

Territorial NEWSLETTER Africa

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Africa has emerged as a critically important region garnering attention of all the major economies of the world, including US, china. This is primarily because of its huge potential for trade and investment. India, which shares a very cordial relationship with Africa, has also taken several initiatives to increase its footprint over the last few years. India's economic partnership with the African countries has been lively, extending beyond trade and investment to technology transfers, knowledge sharing, and skills development. Persistent efforts are being put in at the government level as well as the private sector level, for a comprehensive engagement, to march together as partners in progress. Initiatives like Focus Africa and Africa summits are such programmes in this

direction.

I hope that these initiatives will bring in transformational changes in the trade and investment relationship between India and Africa. I further hope that this will lead to measures towards trade and investment facilitation leading to increased outreach for Indian exporters in Africa. I hope that this newsletter will be insightful for our readers they will enjoy reading it.

Anupam Shah

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



In this third edition of the 'Newsletter on Africa', we focus on Africa emerging as the new destination for both trade and investment and India wanting to cash upon this opportunity in line with several other countries like USA and China. Africa is one of the richest regions in the world in terms of natural resources, with large tracts unexplored still. With increasing global demand for energy, Africa will remain critical to the world economy.

The newsletter gives an insight on the top engineering product panels that is imported by African countries including Sub-Saharan and North Africa. Sections on key news items and tender information are also included.

I hope that readers will find this newsletter useful.

Mahesh K. Desai

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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 Summit in October 2015, New Delhi

India will host the '3rd India-Africa Forum' during 26-30 October 2015, a joint effort by Ministry of Commerce and Industry and Ministry of External affairs to boost trade and Investment between India-Africa. The Summit, originally scheduled in December 2014, was postponed due to the spread of Ebola virus in Africa. Now, India has decided to host the event this year in the backdrop of China's increased focus on Africa - China is in the process of sending troops to Africa for protecting its commercial interests.

This 3rd India Africa Forum Summit is billed as one of the government's biggest diplomatic engagements this year inviting all the 54 countries for the first time to its soil. India's outreach in Africa comprises in large measure of capacity building and of sharing its own developmental experiences gathered over decades with other developing countries. At the previous 2-meetings - in New Delhi in 2008 and Addis Ababa in 2011 - the number of African participants was limited to 15 heads of state, chosen by the African Union to represent the entire African continent. Possible reasons for the Indian government choosing to expand the scope of the summit this time include the success of last year's Forum on China-Africa Corporation (FOCAC) and the apparently ever-increasing number of Chinese actors on the African continent; the revamped efforts by the United States and European Union to strengthen relations with African leaders at their respective Africa summits. Most important of all possible reasons is government of India focus to increase cooperation between African States and India as a part of India's wider foreign and economic policy goals. Until now, India's trade with Africa is dwarfed by that of China, despite India's favorable geographic proximity to East Africa and longstanding cultural, political, and economic ties with the continent. Indian overall trade with Africa stood at around US\$70 billion in 2013, while China continues to lead at around US\$200 billion, followed by the U.S. at US\$90 billion. Looking at government's Africa policy and increased interaction between the two sides, three potential outcomes can be expected as far as India-Africa relationship is

concerned. These could be a more active India's foreign policy vis-à-vis Africa, greater Indian investment, and greater involvement of India's sizeable global diasporas.

The Summit will provide a good opportunity for the governments and the business communities of India and Africa to come closer. The summit will deal with issues of energy, skills, health and education, areas where India wants to share its experiences and extend its cooperation with African countries. Taking the opportunity, India will show off some of its green technology with electric vehicles. A Twitter Tree - based on the famous Africa Tree of Life, has been designed to keep delegates updated on all the events during the summit.

The IMF recently predicted that Africa's GDP will reach USD 2.6 trillion in 2020. India can play a significant role in helping African nations achieve this milestone through increased trade and investment. So far, the volume of collective investments in Africa by India is USD 35 billion. In comparison, the Chinese investment in the continent is estimated to be about USD 75 billion. Further, Beijing has announced a plan to increase investment by USD 1 trillion in a decade.

India-Africa

Africa sees investment opportunities in Make-in-India

In a recent seminar three diplomats of Ghana, South Africa and Tanzania, represented the whole of African continent. Making a strong pitch for attracting investment to their continent, African diplomats expressed their view that the Make-in-India initiative could very well be utilized to boost trade between the two countries.

"Source raw materials from Africa, Make in India and sell in Africa" Ghana High Commissioner Samuel Panyin Yalley, said in the seminar.

The three diplomats made a strong pitch for the African continent saying that the African economy was now warming up and the 54 countries together could offer vast opportunities in raw material sourcing and product marketing. "Africa was the new frontier," he said.

Mr. Yalley felt that the challenges being faced by the respective African countries could actually become opportunities for prospective Indian investors.

Stefanus Botes, Economic Counselor, South Africa High Commission said that Africa was now a huge market, which is projected to expand to \$1.4 trillion by 2020 from \$860 billion. He felt that there were investment opportunities in various sectors.

EEPC India takes a step forward- Meeting the Trade Counselor, Embassy of Tanzania

The Territorial team of EEPC India visited the Embassy of Tanzania. The purpose was to understand the perspective of the Embassy on overall engineering trade and investment scenario between India and Tanzania.

The Government of Tanzania puts priority on agricultural development. It might be recalled that in 2009, the government of Tanzania launched "Kilimo Kwanza (Agriculture First)" which aims to realize "Green Revolution" and contribute to the modernization/ commercialization of agriculture and poverty reduction.

In the field of agriculture, there is huge scope for trade and cooperation between the two countries. Indian manufacturers, who produce agricultural machineries and equipments, can consider Tanzania as an important destination for their products. Indian agro industry can also consider investing in the process of mechanization of agriculture. Major engineering products which are of India's export interest to Tanzania are Tractors, Pumps etc.

Food processing sector is another priority sector of Tanzania. Indian manufacturers of food processing machinery and equipments can explore the Tanzanian market as their next destination in Sub-Saharan Africa.

S Africa's trade Minister imposes steel tariffs with conditions

South Africa will introduce a new 10% customs duty on certain steel products, Trade and Industry Minister Dr Rob Davies said on Friday, aimed at protecting the local manufacturing industry from cheaper Chinese steel imports. Following complaints from Arcelor Mittal and SAFAL Steel, Davies approved recommendations from the International Trade Administration Commission of South Africa (ITAC) that the rate of customs duty on zinc-coated/galvanised steel, aluminium-zinc coated steel and color coated steel be increased from free of duty to 10%.

Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
Cairo Build International Building, Construction, Municipal Equipment and Natural Stone Exhibition	15-17 October 2015	Cairo International Convention & Exhibition Centre , Cairo, Egypt	http://www.egypt-business.com/Event/details/1509-Cairo-Build
Addis Build Construction & Construction Materials Exhibition	08-10 October 2015	Addis Ababa Exhibition Centre , Addis Ababa, Ethiopia	http://www.addisbuild.com/
Kenya Buildex International Trade Exhibition on Building and Construction in Kenya	29-31 October 2015	Kenyatta International Conference Center , Nairobi, Kenya	http://www.expogr.com/buildexpokenya/
Abuja International Motor Fair Abuja International Motor Fair	30 October-5 November 2015	Abuja International Conference Centre , Abuja, Nigeria	http://lanyrd.com/2015/abujamotorfair/
Tanzania Tradex 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, Garment	29-31 October 2015	Mlimani Conference Centre , Dar Es Salaam, Tanzania	http://www.tradeindia.com/TradeShows/53403/Tanzania-Tradex-2016.html

Trade Trend Analysis in Africa

The total Indian Exports to Africa for 2015-16 (April-June) was 6,544.74 USD Million constituting a share of 10% the total exports of India.

The top 5 African nations which had the highest demand for Indian engineering products during August 2015 in absolute values include:

Country	Export in August 2014 (USD million)	Export in August 2015 (USD million)	Growth (%)
SOUTH AFRICA	802.90	101.12	-87.41
NIGERIA	111.23	70.82	-36.33
EGYPT A RP	59.50	57.11	-4.02
KENYA	46.71	54.15	15.92
ETHIOPIA	30.08	30.41	1.07

India's engineering exports to Egypt which had experienced the maximum increase in May 2015 over May 2014 of 33.26% experienced a fall in August 2015 from August 2014 recording negative growth of 4.02%. Ethiopia is a new entry in the top 5 replacing Algeria which was at number 5 for May 2015.

On the basis of India's export data for Engineering Products of August 2015, the African countries which feature in the top 25 export destinations for India include South Africa, Nigeria and Egypt.

Top 15 engineering panels exported to Africa in August 2015 include

Name of the Panel	India's export in August 2015 (USD million)	India's Export in August 2014 (USD million)	Growth (%)
Motor Vehicle/cars	135.95	192.13	-29.24
Industrial Machinery	67.90	83.02	-18.21
Products of Iron and Steel	57.29	63.02	-9.09
Iron and Steel	53.05	69.36	-23.51
Two and Three Wheeler	40.38	43.22	-6.56
Electric Machinery	33.35	43.83	-23.91
Auto Components/Part	23.61	30.55	-22.71
Aluminum and product	15.78	22.50	-29.89
Other Construction Machinery	14.34	40.40	-64.51
Medical and Scientific Instruments	11.93	14.13	-15.60
OTHER MISC. ITEMS	11.16	13.33	-16.28
Air condition	10.22	15.46	-33.88
Bicycle & Parts	8.87	13.87	-36.06
IC Engines and Parts	8.55	10.04	-14.81
"Machinery for ATMs"	7.50	7.51	-0.19

Source: DGCI&S, Government of India

East Africa: Region's Markets Remain Protectively Closed, Hamper Manufacturing Sector

Five years after the East African community began implementing the Common Market Protocol and 10 since the Customs Union began, markets in the region remain largely closed as governments maintain a protectionist stance, which could in the long-term be detrimental especially for manufacturing, manufacturers and traders still face hurdles while doing business.

Link: <http://allafrica.com/stories/201509072131.html>

Uganda: We Must Break Trade Barriers to Promote Development

Many businessmen, policy makers and other economic stakeholders from within East Africa and across the globe convened at the Speke Resort in Munyonyo in Uganda for the first ever high-level Manufacturing Business Summit and Exhibition in the East African Community (EAC). It talked about how the trade barriers affect the economics, trade, immigration and geopolitical situation of the African States.

Link: <http://allafrica.com/stories/201509040609.html>

West African iron boom turns to bust

Twelve months ago, West Africa was in the middle of an iron ore boom. Prices had remained above \$100 per tonne for the better part of five years, sparking a surge of interest in deposits in once marginal markets, such as Sierra Leone, Liberia and Guinea.

The 'Big Three' in iron ore - BHP Billiton, Vale and Rio Tinto - led a wave of interest, with mega-projects like Simandou in Guinea promising to turn previously unviable regions into a new frontier for the industry.

Link: <http://africanbusinessmagazine.com/sectors/commodities/west-african-iron-boom-turns-to-bust/>

Liberian Businesses in Difficulty

President Ellen Johnson-Sirleaf has recognized the longstanding difficulties faced by Liberian-owned businesses, saying Liberia's economy continues to be dominated by foreigners over the years. On Friday, 4 September, the Liberian Leader hosted a meeting with Small and Medium-sized Entrepreneurs or SMEs at the C. Cecil Dennis Auditorium of the Ministry of Foreign Affairs to solicit their concerns so as to give them support for their businesses to succeed.

Link: <http://allafrica.com/stories/201509071318.html>

Africa is projected to have just one low income country by 2050

Most African countries that today are considered low income will transition to middle income within 15 years, and all but one will be middle income by 2050, according to the Annual Trends and Outlook Report (ATOR).

Link: <http://africabusiness.com/2015/09/02/africa-is-projected-to-have-just-one-low-income-country-by-2050/>

Tender Information in Africa

Prior information Notices

Title		Deadline
Supply, installation, maintenance and support in respect of electronic enforcement technology and provision of operational and back office support	South Africa	2 nd October 2015
Supply of 100 x 2000W transformers	South Africa	17 th September 2015
Provision to Provide Supportive Engineering Services	South Africa	18 th September 2015
Supply Of Steel & Stainless Steel Sheet & Bars	Egypt	18 th September 2015
Supply Two Diesel Powered Generators Of 1 & 1.5 Mw Capacity To Sohag Factory	Egypt	17 th September 2015
Supply, Transportation, Installation And Commissioning Of Anti-Theft Gsm Sites Batteries Galvanized Steel Supports Under The Settat Regional Directorate	Morocco	21 st September 2015
Supply Of Tyres C/W Tubes & Flaps And Various Size Of Batteries	Tanzania	30 th September 2015
Lot 3: Procurement of Photocopying Machines	Nigeria	15 th October 2015
Supply of Vacuum Cleaners and Air Conditioners	Uganda	17 th September 2015
Supply of Stock of batteries of	Mauritania	22 nd September 2015

Title		Deadline
about 400 trucks used batteries		
Construction Machinery And Water And Equipment, Electrical, Electromechanical And Electronics Equipment And Accessories	Ethiopia	17 th September 2015

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

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

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