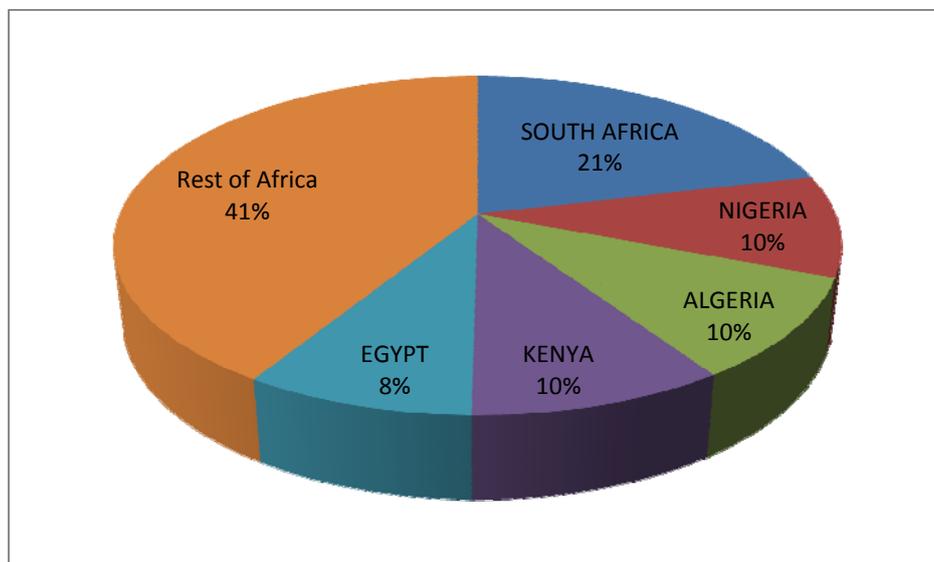
The top 5 African nations which had the highest demand for Indian engineering products during November 2016 in absolute values include:

Country	Export in November 2016 (USD million)	Export in November 2015 (USD million)	Growth (%)
<b>SOUTH AFRICA</b>	73.82	85.23	<b>15.45</b>
<b>NIGERIA</b>	73.15	39.04	<b>-46.63</b>
<b>ALGERIA</b>	20.79	38.78	<b>86.55</b>
<b>KENYA</b>	35.50	38.60	<b>8.71</b>
<b>EGYPT</b>	47.44	34.57	<b>-27.13</b>

In November 2016, three of the top five countries, registered positive growth. Growth was more prominent in Algeria, which recorded growth of over 86%. This is followed by South Africa and Kenya with growth of 15% and 9% respectively.

When one compares growth in November 2016 over October 2016, a different picture is observed. India's engineering exports to African countries shows a change in trend in November 2016 as compared to October 2016, except South Africa which experienced a positive growth rate after many months of negative growth in its engineering imports from India. Egypt had shown some progress and had achieved a positive growth rate of engineering imports from India in October 2016 but for November 2016 it has again experienced negative growth. For Kenya it's a positive development with a positive growth rate after experiencing a negative growth in the previous months. Among the top five importing countries of the African continent of engineering products from India, only two countries remain to achieve a negative growth- Egypt and Nigeria.

On the basis of India's export data for Engineering Products of November 2016, the African countries which feature in the top export destinations for India include, South Africa, Nigeria etc. The figure below shows the share of top African country in Total Exports from India to Africa.



Source: DGCIS, Kolkata

Top 15 engineering panels exported to Africa in November 2016 include:

Name of the Panel	India's export in November 2016 (USD million)	India's Export in November 2015 (USD million)	Growth (%)
Motor Vehicle/cars	90.84	105.16	15.77
Industrial Machinery	57.19	48.37	-15.43
Electric Machinery	46.96	44.30	-5.66
Products of Iron & Steel	43.31	31.67	-26.88
Iron and Steel	20.68	23.64	14.30
Two and Three Wheelers	35.48	21.95	-38.14
Auto Components/Part	20.75	18.27	-11.98
Medical and Scientific Instruments	8.72	15.47	77.34
Aluminium and products	23.00	14.79	-35.72

Name of the Panel	India's export in November 2016 (USD million)	India's Export in November 2015 (USD million)	Growth (%)
Construction Machinery	10.52	10.34	-1.68
Air condition and Refrigerator	8.27	7.50	-9.40
Pumps of all types	5.77	5.97	3.51
IC Engines and Parts	7.89	5.87	-25.63
Machinery for ATMs	9.86	5.70	-42.20
Zinc and products	2.03	5.24	158.14

Source: DGCI&S, Government of India

Out of top 15 engineering panels, only five recorded positive growth in November 2016. Zinc and products topped the list with growth of over 150%. It is followed by Medical and Scientific Instruments with a growth of 77%.

## News in Focus

### Africa's richest province Gauteng is working hard to attract businesses

Gauteng is the economic and industrial hub of South Africa and the African continent. As in most places in the world, the province is not invulnerable to the opposing effects of the slowing global economy. It is however, counteracting this by making clear to investors it is open for business with initiatives such as the Gauteng Investment Centre (GIC), which brings key services to those wanting to start businesses in Africa's richest province.

Link: <http://www.cnbc africa.com/news/special-report/2016/12/13/gauteng-open-for-business/>

### Sub-Saharan Africa: Land of promise or of peril?

After more than a decade of relatively strong economic progress, sub-Saharan Africa's aggregate GDP growth is slowing as external shocks threaten recent advances. According to the International

Monetary Fund's April 2016 Regional Economic Outlook for sub-Saharan Africa, between 2000 and 2015, the continent grew at an average rate of 5.5 percent.

This was due in part to a commodity slump, with the price of oil falling from \$108 to \$47 per barrel between June 2014 and January 2015.

Link: <https://www.brookings.edu/research/sub-saharan-africa-land-of-promise-or-of-peril-a-complex-narrative-of-a-continent-in-flux/>

## Africa's tech hubs

Innovation hubs have become a mainstay of Africa's emerging technology ecosystem. Scratch the surface of the continent's information and communication building blocks and you'll likely find connections to a tech space.

More than 150 startups have launched out of Kenya's iHub. Over the last five years, Africa has seen its innovation spaces grow from a handful to hundreds, with large variations in focus and funding. Now many of these tech hubs are searching for sustainable operating models in the continent's fast evolving ICT landscape.

Link: <https://techcrunch.com/2016/12/09/africas-tech-hubs/>

## Trade in Africa Larger Than Official Statistics Show - Experts

Contrary to common belief, trade in Africa could be higher if all statistics are captured, experts reveal.

Mr Carlos Lopes, the former executive secretary of the United Nations Economic Commission for Africa has said that because of the informal trade that is not captured in official statistics, trade within Africa is seen to be low yet in actual sense it is much higher than the current estimates. Currently, estimates point to trade within Africa being at about 23 per cent by official statistics.

Link: <http://allafrica.com/stories/201612050403.html>

## Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
<a href="#">KHARTOUM INTERNATIONAL FAIR</a> Khartoum International Fair. Industrial, Agricultural machinery & equipment, Information technology, Energy and Mines, Building Materials, Service	23rd-30th January 2017	<a href="#">Khartoum International Fairground</a> , Khartoum, Sudan	<a href="http://www.eventseye.com/fairs/f-khartoum-international-fair-20891-1.html">http://www.eventseye.com/fairs/f-khartoum-international-fair-20891-1.html</a>

## Tender Information in Africa

### Prior information Notices

Title	Place	Deadline
<a href="#">Implementing The Replacement Of Iron Pipes Galvanized Diameter 1.5-inch feeder Buildings Bmuasir Of Polypropylene In The Same country For The Construction Of 7 Building Number 210 residential Housing Units National Model Enterprise construction</a>	Egypt	18th January 2017
<a href="#">Supply Of Tractors, Implements And Maize Milling Machine For Various Cooperatives</a>	Swaziland	19th January 2017
<a href="#">Materials, Motorcycle, Motor Vehicles, Rubber, Tea, Coffee And Hospitality Kekefiteriyewochine Named, Different Print Results And Survey Equipment (total Station) Invites Sealed Bids From Eligible Bidders</a>	Ethiopia	10th January 2017
<a href="#">Supply Of Fire Equipment At Kigali International Airport</a>	Rwanda	25th January 2017
<a href="#">Provision Of Cctv Alarm System, Access Control &amp; Biometric Register Maintenance</a>	Kenya	11th January 2017

For more contract notices, Please register with Tender Info and follow the link:

<http://www.tendersinfo.com/searchresult#>

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