



# « The Letter »

## (Observatoire Europe-Afrique 2030)

# 31 – May / June 2022

*The “Observatoire Europe-Afrique 2030” is a space for the exchange of ideas, open to all those interested in the **promotion 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

**"Promoting a manufacturing chain of third-generation mini-grids in sub-Saharan Africa".**  
Case Study recently released by the Observatoire Europe-Afrique 2030.

Between 100,000 and 150,000 additional minigrids are needed in sub-Saharan Africa by 2030 to meet the "access to electricity for all" scenario. However, no country in sub-Saharan Africa has an industrial tool capable of manufacturing minigrids locally. As a result, by 2030, the acquisition of tens of thousands of facilities will force the African states concerned to import most of the \$100 billion in necessary equipment and services. The impact on the debt and trade balance of these countries will be very heavy. One solution would be to develop an integrated African sector for the design and manufacture of third-generation mini-grids in one or more sub-Saharan African countries. This sector would be based on a logic of co-production between European and African industrialists. Because of its high-tech characteristics, this sector project appears to be at odds with the strategies usually recommended to develop the manufacturing sector in sub-Saharan Africa, which are based on "traditional" sectors.

<http://observatoire-europe-afrique-2030.org/wp-content/uploads/2022/04/Etude-de-cas-n°18-Mini-reseaux-Observatoire-Europe-Afrique-2030-21042022-engl.pdf>

## Events

"AFSIC 2022 – Investing in Africa" – London – 10 and 11th October 2022. Main annual event outside Africa on the theme of investment (30/04/2022).

<https://www.afsic.net/delegate-registration/>

## News

### Africa

The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and the Agency for the Development and Supervision of Small and Medium Enterprises (ADEPME) launched on 9th May 2022 the first "SME Financing Academy" in Africa. This "Academy" is organized in partnership with the Frankfurt School of Finance and Management (*Financial Afrik - 08/05/2022*).

### Ivory Coast

As part of the agreement between the Ivorian government and the Arise Ivoire group for the establishment of three industrial economic centers for an amount of USD 1.7 billion, the industrial center of San Pedro will be the third in operation after those of Yopougon and Akoupé Zeudji. The agreement is part of the "Project to improve services to industries in Côte d'Ivoire" (*Ecofin – 10/03/2022*).

### Ivory Coast

Container traffic at the Autonomous Port of Abidjan amounted to 787,314 TEUs in 2021, an increase of 3.6%. It has recorded a continuous increase over the last three years (+7.7% between 2019 and 2021). Containers destined for the local market represent the main traffic inflow with 723,359 TEUs. 77% of traffic consists of full containers. The imbalance between import and export stands at 65% in 2021 in favour of imports, against 74% in 2019 (*Ports and corridors - 03/05/2022*).

### Egypt

Automotive equipment manufacturing plant project. Company: Yazaki Europe Ltd (Japan). Location: Fayoum (exclusive free zone). Area: 6ha. Products: braided wires and cables for automobiles. 100% of the production will be exported. Initial investment: €20M. Start-up planned for 2023. 3000 direct jobs in the long term (*ahramonline - 06 April 2022*).

### Ghana

The 107th plant created as part of the "One District One Factory" program is now in operation. Location: Ningo Prampram District. Investment: \$30 million. This factory is specialized in the health sector. Atlantic Life Sciences Ltd will produce vaccines, snake repellents, eye drops, inhalation anesthesia products, syrups, tablets and capsules. Direct jobs (in the long term): 780 people (*Ecofin – 25/04/2022*).

## **Kenya**

VR Holding AB (Sweden) is implementing the construction of a solid waste-to-energy plant. Location: Kakamega (Kericho County - Kenya). Capacity: 10MW. Investment: \$53 million. Solid waste will be collected in Kakamega, Busia, Homa Bay, Trans Nzoia, Bungoma and Vihiga counties (*Afrik21 – 05/05/2022*).

## **Kenya**

Commissioning of a new textile factory as part of the “Export Processing Zones” programme involved in the manufacturing component of the "Big 4" Agenda. Company: MAS Intimates (Kenya). Location: Machakos Department (60 km southeast of Nairobi). Jobs: 3000 Kenyan nationals (forecast: 4200 by the end of 2022) (*Ecofin - 11/05/2022*).

## **Mozambique**

Tesla signed an agreement in December 2021 with the Australian company Syrah Resources, which operates one of the world's largest graphite mines in Balama (Mozambique - province of Cabo Delgado). Production capacity: 350,000 tons of flake graphite per year. Tesla will purchase the material from Syrah Resources' processing plant in Vidalia, Louisiana. Tesla plans to buy 8,000 tons of graphite per year from 2025. The United States wants to have sufficient national capacity to build lithium-ion batteries on its territory (*23/01/2022 - AVIE-ACCI*).

## **Nigeria**

The port of Lekki (90 km east of the Tin Can terminal) is more than 81% completed. It will have three container berths, one dry bulk terminal and three liquid bulk berths. Completion of work announced for September 2022 and commercial commissioning in December. The company in charge of the construction of the port, Lekki Port LFTZ Enterprise Limited (LPLEL), is a joint venture between Lekki Port Investment Holding, owned by China Harbour Engineering Company and the Malaysian Tolaram Group, the Nigeria Port Authority and the Lagos Local Government (*Ports and Corridors – 28/03/2022*).

## **DRC**

OK-Plast commissions a plastic recycling plant. Location: Kinshasa (DRC). Investment: €15 million. It is the second OK-Plast of its kind in Africa after the one established in Nigeria. Capacity: 50 tons per day. Stock: 5000 tons of compacted bottles. Recycled products: bottle caps, beer lockers, chairs, coolers, pipes, bottles. OK-Plast collects plastic bottles using containers installed in 21 collection points. For each kilogram of plastic bottles brought, the collector receives 100 Congolese francs (less than one euro cent). The operator benefits from an exemption from input taxes for a period of five years, renewable (*Afrik 21 – 19/04/2022*).

## **South Africa**

Black Mountain Mining, a subsidiary of the Vedanta Group, has obtained environmental approval from the authorities of the North Cape (South Africa) to build a new smelter at its Gamsberg zinc mine. This facility will be able to process up to 680,000 t/year of zinc concentrate and deliver 300,000 t/year of high-grade zinc (*Mining Weekly – 21/03/2022*).

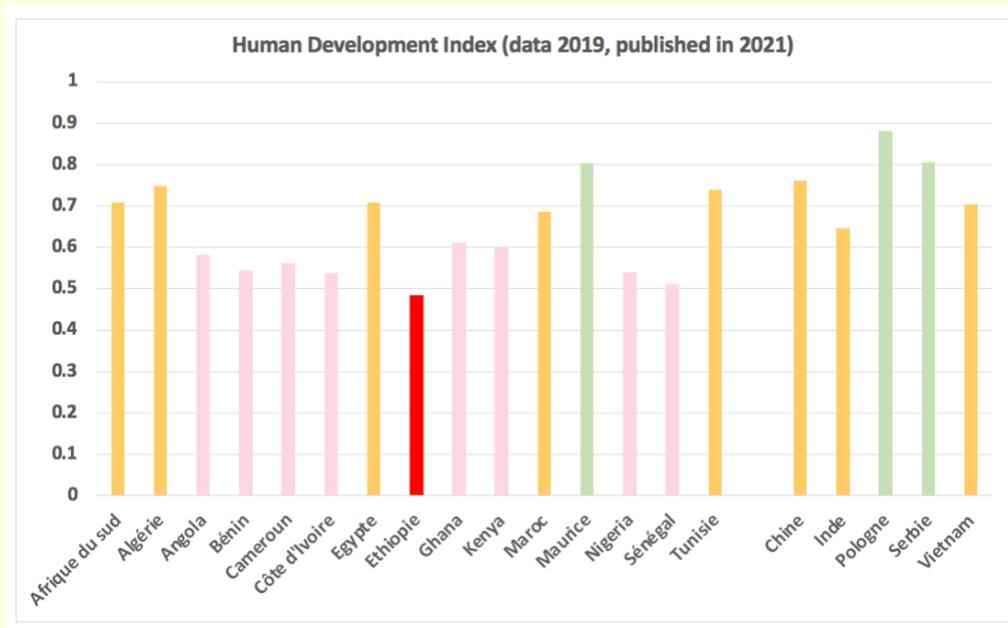
## **Zambia / DRC**

Zambia and the Democratic Republic of Congo have signed a Memorandum of Understanding on the creation of a common value chain for the electric mobility and clean energy sectors



### Human Development Index (UNDP)

The human development index reveals very contrasting situations. Algeria, Egypt, Mauritius, Morocco, South Africa and Tunisia have indices comparable to those of China and India, while Angola, Benin, Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Nigeria and Senegal are in the "low" or "very low" human development category.



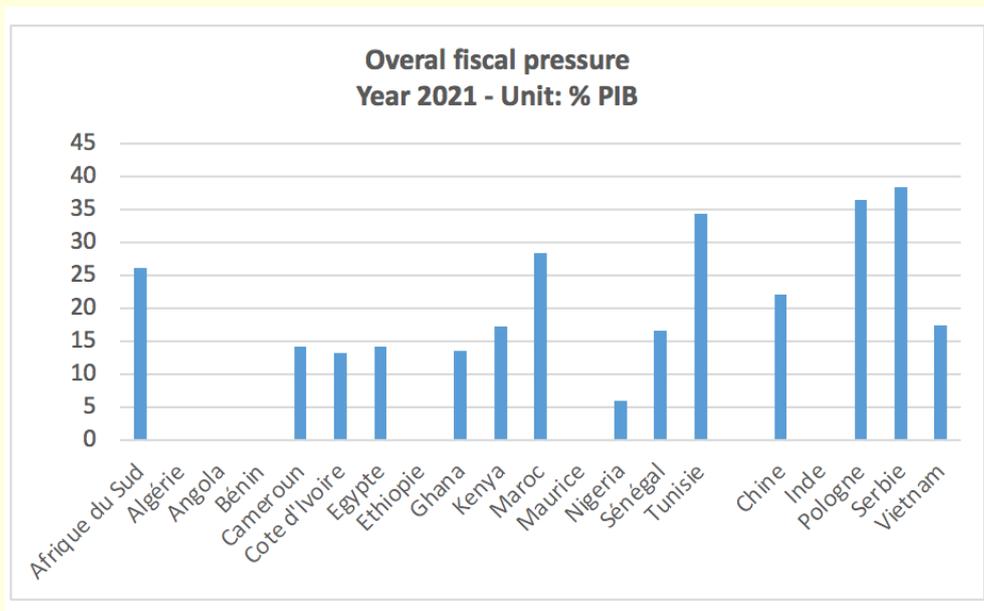
Source: UNDP

Note: The Human Development Index takes into account 3 criteria: Life expectancy at birth, years of schooling and GNP per capita.

Last update: April 2022

### Tax pressure

Tax disparities are strong according to the countries: In South Africa, Morocco and Tunisia the total level of taxes is higher than 25%, while in Cameroon, Ivory Coast, Egypt and Ghana it remains lower than 15%.



Source: [countryeconomy.com](http://countryeconomy.com)

Last update: May 2022

## To read, to view...

**The Future of Institutional Investment in African Markets.** - Atlantic Council Africa Center's - Webinar

Replay link:

[https://www.atlanticcouncil.org/event/the-future-of-institutional-investment-in-african-markets/?mkt\\_tok=NjU5LVdaWC0wNzUAAAGEnzbojcCQa0ezvfQbn7GZGC8KdQsIQ1ihW0kPm48UvoyiWVMb67U8Kriw0qKJhsGlaYRrGZQkt8PJjyWkuUokBo39sjz8wQDwEbo6smulfw](https://www.atlanticcouncil.org/event/the-future-of-institutional-investment-in-african-markets/?mkt_tok=NjU5LVdaWC0wNzUAAAGEnzbojcCQa0ezvfQbn7GZGC8KdQsIQ1ihW0kPm48UvoyiWVMb67U8Kriw0qKJhsGlaYRrGZQkt8PJjyWkuUokBo39sjz8wQDwEbo6smulfw)

**"Manuel de l'intelligence économique en Afrique"** - Stéphane Mortier - Ed. VA Press - Published on March 10, 2022 - 38 euros.

Business intelligence in Africa is struggling to establish itself. The concept is often misunderstood or misinterpreted, which leads to an erroneous, ineffective or even counter-productive implementation. An attempt at conceptual clarification is essential to understand the issues facing the entire continent. Energy, law, compliance, cybersecurity, societal changes, security... are all subjects related to securing the business climate, the development of economic actors, and the increase in power of States and regional organizations. This Manual is intended as a starting point for an African culture of economic intelligence, inspired by the existing, but especially marked by the realities, cultures and African knowledge.

**"The monthly conferences of the African Ambassadors of Paris - "How to better finance Africa", with Maurice Bandaman, Ambassador of the Ivory Coast"** - February 14, 2022

Replay link:

<https://www.africapresse.paris/CMAAP-I-REPLAY-COMMENT-MIEUX-FINANCER-L-AFRIQUE-avec-SE-Maurice-BANDAMAN>

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## **Learn more about the Observatory.....**

<https://observatoire-europe-afrique-2030.org/en/accueil-anglais/>

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