



« The Letter » (Observatoire Europe-Afrique 2030)

29 – January / February 2022

*The “Observatoire Europe-Afrique 2030” is a space for the exchange of ideas, open to all those interested in the **development of competitive and sustainable manufacturing sectors in Africa as part of partnerships between African and European companies**. Its purpose is to disseminate information, proposals and analyses to feed this debate.*

Headlines

"Industrializing Sub-Saharan Africa - Economic Model Proposal: The Example of the Hydrogen Bus Manufacturing Sector". (Europe-Africa 2030 Observatory - Case Study n°17 - December 26th, 2021).

Over the past twenty years, "traditional" development models have not been able to initiate a dynamic in Sub-Saharan Africa that is conducive to the emergence of economically viable manufacturing clusters in the high-tech sectors. This case study proposes an "atypical" model, based on the example of the hydrogen bus manufacturing sector in Nigeria. This project would be an opportunity for this country to achieve industrial autonomy in a strategic sector. This model, which breaks with the usual schemes based on direct aid to manufacturing companies, could trigger a virtuous mechanism and provoke a "snowball" effect.

The full text of the case study is available at the following link:

<http://observatoire-europe-afrique-2030.org/wp-content/uploads/2021/12/Hydrogen-Powered-Bus-December-2021-engl.pdf>

Events

"EU-Africa Summit" – 17th and 18th February 2022, under the rotating presidency of France of the Council of the European Union - Brussels.

"EU-Africa Business Forum 2022" - African Union - Online – 14th February 2022.

<https://www.movemeback.com/events/african-union-eu-africa-business-forum-2022/>

"Ghana Tech Summit 2022 - Global Startup Ecosystem" - Online – 27th January 2022

<https://www.movemeback.com/events/global-startup-ecosystem-ghana-tech-summit-2022/>

"Africa Tech Summit" - Nairobi, Kenya – 23rd February 2022

<https://www.movemeback.com/events/africa-tech-summit-africa-tech-summit-nairobi/>

"NewSpace Africa 2022 Conference" - Space in Africa - Nairobi, Kenya – 25th April 2022

<https://www.movemeback.com/events/space-in-africa-newspace-africa-conference-2022/>

News

Africa

The ongoing AfCFTA negotiations on rules of origin are essentially about determining the "nationality" of products to avoid the risk of dumping. Negotiators have already reached agreement on more than 80 per cent of the 8,000 products listed in the World Customs Organization's harmonized system of rules of origin and tariffs. However, negotiations on automobiles, textiles/clothing and sugar, which account for about 12-15% of the "tariff book" have not yet been concluded (*Afrique Renouveau – 13th January 2022*).

Benin

Lagazel (Saint-Galmier - Loire) has inaugurated a workshop for the manufacture of lamps and solar kits in Porto Novo. Products manufactured: lamps and solar kits for lighting, recharging telephones and powering small electrical equipment. Jobs created: about ten technicians. The products will meet the World Bank's Verasol quality standards. Services offered: industrial subcontracting, repair and reconditioning (targeting lithium batteries and solar panels at the end of their life). The establishment of this Beninese unit, after the one in Burkina Faso, is part of Lagazel's objective to set up five manufacturing workshops in Africa, which should produce more than one million solar equipments (*13th October 2021 - L'usine nouvelle*).

Ivory Coast

Official inauguration of the local assembly unit of new minibuses of Sotra Industrie. Vehicles manufactured: "Daily Ivoire", 18 seats (expandable to 22 and 26 seats), modular as a tipper truck, refrigerated truck, "Massa" type "gbaka" minibus, ambulance, Gendarmerie or Police van. Capacity of the unit: about 1000 vehicles/year. The vehicles produced will cost 30% less than imported vehicles. Production has started. Workforce: 500 direct jobs. It is an on-site assembly, with a total of 519 different components assembled (*Connectionivoirienne.net – 11th January 2022*).

Ethiopia

The American group PVH Corp, owner of the brands Calvin Klein and Tommy Hilfiger announced its intention to close its production unit in Ethiopia. This one was installed since 2016 in the Industrial Park of Hawassa located at 275 km in the south of Addis Ababa and dedicated to the activity in textile and clothing (*Ecofin – 23rd November 2022*).

Morocco

Alstom Morocco creates a new production line for onboard transformers. Location: Fez site (which currently produces electrical cabinets). Start-up planned for early 2023. Investment: 10.5 Meuros. Surface area: 13,000 m2. Production capacity: 200 transformers per year produced in Morocco and designed and industrialized by the Petit-Quevilly site (France). This new center will be qualified and approved ISO 9001 and ISO 14001 (December 2021 - le 360.ma).

Nigeria

Innoson Vehicle Manufacturing is the only company in Nigeria that produces 100% Nigerian vehicles (10,000 units per year) (Nigerian Bureau of Statistics).

Nigeria

Nigeria's GDP was USD 432 billion in 2020, confirming the country's position as the largest economy in Africa, ahead of South Africa (USD 370 billion). In terms of purchasing power parity, Egypt remains the continent's largest economy, with a PPP GDP of USD 1,290bn, ahead of Nigeria (USD 1,069bn) and South Africa (USD 717bn) - (National Bureau of Statistics, World Bank)

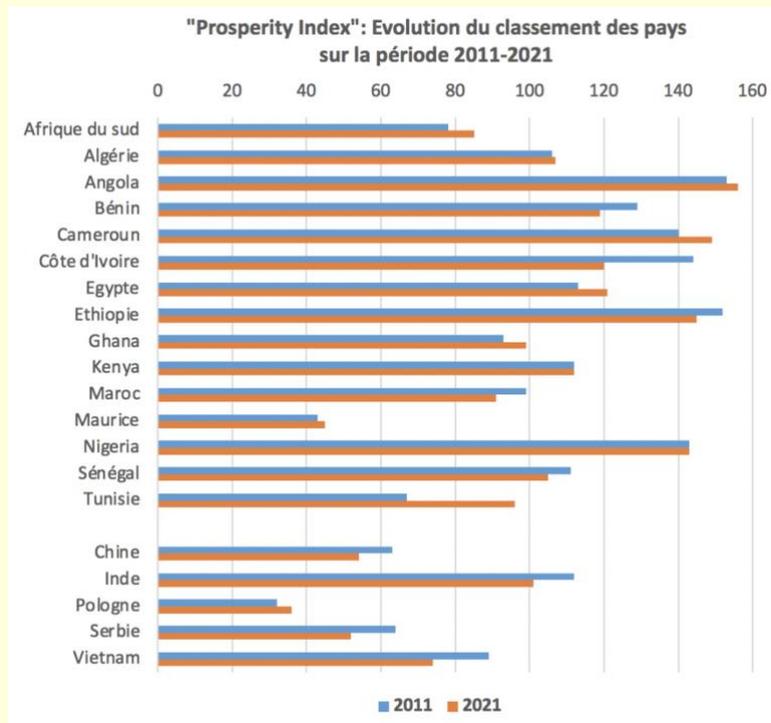
Indicators

Note: The color code used in the following charts is as follows:

Echelle de notation	
	Excellent
	Bon
	Moyen
	Passable
	Médiocre

Degree of Prosperity (Legatum Institute)

Over the period 2011-2021, several countries have improved their global rankings in terms of "prosperity", in particular Benin, Côte d'Ivoire, Ethiopia, Morocco and Senegal. On the other hand, Angola, Cameroon, Egypt, Ghana, South Africa and especially Tunisia have fallen in the world ranking.



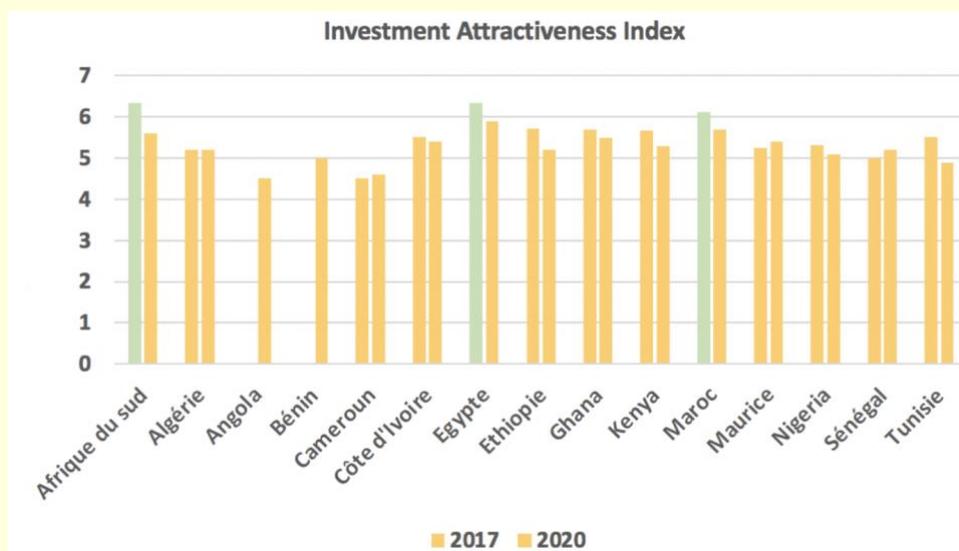
Source: Prosperity Index - Legatum Institute.

Date of last update of the graph: November 2021.

Note: The graph above compares 161 countries in 2011 and 167 countries in 2021. **The higher a country's rank in the index, the lower its level of prosperity.** The Prosperity Index is based on the intersection of eight criteria: Economy, Entrepreneurship and Opportunity, Governance, Education, Health, Safety and Security, Personal Freedom, Social Capital.

Where to invest in Africa (Rand Merchant Bank)

In 2020, Egypt, Morocco and South Africa were the most "attractive" countries on the African continent for investment.

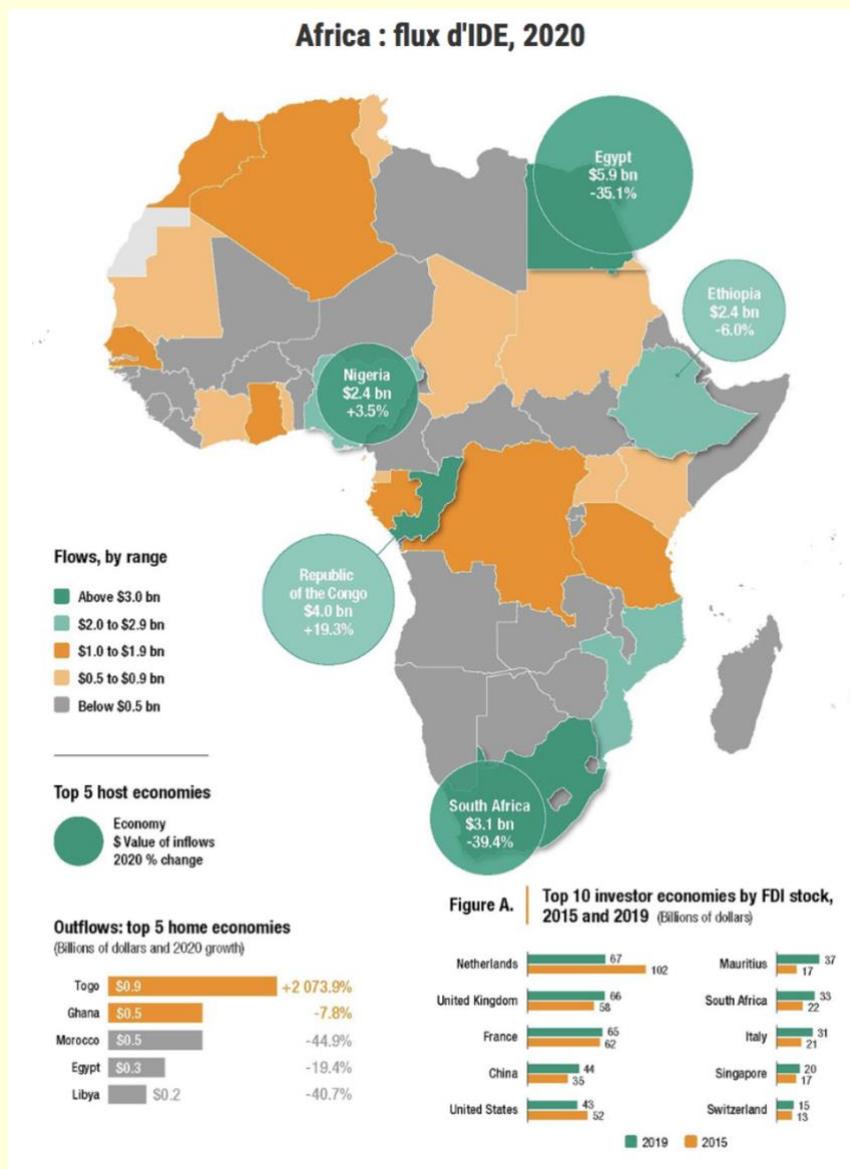


Source: Rand Merchant Bank.
Chart last updated: January 2022.

Note: The rating, on a scale of 1 to 10, is based on a battery of criteria, including real GDP, growth forecasts, and the business environment. The sources used are data from the Heritage Foundation and Call Street Journal's Index of Economic Freedom, the World Economic Forum's (WEF) Global Competitiveness Ranking and Transparency International's Corruption Perceptions Index. Since 2020, the World Bank's "Dong Business" data are no longer taken into account. The 2020 data are therefore not directly comparable with those of previous years.

Foreign direct investment

The African countries with the highest FDI flows are, in descending order, Egypt, Nigeria, Ethiopia, South Africa and the Republic of Congo.



Source: UNCTAD, World Investment Report 2021.
Date: November 2021

Countries of origin of FDI

China remained the main source of FDI and job creation in Africa in 2020.

	Country	Projects	Jobs created ('000)	Capital investment (US\$b)
	US	401	54.0	23.7
	France	346	46.2	19.5
	China	287	170.1	70.6
	UK	275	35.2	16.3
	Germany	203	36.5	9.7
	UAE	189	36.3	23.8
	Switzerland	180	14.7	7.3
	South Africa	133	12.1	8.2
	Japan	115	38.5	8.9
	Spain	101	10.1	4.8

Source: FDI Markets (Financial Times)

Date: 08/12/2021

Attractiveness of African countries (continued)...

The graph below puts the attractiveness of African countries for foreign direct investment into perspective by putting the data into a global perspective. It can be seen that no African country is in the list of the 25 most attractive countries of the "FDI Confidence Index" of the firm A.T Kearney for the year 2020 (South Africa was present in 2019).

2018	2019	2020		
1	1	1	United States	2.26
2	3	2	Canada	2.20
3	2	3	Germany	2.15
6	6	4	Japan	2.14
7	5	5	France	2.09
4	4	6	United Kingdom	2.06
8	9	7	Australia	1.98
5	7	8	China	1.95
10	8	9	Italy	1.94
9	13	10	Switzerland	1.89
15	11	11	Spain	1.88
12	10	12	Singapore	1.87
16	19	13	New Zealand	1.85
13	12	14	Netherlands	1.85
14	15	15	Sweden	1.81
21	18	16	Belgium	1.75
18	17	17	South Korea	1.72
19	20	18	Ireland	1.69
—	—	19	United Arab Emirates	1.69
20	14	20	Denmark	1.69
22	—	21	Portugal	1.67
25	—	22	Brazil	1.65
—	23	23	Finland	1.65
23	24	24	Norway	1.65
—	22	25	Taiwan (China)	1.62

Source: A.T Kearney- "2020 Foreign Direct Investment Confidence Index".
Date of last update of the graph: November 2021.

To read, to view...

"Greening Finance in the Africa-Europe Partnership - A Better Model for Sustainable Investments"- 3rd Session of the "Talking Africa-Europe 2021 Series" – 18th November 2021

This conference can be viewed in "Replay" on:
<https://www.youtube.com/watch?v=qqn75mVqUyU>

"Political Economy of Economic Integration" - Espace Afrique - Makhtar Diouf - Collection: Harmattan Senegal - 28 € - July 2021 - This book deals with all African experiences of economic integration, past and present.

"Morocco's digital strategy - Towards the emergence of a regional digital hub?" - Bertrand Le Gorgeu - Collection : History and Mediterranean Perspectives - 19 € - July 2021 - Morocco has been developing since the beginning of Mohammed VI's reign a very active African diplomacy and an economic strategy consisting in making Morocco a bridge between Europe and Africa. Digital technology is an important part of this strategy.

"Economy and International Relations in Tunisia" - Mohamed Sassi - 40 € - September 2021 - Economic history, a new field of study opened in Tunisia, makes it possible to analyze the evolution of economic activities over time, and to understand the decisions taken by politicians in this area.

Learn more about the Observatory.....

<http://observatoire-europe-afrique-2030.org/fr/accueil/>

The Letter of the Europe-Africa Observatory 2030 is published by the Association "Europe-Africa Observatory 2030"

Phone : +33 (0)6 17 95 18 21 - contact@observatoire-europe-afrique-2030.org