

Territorial NEWSLETTER Africa

EETPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Africa's known mineral wealth places it among the world's richest continents. Its very large share of the world's mineral resources includes coal, petroleum, natural gas, uranium, radium, low-cost thorium, iron ores, chromium, cobalt, copper, lead, zinc, tin, bauxite, titanium, antimony, gold, platinum, tantalum, germanium, lithium, phosphates, and diamonds.

Major deposits of coal are confined to four groups of coal basins—in Southern Africa, North Africa, the Democratic Republic of the Congo, and Nigeria. Proven petroleum reserves in North Africa occur in Libya, Algeria, Egypt, and Tunisia..

Ravi Sehgal I believe this progress in trade and cooperation would continue and benefit people in both the regions. I also hope, our readers find this Newsletter useful

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



This edition of Territorial Newsletter talks of the economic and commercial monthly development of Mozambique and Swaziland. The new trade development and business opportunity that these African countries have for the Indian business community. The World Bank is very positive of the developments made in Mozambique that it has extended its monetary help to the African country again and again for various developmental projects.

Rohinton Engineer The newsletter also presents a brief analysis of trade pattern in engineering products between India and Africa during August 2018.

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



India's engineering exports to the African continent experienced a jump in October 2018 as compared to the corresponding month in the last year, with a growth rate of over 19%. Also, the top engineering export destination was again occupied by South Africa and Nigeria to second largest importer of engineering goods. The rate of growth for South Africa was impressive as it experienced a growth rate of over 26% and Nigeria was very impressive for the month of October 2018 over October 2017 with above 71% respectively.

Amrutlal B. Bhimani Besides, this Newsletter also contains information on upcoming tenders from the African region along with factsheets on non-tariff barriers. I am hopeful that the Newsletter will give fruitful information to our readers.

Territorial
NEWSLETTER – Africa

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Basic Facts: Africa

Area: 11,668,599 Sq. km

Population: 1.216 billion (2016)

GDP: USD 3.3 trillion (2017)

Currency: US Dollar (\$)/ Canadian Dollar

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, petrol eum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.



Economic and Commercial Report for the month of June 2018- Mozambique

World Bank praises Mozambique's performance:

On 19th June, World Bank's resident representative Mark Lundell said while addressing a project portfolios review, that the World Bank is satisfied with Mozambique's performance concerning the repayment of loans granted by the organisation to finance projects in the country. Mozambique's loan repayment levels were now above average not only in Africa but also in the world at large.

First ship weighing over 100,000 tonnes leaves Maputo port

According to a press release by the Maputo Port Development Company (MPDC), the ship, the "MV Magali", left the port on 5th June, laden with 100,674 tonnes of chrome destined to China. The "Magali" is a Capesize bulk carrier, flying the Panamanian flag. Its total capacity is 104,229 tonnes.

China pledges grants of 100 million dollars

On 4th June, the Chinese government pledged donations amounting of US\$100 million for the implementation of four projects in Mozambique, during the sixth meeting of the Joint Cooperation Commission (JCC) between Mozambique and China. One of the projects is for a new airport just outside Xai-Xai, capital of the southern province of Gaza. The Chinese grant will cover the construction of the runway, the terminal, the auxiliary installations and the access road. A second project is the construction of a technical and professional institute in the town of Gorongosa, in the central province of

Sofala. China will also send engineers for the maintenance of the National Stadium in the outlying Maputo neighbourhood of Zimpeto.

Indonesians search business opportunities: An Indonesian delegation visited Mozambique on 31st May searching for business opportunities and investments in different areas. The Indonesian delegation held meetings with the board of directors of the Confederation of Business Associations of Mozambique (CTA), and expressed their interest in doing partnerships with small and medium enterprises (SMEs). The market of raw materials, pharmaceutical industry, construction and others were also objectives of interest for the businessmen of Indonesia. Furthermore, Luis Magaco, CTA representative, said that currently, economic cooperation between the two countries is only in the area of tourism.

Zambia, Malawi and Mozambique sign MOU to use local currencies across borders: Bank of Zambia governor, Denny Kalyalya, said on 30th May, in the district of Chipata, that the Zambian Central Bank has signed a Memorandum of Understanding with the central banks of Malawi and Mozambique to try and use the local currency across the borders. Kalyalya, also said the Central Bank was also in the process of signing the same MoU with Angola.

Swaziland (Country of concurrent accreditation)

Government having cash flow challenges

The Minister of Finance, Martin Dlamini, has come out to admit that government was having cash flow challenges. This was after Manzini North Member of Parliament Jan Sithole stood up on a motion of privilege, to demand that the minister should state the current position regarding the Rural Development Fund (RDF). Sithole said the situation was bad in the constituencies, as a lot of projects had stalled due to the unavailability of funds. Through the RDF, Eswatini receive grants to start income - generating projects as a means of promoting rural and regional development. Sithole said that “he was informed that from last year, there is money that has still not been made available for the RDF and this has become a serious challenge in the constituencies”.

India’s latest trend in engineering exports to Africa

Countries with the highest demand for Indian engineering products during October 2018 in absolute values include:

Table 1: Engineering Exports to Africa (USD million)

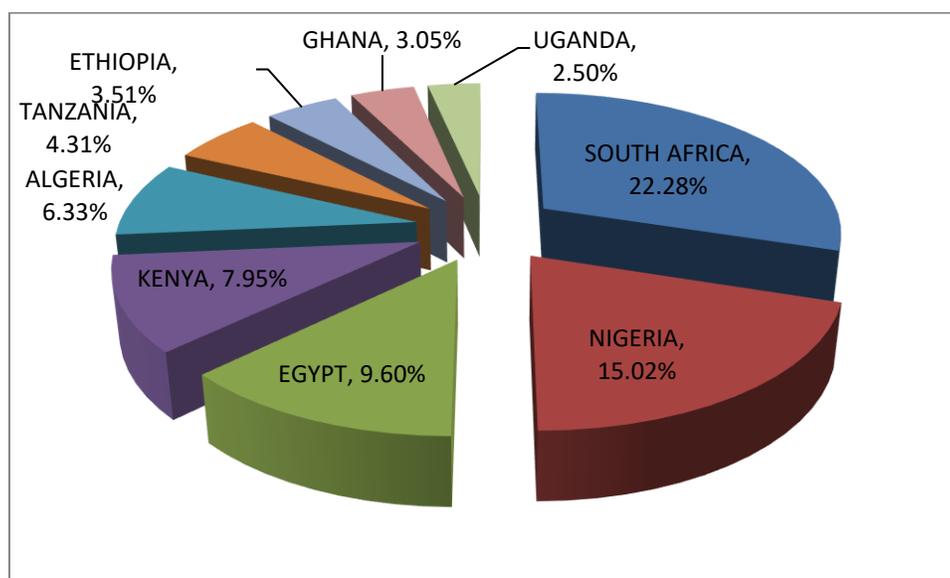
Africa	October 2017	October 2018	Growth (%)
South Africa	807.62	1,024.68	26.88
Nigeria	403.10	690.66	71.34
Egypt	530.34	441.26	-16.80
Kenya	261.35	365.45	39.83
Algeria	171.97	291.15	69.30
Total Africa	3,864.67	4,598.35	18.98

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in October 2018 as compared to October 2017 but with a positive growth rate of over 26%. The main engineering products exported to the country include Motor Vehicles and Parts, Industrial Machinery, Products of Iron and Steel, Electrical Machinery, Auto

Components/Parts, etc. The following pie chart demonstrates share of top African countries in India's total export during October 2018. (Fig 1)

Fig 1: India's engineering export share to African Countries (%) in October 2018



Source: DGCI&S

Among top 15 panels, engineering exports from India decreased in case of only two panels, thirteen panels recorded positive growth (Table 2).

Table 2: Top 15 engineering panels exported to Africa in October 2018 (US\$ Million)

DGCI&S Engineering Panels	India's export in October 2017	India's export in October 2018	Growth (%)
Motor Vehicle/cars	945.08	1,111.81	17.64
Industrial Machinery	446.02	609.85	36.73
Products of Iron and Steel	291.37	432.36	48.39
Iron and Steel	346.95	312.43	-9.95
Two and Three Wheelers	219.31	305.80	39.44
Electric Machinery	237.65	295.20	24.22
Ships Boats and Floating structures and parts	320.98	226.94	-29.30
Auto Components/Part	178.43	193.48	8.43
Air condition and Refrigerator and parts	82.14	170.59	107.69
Other Construction Machinery	106.91	121.45	13.60
Medical and Scientific Instruments	84.59	91.55	8.23
Aluminum and products	81.18	89.40	10.13
IC Engines and Parts	56.09	73.23	30.55
Industrial Boilers, Nuclear Reactors etc	38.67	62.12	60.63

Machinery for ATMs	59.35	60.93	2.65
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Source: DGCI&S

Table 3: Country wise and product wise India's engineering exports to Africa in October 2018

Country	Top products traded
South Africa	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
Nigeria	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Articles of Iron & Steel etc
Kenya	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc
Egypt	Ships, boats and floating structures, Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc
Algeria	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Optical, Medical and scientific instruments etc
Ethiopia	Iron & Steel, Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery etc
Ghana	Mechanical Machinery, Motor Vehicles & parts, Iron & Steel, Articles of Iron & Steel etc
Tanzania	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc
Senegal	Articles of Iron & Steel, Electrical Machinery, Mechanical Machinery, Motor Vehicles & parts, etc
Uganda	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc

News in Focus

➤ What are the tariffs on trade with Africa?

Prime Minister Theresa May's trip to Africa has generated vigorous debate about how easy trade is between Africa and the EU and whether the UK can keep the same arrangements or even lower barriers.

The European Union's critics sometimes invoke the presence of tariffs - effectively taxes on imported items - on African goods when they accuse it of being a protectionist club or racket.

Source: <https://www.bbc.com/news/business-45342607>

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