

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

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Cover Story

Startups in Africa are gaining momentum day by day with increased investment. The increased investment in startups is common to the whole of Africa, especially Northern Africa.

What's in News

- **Pound liberalization hit Egypt's non-oil private sector.**
- **South Africa still an attractive country to work and invest.**
- **India announces \$100 million Line of Credit to Kenya.**
- **And more....**

Tenders

More latest News from Tenders

Upcoming Events

Chairman's Pen



Africa has found a new area to attract the world economies, the growing startups. Africa is attracting investment for its startups which are making use of the current technology to compete with the economies of the world. The northern part of the continent, due to various political and security issues, was not able to focus on its economic interests, but lately Northern Africa's economy has been opening up more to trade, investment and also startups.

With these startups and growing trade and investment, Africa is making attempts reinvigorate the path of development. Indian SMEs can benefit from this by becoming a part of this process of economic development.

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



Mahesh K Desai

In this twentieth edition of our Newsletter on Africa, we have focused on the investments in the increasing startups coming up in the African continent. These startups are initiatives by the aspiring youth entrepreneurs of Africa who are coming up with big, bold business ideas.

This newsletter also provides an insight on the top engineering product panels imported by African countries and key news.

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



Aakash Shah

We are coming out with the twentieth edition of the 'Newsletter on Africa'. This edition analyses scope and potential for Indian companies to partner with growing startups in African continent. It briefly discusses the increase in inflow of investments on these startups from the other world economies. 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.

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.

Right time for Indian companies to invest in start ups in Africa?

Investment climate in Africa is changing over the last few years. This is because of some incentives and reforms taken by different governments. This is reflected by the increasing amount of capital mobilization by startups.

African startups raised more than \$129 million last year, 2016, according to a report from Disrupt Africa, a blog on technology and entrepreneurship on the continent. South Africa, Nigeria, and Kenya were the most popular destinations, with north African countries catching up. Startups raised \$27.3 billion globally. Last year, 2016, out of then startups in Africa brought in more than \$185.7 million. And Kenyan startups especially saw their best year in fundraising since 2010. These startups mobilised over \$47.4 million last year. Mobilisation by South Africa was down 14.6% to \$46.8 million, Nigeria dipped 6% to \$46.5 million. At 146, more African startups were funded in 2016 than in 2015.

Northern Africa is emerging as a new destination after a period of political turmoil. Two countries namely, Egypt and Morocco have emerged as the rising stars of the region, especially in terms of investment and start-ups. Fundraising for Egyptian startups jumped 105%, according to the report, making the country the fourth most popular tech investment destination on the continent.

Interestingly eight Egyptian startups raised \$9.7 million, compared to \$4.7 million last year, the largest increase of any country that had more than five startups secure investment for the year. Figures clearly indicate that a small but vibrant startup scene is emerging in Egypt, despite its political upheaval, insecurity, and various crackdowns on civil liberties. Egypt continues to remain the largest economy on the continent and is at the center of the Arab world's almost 160 million internet users.

Morocco saw about \$3.4 million raised for start-ups. Morocco, which has been courting foreign investment heavily, is also home to startup spaces littered throughout the capital Rabat, the economic center of Casablanca, and even sleepy seaside towns like Taghazout. Morocco is also turning its focus to renewable energy. The Tarfaya complex stretches into the Sahara desert and is perhaps the largest testament of King Mohammed VI's ambitions for his country to become a global leader in green energy.

Tunisia, where no startups managed to raise funds last year, brought in half a million for companies like RoamSmart, a cloud-based system for reducing roaming costs and Expensya, an expense reporting system.

There are also some areas of concern. While more startups found funding during 2016, the total amount raised dropped compared to 2015. Further, sources of funding have yet to change much from international sources. African startups will need more grass root support both from customers and investors.

Food for thought

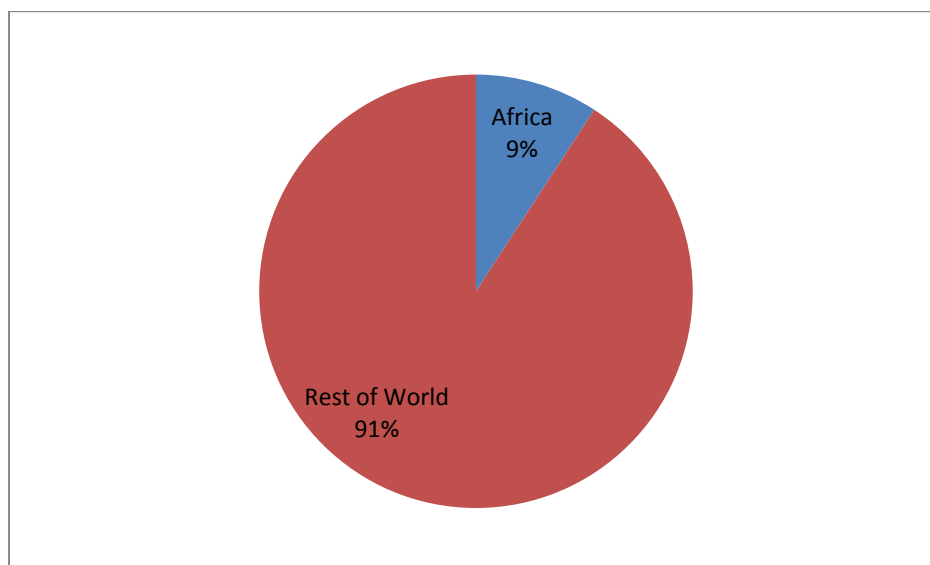
In the light of growing importance of startups in Africa and their funding support, should Indian investors invest in startups in different African countries?

Some of the emerging sectors include: Agricultural Machinery, Renewable Energy, Construction Machinery, Vehicles and auto components etc.

Monthly Trade Trend Analysis in Africa

India's total engineering exports to Africa for the month of January 2017 was USD 566 Million (approx) constituting a share of approx 10.7% of the total engineering exports from India for January 2017 which stood at USD 5.3 billion. Africa's share in total Indian engineering exports to

world in January 2017 (US\$ 566 mn) increased in value as compared to previous month December 2016 (US\$ 526 mn).



Source: DGCIS, Kolkata

The top 5 African nations which had the highest demand for Indian engineering products during January 2017 in absolute values include:

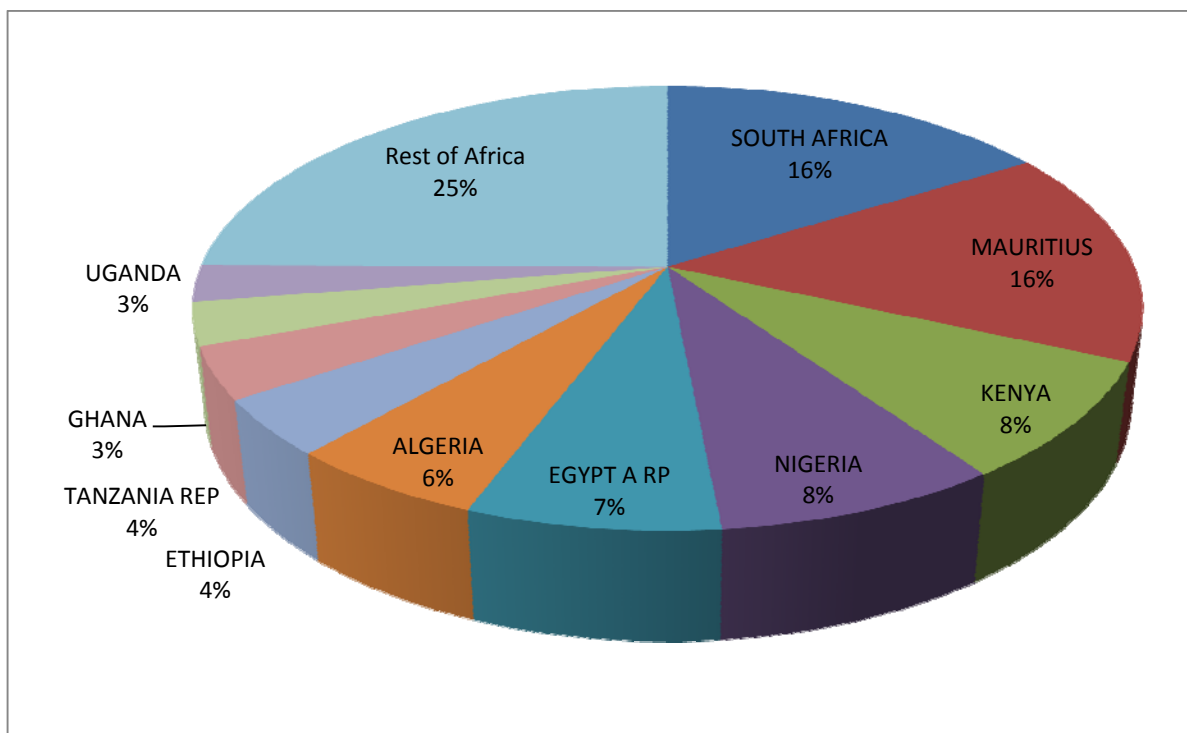
Country	Export in January 2016 (USD million)	Export in January 2017 (USD million)	Growth (%)
SOUTH AFRICA	77.68	78.18	0.65
MAURITIUS	3.33	76.25	2186.51
KENYA	41.17	41.54	0.91
NIGERIA	57.81	40.04	-30.74
EGYPT	60.36	35.33	-41.47

In January 2017, three of the top five countries, registered positive growth. Growth was more prominent in the new entrant Mauritius, which recorded growth of over 2000%. This is followed by South Africa and Kenya with growth of 0.65% and 0.9% respectively.

When one compares growth in January 2017 over December 2016, a slightly different picture is observed. Mauritius the first time featured in the top five importers of Indian engineering goods and with a very high positive growth rate of above 2000%. For Kenya and South Africa though they achieved a positive growth rate in January but the rate of growth was very low. Among the top five importing countries of the African continent of engineering products from India, the same two

countries remain to achieve a negative growth in January 2017 as those in December 2016- Egypt and Nigeria.

On the basis of India’s export data for engineering products for January 2017, the African countries which feature in the top export destinations are presented in the pie chart below.



Source: DGCIS, Kolkata

Panel wise data show that out of top 15 engineering panels, only three recorded positive growth in January 2017. Ships Boats and Floating Structure topped the list with highest growth. It is followed by Accumulator and Batteries with a growth of 84%.

Top 15 engineering panels exported to Africa in January 2017 include:

Name of the Panel	India's export in January 2016 (USD million)	India's Export in January 2017 (USD million)	Growth (%)
Motor Vehicle/cars	101.64	90.36	-11.10
Ships Boats and Floating Structures	0.03	72.68	233160.58
Industrial Machinery	55.52	54.50	-1.84
Products of Iron & Steel	48.33	46.14	-4.54

Name of the Panel	India's export in January 2016 (USD million)	India's Export in January 2017 (USD million)	Growth (%)
Iron and Steel	35.65	34.84	-2.27
Electric Machinery	31.14	31.22	0.26
Two and Three Wheelers	27.70	27.46	-0.85
Auto Components/Part	28.82	22.14	-23.20
Aluminum and products	16.34	9.52	-41.73
Construction Machinery	11.89	8.95	-24.74
Medical and Scientific Instruments	14.23	8.79	-38.24
Air condition and Refrigerator	12.48	8.71	-30.20
Bicycle & Parts	9.77	7.33	-25.00
Accumulator and Batteries	3.90	7.18	83.91
Machinery for ATMs	9.21	7.11	-22.85

Source: DGCI&S, Government of India

News in Focus

Short-term effects of pound liberalization hit Egypt's non-oil private sector

Operating conditions among Egyptian businesses continued to deteriorate in January, affected by skyrocketing prices and subdued domestic demand.

Egypt started the year in much the same way as it had finished 2016. The severe weakening of the Egyptian pound following its liberalization in early November caused prices of Egyptian goods to soar, particularly in the case of those imported.

Link: <http://www.focus-economics.com/countries/egypt/news/pmi/short-term-effects-of-pound-liberalization-hit-egypts-non-oil-private>

Mauritius joins global efforts to curb profit shifting by MNEs

In a significant step, Mauritius will soon start automatically sharing of tax information with India and other countries as part of global efforts to curb multinational companies from profit shifting activities.

The development also comes months after the island nation, long perceived to be a jurisdiction for alleged illegal fund flows into Indian shores, agreed to revise its bilateral tax treaty with India to address the concerns.

Link: <http://economictimes.indiatimes.com/news/economy/foreign-trade/mauritius-joins-global-efforts-to-curb-profit-shifting-by-mnes/articleshow/56814762.cms>

South Africa is still an attractive country in which to work and invest

Despite the turbulent international economic situation both political and economic, South Africa offers many short and long term opportunities for those who want to study, work, invest or retire here.

Global Migration SA has, over the last ten years, assisted over eight thousand people with their family members to work, live, invest and retire in South Africa.

Link: <http://www.news24.com/MyNews24/south-africa-is-still-an-attractive-country-in-which-to-work-and-invest-20170118>

India announces \$100 million Line of Credit to Kenya

India announced a \$100 million Line of Credit to Kenya for agricultural mechanisation after talks between Prime Minister Narendra Modi and Kenyan President Uhuru Kenyatta during which they also decided to deepen economic cooperation, identifying expansion of bilateral trade as a "priority."

Asserting that challenges in the maritime domain are a shared concern, Mr. Modi said the two sides will also explore opportunities in blue economy.

Link: <http://www.thehindu.com/news/national/India-announces-100-million-Line-of-Credit-to-Kenya/article17023281.ece>

Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
<u>SIEHM</u> Medical & Hospital Equipment International Expo	02nd-05th March 2017	<u>Palais des Expositions d'Alger,</u> Algiers, Algeria	<u>http://www.siehm.org/</u>
<u>AUTOMECH FORMULA</u> Pan-Arab/African Vehicles, Buses, Motorcar Workshops, Automobile Spare Parts and Accessories Exhibition	16th-21st March 2017	<u>Cairo International Convention & Exhibition Centre,</u> Cairo, Egypt	<u>http://www.automech-formula.com/en</u>
<u>ENERGY EFFICIENCY WORLD AFRICA</u> Energy, Power Efficiency, Energy Saving	28th-29th March 2017	<u>Sandton Convention Centre,</u> Johannesburg, South Africa	<u>http://www.terrapinn.com/exhibition/energy-efficiency/index.stm</u>
<u>CLIMEXPO</u> Trade show bringing together outstanding professional sectors, refrigeration, air conditioning, heating, regulation and ventilation	08th -11th March 2017	<u>Parc des expositions du Kram,</u> Tunis, Tunisia	<u>https://www.tradeindia.com/TradeShows/66378/CLIMEXPO-2017.html</u>

Tender Information in Africa

Prior information Notices

Title	Place	Deadline
<u>Provision Of Various Batteries</u>	Morocco	10th March 2017
<u>Supply, Installation And Commissioning Of One Dual Polarization C-band Weather Radar</u>	Uganda	20th March 2017
<u>Supply Of Chemical Industry Corporation Cement Factory Leleboretori Service</u>	Ethiopia	10th March 2017
<u>Supply And Installation Of 2 Standby Diesel Generators For Sewage Plant</u>	South Africa	13th March 2017
<u>Acquisition Of Scientific Equipment.</u>	Tunisia	10th March 2017

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

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

EEPC India Africa Territorial Newsletter

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