



English version

The « Letter » (Observatoire Europe-Afrique 2030)

n°27 – September/October 2021

*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 as part of a process of co-production between African and EU companies**. Its purpose is to disseminate reliable data, proposals and analyses to feed this debate.*

Headlines.....

The Observatory recently published the following article, dated August 6, 2021: **In sub-Saharan Africa, improving export competitiveness requires an increase in wages**

Developing countries have achieved sustained growth by participating in global value chains through measures that ensure low unit labour costs rather than low wages. However, some countries in sub-Saharan Africa have higher labour and capital costs than some countries in Asia.....

Events

"Ambition Africa 2021" - 5 and 6 October 2021 – Ministry of Economy and Finance (Paris).
<https://events-export.businessfrance.fr/ambition-africa/>

"African Ports Forum" - 3rd edition - 21 and 22/10/2021 - Hotel Akwa Palace (Douala). Debate on the role of African ports in the implementation and concretization of the AfCFTA. Organized by i-conferences in partnership with the Tanger Med Group, the Autonomous Port of Kribi, the Autonomous Port of Douala and in collaboration with SSATP and Proparco (Source: CN-ZLECAF).

"Africa Health" Fair - Johannesburg (South Africa) and Kigali (Rwanda) - From 25 to 29/10/2021 - Brings together all the major players in the infrastructure market and the organization of the hospital system - More than 10,000 health professionals from 68 different countries.
<https://extranet-btob.businessfrance.fr/prg-30579>

"Africa CEO Forum" - "The World To Come: What Strategies for Africa and its Private Sector? » - 28, 29 and 30 September 2021 – "Digital event".

<https://www.theafricaceoforum.com/acf-digital/>

News

Africa

Global demand for batteries for electric vehicles is expected to increase tenfold between 2020 and 2030. This should result in an increase in demand for cobalt, lithium, manganese and graphite, which several African countries have in their subsoil (*Ecofin - 07/09/2021*).

Cameroon

Commissioning of the first modular waste treatment sorting plant in sub-Saharan Africa. Location: Dschang. Investment: 800 million FCFA. Designer: Val'Box. Capacity: 30,000t/year of waste. Val'Box has received funding from the Directorate General of the Treasury (France) as part of the FASEP Green Innovation (*AR-VAL*).

Cameroon

Launch of the test phase of the "Prometal 4" metallurgical plant. Location: Industrial zone of Bassa (Douala). Start-up scheduled for October 2021. Prometal 4 is the most modern and diversified iron processing plant in sub-Saharan Africa. Investment: about 40 billion FCFA. The total production of Prometal increases from 200,000 t/year to more than 300,000 tonnes. Products manufactured: beams, angles, flat irons, wire machines (*Ecofin -15/09/2021*).

Ghana

Launch of a new rubber production plant. Location: East Wassa District (Western Region). Investment: \$2 million. Processing capacity: 20 tons of latex per day. Raw material supply: Western, Central and North-West regions of Ghana. Markets: Turkey, Malaysia, Hong Kong. Planned jobs: 1,300 direct and indirect (*Ecofin – 09/09/2021*).

World

CMA-CGM decides to stop any further increase in freight rates on all services operated by its brands (CMA CGM, CNC, Containerships, Mercosul, ANL, APL). This decision applies to "spot" tariffs 1 and has taken effect on 9th September 2021 and until 1st February 2022 (*CMA-CGM- 09/09/2021*).

Nigeria

In the World Bank's 2019 GDP ranking, Nigeria retains its position as Africa's largest economy, at USD 448.12 billion, nearly 26% of sub-Saharan Africa's GDP. It ranks 26th in the world ranking of 192 countries, ahead of South Africa (37th with a GDP of USD 351.43 billion) and Egypt (40th with a GDP of USD 303.175 billion) (*July 2021 – DG Treasury*).

(Togo)

The Industrial Platform (dry port) of Adétikopé entered its operational phase at beginning of September. It is a vector of decongestion for the port of Lomé and a relay to landlocked countries (*Ports and Corridors – 15/09/2021*).

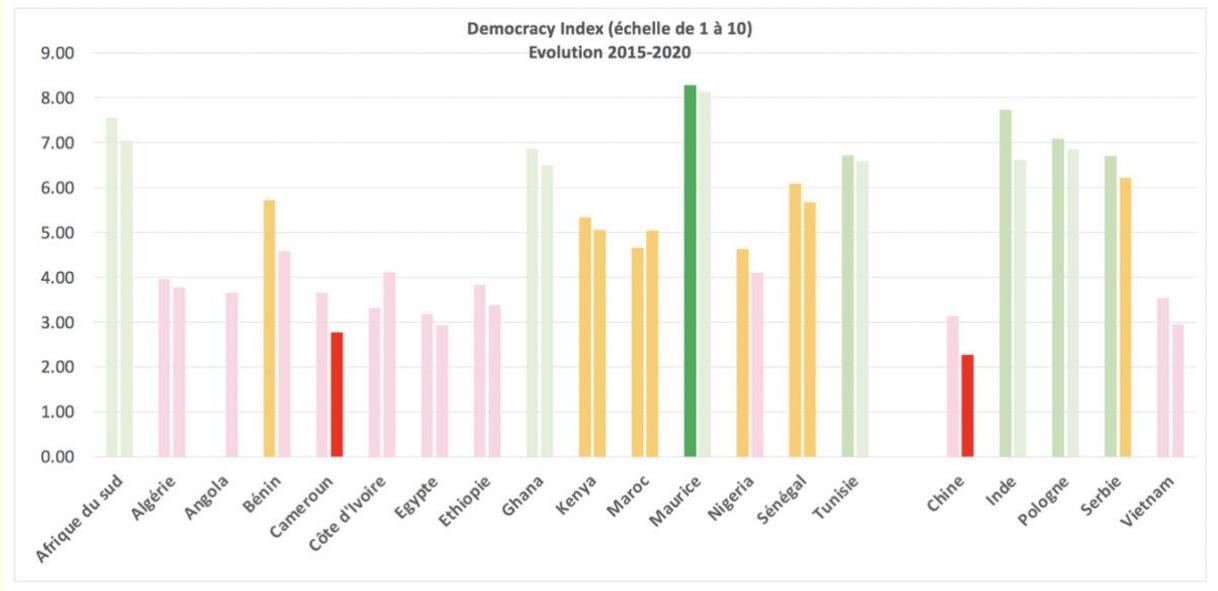
Indicators and signals

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

Echelle de notation	
	Excellent
	Bon
	Moyen
	Passable
	Médiocre

Level of democracy

The average global score increased from 5.55 in 2015 to 5.37 in 2020 (on a scale of 0 to 10). This is the worst global score since the index was first published in 2006. This is due to a sharp decline in Latin America and sub-Saharan Africa and to a lesser extent in the Middle East/North Africa region. In Africa, only Côte d'Ivoire and Morocco recorded an improvement during the period 2015-2020. Declines are particularly strong in Benin and Cameroon. The index collapsed in China.

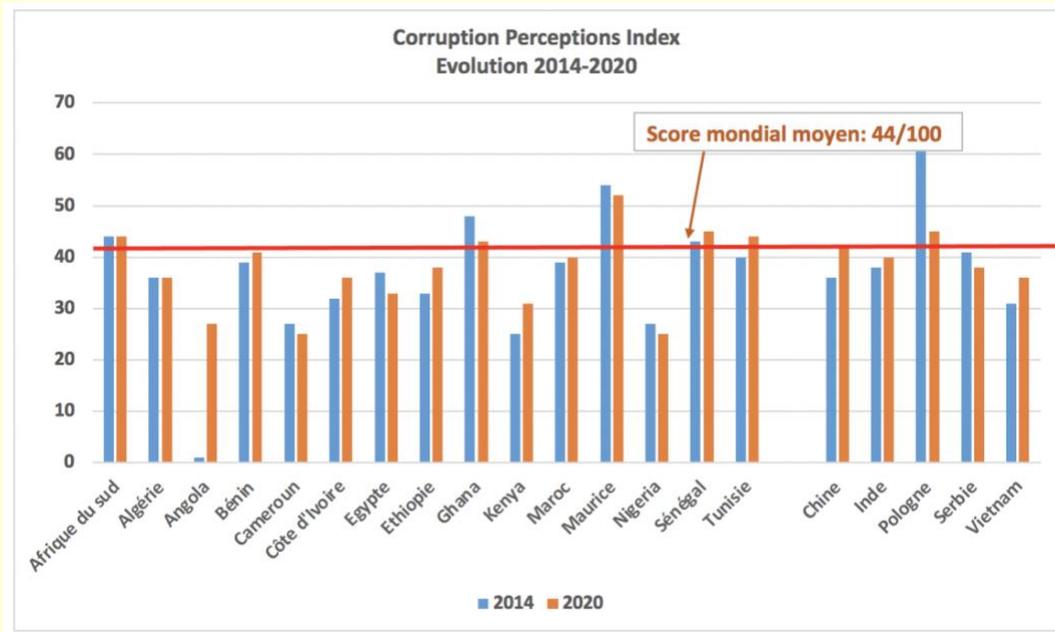


Source: Economist Intelligence Unit

Last update of the chart: July 2021

Corruption Perception Index

For the year 2020, Transparency International presents a bleak picture for Africa. Only 5 of the 15 African countries analysed scored at least as high as the global world average. However, during the 2014-2020 period, Benin, Côte d'Ivoire, Ethiopia, Kenya, Morocco, Senegal and Tunisia improved their scores.



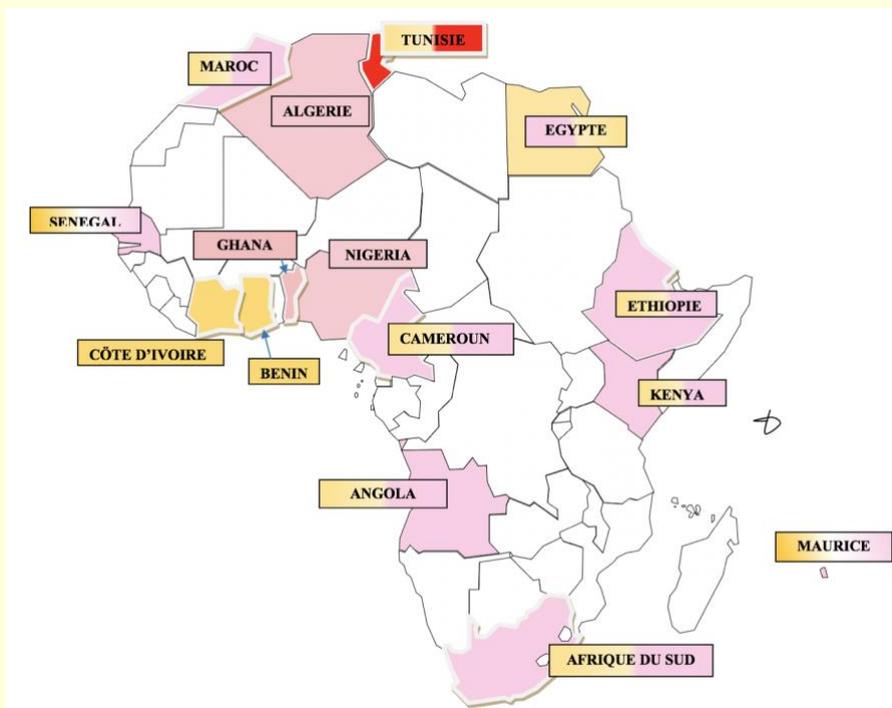
Source: Transparency International

Note: In the graph above, the higher the level of perceived corruption, the lower the value of the index.

Chart last update: August 2021

Global Indicator "Macroeconomic Environment" (Europe-Africa Observatory 2030)

The economic environment deteriorated seriously in 2020, mainly due to the COVID pandemic.



Source: Compilation of several sources by the Europe-Africa Observatory 2030" (African Development Bank, COFACE). The composite indicator "Economic environment" includes the criteria "GDP growth", "Inflation", "Budget balance", "Trade balance" and "Economic risk".

The "country" label displays the performance of the year 2019 on the left and the performance of the year 2020 on the right.

Last update: August 2021.

Recent macroeconomic indicators

Between 2019 and 2020, the evolution of macroeconomic indicators was extremely contrasted:

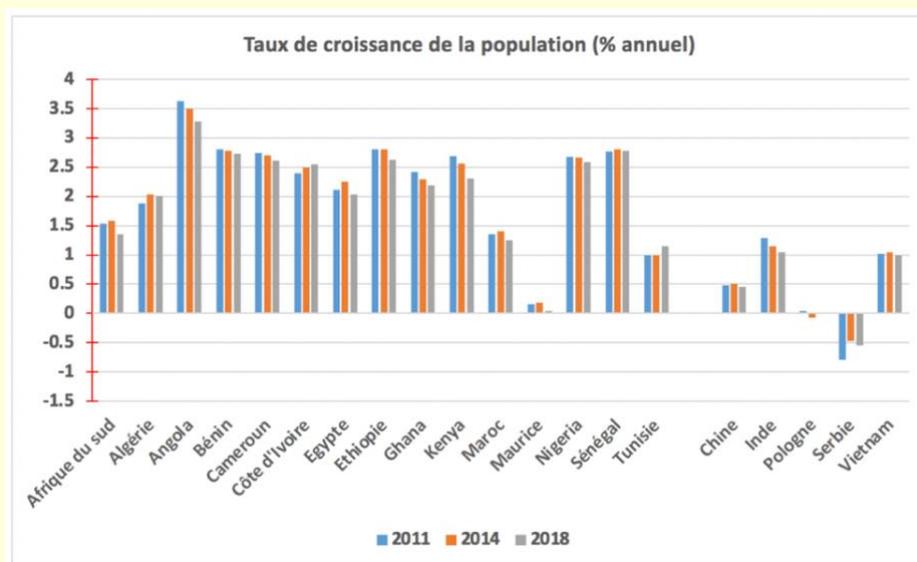
- South Africa, Morocco, Mauritius and Tunisia were the hardest hit by the recession.
- Inflation was particularly high in Angola, Ethiopia, Ghana and Nigeria
- Current account balances are all in deficit, with the exception of South Africa
- Senegal's "country" economic risk has increased from A4 to B.

	Croissance du PIB (%)	Inflation (%)	Solde budgétaire (% du PIB)	Balance courante (% du PIB)	Risque économique "pays" de la COFACE
	2020	2020	2020	2020	juil-20
Afrique du Sud	-8.2	3.8	-15.0	1.2	C
Algérie	-4.7	-2.1	-14.0	-14.5	D
Angola	-4.5	24.9	-5.0	-3.1	D
Bénin	2.3	2.2	-3.1	-3.9	B
Cameroun	-2.4	3.0	-5.0	-5.5	C
Cote d'Ivoire	1.8	1.9	-5.8	-3.6	B
Egypte	3.6	-6.0	-7.9	-3.0	C
Ethiopie	6.1	21.0	-2.7	-4.1	C
Ghana	1.7	10.5	-11.0	-2.4	B
Kenya	1.4	4.8	-8.2	-5.7	B
Maroc	-5.9	0.2	-7.9	-7.9	B
Maurice	-15.0	2.7	-11.0	-13.0	B
Nigeria	-3.0	13.2	-5.2	-3.6	D
Sénégal	-0.7	-2.1	-6.2	-10.3	B
Tunisie	-8.8	5.9	-14.0	-8.0	C

- Sources: African Development Bank, Coface.
- Rating scale of the "Country Economic Risk" criterion (7 levels): A1 (very low risk), A2, A3, A4, B, C, D (extreme risk).
- Last update: August 2021.

Population growth (United Nations)

There are 725 million people under the age of 25 in Africa. This is the equivalent of the population of all of Europe, including Russia. By 2063, the continent will have 1.4 billion young people, twice the population of Europe. While the median age is around 42 in Europe, it is around 19 in Africa and around 16 in the central Sahel. In other words, African societies will continue to have a significant number of so-called "dependent" people in the coming decades. (August 2021 – United Nations Population Fund Regional Office for West and Central Africa regions)



Source: United Nations Population Division

Last update: August 2021

To read in priority...

"Demography - Mentalities are changing too slowly" - Jeune Afrique

<https://www.jeuneafrique.com/1222388/societe/demographie-les-mentalites-changent-trop-lentement/>

"The presence of French companies in Nigeria" - DG Trésor

<https://www.tresor.economie.gouv.fr/Articles/2021/04/30/la-presence-des-entreprises-francaises-au-nigeria>

"French presence in South Africa"

<https://www.tresor.economie.gouv.fr/Pays/ZA/presence-francaise>

"What strategy for Africa and its private sector?" - Young Africa

<https://www.jeuneafrique.com/1202694/economie/quelles-strategies-pour-lafrique-et-son-secteur-prive-face-au-monde-qui-vient/>

"Business France" publications:

- "Medicines and Biotechs in Côte d'Ivoire"
- "Medicines and Biotechs in Senegal"
- "Cosmetics and Perfumery in Morocco"

These publications can be consulted on the Observatory's website, Menu "Industrial fabric" → "Pharmacy and Cosmetics".

"Enrich in Africa" aims to connect key industrial players in the African and European Union, in order to strengthen the "innovation" ecosystem in these two areas.

Replay of the webinar organized on 17/09/2021 by BpiFrance (Euroquity):
<https://www.youtube.com/watch?v=dVC0b6sE6QE>

Learn more about the Observatory.....

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

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Observatory 2030"
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