

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



India-Africa relations are getting more cordial with time. Trade and investments relations have grown strong not only for major players but also for the SMEs of both India and Africa. As Africa mainly consists of SMEs and India also has a substantial number of SMEs. These SMEs play a substantial role in building and taking ahead the trade relation of India-Africa.

The cooperation between India and Africa lies in areas of vehicles, scientific Instruments and also technology.

T S Bhasin

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



In this eleventh edition of the 'Newsletter on Africa', we focus on the effect of Brexit on some of the major economies of Africa. The effect of UK leaving European Union on African trade and 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.

Mahesh K. Desai

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



We are coming out with the eleventh edition of the 'Newsletter on Africa'. This edition builds upon the various impacts expected on some of the African Economies due to exit of United Kingdom from the European Union. 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.

S S Bhasin

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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 and Brexit

United Kingdom has voted to leave the European Union, African economies—already struggling from slowing demand from China and flat commodity prices—have now been thrown into confusion along with the rest of the world. Some of the countries that will majorly be affected by the exit of UK from European Union like South Africa, Nigeria, Kenya etc. Africa imports 33% of its total imports from European Union alone.

THE shock decision by the UK to exit the EU after more than four decades has roiled global markets and set the stage for years of extrication talks. The fallout is likely to be especially severe in Africa because the 28-nation trading bloc is by far the continent's biggest source of trade and foreign investment. Slowing growth, a drought in Southern and Eastern Africa and weak commodity prices had already dimmed the investment appeal of the world's poorest continent and Brexit is set to make things even worse.

The agreements between EU and Africa, which give African nations enhanced market access, and other trade accords have to be reworked, while separate talks may have to be held with the UK on market access. A quarter of sub-Saharan Africa's trade in 2015 was with the EU, with two-way flows totaling \$170.1bn and the UK accounting for \$20.7bn.

### South Africa and Brexit

South Africa's already battered economy may be the worst affected by Britain's exit. Economists

also worry that trade between Africa's most industrialized economy and the UK will suffer. (The UK is the fourth largest destination for exports from the country, according to data from Bloomberg.) Economists at the South African university, North-West, have said Brexit could take 0.1 percentage points off of the country's annual economic growth, which already contracted 1.2% in the first quarter of this year.

South Africa's close financial ties to the UK could be a problem, especially major South African companies dual-listed in London and Johannesburg are being hammered and also British banks' claims on South African entities account for 178% of South Africa's foreign currency reserves.

### Nigeria and Brexit

Britain's exit from the EU comes at a time when the Nigerian government, Africa's largest economy is trying to fix economy on the brink of a recession by removing strict currency controls and also liberalizing oil prices. Bilateral trade between Nigeria and the UK, currently valued at US\$ 8.3 billion and projected to reach US\$20 billion by 2020, will be disrupted as trade agreements made under the auspices of the EU have to be renegotiated.

UK was Nigeria's largest source of foreign investment in 2015. A slowing British economy and could signal a drop in investment, trade. Reduced trade and investment from Britain will not necessarily be plugged by the rest of the EU, as EU has other options for cheap labor, oil prices than the Nigerian economy.

### Kenya and Brexit

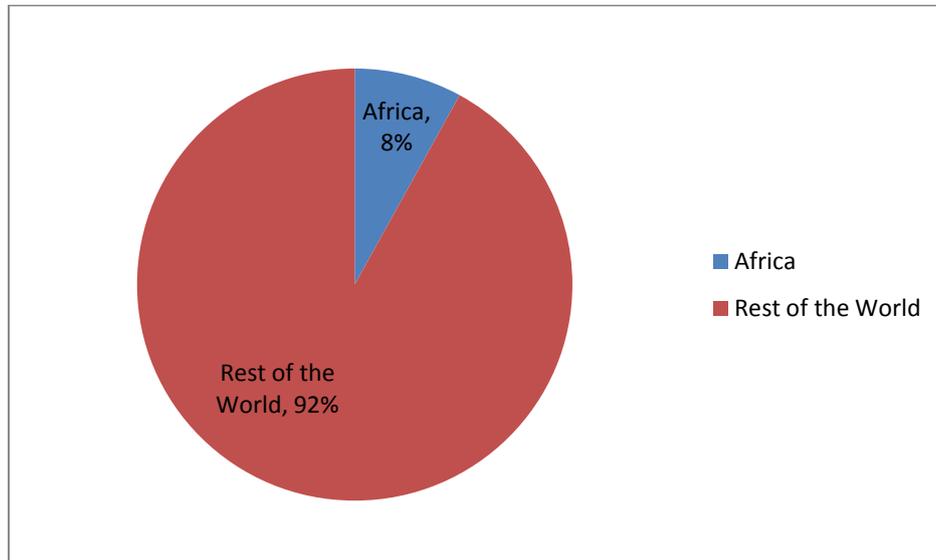
One of Kenya's top exports, cut flowers, would suffer the most as over a third of the EU's cut flower imports come from the East African country, Kenya. And the UK is one of the top destinations for Kenyan exports, mainly flowers. If a trade deal between the East African Community and the EU is stalled because of Brexit, Kenya would be looking for a very big financial loss.

Kenya's ties with Britain are deep and longstanding so the bilateral trade and investment are likely to continue. In some ways Kenya could even benefit. The UK may be eager to establish bilateral ties after leaving the EU, giving Kenya leverage.

How Brexit will affect the UK's overall engagement with African countries is still to be seen. But the African countries may also have less access to international capital markets and big infrastructure projects may have to be put on hold with UK.

## Monthly Trade Trend Analysis in Africa

India's total engineering exports to Africa for the month of May 2016 was USD 468 Million (Approx) constituting a share of 8.37% approx of the total engineering exports from India for May 2016 which stood at USD 5.6 billion.



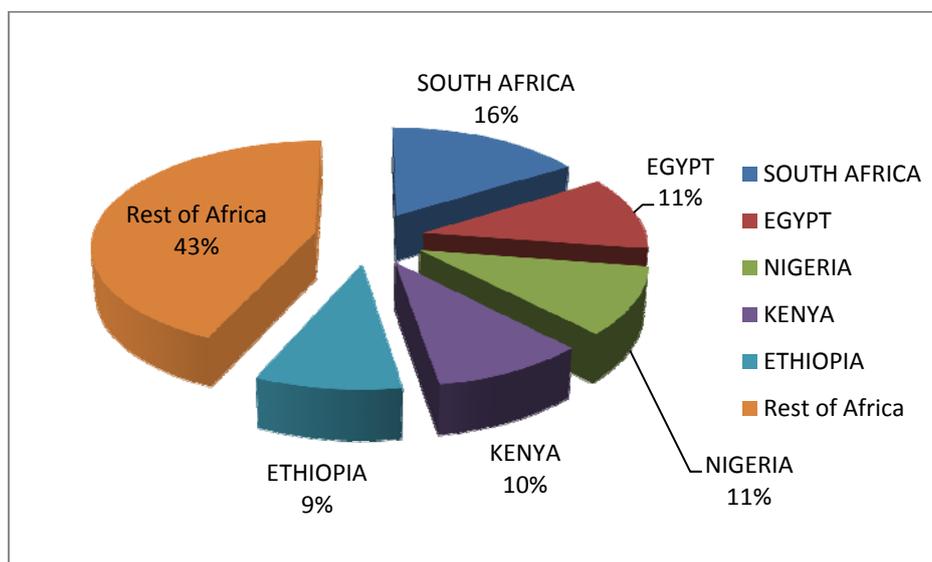
Source: DGCIS, Kolkata

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

Country	Export in May 2016 (USD million)	Export in May 2015 (USD million)	Growth (%)
SOUTH AFRICA	75.41	103.15	-26.89
EGYPT	52.63	54.67	-3.73
NIGERIA	48.69	86.66	-43.81
KENYA	45.46	49.75	-8.62
ETHIOPIA	43.07	19.76	118.00

India's engineering exports to African countries same trend in May 2016 as compared to April 2016. Four out of 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 April 2016. Ethiopia is the only country in the top five which has continuously shown not only a positive growth rate but a huge increase in the growth rate. Ethiopia showed a positive growth rate of 16% approx in the month of April 2016 but in the month of May 2016 this growth rate jumped to 118% showing a huge growth rate.

On the basis of India's export data for Engineering Products of May 2016, the African countries which feature in the top export destinations for India include, South Africa, Nigeria. 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 May 2016 include:

Name of the Panel	India's export in May 2016 (USD million)	India's Export in May 2015 (USD million)	Growth (%)
Motor Vehicle/cars	82.10	143.68	-42.86
Industrial Machinery	64.29	67.60	-4.89
Electric Machinery	50.17	32.13	56.12
Two and Three Wheelers	44.39	51.22	-13.32
Iron and Steel	43.10	49.61	-13.13
Products of Iron & Steel	36.82	40.45	-8.98
Auto Components/Part	27.31	29.12	-6.22
Construction Machinery	12.59	17.07	-26.21
Medical and Scientific Instruments	12.57	13.18	-4.66
Air condition and Refrigerator	10.90	14.70	-25.82

Name of the Panel	India's export in May 2016 (USD million)	India's Export in May 2015 (USD million)	Growth (%)
Aluminium and products	10.44	19.26	-45.80
IC Engines and Parts	8.30	8.55	-2.92
Bicycle & Parts	7.63	9.93	-23.16
Pumps of all types	6.47	6.02	7.42
Machinery for ATMs	5.43	11.03	-50.76

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.cnbcfrica.com/news/southern-africa/2016/04/11/african-development-bank-plans-to-invest-\\$12-bn-in-africa%E2%80%99s-energy-sector/](http://www.cnbcfrica.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
EAST AFRICA INTERNATIONAL TRADE EXHIBITION	12th - 14th July 2016	Dar es Salaam , Tanzania	<a href="http://www.expogr.com/tanzania/general/">http://www.expogr.com/tanzania/general/</a>
<a href="#">SALON DE L'AUTO D'OCCASION DE CASABLANCA</a> Casablanca Second Hand Auto Show	23rd- 31st July 2016	<a href="#">Office des Foires et Expositions de Casablanca (OFEC)</a> , Casablanca , Morocco	<a href="http://www.eventseye.com/fairs/f-salon-de-l-auto-d-occasion-de-casablanca-22071-0.html">http://www.eventseye.com/fairs/f-salon-de-l-auto-d-occasion-de-casablanca-22071-0.html</a>

Events	Date	Venue	Link
<a href="#"><u>NIPEXPO - NIGERIA POWER EXPO</u></a> Power Industry Professionals Expo & Conference	12th - 14th July 2016	<a href="#"><u>Nicon Luxury Hotel</u></a> , Abuja, Nigeria	<a href="http://www.nigeriapowerexpo.com/visitors.htm">http://www.nigeriapowerexpo.com/visitors.htm</a>
<a href="#"><u>SISDAK</u></a> Dakar International Expo on Health and Medical Expo	13th - 16th July 2016	<a href="#"><u>CICES (Centre international du Commerce extérieur du Sénégal)</u></a> , Dakar, Senegal	<a href="http://www.medical-events.info/event-gallery/event/sisdak.html">http://www.medical-events.info/event-gallery/event/sisdak.html</a>
<a href="#"><u>EMPOWERTEC AFRICA</u></a> Small Business Opportunities Showcase. EMPOWERTEC AFRICA is a networking zone designed to showcase opportunities for SME operations, facilitate networking with established businesses, make new contacts and develop business	13th - 15th July 2016	<a href="#"><u>Gallagher Convention Centre</u></a> , Johannesburg, South Africa	<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>
<a href="#"><u>POWER-GEN AFRICA</u></a> African Meeting of Electric Power Producers, Independent Power Producers, Co Generation Plants, Waste-to Energy Plants	19th - 21st July 2016	<a href="#"><u>Sandton Convention Centre</u></a> , Johannesburg, South Africa	<a href="http://www.powergenafrika.com/index.html">http://www.powergenafrika.com/index.html</a>

## Tender Information in Africa

### Prior information Notices

Title	Place	Deadline
<a href="#"><u>supply of scientific instruments.</u></a>	Egypt	9th July 2016

<b><u>Faculty of Science</u></b>		
<b><u>Supply and installation of well field collector pipe system and associated civil works</u></b>	Ethiopia	28th July 2016
<b><u>Construction of modern water facility (1No. Solar Powered borehole) in Dukun Nafada Fed. Constituency in Gombe State</u></b>	Nigeria	25 <sup>th</sup> July 2016
<b><u>Supply of micro and small construction works</u></b>	Ethiopia	12th July 2016
<b><u>Supply, Transportation, Rigging, installation, Testing, Commissioning And Maintenance Of Diesel Generators And Ups</u></b>	South Africa	18th July 2016
<b><u>Design and construction monitoring of substations / switching stations and building additions, alterations and renovations for electricity services</u></b>	South Africa	11th July 2016
<b><u>Purchase scientific equipment.</u></b>	Tunisia	11th July 2016
<b><u>Lift supplier to supply, install, test, commission and maintain lift</u></b>	Lesotho	6 <sup>th</sup> July 2016

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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