

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

Vaniya Bhavan (1st Floor)  
International Trade Facilitation  
Centre (ITFC)  
1/1 Wood Street,  
Kolkata - 700016  
www.eepcindia.org



**Issue XII: June 2016**

## Chairman's Pen



T S Bhasin

Africa is a growing continent which offers wide scope for enhancing trade and investment relations.

Renewable energy is one of the major sectors on which the continent is focusing. Africa is opening up its market for renewable energy to meet the increasing demand for energy by the continent. India has capacity in the renewable energy and can use it to further strengthening the relations between the India and African continent. The Indian SMEs can take upon this opportunity and enter into collaborations and agreements with the African Countries SMEs and benefit by the same.

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



Mahesh K. Desai

In this twelfth edition of the 'Newsletter on Africa', we focus on the market and scope of renewable energy in Africa. The demand for renewable energy is increasing in Africa and Indian SMEs can benefit by taking advantage of this opportunity.

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



S S Bhasin

We are coming out with the twelfth edition of the 'Newsletter on Africa'. This edition focuses on the wide opportunity that the African renewable energy market offers to the Indian SMEs.

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-India Renewable Energy

Africa's economy is growing but one of the core challenges faced as African countries continue to grow and develop is energy: meeting rising demand for power, transport and other uses in a way that is economically sustainable and safeguards livelihoods. Supply lags demand, and in as many as 30 countries in Africa recurrent electricity outages and load shedding are the norm. About 600 million people in Africa do not have access to electricity, and approximately 730 million people rely on traditional uses of biomass. Africa's current energy needs are met through a mix of biomass and fossil fuels. Biomass accounts for approximately half of Africa's total primary energy supply. Coal and natural gas account for about 14% each, and oil approximately 22%. Hydropower represents about 1% of the total primary energy supply in Africa. The total primary energy supply of Africa has been increasing at an annual rate of about 3%, though it has been more or less constant for the last 30 years.

The African continent is endowed with large renewable energy potential, varying in type across diverse geographic areas. Solar resources are abundant everywhere, while biomass and hydropower potential are more plentiful in the wet, forested central and southern regions. Wind resources are of the highest quality in the north, the east, and the southern regions, while geothermal energy is concentrated along the Great Rift Valley. The possible applications of all of these resources include power generation, heating and cooling for both industrial and domestic applications, lighting, transport and direct uses of mechanical energy.

### Renewable Energy and way forward in Africa

- African countries have made a commitment to expand renewable resources like power-generation capacity, increase rural electrification and alleviate poverty, as stated in national energy plans and announced targets. Several countries have adopted renewable energy policies, mainly involving fiscal incentives, public investments, loans and grants.

Regulatory policies, such as auctions and net metering, are increasingly being introduced, demonstrating the growing maturity of African markets.

- Scaling up renewable resources requires governments, policy makers and regulators to establish the frameworks to catalyze private investments. Investment promotion measures are needed to attract both domestic and foreign investors. In parallel there is a need to raise awareness among local financial institutions about the grid-connected and off-grid renewable energy market. Public financing can be most effective if used to reduce risk perceptions. Public-private partnerships can also help to share investment costs and risks.
- Regional cooperation facilitates large-scale renewable energy deployment; African countries can increase their renewable energy supply, manage shared natural resources more effectively and coordinate on cross-border trade, regulations, policies and infrastructure development.
- While the shift to sustainable energy has been most visible in the power sector, opportunities in the heating and transport sectors should not be ignored. A complete transformation requires scaling up renewable for all types of energy use.

Some top major importing African countries for Renewable Energy have taken initiatives to cope up with the increasing demand of Renewable Energy:

**Nigeria:** Nigeria provides many incentives under two categories Financial and Fiscal heads. Financial Incentives include: Loans reserved for Renewable energy at a low interest rate not exceeding 5%, Subsidies up to 30% on initial cost of Renewable energy utilization facility, and free training programmes on renewable Energy Technology as business venture.

**Tanzania:** Tanzania has set out to expand electricity access using abundant renewable energy resources and promote the development of small power projects through local and foreign private investors. The government's policy allows small power producers to supply electricity from both grid-connected and off-grid systems. The framework introduces a standard Power Purchase Agreement and Tariff Methodology applicable for the developer and the buyer. This is expected to reduce negotiation time and costs, thereby increasing the possibility of a scale-up in mini-grid development.

**South Africa:** The National Energy Regulator of SOUTH AFRICA allocated funds to develop the Solar Water Heating Rebate Programme which included marketing and funding the incentives for consumers. Eskom has subsidized purchases of registered solar water heaters since 2008. By the end of 2011, more than 122,000 systems were rolled out, resulting in energy savings of approximately 60 GWh/yr.

Seeing the importance placed by the various African Countries on Renewable Energy Sector, India has a lot to offer to Africa. This can also be supported by the trade analysis below.

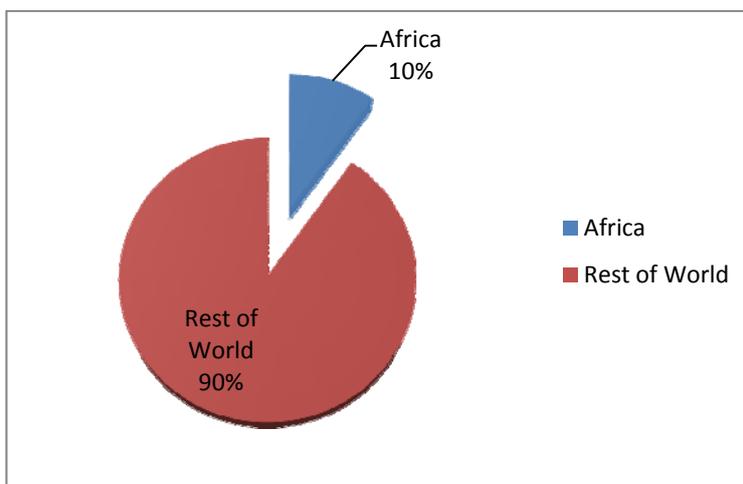
Table below shows the share of India in the World import of major importing countries of renewable energy products exported by India. From the table we can analyze that there is scope for India to enter more into the African Countries in the sector of Renewable energy as the share of

India in most of the countries is low and has scope for improvement. Examples include countries like Egypt, Algeria, Ethiopia etc.

Top Importing African Countries for India's Renewable Energy Exports			
Top Importing Countries from India	India's Export (2015) (USD MN)	Imports from World (2015) (USD MN)	Share of India in World Imports (2015) (%)
Nigeria	54.22	1,018.76	5.32
South Africa	43.63	1,526.61	2.86
Kenya	29.08	206.93	14.06
Egypt	27.66	1,387.97	1.99
Tanzania	14.42	153.22	9.41
Uganda	13.24	67.21	19.69
Ethiopia	10.85	423.58	2.56
Zambia	10.71	114.53	9.35
Algeria	10.1	1,272.81	0.79
Ghana	7.94	251.06	3.16
Total	221.86	6,422.67	3.45

### Monthly Trade Trend Analysis in Africa

India's total engineering exports to Africa for the month of June 2016 was USD 492 Million (Approx) constituting a share of 10%, as compared to a share of 8.37% in May 2016, of the total engineering exports from India for June 2016 which stood at USD 5 billion. June 2016 saw a fall in the overall exports of Engineering Goods from USD 5.6 billion to USD 5 billion, but Indian exports to Africa of Engineering good saw an increase from USD 468 million to USD 492 million. The increase is not only in terms of value but also in share, from 8% in May 2016 to 10% in June 2016.



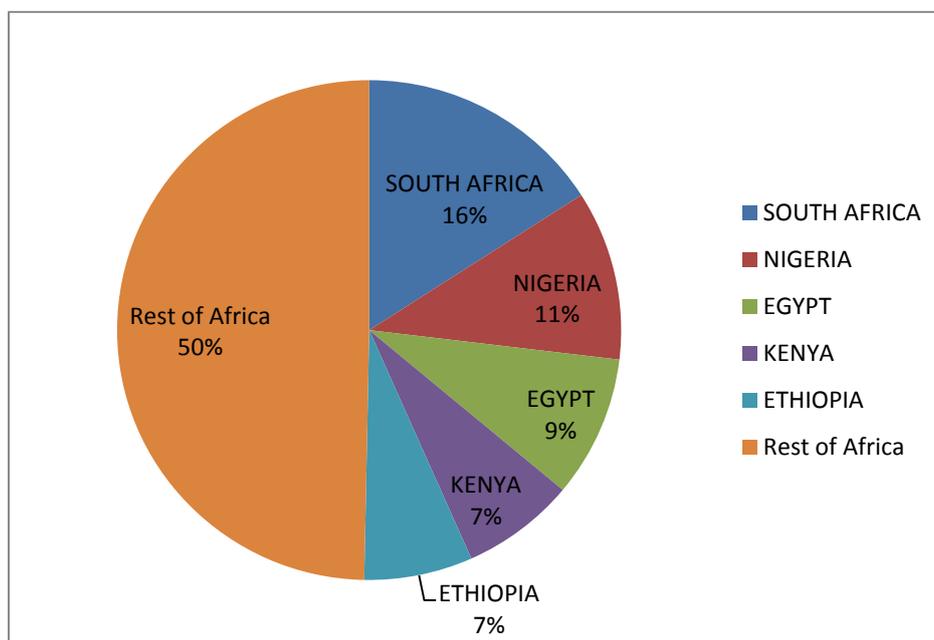
Source: DGCIS, Kolkata

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

Country	Export in June 2015 (USD million)	Export in June 2016 (USD million)	Growth (%)
<b>SOUTH AFRICA</b>	246.05	78.30	<b>-68.18</b>
<b>NIGERIA</b>	85.84	53.93	<b>-37.17</b>
<b>EGYPT</b>	50.68	45.03	<b>-11.16</b>
<b>KENYA</b>	38.13	35.92	<b>-5.80</b>
<b>ETHIOPIA</b>	35.46	34.22	<b>-3.48</b>

India's engineering exports to African countries shows same trend in June 2016 as compared to May 2016. Except that all the top five importers of engineering goods exported from India saw a negative growth rate though of less value as compared to the previous month of May 2016. Ethiopia, the only country in the top five, which had continuously shown a positive growth rate experienced a decline in exports and a negative growth rate.

On the basis of India's export data for Engineering Products of June 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: DGCIIS, Kolkata

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

Name of the Panel	India's export in June 2015 (USD million)	India's Export in June 2016 (USD million)	Growth (%)
Motor Vehicle/cars	151.76	101.44	-33.16
Industrial Machinery	61.96	66.79	7.80
Iron and Steel	43.99	42.61	-3.14
Electric Machinery	37.48	39.22	4.64
Products of Iron & Steel	42.70	38.89	-8.94
Two and Three Wheelers	44.70	30.41	-31.98
Auto Components/Parts	24.65	26.63	8.05
Aluminium and products	14.73	20.09	36.41
Aircrafts and Spacecrafts	0.45	15.82	3409.64
Medical and Scientific Instruments	13.81	13.48	-2.35
Air condition and Refrigerators	11.45	11.57	1.05
Nuclear Reactors	9.69	10.15	4.73
IC Engines and Parts	10.41	8.90	-14.50
Bicycle & Parts	8.47	7.90	-6.68
Machinery for ATMs	10.55	7.84	-25.68

Source: DGCI&S, Government of India

## News in Focus

### African Development Bank plans to invest \$12bn in Africa's energy sector

The President of the African Development Bank, Akinwumi Adesina, voiced his support for South Africa's bid to procure nuclear energy. He was of the view that most countries are using nuclear energy and there is no reason why South Africa shouldn't be using it.

Adesina also acknowledged Africa's economic growth rate which is at 4.4 per cent, saying it is better than the global economic rate which stands at 3.3 per cent. He urged African countries to diversify their economies and also made emphasis in the need to stop exporting raw material. "Africa has no business in exporting raw material. It has to process and add value to our economies," says Adesina.

Link: [http://www.cnbc africa.com/news/southern-africa/2016/04/11/african-development-bank-plans-to-invest-\\$12-bn-in-africa%E2%80%99s-energy-sector/](http://www.cnbc africa.com/news/southern-africa/2016/04/11/african-development-bank-plans-to-invest-$12-bn-in-africa%E2%80%99s-energy-sector/)

## Africa: Sparks Emerge Despite Africa's Economic Woes

Economic activity in Sub-Saharan Africa slowed in 2015 as gross domestic product decelerated to the lows last seen in 2009, but there was some bright spots where growth continued to be robust. According to the World Bank, GDP growth averaged 3 percent, down from 4.5 percent in 2014.

The 2016 growth forecast remains subdued at 3.3 percent, way below the robust 6.8 percent growth in GDP that the region sustained in the 2003-2008 period. Overall, growth is projected to pick up in 2017-2018 to 4.5 percent.

Link: <http://allafrica.com/stories/201604111515.html>

## Launch of the 'Economic Report on Africa (ERA) 2016'

African economies face risks, such as turbulence in the global economy, that require special attention from policy-makers. This vulnerability calls for a rethink of Africa's broader development strategy. The robust economic growth in Africa (often higher than elsewhere in the world over the last decade) has rarely been inclusive. The number of Africans in absolute poverty has risen and inequality remains a major issue. And because Africa's growth has been largely tied to exploiting non-renewable natural resources (with minimal value added or employment generated), sustainable growth has been undermined.

Link: <http://www.up.ac.za/en/alumni/calendar/event-info/2300116/launch-of-the-economic-report-on-africa-era-2016>

## How India Uses Tech Assistance to Expand Ties With Africa

In the month of June, Indian President Pranab Mukherjee went on a six-day tour of Africa, visiting Ghana, Cote d'Ivoire and Namibia, where he announced new grant assistance and lines of credit as well as expanded scholarship opportunities.

Link: <http://www.worldpoliticsreview.com/trend-lines/19168/how-india-uses-tech-assistance-to-expand-ties-with-africa>

### Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
<p><b><u>MOMBASA INTERNATIONAL SHOW (MIS)</u></b>  Mombasa International Show. MOMBASA INTERNATIONAL SHOW (MIS) exhibitors are from the following industries:- Agriculture, Manufacturing, Tourism related Enterprises, Fishing Industry, Banking sector, Import &amp; Export, Transport and communication.</p>	24th - 28th August 2016	<u>Mombasa</u> , Kenya	<a href="http://www.eventseye.com/fairs/f-mombasa-international-show-(mis)-18868-1.html">http://www.eventseye.com/fairs/f-mombasa-international-show-(mis)-18868-1.html</a>
<p><b><u>PROJECT KENYA</u></b>  International Infrastructure, Building &amp; Construction Materials, Technologies &amp; Machineries Exhibition in Kenya. Project Kenya also features Electricity &amp; Lighting, Industrial Equipment, Security Equipment, Energy &amp; Power.</p>	12th - 15th August 2016	<u>Kenyatta International Conference Center</u> , Nairobi, Kenya	<a href="http://www.eventseye.com/fairs/f-project-kenya-23460-1.html">http://www.eventseye.com/fairs/f-project-kenya-23460-1.html</a>
<p><b><u>ECOAFRIBUILD</u></b>  Eco Afribuild will focus on the next generation of building and infrastructure, providing insight around the latest in global eco-friendly technologies and the transformation towards an eco-friendly built environment.</p>	17th - 20th August 2016	<u>Expo Centre Nasrec, Johannesburg</u> , South Africa	<a href="http://www.eventseye.com/fairs/f-ecoafribuild-16052-1.html">http://www.eventseye.com/fairs/f-ecoafribuild-16052-1.html</a>
<p><b><u>THE COMMERCIAL UAV SHOW AFRICA</u></b>  Civilian Unmanned Aerial Vehicle Show</p>	23rd- 24th August 2016	<u>Sandton Convention Centre</u> , Johannesburg, South Africa	<a href="http://www.eventseye.com/fairs/f-the-commercial-uav-show-africa-21944-1.html">http://www.eventseye.com/fairs/f-the-commercial-uav-show-africa-21944-1.html</a>

Events	Date	Venue	Link
<p><b><u>UGANDA TRADE EXPO</u></b>  International Industry Fair In Uganda. UGANDA TRADE EXPO provides international countries a professional international business platform to share industrial information, technologies as well as to prepare business, investments and joint ventures.</p>	3rd- 5th August 2016	<p><u>UMA Exhibition Centre Lugogo</u> ,  Kampala ,  Uganda</p>	<p><a href="http://www.eventseye.com/fairs/f-empowertec-africa-17660-1.html">http://www.eventseye.com/fairs/f-empowertec-africa-17660-1.html</a></p>

## Tender Information in Africa

### *Prior information Notices*

Title	Place	Deadline
<p><b><u>Supply, Installation And Commissioning Of Coin Processing Machine And Packaging System</u></b></p>	Swaziland	29th July 2016
<p><b><u>Supply And Installation Of Hydro-mechanical And Electrical Equipment For The Pumping Station</u></b></p>	Tunisia	16th August 2016
<p><b><u>Supply And Installation Of Integrated Solar Street Lights</u></b></p>	South Africa	5 <sup>th</sup> August 2016
<p><b><u>Supply, Assistance To Commissioning And Testing Of A (01) Motorcycle Compressor Screw Air For Fixed Plant M'dhilla 1 Gct</u></b></p>	Tunisia	12th August 2016

<b><u>Post Installation And Wiring - Extension Of Low Voltage Network To Different Douars The District Of Ait Yadine</u></b>	Morocco	11th August 2016
<b><u>Supply And Delivery Of Personnel Carriers</u></b>	South Africa	5 <sup>th</sup> August 2016
<b><u>Supply Of 24 Volt Rickard Diffusers</u></b>	Namibia	2nd August 2016
<b><u>Provision Of Agricultural Tools</u></b>	Nigeria	12th August 2016

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

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

EEPC India Africa Territorial Newsletter  
 Contact: Ms. Manila Sharma  
 Email: [msharma@eepcindia.net](mailto:msharma@eepcindia.net)  
 Phone no: 011-2331 4171