

Territorial NEWSLETTER Africa

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



T S Bhasin

India's alliance with the African countries is growing and becoming stronger. EEPC India is also making its contribution towards strengthening economic and trade relations with the African nations. One such step was INDEE, Kenya held in Nairobi in November 2016. INDEE was a platform for SMEs of both India and Kenya to come and work together, helping each other expand and grow.

Overall also, India's engineering exports to African continent has increased in value terms by USD 15 million, though its share in total Indian exports remains almost the same. There is more to explore and achieve in the engineering market of the African continent for India.

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



Mahesh K Desai

In this seventeenth edition of the 'Newsletter on Africa', we focus on the Nigerian laws that are deterring the investments into the country. Also we have made a mention about the BRICS summit held in Goa, 2016. The five member countries met on a single platform with agendas of their own.

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 seventeenth edition of the 'Newsletter on Africa'. This edition focuses on the new laws and regulations of Nigeria that are hampering the business and investors. It seems, Nigeria has to cover a long way in making itself an investor friendly country in the African region.

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

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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.

Nigeria not favorably opened for business investors

Nigeria's president has trumpeted his intentions to improve the ease of doing business in Africa's largest economy. But data shows that not much progress has been made.

The World Bank Doing Business 2017 Report shows Nigeria still ranked among the worst countries to do business. The report does indicate some progress was made with regard to starting a business and strengthening access to credit. The credit of this goes to improved government portals, businesses can now register and begin operations in 25 days. But with 190 countries analyzed this year, Nigeria is ranked 169 same as last year when 189 countries were analyzed.

Nigeria's government has spun this as resulting from its efforts. As per a government statement, slowly but gradually their efforts are yielding some dividends as Nigeria's ranking remains "static" thereby halting a falling trend in the past several years.

The report ranks 190 countries across ten areas of business. Nigeria ranked in the top of half in only two areas—getting credit and protecting minority investors.

The reality for businesses and investors in Nigeria over the past year has been particularly difficult. Reduced government earnings, occasioned by low oil prices, have resulted in tight currency controls which have, in turn, triggered a lingering dollar shortage affecting many businesses which

rely on foreign exchange to import raw materials and finished products. The currency policy has been held up by investors as the highlight of the difficulties of doing business in Nigeria.

Rather than be determined by economic realities, Nigeria's most important economic policy in the past year was seemingly decided on the populist whims of the president without regard for the economy or businesses. For investors, the message was simple: the Central Bank was not in charge of deciding economic policy. After months of stubbornly hanging on, Nigeria finally let go of the tight currency controls. But not before damage had been done: investors are pulling out of Nigeria amid its first recession in decades.

If investors needed clues about how they might fare in Nigeria, the recent troubles of MTN, one of Nigeria's largest investors paints a grim picture. Settling a sim card dispute for a \$1.7 billion fine, the country's biggest telecoms operator is now faced with allegations from lawmakers of illegally repatriating \$14 billion. Lawmakers claim MTN did not follow due process, in this case, an administrative procedure of obtaining a Certificate of Capital Importation (CCI) from the Central Bank. But the company has denied these claims.

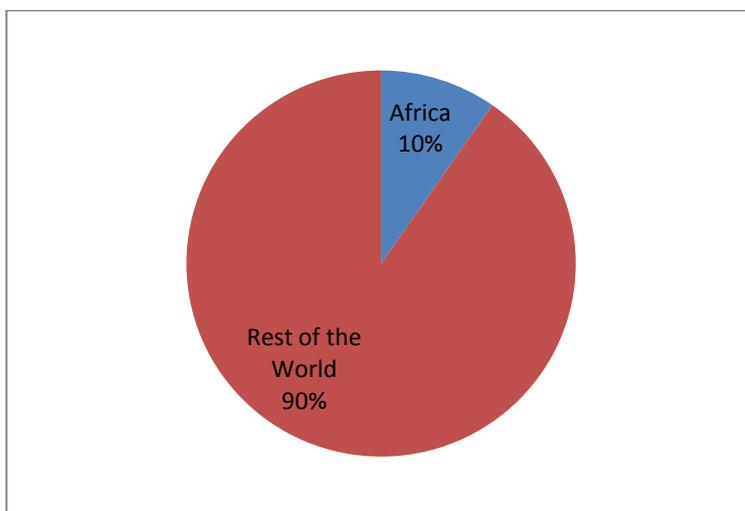
Nonso Obikili, policy associate at Economic Research Southern Africa, says "what is perhaps the most serious problem with regards to doing business in Nigeria: there is no protection for private property—less so if you are a foreign company," he says. "At every corner there is something or someone looking to extract rents."

With Nigeria facing a cash crunch and running a budget deficit, like Obikili, many will see the probe of one of the country's biggest investors as a shakedown. Nigerian lawmakers are discussing a bill to impose a 9% communications service tax on service providers for phone calls, texts, internet data and cable television.

"The message to investors, both domestic and foreign, is that if you get successful enough someone will come after you to extract rent and you will have no protection," Obikili says. "The expected reaction to that is to not start business at all."

Monthly Trade Trend Analysis in Africa

India's total engineering exports to Africa for the month of October 2016 was USD 502 Million (Approx) constituting a share of approx 10% of the total engineering exports from India for October 2016 which stood at USD 5.2 billion. Africa's share in total Indian engineering exports to world in October 2016 (US\$ 502 mn) increased in value as compared to September 2016 (US\$ 485 mn).



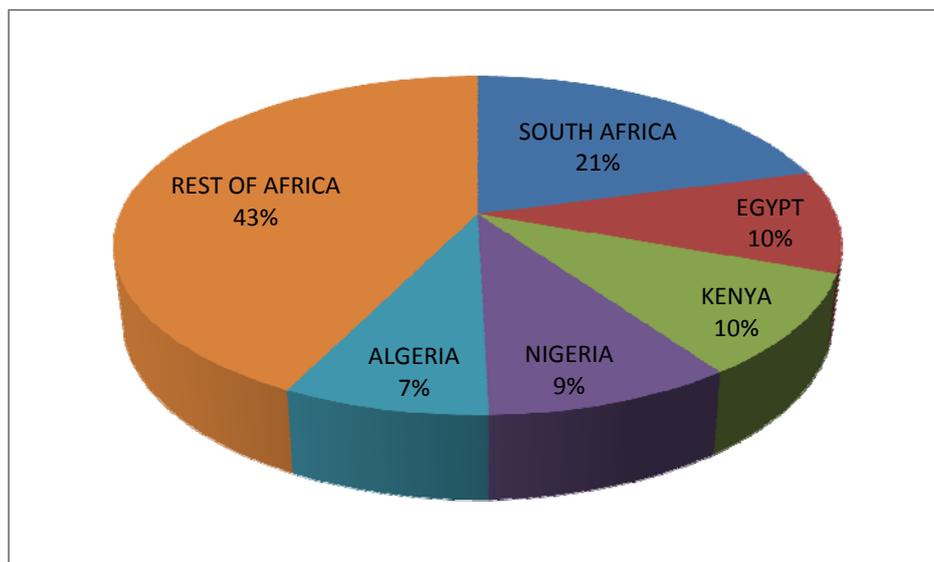
Source: DGCIS, Kolkata

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

Country	Export in October 2016 (USD million)	Export in October 2015 (USD million)	Growth (%)
SOUTH AFRICA	104.24	100.53	3.69
EGYPT	48.96	45.33	8.02
KENYA	48.79	50.60	-3.59
NIGERIA	46.82	75.69	-38.15
ALGERIA	38.58	14.58	164.59

India's engineering exports to African countries shows approximately the same trend in October 2016 as compared to September 2016, except South Africa has experienced a positive growth rate after many months of negative growth in its engineering imports from India. Egypt has also shown some progress and has achieved a positive growth rate of engineering imports from India in October 2016 as compared to September 2016. Among the top five importing countries of the African continent of engineering products from India, only two countries remain to achieve a negative growth- Kenya and Nigeria.

On the basis of India's export data for Engineering Products of October 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 October 2016 include:

Name of the Panel	India's export in October 2016 (USD million)	India's Export in October 2015 (USD million)	Growth (%)
Motor Vehicle/cars	128.63	101.71	26.47
Industrial Machinery	64.75	71.16	-9.01
Products of Iron & Steel	44.84	43.74	2.51
Electric Machinery	42.78	32.70	30.82
Iron and Steel	36.73	38.29	-4.07
Two and Three Wheelers	28.23	41.91	-32.63
Auto Components/Part	23.46	24.04	-2.41
Aluminium and products	19.41	21.90	-11.35
Medical and Scientific Instruments	18.04	14.95	20.73
Construction Machinery	12.06	20.06	-39.86

Name of the Panel	India's export in October 2016 (USD million)	India's Export in October 2015 (USD million)	Growth (%)
Air condition and Refrigerators	8.62	12.34	-30.15
Pumps of all types	8.45	5.40	56.36
IC Engines and Parts	7.41	8.22	-9.94
Bicycle & Parts	7.40	9.94	-25.57
Nuclear Reactors	5.89	11.19	-47.37

Source: DGCI&S, Government of India

News in Focus

BRICS Summit, Goa, India 2016

The weekend of October 15th saw the eighth BRICS summit taking place in the western Indian state of Goa. At this historic summit heads of state and leaders of the world's five major emerging economies comprising Brazil, Russia, India, China and South Africa met on 15 and 16 October 2016 to boost trade, cultural exchange and economic partnerships.

This year's summit in India was themed "Building Responsive, Inclusive and Collective Solutions." The five nations BRICS grouping have a combined nominal GDP of US\$16 trillion and collectively accounts for 23 percent of global Gross national product (GNP), and 40 percent, 3.6 billion people, of the world's population (BRICS, Ministry of External Relations Brazil 2015).

Each Brics nation had their own challenges and issues while meeting on the same platform.

Link: <http://www.cnbc.com/2016/10/15/brics-summit-in-go-a-brazil-russia-india-china-and-south-africa-all-face-own-challenges.html>

South African economy reaps benefit of weak rand

The South African economy has reaped the benefits of a weaker rand, with a 6.6 per cent increase on final sales in the second quarter, an 18.1 per cent surge in exports and 5.1 per cent decline in imports. net exports contributed 6.7 percentage points to total GDP growth. On a year-on-year (y/y) basis GDP growth

recovered to 1.4 per cent in the second quarter after shrinking by 0.9 per cent in the first quarter as exports grew by 3.1 per cent from only a 0.7 per cent rise in the first quarter.

Link: http://thebricspost.com/south-african-economy-reaps-benefit-of-weak-rand/#.WDKet_IEmM9

IMF: South Africa, Nigeria to see slower growth in 2017

Low commodity prices, policy uncertainty and weak investor confidence have pushed the International Monetary Fund (IMF) to lower its 2017 economic growth forecasts for Africa's two largest economies.

In its World Economic Outlook Report, the IMF brought South Africa's forecast GDP expansion for next year down to 0.8 per cent, compared with the 1 per cent it had originally anticipated in July. The report also stated that Nigeria's economy will contract 1.7 per cent this year and expand only 0.6 percent in 2017.

Link: <http://thebricspost.com/imf-south-africa-nigeria-to-see-slower-growth-in-2017/#.WDKf5vIEmM9>

Airtel to get \$129 million from Zain in Africa business sale settlement

Zain, Kuwait's No.1 telecom operator by subscribers, said it will pay \$129 million to Bharti Airtel over a settlement related to the sale of Zain's Africa operations to the Indian firm in 2010.

The payment will have no future financial impact on Zain as it set aside provisions to cover potential payments related to the transaction at the time of the sale

Link: <http://www.livemint.com/Industry/Gi395u7MsbTYFKuvmlETqK/Airtel-to-get-129-million-from-Zain-in-Africa-business-sale.html>

Dabur India to acquire some businesses of South Africa-based CTL Group

Dabur India Ltd said it will acquire the personal care, hair care and creams businesses of South Africa-based CTL Group of Companies for 18.8 million South African rand (around \$1.5 million).

Dabur South Africa (Pty) Ltd, a subsidiary of Dabur India arm Dabur International Ltd, has entered into an agreement with CTL Group.

Link: <http://www.livemint.com/Companies/Q14qdqV1mqDvI3GYqdBkZJ/Dabur-India-to-acquire-some-businesses-of-South-Africabased.html>

Economic transformation can revive Africa's growth miracle and protect the climate

Economic transformation can revive Africa's growth rates while promoting development and climate goals. In an effective economic transformation, productivity is boosted within sectors and there is some shift of workers from low-productivity sectors like agriculture to high-productivity sectors like industry and services. Sub-Saharan Africa is still at an early stage, with around 60% of employment in agriculture and only 5% in manufacturing, so the potential is enormous.

Link: <http://newclimateeconomy.net/content/release-economic-transformation-can-revive-africa%E2%80%99s-growth-miracle-and-protect-climate>

Industrializing Africa - the Green Way

On the sides of COP22, the United Nations Economic Commission for Africa launched its Economic Report on Africa 2016. Former chair of the commission, Carlos Lopes says that U.S. \$50 billion of manufactured goods are exported from Africa every year. So African countries can and do manufacture goods on a large scale.

Link: <http://allafrica.com/stories/201611161252.html>

Angola's inflation climbs to over-decade high in October, 2016

In October, consumer prices rose 1.79% from the previous month, down from September's 2.14% increase. According to the National Statistical Institute (Instituto Nacional de Estatística), the figure in October reflected increases in all 12 components of the index, with furniture, household equipment and maintenance as well as the clothing and footing category reporting the strongest rises.

Link: <http://www.focus-economics.com/countries/angola/news/inflation/inflation-climbs-to-over-decade-high-in-october>

Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
<p><u>KENYA TRADEX</u> Multi-sector International Trade Exhibition. Tradex features sectors include Automotive, Building, Industrial, Lighting, Machinery, Security, Plastics, Food, Hotel, Agriculture, Consumer & Household, Printing & Packaging, Medical & Health, Garments</p>	8th-10th December 2016	<u>Kenyatta International Conference Center,</u> Nairobi, Kenya	<u>http://www.profexhibitions.com/kenya-tradex-expo.html</u>
<p><u>MIDEST MAROC</u> International Industrial Sub-Contracting Exhibition. MIDEST MAROC, the industrial trade show in Morocco includes 6 sectors: Machine tools, plastics, sheet metal working, electronics, subcontracting and Services</p>	13th-17th December 2016	<u>Office des Foires et Expositions de Casablanca (OFEC),</u> C Casablanca , Morocco	<u>https://translate.google.co.in/translate?hl=en&sl=fr&u=http://www.midest-maroc.com/&prev=search</u>

Tender Information in Africa

Prior information Notices

Title	Place	Deadline
<u>Supply And Installation Of Pump, Motor And Control Pannel At Ruhila Pump Station</u>	Tanzania	19th December 2016
<u>Supply Of Electric Steam Generating Cooking Pot X 1</u>	South Africa	22nd December 2016
<u>Ambulances And Culture, Clothing, Veterinary Medicine,</u>	Ethiopia	10th December 2016

<u>Generator, Motor Vehicle Tires, Invites Sealed Bids For Supply Of Uniforms</u>		
<u>Supply, Installation And Commissioning Of A Video Surveillance System.</u>	Tunisia	15th December 2016
<u>Desktop Computers, Electronic Devices, Office Furniture And Multi- Purpose Hall Facilities,</u>	Ethiopia	20th December 2016
<u>Repair & Maintenance Of Motor Vehicles</u>	Kenya	5th December 2016

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

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

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