TPO Network World Conference and Awards 2016

AFRICA: IS IT THE NEXT TRADE AND INVESTMENT DESTINATION?

25 NOVEMBER 2016

Keynote speech by
Dr. Donald Kaberuka, High Representative for the Peace Fund, Commission of the African Union

Speakers
Mr. Gerard Amangoua, Vice President, Marketing, Communication, Development and Public Relations, Association for the Promotion of Exports of Côte d’Ivoire
Dr. Malick Diop, General Director, Export Promotion Agency of Senegal
Mr. Stephane Lambert, Director-General, Global Affairs Canada
Mr. Ashraf Mahate, Head of Export Market Intelligence, Dubai Exports

Moderator
Ms. Zahra Maafiri, General Manager, Maroc Export

CONCLUSION

- Key trade opportunities in Africa will be driven by megatrends such as the growing number of young middle-income consumers, as well as by stimulating investment in infrastructure, education, and health. Past trends such as the IT and telecommunications sector deregulation and its enabling impact on transactions, communications and banking remain crucial.
- Significant market opportunities in Africa lie in intra-regional trade, but challenges like regional non-tariff measures must be addressed. Though some countries will be negatively affected by falling commodity prices, more countries will gain particularly from cheaper oil.
- Trade investment promotion organizations, predictable trade and investment policies, strategic infrastructure development and one-stop-shops will be essential to stimulate private sector and investor confidence.

QUOTES

Donald Kaberuka, High Representative for the Peace Fund, Commission of the African Union:

- ‘Successful businesses will be those who integrate social goals, environmental goals, in their business models. And once we do that, huge opportunities will arise. Whether it is food and agriculture, whether it is cities and mobility, whether it is energy and materials, whether it is health and well-being; the amount of opportunities that are there for business if we integrate the Sustainable Development Goals in the way we are doing business, are immense.’
- ‘For the continent of Africa the biggest trend, the biggest of all, is around the demographic dynamics. There will be more Africans, they will be younger, they will be urban, and they will be better connected, maybe even highly educated.’
- ‘In my view, tax holidays and fiscal incentives for investment are a race to the bottom. As long as businesses are fully convinced, that everybody is paying taxes, there are no favored cows, and that these taxes are predictable over the long term, reasonably low, businesses are happy to pay the taxes.’
Gerard Amangoua, Vice President, Marketing, Communication, Development and Public Relations, Association for the Promotion of Exports of Cote d’Ivoire

- ‘One factor that is very important for us as trade and promotion organizations is corporate Africa. We have seen a lot of companies, although we are dealing mainly with SMEs, there are large companies in Africa with a turnover of more than $1 billion.’
- ‘Some of the things we are also looking for are predictability in the business environment. Most of our countries are changing in terms of regime, in terms of political stability, and this is also a challenge that we have to face. For example, trade and promotion organizations can draw out some scenarios to adapt to some of the risks that come with such changes.’

Malick Diop, General Director, Export Promotion Agency of Senegal

- ‘There must be deeper collaborations between trade and promotion organizations, not restrained to elements assigned by governments. They should obtain more influence on given decisions towards ensuring efficient and effective trade. Trade promotion organizations are able to exchange information on market access issues faced by companies, as well as non-tariff measures which the government may not know about. Trade promotion organizations can pioneer customs solutions, help address non-tariff measures and support trade agreement implementation.

Ashraf Mahate, Head of Export Market Intelligence, Dubai Exports

- ‘Africa is a very diverse continent. We have Nigeria with 150 million people, and then we have got the Comoros with half a million people. We have always found that with Africa, diversity is its strength, and the approach that we use builds on this diversity.’
- ‘We expect that by 2030, Africa will have 528 million middle class consumers, this is a trend that is more than a megatrend – it is a super-megatrend, and that is a permanent fixture.’
- ‘We think that between now and 2040, intra-Africa trade is going to increase seven-fold because we are going to have improved linkages, we are going to have the EAC-COMESA-SADC FTA, and this is going to increase further opportunities.’

Mr. Stephane Lambert, Director-General, Global Affairs Canada

- ‘African immigrants represent 12% of the Canadian population. This is a significant and vibrant diaspora in Canada on which to build a future trade and investment relationship. Many African business people are achieving a high level of success in Canada. I could not think of a better example that Amina and Isa Odidi, the Nigerian scientist power couple that came to Canada and changed the pharmaceutical landscape. Their company now trades regularly on the Toronto Stock Exchange and the NASDAQ.’
- ‘In an era in which protectionism and isolationism are taking route in certain circles in the world, Canada strongly believes in open free trade and investment as the path to prosperity both for us and also for commercial partners.’

RECOMMENDATIONS

- Trade and investment support institutions and ITC should be innovative and ensure companies receive services reflecting emerging times and megatrends identified during the conference.
- Faced with limited resources, trade and investment support institutions should focus on African sectors with more trade value added, towards and outward from Africa. These sectors should have the best competitive advantage and highest possibility for success and economic impact.
- The continental trade and investment promotion organizations should network and build similar partnerships to those in Europe and Asia.
- Trade and investment support institutions should facilitate collaborative efforts between private sector players across regional value chains, addressing challenges in intra-Africa trade, particularly non-tariff measures.
- Trade and investment support institutions should connect government to the private sector, and lobby to enhance the business environment in Africa, including re-enforcement of the trade and investment promotion organizations’ role in policy decision-making.