OctoberFirst Consulting
Bridging the Gap

African Business Opportunities Newsletter

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In this issue:

This newsletter is published by Mr Frank Aneke, OctoberFirst Consulting, PO Box 83, Liverpool NSW 1871, Australia. Telephone (02) 9773 6672, email info@octoberfirst.com.au

Agribusiness

Uganda: New juice to cure Hypertension

by Patrick Jaramogi

Jinja — OVER 800 farmers in Jinja are being assisted to grow hibiscus flowers for the manufactures of a juice that cures hypertension.

The director of Jinja-based Nile Teas Uganda, Charles Irving, said the firm is championing the growing of the flower.

Britannia Allied Industries in Ntinda manufacture the juice with a brand name, Simply Hibi, which will be launched on the Ugandan market soon.

"Following research made in the United Kingdom, health experts have recommended the juice as the best natural remedy for people who suffer from high blood pressure," Irving told the journalists recently.

He added that they had been exporting the flower as a raw product to UK and South Africa but will now be manufacturing the juice for supply in Uganda and neighbouring countries.

He said farmers across the country are set to produce over 50 tonns of hibiscus flowers this year for the juice production. Britannia general marketing manager, K.R. Sridharan, said the firm had imported the machines needed for manufacturing the juice.

According to research made by the American Heart Association, the 'Power Flower' contains naturally-occurring anti-oxidants called anthocyanins that help improve capillary function and strengthen collagen.

An expert in heart ailments, Dr. Andrew Weil, said the hibiscus is the most promising herb since studies had discovered that people who took two cups of hibiscus daily for four weeks lowered their blood pressure.

Statistics by the Uganda Heart Institute indicate that at least five million adults in Uganda are suffering from hypertension.

Source: New Vision. Image: kadan.suikamanclub.net/

Ghana: Reducing poverty through beekeeping

by Emmanuel Nyatsikor

Researchers say the Government's efforts at reducing poverty in the country especially in the rural areas could be given a boost if apiculture or beekeeping were taken as a serious venture.

Not many people know that honey, which is the main product of beekeeping, has other by-products some of which are vital inputs in the pharmaceutical and cosmetic industries.

Besides those, beeswax, a major by-product of honey making is also used by textile industries as a major raw material, and for candles and polishes too.

Royal jelly or "bee milk", a highly nutritious mixture produced by bees is used in making jelly chocolate candy and wine, lotions and tonics for therapeutic use.

That is beekeeping for you. Its 'flagship' product, honey, as food, requires no further processing, it is very nutritious and nature's substitute for refined sugar.

The Netherlands Development Organization (SNV), Eastern Portfolio, as an input into poverty reduction programmes in Ghana commissioned a study into its viability and funded a forum to discuss its findings. The idea, according to the organizers was to lay bare that industry's economic viability.

The Business Consultancy and Research Unit of the Evangelical Presbyterian University College, which did the baseline survey confirmed beekeeping was a huge area that needed exploitation.

For example, that study indicated that beeswax has over 120 industrial uses with ready markets in Ghana and abroad.

It referred to another study by Addaquay in (2006), which claimed that export orders for honey, through the Ghana Export Promotion Council (GEPC), in the range of 1,000 tonnes per annum, could not be met.

Further, about 30 tonnes of honey were imported into the country annually by supermarkets. That should not be happening when Ghana has the capacity to produce sufficient honey for the local market and for export.

Beekeeping and honey production could provide self-employment and reliable higher incomes if adequately supported. Currently, a gallon of honey is selling at between GH¢30.00 and GH¢40.00 in the Volta Region.

According to experts in the industry, beekeeping is cost effective and not strenuous, requiring the use of relatively simple equipment.

Risk and transactions cost in the honey business, they say, are even more manageable compared to many other commodities, especially those coming under the category of non-traditional exports.

The study did an income analysis, which indicates that honey and its bi-products contributed to about 37 per cent of overall household income to families involved in the sector.

Combined with the low entry barriers including start-up capital, the return on investment, honey business appears quite attractive as production cost, the experts say, can be covered at a level of output of 0.96 gallons per hive.

By the study's calculation, initial investment of GH¢300.00 would buy five beehives and other accessories and the investor could break even in the second year and yield a return of about 100 per cent by the end of the fourth year.

Source: Accra Daily Mail. Image: article.wn.com

Tanzania: Bank to invest in agricultural sector

by Samia Chande

Nairobi — A Tanzanian bank has set aside 17 per cent of its lending portfolio to improve agriculture in the country.

FBME Bank Ltd will, initially, offer credit to small and medium agricultural farmers in Morogoro.

Ayoub Michael Saad, chairman of FBME group, said they would concentrate on payment systems, inward investments and project finance that have a significant benefit to the economy, such as tourism and farming.

He said there were millions of hectares of land where agriculture and small business are, which need funding.

President Jakaya Kikwete praised the bank for supporting the agriculture sector and issuing credit to farmers. He said more banks and financial institutions should help the government improve the country's agriculture sector.

Since the bank was established, it has provided loans totalling $121million. The savings are $131million.

The banking sector in Tanzania has grown rapidly to 39 institutions, of which 26 are commercial banks and 13 are financial groups.

More than 16 banks are fully owned by Tanzanians, 12 are fully owned by foreigners and 11 are jointly owned. Recently, the government enacted a law on leasing finance and has made efforts to improve mortgage finance.

Source The East African. Image: mofa.go.jp

Namibia: More Investment in Renewable Energy Needed

by Clemencia Jacobs.

Windhoek — Namibia joined the rest of the world in creating awareness of climate change in celebration of Climate Week recently. Scientists call the country "vulnerable" due to its arid environment. Two successive years of flooding are seen as the effects of climate change.

According to Teofilus Nghitila, director of Environmental Affairs at the Ministry of Environment and Tourism, the country has been severely affected by climate change and is experiencing a decline in water resources, land degradation or desertification and floods.

"We have witnessed a shift in weather patterns and the rainfall season. We have lost good grazing lands due to invasive bush species and we have experienced a decline in land production over the years," said Nghitila.

The agricultural, fishing and tourism sectors are mostly affected by climate change.

"The direct economic impact of climate change within the agricultural sector could be felt through the ultimate reduction in crop and animal production through frequent drought and floods thus affecting our country's social stability especially in our rural areas. With this in mind, there is a need for climate change adaptation measures to be put in place to mitigate the effects of climate change on our people especially the rural base that has to face these challenges on a day to day basis," said Nghitila.

He further said Namibia has limited capacity to deal with the impacts of climate change.

"Our coping strategy is very weak and we need resources to improve the situation and our adaptation mechanisms needs to be strengthened. Do we have technology and financial resources to invest in renewable resources for instance? We always say Namibia is well placed in terms of location which enables us to venture into renewable energy technologies such as solar, wind, water energy and kudu gas. What are we waiting for? We are not investing. Investment needs bold decisions but it appears none of us want to make that bold decision to invest in renewal energy sources," said Nghitila.

The Ministry of Environment and Tourism has raised public awareness on climate change through producing information material, outreach programmes via environmental education centres and radio talk shows. The ministry also hosted a youth symposium earlier this year to engage young people in the fight against climate change.

Namibia launched its Second National Communication to the United Nations Framework Convention on Climate Change recently. The project is aimed at addressing the potential impact of climate change of the most vulnerable sectors and to increase the public's knowledge and awareness of the effects of climate change. A national strategy for climate change is awaiting approval by Cabinet.

Source: Namibia Economist, Image: renewable.com

Egypt: Desert winds store new hope

By Cam McGrath

Cairo — With oil and gas reserves running dry, the most populous country in the Arab world is eyeing wind power as a solution to its looming energy crunch.

Egypt relies on the burning of fossil fuels to satisfy about 85 percent of its electricity requirements. But with electricity consumption growing at 8 percent a year, and the country's oil and gas reserves expected to dry up within 30-50 years, energy policymakers have taken an increasingly hard look at the potential of wind power.

The National Renewable Energy Authority (NREA), which manages Egypt's clean energy portfolio, has mapped out a strategy to develop the country's abundant wind resources.

"We are currently generating 400 MW of power from wind and will increase our capacity to 600 MW by mid-2010," says Fathy Ameen Mohammad, vice- chairman for projects and operations at NREA. "Our goal is to generate 7,200 MW of wind power by 2020, which is about 12 percent of total electricity production."

Energy experts believe it can be done.

A Wind Atlas for the country published in 2005 indicated that the coastal plain between Suez and Hurghada on Egypt's Red Sea coast has sufficient wind resources to generate 20,000 MW. Egyptian and Danish researchers found average wind speeds on this plain exceeded 9 metres/second, comparable with the best North Sea conditions. Other candidate locations for wind power development include the

Nile Valley and the Western Desert, where wind speeds average 6-7 metres/second.

The government has earmarked over 8,000 square kilometres - an area the size of Puerto Rico - for wind parks. Japan, Denmark, Germany and Spain have provided funding for onshore wind farms currently operating or under construction on the Red Sea coast. Private investors are currently being sought for build-operate-own (BOO) wind projects to supply electricity to the national grid.

“We are in the process of issuing the first 250 MW project in this regard,” Mohammad told IPS, adding that more than 30 local and foreign companies are bidding for the contract.

The NREA strategy includes construction of wind parks covering 150 square kilometres at Zafarana, with 600 MW capacity. Another 200 square kilometres, with 720 MW capacity, is being developed at Gebel El-Zeyt, further down the coast. And between these two areas a swath of 1,300 square kilometres has been allocated for independent producers to generate up to 6,000 MW of wind power.

In addition, the government has earmarked 6,500 square kilometres of state land in three blocks along the Nile River in Upper Egypt for wind farms. “NREA will develop on one-third of this land, while the remainder is for independent projects,” Mohammad says.

One obstacle to this ambitious development scheme, analysts point out, is that Egypt’s energy policies have been engineered to ensure the supply of cheap fossil fuels to residential and industrial consumers. The country’s domestic oil and gas prices are among the lowest in the world, discouraging energy users from switching to cleaner alternatives.

“The basic impediment to renewable energies in the region is the incremental cost,” says Kilian Baelz, acting director of the Regional Centre for Renewable Energy and Energy Efficiency (RCREEE), a Cairo-based energy policy think tank. “The most cost efficient technologies like wind in Egypt are near commercial, but they are not yet (commercially viable).

“This applies to renewables worldwide. If you look at Europe, for example, the countries where renewable energies thrive are those countries where the government has put in place incentives to promote renewable energies, like Germany and Denmark.”

Germany, a world leader in wind energy production, has 24,000 MW of installed wind power capacity - about a fifth of the world’s total. Denmark, with 3,100 MW of installed capacity, uses wind turbines to generate more than 20 percent of its electricity.

Egypt is committed to phasing out subsidies on oil and gas, and privatising electricity production and distribution - a move analysts say should encourage investment in the wind power sector. It has also reduced tariffs on imported renewable energy equipment such as wind turbines, and established a fund to help offset the marginal costs of deploying these technologies.

Draft legislation currently before parliament and expected to be passed later this year will regulate power purchase agreements, where the state-owned transmission company buys electricity from independent power producers (IPPs) for an agreed rate and period.

“The proposed feed-in tariff will create an incentive for developers to build renewable energy plants to supply the national grid,” says Mohammad.

Wind farms are also eligible to receive carbon credits under the Clean Development Mechanism (CDM) of the Kyoto Protocol. NREA has already registered a 120 MW wind farm at Zafarana as a CDM project, and is in the process of registering three more.

Egypt’s plan to install 7,200 MW of wind farms will reduce the country’s annual greenhouse gas emissions by 17 million tons of carbon dioxide equivalent.

Foreign investors are lining up in anticipation of the energy policy changes, creating a demand for firms able to supply wind power equipment designed for the local operating environment.

“The technology is available, but it needs to be adapted to operate under the conditions at the Red Sea - very high wind speeds all year long and very high temperatures,” Baelz explained.

Experts are confident that once Egypt has the proper regulatory framework in place, banks will make financing available.

This story is part of a series of features on sustainable development by IPS - Inter Press Service, and IFEJ - the International Federation of Environmental Journalists.

Source: Inter Press Office News Agency. Image: vestas.com

Kenya: Geothermal key to power woes

By Kaburu Mugambi and Wachira Kang’aru

Nairobi — Geothermal energy is the answer to Kenya’s unreliable and expensive electricity, an investment adviser has said. The country’s geothermal potential is estimated at more than 7,000 megawatts compared to the current output of 1,100 MW.

Sixty two per cent of the existing power production is from hydropower, which is undependable because it relies on rainfall, while more than half of the remainder comes from thermal, an expensive source of electricity because it is oil-fired.

During power crises, the government routinely procures high cost emergency thermal electricity. For instance, while Kenya pays around 12 United States cents (Sh9.36) per kilowatt-hour to buy electricity from renewable sources, emergency power generators are paid 20 US cents (Sh15.60) for the same unit.

During the 2006 drought, the year in which the government used emergency thermal power generators for a year, operators were paid

Sh34.4 billion.

"We need to keep away from thermal power generation and invest more in geothermal power because we believe it will be the next frontier for energy generation," said Stanbic Investment Management Services (Sims) chief investment officer Anthony Mwithiga.

He told a media briefing in Nairobi recently that geothermal was the only source of electricity that would reduce costs and guarantee supply. Currently, 14 per cent of the Kenya's electricity generation is from geothermal sources.

In recent droughts, geothermal energy played a critical role as it continued to operate at nearly 100 per cent when many of the hydropower stations were crippled by the dry spells.

Geothermal energy is generated by drilling deep holes into the earth's crust, pumping cold water through one end so that by the time it gets back to the surface, the water can be hundreds of degrees Celsius hot which is then used as steam to drive a turbine which in turn drives a generator, thus creating power.

Natural resources

Sims investment manager Kenneth Kaniu said other countries in the region were leveraging on their natural resources to produce electricity.

"Uganda intends to use thermal because it has found oil while Tanzania is intensifying power generation using its huge reserves of natural gas," he said. "These countries will be very competitive compared to Kenya in regard to cost of production."

Kenya, at Sh14.04 per kilowatt-hour, remains the most expensive country in the region. Electricity consumers in Uganda pay an equivalent of Sh9.20 per kilowatt-hour, while in Tanzania it is cheaper at Sh7.64 per kilowatt-hour.

Mr Kaniu said the establishment of the Geothermal Development Company by the government to help in development of geothermal energy was a wise decision. Through the firm, the government will finance geothermal exploration, drilling and assessment of resource then passing the resource to potential developers.

"Geothermal energy is expected to be the next field of concentration to wean the country from its over reliance on hydropower," said Mr Kaniu.

Source: Daily Nation on the Web. Image: engineernews.co.za

ITU declares Nigeria largest telecom market in Africa

The International Telecommunications Union recently declared Nigeria as the largest telecom market in the continent. With over a quarter of all subscriptions in the continent in Nigeria, the Government said the telecom revolution witnessed in the country in the past eight years has given impetus for a new drive to accelerate the expansion of Internet and broadband across the country.

Nigeria President, Mallam Umaru Musa Yar'Adua.

Vice President Goodluck Jonathan who was represented by the Minister of National Planning, Dr Shamsuddeen Usman, as the Special Guest of Honour at the maiden edition of the Africa Telecom Development Summit 2009, said government is committed to encouraging investment flow into the sector with the aim of attaining 100% teledensity before the year 2020 in line with Vision 20-2020.

He said although the Internet has developed and become the world's biggest reserviour of knowledge and has given meaning to the description of the world as a global village, the Internet has challenges and which are expected to be tackled in summit sessions. The event was chaired by the Chairman of the African Business Round Table, Alhaji Bamanga Tukur with participants from other African countries and Nigeria.

Dr. Hamadoun Toure, Secretary the first African Secretary General of the ITU, who delivered the key note speech at the summit said "what is needed now is a major push forward in broadband access, where Africa still lags behind every other region of the world. By the end of last year there were still only 635,000 fixed broadband subscribers across sub-Saharan Africa - or less than a tenth of the population of Lagos.

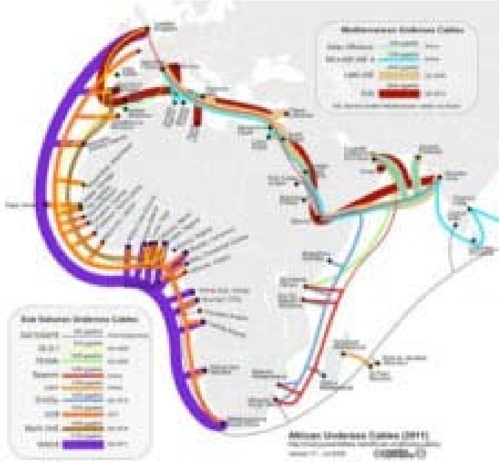
Toure who also paid a courtesy visit to the. Minister of Communications, Professor Dora Akunyili, with the Executive Vice Chairman of the Nigerian Communications Commission, Ernest Ndukwe, said the situation in Africa is as a result of the dearth of fixed line infrastructure but asserted that mobile broadband may prove to be the answer.

"Indeed, in the five years since the first African mobile broadband services were launched, growth has been far more rapid than in fixed broadband, and by the beginning of 2009 there were over seven million mobile broadband subscriptions in sub-Saharan Africa.

He also said "there is also good news concerning international Internet bandwidth, with the opening just last month of a new fibre-optic cable providing more affordable broadband to millions of people in Southern and Eastern Africa - and at least ten further undersea connections are expected within the next year."

Source:guardian news.com (Lagos). Image itnewsafrica.com

GLO-1 berths in Accra-Ghana



Barely weeks after the historic landing of Glo-1 in Lagos-Nigeria, the world's first submarine optic fibre cable to be built by a single individual company, Globacom, has extended its historic pursuit of economic transformation for Africa as the cable landed in Accra, Ghana.

The 9,800km long cable which stretched from the UK with dedicated extension to the US, spreads across all the West African countries and will be anchored to its landing station at Osu Ice Company Beach, Accra, Ghana. The landing of Glo-1 in Ghana will also boost the operations of Glo Mobile Ghana, which is getting set for a nationwide roll-out.

The 640 gigabyte cable with optimum capacity of 2.5 terabyte will also be made available to other telecom operators who are keen to tap from the immense benefits of the huge bandwidth of Glo-1. On Saturday, September 5, 2009, the trans atlantic cable was pulled ashore at Alpha Beach, Lagos, Nigeria by officials of Globacom and Alcatel-Lucent, the world acclaimed leader in submarine cable technology.

The historic moment, witnessed by the cream of Nigerian media, has drawn wide praises for Globacom from within and outside the country.

The trend in the global telecommunication industry is for a consortium of companies or even nations to combine resources to build submarine cables as was the case with the SAT-3 cable which was built by a consortium of 36 countries.

Globacom Group Executive Director, Mr. Paddy Adenuga, said Glo-1 would deliver transmission capacity that would radically change Nigeria and Africa's economic landscape by opening up the continent to the rest of the world.

Explaining the processes leading to the landing of the cable, the GED said that implementing submarine cable projects, particularly one spanning about 10,000 km from London to Lagos is an initiative that usually takes between two to two and a half years to complete.

Source: This Day. Image: globalonline.com

Telecom and ICT

Zimbabwe: Econet Wireless Seals U.S.$200 Million Deal

Harare — Econet Wireless Zimbabwe has concluded a US$200 million deal with ZTE of China and Ericsson of Sweden to supply and install equipment for the expansion of its network.

Upon completion, the mobile phone operator is determined to push its subscriber capacity from the current three million to over 5 million subscribers.

"The work to be undertaken by the two companies and their subcontractors includes the expansion of the GSM network, which is already GPRS enabled, as well as the separate installation of a national 3G network for all of Zimbabwe's major cities and tourist resorts," said an Econet spokesperson.

Currently, 3G is only available in parts of the capital Harare.

Econet has over two million subscribers and plans to exceed the three million level before the end of December.

Investment by Econet during this year has enabled Zimbabwe to take its penetration rate from less than 10 percent, just a few months ago, to over 30 percent before the end of the year.

The additional investment by Econet will take penetration to over 50 percent by June next year.

Econet Wireless Zimbabwe is a public listed subsidiary of Econet Wireless Group (EWG), a global telecoms group with operations and investment interests in more than 10 countries.

As a listed company, Econet Wireless Zimbabwe is the largest Zimbabwean company by market capitalisation, and remains the single largest investor in Zimbabwe.

The company is also the market leader in terms of the provision of telecommunications services in Zimbabwe. It already has the widest and most extensive coverage in both urban and rural areas.

Source: The Herald Image: africanews.com

Nigeria: Private Oil Refineries - FG Removes $1 Million Performance Deposit

by Rasheed Komolafe

Lagos — As part of measures to attract private investors into the refining subsector of the downstream of the oil and gas industry, the Nigeria government has approved the elimination of the payment of the statutory refinery commitment deposit of US$1Million for every 10.000 BPSD refining capacity as contained in section 11 sub-section 2.1.1(iv) and section 111 sub-section 3.4.2 (iv) of the guidelines for the establishment of Hydrocarbon Processing Plant (Refinery and Petrochemicals) in Nigeria.

The Department of Petroleum Resources in a statement stated that the gesture was part of government's strategy to encourage private sector participation in crude oil refining and also its desire to locally refine 50 per cent or more of Nigeria 's crude oil.

It also said that all other conditions laid down in the 2007 guidelines for establishment of private refineries still remains applicable until otherwise reviewed.

It will be recalled that as part of government's effort to streamline and reposition the operations of private refineries, the US$1Million deposit payment was one of the conditions to be met by prospective investors.

The deposit before the new gesture was usually refunded with accruable interest after the investor had attained a set milestone during construction period.

Source: Leadership (Abuja) Image: aboutakwaibom.com

Sierra Leone: Nation Discovers Oil

by Paul Ohia iwith agency report

Lagos — The once war-torn West African country of Sierra Leone has discovered oil, offshore Freetown. However, it is still not clear if it is in commercial quantity.

The President of Sierra Leone: Ernest Bai Koroma.

The first find of oil was announced by a consortium led by United States firm Anadarko, with Australia's Woodside Petroleum Ltd, Spain's Repsol YPF and Britain's Tullow Oil PLC as partners.

However, citizens welcomed the announcement with cautious optimism saying the oil should benefit the entire country.

Sierra Leone's Informa-tion, Minister Ibrahim Ben Kargbo told journalists recently: "President Ernest Koroma is extremely happy about the discovery but has advised that we must all be cautious and watch further developments.

"It is good news indeed. Let's all pray the oil will become a blessing to the country. If the oil becomes a flourishing industry, all Sierra Leoneans will benefit, particularly the younger generation."

The minister was further quoted by cocorioko.net as saying: "I can assure you that what happened when foreigners benefited from the diamond industry and Sierra Leoneans didn't will not happen with the oil sector."

Ordinary Sierra Leoneans were sceptical, in a country which ranks at the bottom of the UN's human development list and among the three most corrupt in the world, according to corruption watchdog, Transparency International.

"It may be the end of our woes as far as any fuel shortage is concerned," taxi driver Sallieu Jalloh said, but office assistant Salian Koroma hoped that "the discovery will not fuel corruption in the industry."

Repsol said the discovery showed the potential in a region, which has been relatively unexplored.

Anadarko is also prospecting off the coast of Liberia, Ivory Coast and Ghana.

West African states on the Gulf of Guinea, including Nigeria, Gabon, Equatorial Guinea and Sao Tome, as well as Angola and Congo, are or promise to be major oil producers.

Source: This Day. Image: newstimeafrica.com

Zambia: Hydropower Project On Lake Kariba Presents Opportunities

Energy

Zambia, with its numerous lakes and rivers, has good potential for the generation of hydropower. Investors are invited to participate in the creation of new hydropower plants or the further development of existing projects. One of these projects is situated on Lake Kariba.

Name of Project: Kariba North Bank
Promoter: Ministry of Energy and Water Development
Location of the project: Kariba

Project Description: Addition of 2 X 180MW units to the existing power station using the same reservoir. The estimated cost of the project is US $300 million. This is a greenfield project.

Incentives Available:

Non fiscal Incentives
Anyone with an Investment Licence is entitled to the non fiscal incentives listed below;

- Investment guarantees and protection against state nationalization;
- Free facilitation for application of immigration permits, secondary licenses, land acquisition and utilities

Fiscal Incentives
These apply to investors investing not less than $500,000 in a priority sector

- Company Tax will only be charged on 50% of the profits earned for a period of 5 years starting with the first year of profitability
- Dividends shall be exempted from tax for 5 years from the year of first declaration
- Capital Expenditure on improvement or for the upgrading of infrastructure shall qualify for improvement allowance of 100% of such expenditure
- Suspended Customs Duty to zero for 5 years on machinery and equipment.

Licences needed: Generation, Transmission, Supply and Distribution Licenses.

Source: TradeInvest Africa (Cape Town) Image: visitzambia.co.zm

Africa: Nigeria Foreign Direct Investment Hits $20 Billion in 2008

by Sunday Williams

Abuja — The United Nations Conference on Trade and Development (UNCTAD) annual study of worldwide investments report 2009 released recently ranked Nigeria in the 19th position among the first 20 countries in the world that attracted more Foreign Direct Investment (FDI) in 2008.

Releasing the report for the Sub-Saharan Africa, the Executive Secretary of Nigerian Investment Promotion Commission (NIPC), Engr. Mustafa Bello, said the total Foreign Direct Investment that came into the country increased from $12 billion in 2007 to $20 billion (N3 trillion) in 2008 which shot the country into the league of first 20 in the world.

Represented by the Director, Finance and Administration, Stephen Amase, the Executive Secretary said the FDI came mostly in the oil & gas, services, Agriculture and the manufacturing sectors.

The Executive Secretary said for Africa in 2007, there was an increase of up to 63% FDI inflow reaching up to $88 billion in 2008. He said in West Africa, the Foreign Direct Investment in 2007 was $16 billion while in 2008-2009, it reached a high time level of $26 billion.

The report indicated that while FDI inflows declined globally and in developed countries where the financial crisis originated, flows in developing countries and transition economies continue to rise last year.

It said: "The crisis has changed the FDI landscape, with a surge in developing and transition economies share in global FDI flows to 43% in 2008.The change in the pattern of inflows is partly due to the large decline in FDI inflows to developed countries which in 2008 shrank by 29% to $962 billion."

The World Investments report estimated that FDI inflows will fall from about $1.7 trillion in 2008 to below $1.4 trillion in 2009. It added that recovery is expected to be slow in 2010, reaching not more than $1.4 trillion, but gathering momentum in 2011 to approach $1.8 trillion.

The Executive Secretary of NIPC said the overall outlook of the report indicates that three key sectors will attract more FDI in the years ahead which include Agriculture, service and pharmaceuticals.

Source:Daily Trust. Image: multiplanconsult-ng.com

New Investment and Trade

Africa: Doing Business 2010 - Rwanda is Top Global Reformer, Mauritius Moves into Top 20 Economies on Overall Ease of Doing Business

In a year of fast-paced reform, 67 regulatory reforms were recorded in 29 of 46 countries in Sub-Saharan Africa, finds Doing Business 2010: Reforming through Difficult Times, the seventh in a series of annual reports published by IFC and the World Bank. And for the first time a Sub-Saharan African country—Rwanda—was the world's top reformer, based on the number and impact of reforms implemented between June 2008 and May 2009.

Mauritius, ranked 17 of the 183 economies covered by the report, is the top Sub-Saharan economy for the second year in a row in terms of the overall regulatory ease of doing business. It adopted a new insolvency law, established a specialized commercial division within the court, eased property transfers, and expedited trade processes.

Rwanda, another repeat reformer, reformed in seven of the 10 business regulation areas measured by Doing Business. It now takes a Rwandan entrepreneur just two procedures and three days to start a business. Imports and exports are more efficient, and transferring property takes less time thanks to a reorganized registry and statutory time limits. Investors have more protection, insolvency reorganization has been streamlined, and a wider range of assets can be used as collateral to access credit.

"In times overshadowed by the global financial and economic crisis, business regulation can make an important difference for how easy it is to reorganize troubled firms to help them survive, to rebuild when demand rebounds, and to get new businesses started," said Penelope Brook, Acting Vice President for Financial and Private Sector Development at the World Bank Group. "The report also shows that some postconflict economies in the region are actively improving the regulatory framework for private sector-led development."

Liberia, the second-fastest reforming economy in the region, eased procedures for business start-up, reduced fees for construction permits, and sped trade with a new one-stop center. Sierra Leone introduced a company law that strengthened investor protections, enhanced access to credit, and provided for the reorganization of troubled firms. It also established a one-stop center for business registration.

Burkina Faso reformed in five of the 10 areas covered by the report, including simplifying procedures for construction permits, improving contract enforcement, streamlining property registration, easing business start-up, and expediting trade. Mali also reformed in five areas. Other leading reformers were Angola, Cameroon, and Ethiopia; and South Africa lowered taxes on domestic firms.

This year, there were 4 new reformers among the global top 10: Liberia, the United Arab Emirates, Tajikistan and Moldova. Others include Rwanda, Egypt, Belarus, the Former Yugoslav Republic of Macedonia, the Kyrgyz Republic, and Colombia. Colombia and Egypt have been top global reformers in four of the past seven years.

Doing Business analyzes regulations that apply to an economy's businesses during their life cycles, including start-up and operations, trading across borders, paying taxes, and closing a business. Doing Business does not measure all aspects of the business environment that matter to firms and investors. For example, it does not measure security, macroeconomic stability, corruption, skill level, or the strength of financial systems.

Source: World Bank, Washington DC. Image: gov.rw

Burkina Faso: Budding Entrepreneurs Earn Boost from UN Agency

The United Nations agency tasked with helping the rural poor has announced it will provide more than $16 million for a programme in Burkina Faso that aims to help thousands of young people and women in the landlocked West African nation develop non-farm enterprises.

Under the scheme, 60 rural enterprise resources centres will be set up across Burkina Faso to serve as contact points for budding entrepreneurs and help them gain access to resources necessary for starting businesses, the International Fund for Agricultural Development (IFAD) announced yesterday.

These would-be entrepreneurs will have access to vocational training, technology and business development services, according to a press release issued from IFAD's headquarters in Rome.

The agency described Burkina Faso as one of the best-placed West African nations for rural micro-enterprises: its population has a reputation for being hard-working and ingenious in exploiting the meagre amount of natural resources in the country.

Overall, the programme - comprised of an $8 million grant and an $8 million loan - is targeting an estimated 12,000 micro-enterprises, with a particular focus on women and young people.

With this scheme, IFAD has now funded 12 different projects in Burkina Faso for a total cost of nearly $160 million.

Source: UN News Service. Image: uiowa.edu

Interview of the month

Africa: 'Africa Open for Business' - Stories That Deserve to Be Reported...Carol Pineau

Washington, DC — Business activity is a subject that is sometimes missed in international reporting about Africa. Despite that, Africa produces some impressive economic statistics: high savings rates and low corruption in Botswana, and South African firms that are investing across the continent and listing on stock exchanges in Britain and the United States. With large and expanding markets for communication and technology, agriculture and mining, Africa has countless untapped investment opportunities.

In a one-hour documentary entitled "Africa Open for Business," Carol Pineau, who has reported from Africa for CNN and French radio and television, explores stories she says are generally missing from coverage. She interviews local entrepreneurs who are seeking opportunities and making business happen, portraying a side of Africa that most people outside the continent do not see. The stories of 10 companies tell a balanced tale of the struggle, the costs and the potential of doing business in Africa. She spoke with AllAfrica about the film and her efforts to improve the quality of reporting on Africa. Excerpts:

What made you want to do a film about African business?

The issue to me was to show a different Africa, an Africa that I knew was there, that anyone who has been there knows exists, but is never shown in the media. Something that was asked of me recently, "Have you ever seen Africans in love?" We show Africans as if they have no love life. How did the continent get so populated? We don't show them having any family life, no civic life. We show an Africa that is void of any economic life.

I wanted to show that Africa is as complex as America, as Europe, as everywhere else, and not this one-dimensional caricature. The wars, the famine, it's all been done. We've seen that. I wanted to show the people who are in charge of their own destiny, who are making their own decisions, right or wrong. I wanted to make a film where there were no victims. You could love them, you could hate them - it didn't matter to me. It was going at the story of Africa in a very different way. After years doing reports on Aids and wars and things no one seemed to care about, [I thought] what do Americans like? They like money, so let's do money.

What criteria did you use to choose the countries and businesses you show in the film?

People think that I am selling 10 countries or 10 businesses, and I've been really clear that that's absolutely not it. Clearly, I am not selling Somalia as a great business destination! The idea was to show a balance geographically, a balance linguistically, a balance as far as the good and the bad. You have Botswana and then you have Somalia. What I wanted to show was that no matter where you are, no matter what your country is, no matter what your governance or lack thereof is, entrepreneurship goes on. There is an African spirit, a drive, there in the continent and many times it's thwarted but it still exists.

As far as the businesses [featured in the film], I found them in a haphazard way. Anyone who has done reporting, [knows] that, you get into Kampala and say, "I wanna do coffee. The president is always talking about coffee, what am I going to do? This guy is not home and this guy is out of town, and this guy his partner is not here so he can't meet with me." I found this guy and he's so fabulous.

A lot of these were found through Google. It's as simple as that. What I think is so incredible is that [if] through such haphazard means I found 10 incredible stories, there's got to be thousands more like them throughout the continent. They're under the radar because we're just not looking in that area. But they're there and a lot of them you can't say necessarily they're thriving, but I don't think the issue is thriving or not thriving. The issue is that they are really working to get in charge of their own destiny, and that's the Africa we don't show.

What reaction have you received from U.S. and other businesses?

There have been specialized screenings with businesses and we've targeted policymakers, investors and image makers - people who can change the way we think about investment into Africa. Africa offers the highest return on direct investment in the world. That's well established. The interesting thing though is that Africa attracts the least amount of foreign direct investment. And that doesn't make sense. Money goes where it makes money. Why isn't it going into Africa? A lot of people say it's because of risk, bad governance, and corruption. But that's not the complete story.

Look at Botswana: A+ credit rating, absolute democracy since independence more than 50 years ago, highest per capita savings in the world with maybe a handful of other countries in the world like Singapore, listed in the top ten of least corrupt countries in the world by Transparency International. So why isn't money flooding into Botswana? It's not. They're having just as hard a time as everyone else. It's because the image of Africa is coast-to-coast violence and mayhem, interspersed by a few animal parks. So where am I supposed to send my investment money? Am I supposed to send it to a refugee camp? Am I supposed to send it to an animal park? What is there? People don't even know that there are buildings, high-rises.

There are a lot of Africans in this room. How many of you have been asked: Did you grow up in a hut? Did you ever wear shoes?

That's the purpose of the specialized screening: to get people to visualize it. Once they can visualize that there is an Africa that can absorb investment, then they start looking at where the risk [is] good. Where is it bad? Where should I invest? Botswana is very different than Sierra Leone. You can start to make some realistic risk decisions.

People are not always aware of just how powerful the constant image of a dysfunctional Africa has been. [A] medical investigation drama on one of the networks in the U.S. [did] a show about anthrax. We all know the only anthrax scare the U.S. has had has been home-grown, but in this show there was an anthrax scare and it turned out to be illegal African immigrants. They were playing their drums in the market and anthrax drifted off from their drums and an innocent American put a dollar in the basket and breathed in the anthrax dust and started an epidemic.

I was so mad I was screaming at the television, "Why are you always making bad stuff about Africa!" I've lived in Africa, I feel completely comfortable [there], but every time I walk by one of those markets with the drums I feel myself sort of pull away. My mind is telling me that is absolutely nuts, but my body has that reaction. And then you think about somebody who doesn't know Africa, who's never been there, how are they going to react? I think it's something that really has to be looked at.

Everyone is always saying, "The media has to do positive stories." We're not publicists. We are journalists. What we do is news and it has to be a good story, not a positive story. What is newsworthy to me is the Ghana Stock Exchange making 144 percent and the best return in the world for a stock market. That's news. We shouldn't be selling that as a positive story. We should be saying that's news and it deserves to be covered. I think readers and viewers want to know where they can get a higher return than anywhere else in the world.

I think that Africans need to start demanding that Africa is covered in all its complexity. Right now this is lying by omission. It's unbalanced reporting. Imagine if we were only talking about the negatives in the U.S. If [all] the French media talked about [was] 9/11, the Oklahoma bombing, and all those things how quickly would the U.S. State Department or even the White House demand to see the French ambassador? Africans have to start demanding a different kind of coverage.

What were some of the difficulties African business owners reported?

Each of the interviews is an hour long. We're hoping to do a book so you can get the complete story from each one. In cutting them down, there was a decision - she speaks really eloquently about corruption and he does too so we'll leave it to those two. We'll free up the space for the others to talk - this one about infrastructure, this one about financing. But every single one of them talked about corruption, infrastructure, financing, regulations - all those things. Financing was one of the biggest things.

Small and medium enterprises have no access to funding. You have a lot of NGOs that are taking care of that at the micro-enterprise level. You have the mega industries, like the cell phone companies, that are getting these huge deals. At the top of the pyramid, there would be the oil companies and they have access to international finance. They have all the capital they need. It's that central section - somebody called it "the missing middle." - that can't get access to any of the government people to solve problems they have internally. They can't get access to international capital. There's just nobody watching out for those people and that's where real job creation comes from.

I'm not an economist, but it's very clear to me that this has to be solved for Africa to go forward.

What can small and medium-sized businesses do to increase their profitability?

Those little $3 or $4 purchases - that's where people are starting to realize there's a fortune to be made. You heard the guy from Congo talking about "When we did the $2 scratch card our sales tripled." These are the types of things that many companies really make money from.

There's this impression that Africa doesn't have capacity. That was what was most amazing to me in the Ugandan story. There's a guy in a little café in downtown Kampala with six employees who's talking just like a Harvard MBA. "When you go into a market you have to differentiate your product, so my packaging..." We were so blown away by the interview [and] by the capacity on the ground. Is it as good as in Europe? No, but there is so much there that is not being utilized. What's needed is to recognize the home-grown capacity and start using that and putting it more to use.

You hear people say [about Africa]: "If only we had good governance, then suddenly African entrepreneurship would happen." That's the not the lesson of Somalia or DRC [Congo]. Even without good governance, even without any governance, there is still entrepreneurship. We act like [Africans are] missing the entrepreneurial gene. They aren't. The question is: how much of the limited resources that Africa has can be put towards growth and how much has to be wasted on corruption and lack of infrastructure and dealing with changing regulations. That to me is really the issue, not do they or don't they have an entrepreneurial spirit.

You stress the importance of differentiating between African countries now, but in some parts of the documentary, you group all of Africa together with general statements. Do you worry about falling into that trap?

There was a big debate with the graphics people and the production team, "Should we put the maps in or not?" - individual country maps. Because what I wanted to say was: it's not about 10 countries. You could parachute in anywhere and you could find a story like this, no matter where you are.

We're talking about Zimbabwe as though it's a complete hell hole right now. Somebody just told me about his sister in Zimbabwe. She realized women are always going to have children and they're always going to want those children to look good. So she started a children's clothing shop. Stuff goes on. I think that's the thing I wanted to show.

Why did you decide to cover formal businesses, not the informal economy?

Because no one would expect it. I tell people I want to do a film on businesses in Africa [and they say,] “Oh, I know those market women! They’re so cute!” I actually didn’t interview any market women. I interviewed airlines and cell phone companies. This is not a representative sampling of Africa. It’s a vision that Africa can do it.

Do you think that this film will help to attract investment?

I certainly hope so. I think no one is going to watch the film and pick up the phone and say, “Get me into Africa.” The hope is that it will start a dialogue. When time and time again, you show starving Africa and nothing else but starving Africa, it’s a stereotype. There is a portion of Africa that is starving, but there’s a huge portion of Africa that is not.

Even the people living on a dollar a day in Africa, and I’ve been to many of those villages, they are not starving. Sure, you don’t have as much to eat as you’d like, but that doesn’t mean you’re starving. This image of the starving Africa makes it so that Africa cannot attract investment.

I talk to investors who tell me that the minute they mention Africa the doors just shut. There is no discussion. If investment doesn’t get into Africa, jobs are not created. If jobs are not created, wealth is not created. The estimates I’ve heard range between six and 10 people are fed for every one job in Africa. So you bring in one major factory in Lesotho and you’ve got 1500 people working, 15,000 people [are] fed from that. What aid agency can do that on a continued basis, year after year after year? By showing an Africa that you can’t invest in, you’re starving away investment, unreasonably, because it’s not a realistic picture of Africa. I think that’s costing lives in a very real sense.

Do you run into critics who call you an advocate instead of a journalist?

I’m not a cheerleader for Africa. I’m talking about a much more realistic Africa. Let’s be fair. I think the most difficult screening and Q&A that I’ve had was a press conference up in New York. There was a woman who got so mad, she got up and walked out and she said to me, “You haven’t talked about security at all. There’s so much insecurity!” I said, “Well, actually, I did.” There were a lot of negatives that I talk about in the film. But they’re talked about in terms of overcoming them.

All of those things, Aids, corruption, trading regulations, [are in the film] but it’s in terms of, “Okay, this is the cost of doing business.” But this woman was angry: “How can you not talk about this? I was in Johannesburg, and I was mugged! All of Africa is like that!” That’s when I got mad and I said, “You cannot say that about Botswana. You cannot say that about Namibia. You cannot say that about Ghana.” When I lived in Eritrea, we were leaving nightclubs at 2 o’clock in the morning and walking home. Nothing would ever happen to you on the streets. Never once has Asmara had a capital murder case. I wish Washington could be so nice.

We have to be realistic. It’s not just the media. It’s our entire cultural perception. From the time that we are little children we are told, “Eat everything on your plate, there’s starving children in Africa.” Everything reinforces “the Dark Continent.”

What the film is saying is “Everything you’ve been told about Africa, it’s not exactly true.” For some people it is upsetting to see that. But some are won over, fortunately.

Source: allAfrica.com, Images flickr.com

Country Stats - Algeria

Capital	**Algiers**
Area	**2,382,000 sq km**
Total Population 2008	**34.4 Million**
Urban Population 2008	**65.26%**
Female Population 2008	**49.52%**
GDP 2008	**US$ 159.0 Billion**
GNI Per Capita 2007	**US$ 3,620**
Inflation Rate 2008	**4.29%**
Crude Birth Rate (per 1000) 2008	**20.68%**
Human Development Index (scale 0 to 1) 2006:	**0.748**
ADB Membership Date:	**10/09/1964**
Cumulative Approvals (1967-2008):	**UA 1.9 Billion**

Source: Africa Development Bank.

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