

# Indo African BUSINESS

Vol. 8 Issue 2 ₹ 100/-

www.indoafribanbusiness.com

REDISCOVERING A VIBRANT CONTINENT

## 8<sup>th</sup> CII-EXIM Bank India-Africa Project Partnership Conclave

Creating Possibilities  
& Delivering Value



Knowledge Partner



Growth Synergies Worldwide

Global Procurement Consultants Limited







Micro Technologies (India) Ltd.  
(An ISO 9001 & 27001 Company)

# Secure your world

## With **Micro** Intelligent Surveillance System



Install

**MICRO ISS**

INTELLIGENT SURVEILLANCE SYSTEM

- Live Recording
- Online Monitoring
- CCTV Surveillance
- Biometric Access Control
- Integrated security solution with various types of cameras

**YOUR SECURITY IS OUR CONCERN**

**For Dealer & Distributor Opportunity**  
**Call Now : 022-61458418 / 8400**



Call Toll Free:

**1800 209 2000**

SMS\*: MICRO ISS to 56767777

\*Rates as applicable

Email- [besecure@microtechnologies.net](mailto:besecure@microtechnologies.net)  
[www.microshoppe.biz](http://www.microshoppe.biz)

Products available at:



M3

\*The products depicted are for representation purpose only. Those may differ with the actual ones.



# MRC Invites You to Invest In Somalia



Maakhir Resources Company Limited  
Putting the Community Interest first!



- > MRC is looking for Indian Investors and Partners in the Mining and Energy opportunities from the virgin land of Somalia.
- > MRC invites Mining Service Providers: Mining Equipment, Mining Engineering, Exploration and Geological Survey...etc.
- > MRC invites Mineral Ores traders from India (Tin, Led, Zircon, Elmenite, Rutile-Titanium, Vanadium, Manganese....and more!).

**INVESTOR'S REWARD! MAAKHIR'S PRIDE! SOMALIA'S BENEFIT!**

**Maakhir Resources Company (MRC) Ltd.**

P.Box 4110, Sharhaj, UAE. Phone: +971 6 5628208, Mobile: +971 555 138 381

info@maakhir-resources.com  
www.maakhir-resources.com (soon)

# Issue

n This



06

## COVER STORY

8<sup>th</sup> CII-EXIM Bank  
India-Africa Conclave Set to  
Discuss \$30-bn Business



20

## DIPLOMACY

India, Mauritius Reinforce Ties  
During Ramgoolam's Visit



23

## INTERVIEW

India Can Play Big Role  
in Rebuilding Somalia



28

## EVENT

Africa Likely to Meet Rising  
Indian Demand for Oil & Gas



34

## AVENUES

Africa – The World's Next  
Big Growth Destination



55

## PROFILE

GPCL: A Valued Partner  
in Africa's Development



58

## WILD LIFE

The Eyes that  
Beckoned Me...

Founder Chairman  
Late Shri R.K. Prasad

**Distributed by:**  
New Media Communication Pvt. Ltd.

**Managing Editor:** Satya Swaroop  
**Directors:** B.K. Sinha  
Cdr. P.S. Amar  
**Group Editor:** Dev Varam  
**Editor:** Uday Tarra Nayar  
**Executive Editors:** Atula Imchen, Rachana Chowdhary  
**Consulting Editors:** Prabhu Sinha,  
Md. Sabir Nishat, Tripat Oberoi  
**Deputy Editor:** Tripti Chakravorty  
**Asst. Editor:** Jyoti Pathak  
**Editorial Assistant:** Shraddha Varadkar

**Strategic Advisor:** Vinaya Shetty  
**Head - Admin & Finance:** Sunil Kumar  
**Business Development:** Rishikesh Wade  
**Liaison Officer:** Vrunda Gurav  
**Special Projects:** Manjeet Bhavsar  
**Support & Executive Database:** Madhavi Singh,  
Arvinder Kaur Sethi  
**Circulation:** Jawaharlal, Santosh Gangurde,  
Vijay Wangade & Suraj

**Art Director:** Santosh Nawar  
**Associate Art Director:** Sagar Banawalikar  
**Visualizer:** Maya Vichare  
**Photo Editor:** Ashish Bist  
**Photographer:** Kishen Singh, Ramesh Singh

### BRANCHES:

**Kolkata:**  
Anurag Sinha, Regional Head,  
Mob: 098300 43339  
Email: anurag@newmediacomm.biz

**Pune:**  
Jagdish Khaladkar, Regional Director,  
Mobile: 098230 38315  
Email: pune@newmediacomm.biz

**Patna:**  
Rajesh Narayan, Vimmi Prasad  
173 - B, 2nd Floor, S.K. Puri, Patna 800001. Bihar  
Email: rajeshnaraen@newmediacomm.com  
Mob: 09334390988

**Australia Office:**  
Bandhana Kumari Prasad, 129 Camboon Road,  
Noranda, Perth, W.A. 6062 Tel: 0061 892757447  
Email: bandhana@newmediacomm.biz

**New Media Communication Pvt. Ltd.,**  
New Media House, 1 Akbar Villa,  
Near Old State Bank, Marol-Maroshi Road,  
Andheri (E), Mumbai - 400 059  
Tel: +91-22-2925 0690 Telefax: +91-22-2925 5279  
E-mail: enquiry@newmediacomm.biz  
www.newmediacomm.com

**Printed & Published by**  
Satya Swaroop and Printed at: Jayant Printery 352/54, Girgaum Road,  
Thakurdwar, Mumbai 400002 and published from New Media House,  
1 Akbar Villa, Near Old State Bank, Marol-Maroshi Road, Andheri (E),  
Mumbai - 400 059.

**Editor: Veerendra Bhargava**

The news items and information published herein have been collected from various sources, which are considered to be reliable. Readers are however requested to verify the facts before making business decisions using the same.





*Dear Reader,*

Greetings. Every year, in the month of March, government and business leaders from Africa and India meet in New Delhi for three days for deliberations to promote mutual interests. The annual meeting, known as the CII EXIM Bank India-Africa Project Partnership Conclave is in its 8th edition this year, on the theme of 'Creating Possibilities: Delivering Value'. This year's Conclave is expected to generate project partnerships worth \$30 billion against \$18 billion reported during its previous edition. The curtain raiser for the Conclave, being held from 18 to 20 March in New Delhi, forms the cover story of the current issue of Indo-African Business. Heads of governments of key African countries who met in the Swiss mountain resort of Davos recently felt that their economies should follow the India model. We carry a report.

Mauritius Prime Minister Navinchandra Ramgoolam paid a state visit to India to reinforce ties between the two countries. The issue gives you the details. There is an interview with Feysal Ahmed Yusuf, CEO / Founder, Maakhir Resources Company (MRC) Ltd, of Somalia in which he says that India could play a big role in the rebuilding process of his strife-torn but resource-rich country.

There is a survey conducted by the International Monetary Fund (IMF) on Africa, which points out that even as the continent enters 2012 in good shape it should remain cautious about economic policies. While another IMF survey observes that the consumer middle class is driving Africa to prosperity. Yet another report by the same agency says that though Africa is set for a steady growth, higher inflation is likely pose a threat to it in the coming years.

The focus of the issue is on the prospects of Africa emerging as a major supplier of oil and gas in the years to come and how energy-starved India could take advantage of the situation by joining exploration efforts in that continent. In an exclusive interview, Rahul Sabharwal, Vice President, Tech Mahindra Ltd, says that Africa is a land of opportunities and will be the next growth destination in the world. In an analytical article, Santosh Anchan, Portfolio Management Group, TechMahindra, says that Africa is today at the cusp of a broadband revolution.

There is a feature on Ecobank expanding in Africa dismissing reports of the continent being unstable politically. There is a success story detailing how Sonalika has emerged as a trusted global brand among tractors. In the news section, we have reports of rising Indo-Ethiopian bilateral trade, an African meet to promote private sector, an initiative for good, financial governance against corruption and growing Indian demand for diamonds from Zimbabwe. There is a profile of Global Procurement Corporation Ltd, by its President, S.R. Rao. The issue presents a photo feature on wild life by Ashish Bist. We trust the varied fare meets your expectations.

Wish you happy reading

**Satya Swaroop**

Managing Editor



Government of India



Confederation of Indian Industry



8<sup>th</sup>

# CII-EXIM Bank India-Africa Conclave Set to Discuss \$30-bn Business

By Dev Varam

Somehow, the 'Ides of March' bode well for India-Africa Partnership. Just look at the way the CII-EXIM Bank India-Africa Project Partnership Conclave has grown in stature by leaps and bounds, in the last seven years, since the launch of its first edition in 2005 amidst high hopes. The seven annual conclaves held in New Delhi, always in the salubrious month of March, in the period 2005-11 helped establish the "Brand India" in Africa. The conclaves have boosted Indian project exports to African markets during this period. The Conclave has also emerged as one of the most prestigious events annually, attracting influential African decision makers and business leaders that include who-is-who in Africa and their counterparts

from India. Over the years, an ever growing number of African participants have become ardent followers of the now famous 'India Growth Story', well told and projected at the annual Conclave. Most African government and business leaders want to implant the India model in their economies, realizing that this country was in a state similar to theirs in the early 1990s, when it launched a package of far-reaching economic reforms. If India could, why can't we? It's a challenge that most African countries would like to take up. And India is there to help them all, which sums up the spirit of these conclaves. Statistics are cold but tell a story that warms up one's heart. Each Conclave has resulted in the signing up of a number of Memorandums of

Understanding (MoUs), resulting in the start of many projects and joint ventures in diverse sectors in Africa. According to CII estimates, in the last seven Conclaves, as many as 1,288 projects worth USD 74.38 billions have been discussed, a number of which have been materialized while some are still being negotiated. In the last five years, there has been a steep growth of 400 percent in bilateral trade between India and the African countries, thanks to the Conclaves. This multi-pronged target of increasing trade, investment and developmental activities requires a sustained and concentrated task. This will be the main objective of the 8th Edition of the CII-EXIM Bank India-Africa Project Partnership Conclave, whose



### theme is “Creating Possibilities: Delivering Value” being held in New Delhi from 18 to 20 March 2012.

This event comes less than a year after the Second India-Africa Forum Summit that was held in Addis Ababa in May 2011. Political leaders, government representatives, business heads, bankers and development specialists from 36 African countries and at least three non-African countries would be congregating at the latest edition, in which more than overseas delegates would be participating in the various sessions and deliberations. This year's edition, themed as 'Creating Possibilities: Delivering Value', is expected to bring forth a fresh perspective and a roadmap on taking bilateral partnerships to a new high.

The story of the Conclaves began in 2005, when the Confederation of Indian Industry (CII), in association with the Export Import Bank of India

(EXIM Bank), launched the first edition in New Delhi, amply supported by the Ministry of External Affairs and the Ministry of Commerce & Industry, Government of India. The Conclave's aim was to build a bridge between Indian and African business leaders and communities as well senior government officials. The idea was to have a systematic and focused approach to work on projects in Africa, funded by the EXIM Bank as well as individual industrial and business investors. The first CII-EXIM Bank Conclave spelt it all out. And it has grown in stature year after year, since then. The Conclave has successfully been able to emerge as one of the largest congregations of senior ministers, policy makers and business leaders from Africa and India, cutting across sectors.

The impact of the CII EXIM Bank Conclave was best described by Pranab Mukherjee, when he addressed 5th CII EXIM Bank Conclave in 2009 as the then Minister of External

Affairs. In his keynote address, he said “the Conclave has become a prestigious event for Indian and African governments and industry to meet and explore new avenues of partnerships. The annual gathering enables the Indian and African leadership to take stock of the progress of the partnership and address future needs in this regard”.

During the following (6th) Edition of the Conclave, Minister of Commerce & Industry Anand Sharma said, “the annual Conclave has opened up innumerable cross-border business opportunities. The presence of high-level delegations was proof enough, of the importance that Africa has attached to the Conclave”. The objectives that have guided the participation, deliberations and the growth process of the Conclave have evolved and grown with inputs and recommendations received at each Conclave.

The deliberations at the Conclave will cover wide ranging themes like





'Funding the growth', 'Partnerships to harness the human potential', 'Bio-mass-based power generation', 'Leveraging the Indian model for Africa's growth', and 'Energy efficiency in small and medium enterprises'. There will also be sessions covering business opportunities in northern, southern, eastern and western African markets, apart from business sectors across Africa, such as, drugs & pharmaceuticals, ICT & telecom, agriculture, etc.

During the 7th edition of the

Conclave, 200 projects worth \$18 billion were discussed. One of the highlight of this year's edition is that it will see over 250 projects worth close to \$30 billion of projects being discussed.

From the Indian viewpoint, the Conclave will serve as a major opportunity for Indian government and industry to explore new avenues by which to scale up India-Africa trade from current level of \$50 billion to \$70 billion in the next two years, promote geographical and product

diversification of Indian exports to Africa, strengthen India's trade agreements with regional blocs in Africa, and enhance the role of Indian industry in the regional infrastructure programmes in Africa.

Zimbabwe is Focus Country at the Conclave. A large delegation comprising over 100 members from Zimbabwe is being led by Mrs Joice Mujuru, Vice President of Zimbabwe. The Central African Republic is the Guest country this year. Prof. Faustin Archangel Touadera, Prime Minister of Central African Republic is also leading a high delegation consisting of six Cabinet Ministers. In addition, the Conclave will have more than 30 Ministers from different Sub-Saharan Countries. A group of 28 Young MPs from 12 countries will also be participating at the meet.

Senior Indian ministers, policy makers and Industry leaders have also confirmed their participation. Indian Minister of Commerce, Industry & Textiles Anand Sharma will address the Conclave on 18 March in a "Special Opening Session". ■









# Photo Feature







Join us  
for an unique glimpse  
of the beautiful masks  
reflecting the Tribal Life.

You are invited to connect  
yourselves between two  
different worlds, a meeting  
between our past and our  
future, linked with each other,  
completing the circle of life.

Short films in any format  
on tribal life, art and culture  
are invited

for IFFTAC-3 to be held on

9,10 & 11 June 2012

Bhopal (Madhya Pradesh) INDIA.

To know more about us  
and to download our entry form  
please visit our site

[www.ifftac.com](http://www.ifftac.com)

NO ENTRY FEE.



**VANYA**

Rajiv Gandhi Bhawan,  
35, Shyamla Hills,  
Bhopal-462002(M.P.) INDIA

Phone:

0755-2661152, 2661155

Fax :

0755-2660370

e-mail :

[vanya\\_prakashan@yahoo.co.in](mailto:vanya_prakashan@yahoo.co.in)

Website:

[www.ifftac.com](http://www.ifftac.com)

International  
Festival  
of Films  
on Tribal Art  
& Culture



**IFFTAC**  
**2012**



**MPACE**

Bhopal Office:

S-4, 11nd floor, Block A, Amar Stabh, Press Complex,  
M.P. Nagar, Zone-I, Bhopal (M.P.) INDIA

Phone:

0755-4266012, 09303101528

Mumbai Office:

Suite 602, Garden Rose Annex,  
N Dutta Marg, 4 Bungalows, Mumbai

Mb: 09039946247

e-mail :

[mpacecompany@gmail.com](mailto:mpacecompany@gmail.com)



## African Leaders' Call at Davos 2012 Emulating India as Role Model for Economic Growth

Africa's leaders who attended an economic conference in Davos recently urged closer co-operation within the continent on energy and infrastructure projects to help its growth prospects and urged to emulate India as the role model for the continent's economic growth.

South Africa's President Jacob Zuma urged massive investment in infrastructure to promote trade within Africa. Guinea's President Alpha Conde said there should be pan-African ministers for energy, infrastructure and trade. He said he hoped the new ministries could be agreed by the African Union.



Ethiopian Prime Minister Meles Zenawi agreed on the need for closer co-operation on infrastructure projects and said the planning and coordination body of the African



Union, Nepal, was already working on this.

But he urged caution, warning it would and should be a long process. "It took 50 years for the Europeans to come up with a single currency and it appears they went too fast for some of its members," Zenawi said.

The leaders were taking part in a session called Africa: From Transition to Transformation, at the annual gathering of economic, business and political leaders at the ski resort of Davos in Switzerland.

Zuma said infrastructure was at the heart of one of the key issues for the continent, namely how Africa leads itself. "Africans must trade amongst themselves," he said.





"Intra-Africa trade is negligible," Kenya's Prime Minister Raila Odinga pointed out. "Europe trades more with itself than with the rest of the world."

The chair of the session, the former UK Prime Minister Gordon Brown, said the continent needed billions of dollars of investment in infrastructure, but red tape and cross-border problems were getting in the way.

Zuma said those issues, or bottlenecks, were being addressed. "How we open up borders for the free flow of people, or workers, as well as goods - that is being discussed as well as infrastructure," he said.

## 'New Africa'

Speaking at his first visit to the World Economic Forum, Guinea's Conde, who described himself as the country's first democratic president after 10 years of dictatorship, said: "If we want to move ahead we have to help ourselves. If we do that we can agree on producing our own energy,

breaking down barriers to trade.

"The African leaders have to change our attitudes... not have money in banks abroad... to develop our own resources for our own people. We have a lot of faults, we are a bit selfish, fight for power rather than our people. I am here to show there is a new Africa... that we can be the continent of the 21st century," he added.

For some of the leaders, the Indian economy, which developed rapidly thanks to developing its manufacturing sector, was a model African countries could follow.

"We are where India was in the early Nineties, we have the same size of population," said Ethiopia's Zenawi. "That is our ambition, based on the growth of the past few years. It is not an idle ambition."

He said although the Millennium Development Goals - on relieving poverty and disease in the world's poorest nations - concentrated on

advances in primary education, that would not be enough to create the skills necessary to transform economies.

"Africa is a natural destination for manufacturing," he said, adding that he hoped companies who relocated to Asia for cheap, efficient labour, would relocate to Africa, given the necessary investment in education and infrastructure.

However tackling the problem of corruption was still a "major issue", said Tanzanian President Jakaya Kikwete. "The first thing to fight against corruption is transparency," he said, adding that his country was now publishing all mining contracts as part of a new mining code. "The best guarantee for an investor is transparency," he added. ■



# As Africa Enters 2012 in Good Shape, IMF Calls For Cautious Economic Policies

A survey of Africa by the International Monetary Fund (IMF), protecting the continent's economic prospects says that most sub-Saharan African economies are entering 2012 in relatively good shape. Predicting that weak global growth, financial turbulence could pose severe downside risks to African economies. For now, authorities should keep to current cautious policy paths, the IMF survey warns.

The big question for sub-Saharan Africa in 2012 is whether the region can sustain its recent strong growth in the face of a stalling global economy. For now, the odds seem to be in its favor. But the costs of a fall from the region's tightrope performance of 2011 remain disconcertingly high.

In 2011, against a threatening global

backdrop, most economies in sub-Saharan Africa turned in a solid performance. Growth averaged more than 5.0 percent and export shares stayed high. Nevertheless, specific shocks hit hard, particularly the drought in the Horn of Africa and the spike in global food and fuel prices. In parts of eastern Africa, the re-emergence of inflation presented a new macroeconomic challenge.

Sub-Saharan Africa had also proved reassuringly resilient to the global financial crisis in 2008–09. Although South Africa and other middle-income economies were unable to escape the global recession, most low-income countries continued to grow at strong rates.

Indeed, for most of the 2000s, sub-Saharan Africa's performance

surpassed the global average, in both rain and shine. As IMF MD Christine Lagarde observed during her recent three-country tour of Africa that encompassed Nigeria, Niger, and South Africa, “good economic policies provided a platform for higher growth, for more investment, and for less poverty.” This was a welcome contrast to the anemic growth and long recessions of the previous decades

One element in the region's resurgence in the 2000s was a reversal in the long declining trend of real commodity prices. This boosted government revenues and economic activity in some countries. But it was only part of the story. Gains from natural resource revenues in one country often turned out to be another's loss, particularly in the case of oil prices.





## Robust Private Sector

Other, more systematic forces were more pervasive. Good policies provided space for increasingly robust private sectors to thrive. Institutions were strengthened and made more accountable. Macroeconomic policies were targeted on stability rather than short-term expediency.

In addition, the impact of military and political conflicts declined. Countries benefited from debt relief. Even intraregional trade began to take off in this more open and predictable environment, while trade and foreign investment became increasingly diversified.

By any measure, this was a stirring start to the millennium. But the region's ability to withstand yet another global tempest in 2012 will depend on a delicate blend of factors.

## The Good News

**Not all the region's eggs are in one basket.** Emerging markets have been outperforming advanced economies recently in both good and bad times—and sub-Saharan Africa now exports as much to them and other developing countries as to its traditional trading partners. China, India, and other emerging markets are major customers for both the region's big natural resource exporters and smaller agricultural economies.

**Global financial ties are relatively loose.** Outside of South Africa, the region's dependence on international private capital markets and bank lending remains low. While a few countries in sub-Saharan Africa saw a resurgence of private inflows in 2010–11, most have been spared the froth in short-term flows that have increased vulnerability in the past. Exposure of domestic banks to foreign financing seems to be fairly well contained.

## Countries can help themselves.

Nimble policy reaction by sub-Saharan national authorities to the last global financial crisis softened its impact. Government spending held up, despite a large shortfall in revenues, and policy interest rates were reduced. This time around, with fiscal deficits and debt higher and nominal interest rates lower, the room available for such countercyclical responses is more limited. But many countries are ready and able to act.

**Some countries picked the right fortune cookies.** New natural resource projects will boost growth in 2012 in a few countries. And Cote d'Ivoire's economy is bouncing back from election-related disorder.

## The Worries

**Immunity is impossible.** Whatever happens, declines in global activity and commodity prices will have inescapable consequences for the region's exports, and hence its output, incomes, and government revenues. Inward remittances and investment flows will be weaker than they otherwise would have been; and knock-on effects on domestic demand and loan quality will result in more difficult credit conditions. A recent simulation by IMF staff suggested that weakness in Europe and the United States that reduced global growth by 1½ percentage points could shave 1 percentage point off the growth rate of a representative low-income country.

**South Africa is exposed.** South Africa has become increasingly integrated into the global economy and is more exposed than the rest of the region to weaknesses in the world economy, particularly in Europe. While sound macroeconomic management has mitigated the worst effects of the current global slowdown, adverse shocks affecting South Africa can also quickly spread to neighboring

countries through their impact on migrant workers' incomes, exports, regional investment, finance, and import revenues.

## Financing may be constrained.

Higher fiscal deficits will make it more difficult for governments to raise the additional finance necessary to sustain their spending in the face of revenue shortfalls. Few low-income countries have access to foreign market finance, and donor governments are under intense fiscal pressures at home.

## What Should African Countries Do?

**Stay on course.** For now, the onus should be on caution and preparation for action. Most countries, conscious of the need to replenish policy buffers, recognize the case for reducing fiscal deficits and ensuring that monetary policy is no longer in stimulative mode, particularly where inflation has spiked in recent months. This does not apply however, to a few countries with subtrend output and relatively sound finances; for them, supporting activity remains the primary policy objective. Meanwhile, strengthening financial regulation and supervision needs to stay high on most countries' agendas.

**Remain nimble.** At first sign of ripples from lower export demand, countries without significant financing constraints should be prepared to loosen policy levers. The exact timing and extent will depend on the degree of slack in the domestic economy and the risks to fiscal sustainability of a long-lasting global downturn. In some cases, fiscal relaxation may require financial support from the international community. As in the last global financial crisis, the IMF is already gearing up to help. ■

# Africa Set for Steady Growth, Higher Inflation Poses Threat

Economic growth in sub-Saharan Africa is set to maintain pace in 2012, supported by higher commodity prices and rising export demand, the IMF's latest forecast for the region said. In many of Africa's low-income countries, growth is also being boosted by domestic demand and by adding value to exports.

But the IMF's **Regional Economic Outlook** for sub-Saharan Africa also cautioned that consumer price inflation is speeding up across the region, and that tighter monetary policy may be needed in some



countries to head off inflation expectations. Fiscal policy may need to support tighter monetary conditions by focusing more on the medium term, the report said.

The outlook, released recently, estimates that sub-Saharan Africa will grow by 5.25 percent in 2011 and 5.75 percent in 2012. However, this projection assumes that the global economy will regain some of its momentum in the coming months. If not, then Africa will not be immune and growth could falter.

In background studies published in the outlook, the IMF also highlights the quality and breadth of the region's recent growth episode. These studies point to rising consumption of the poorest households, especially in countries where growth has been sustained at high levels, and the opportunities for intensifying trade with new growth markets.

## Export-led Growth

Supportive monetary and fiscal policies helped the region weather the 2009 global crisis in 2009 and set it on a recovery path for 2011 and 2012. Economic activity has also been driven by higher commodity prices and increased export demand, although to a varying extent across country groupings.

In many of sub-Saharan Africa's low-income countries, growth is being supported by buoyant domestic demand along with export diversification into higher-value added production and to fast-growing emerging markets. However, higher food and fuel prices are bringing considerable difficulties, especially for

the urban poor, and drought in the Horn of Africa is imposing untold hardships on households in that region.

For oil- and other resource-exporting countries, strong commodity prices are helping to support growth, the terms of trade, and foreign exchange reserves. For example, oil exporters are expected to grow by 6 percent in 2011 and 7.0 percent in 2012, above the regional average.

The picture is less rosy for some middle income countries, including South Africa, which have been more exposed to recent global economic and financial turmoil. The middle income countries are expected to grow by 4 – 4.5 percent in 2011 and 2012 (see Chart 1).

## Inflationary Pressures

One of the region's main policy challenges is the steady increase in consumer price inflation to an average of 10 percent in June 2011 against 7.5 percent in June 2010. Although inflation has been driven in part by higher food prices, accelerating





nonfood inflation indicates that second-round effects—such as claims for higher pay—are also taking hold. In many countries, exchange rates are also coming under significant pressure

Only a handful of countries have so far adjusted monetary policy in response to faster inflation and, even then, not decisively: in most cases, interest rates are little changed from the levels they were lowered to during the global financial crisis. Especially in countries that are running at close to capacity or where there have been serious signs of policy slippage, monetary policy needs to be tightened decisively to reduce the risks of entrenching inflationary expectations and creating unsustainable macroeconomic imbalances.

### Fiscal policy shift

Fiscal policy will play an important

role in supporting monetary policy to avoid overheating and the possible reversal of several years' hard-won gains in sub-Saharan Africa. In the many countries where output is close to potential, the focal point of fiscal policy needs to shift to medium-term considerations from the near-term accommodative stance that prevailed during the global slowdown.

In its outlook for the region, the IMF underlines the importance of aligning fiscal policy with financing and debt sustainability considerations, and draws attention to countries' absorptive and project execution capacities. For middle-income countries and others where growth is expected to be more subdued, and where output and employment are still below their pre-crisis levels, there is a strong case for maintaining a supportive policy stance provided

there are no binding financing constraints.

In spite of promising growth prospects for the region, the outlook said a note of caution is warranted in the event that downside risks to the global economy materialize. Indeed, the biggest threat to economic activity in the region is the strong possibility that already lower growth projections for advanced economies for 2011–12 will be revised down again.

Countries' policy responses to a renewed global slowdown will depend on which policy buffers they still have available: for example, those without financing constraints should maintain spending even if revenues weaken, while there may be scope to ease monetary policy in countries that are not facing severe inflation or exchange rate pressures. ■

[www.sonalika.com](http://www.sonalika.com)

## POWERED TO PERFORM.



Heavy Duty Sonalika Tractors brings to you the powerful range of tractors from 18HP to 90HP that are truly built to perform. They are productivity enhancer both, in Agriculture and Commercial usage. What's more, Sonalika Tractors conform to the stringent global quality standards. That is why, Sonalika Tractors have found ready acceptance in over 65 countries across the globe and growing.



**Powerful Fuel Efficient Well Balanced Versatile Agile Adaptable Appropriate**

**International Tractors Ltd.**

Pankaj Plaza I, Karkardooma Commercial Complex, Delhi – 110 092 (India), Email: [exports@sonalika.com](mailto:exports@sonalika.com)



# Consumer Middle Class Driving Africa to Prosperity

An IMF survey says that growing consumer middle class is driving Africa to prosperity. However, there is need to boost regional integration, infrastructure, connectivity and education, it says.

A new optimism is permeating much of Africa. The past 10 years of unprecedented growth in sub-Saharan Africa has helped fuel this positive attitude even when most of the rest of the world faces global economic crisis, the IMF survey says.

As more Africans move out of poverty and become middle-class consumers, they are increasingly in a position to drive investment, support entrepreneurship, and improve education.

In the latest issue of the IMF's quarterly magazine, **Finance & Development (F&D)**, articles by a range of African experts confirm the upbeat outlook for the continent and, while acknowledging continued and deep-rooted poverty, spell out what Africa needs to do to further spur opportunities for growth.

## Middle-class engine

Harvard professor Calestous Juma writes in F&D's cover story that a growing middle class - now over one-third of the population according to the African Development Bank (AfDB) - is shifting global perceptions about Africa's prospects. The traditional focus on eradicating poverty in Africa "distracted both

African authorities and international donors from serious consideration of ways to promote prosperity infrastructure development: technical education, entrepreneurship, and trade," says Juma.

The African middle class still has comparatively little to spend by Western or Asian standards. But better economic policies, governance, and use of natural resources, coupled with more business-friendly policies and stronger demand for Africa's commodities from emerging economies such as Brazil, China, India, and South Africa have led to Africa's consistently high growth levels.

The new middle class is young—nearly 70 percent under the

age of 40—and in the acquisitive stage of their lives, spurring consumer spending. Across Africa, says Juma, change is in the air.

## Growth for the Poor

The story is not all rosy of course. Poverty will be a fact of life in Africa for a long time: one-third of all Africans will still be extremely poor in 2060, living on less than \$1.25 a day, according to the AfDB. While it helps those who are in immediate need, an emphasis on aid does not encourage Africa to aspire to higher economic performance, according to Juma. The change in focus that Africa watchers are noticing—from poverty to gradually growing prosperity—represents a deep shift in the perceptions of Africa's economic







future, with profound policy and practical implications.

Ngozi Okonjo-Iweala, Nigeria's colorful economic czar profiled in **F&D's** "People in Economics" column, notes that Africa is projected by the IMF to grow faster than Brazil between 2010 and 2015. She cautions that lack of adequate infrastructure is now one of the big factors holding Africa back. Africa's poor roads, ports, and communications isolate it from global markets, and its internal border restrictions fragment the region into a myriad of small local economies. It is neither regionally nor globally integrated. But with better underlying economic policies, Okonjo-Iweala predicts, a rising middle class in Africa will fuel growth.

It's one thing to bring prosperity to a region, but Antoinette Sayeh, head of the IMF's African Department, says what counts is growth that benefits the poor and the young, and growth that lasts. In our Straight Talk column, Sayeh presents IMF research

that shows Africa is indeed enjoying inclusive and sustainable growth. She cautions though, that "growth is not enough. . . . For young people in particular school plus experience is essential for true inclusion in society."

## African Outlier

IMF economist Abebe Selassie explains that South Africa is the outlier in the Africa story. The emerging economy that traditionally led Africa's growth has struggled with a hesitant and incomplete recovery since 2008. It suffered serious job losses after a trifecta of shocks-- electricity shortages, surging food and fuel prices, and the global economic crisis. Selassie says the government already had implemented appropriate policies in reaction to these shocks but also needs to align productivity and wage increases and encourage increased competition.

Oxford professor Paul Collier says that strengthening the continent's railway network would encourage the regional

integration that Okonjo-Iweala and Juma agree is needed, increasing the potential for further resource discoveries and more efficient use of agricultural land.

The Executive Director of the United Nations World Food Program, Josette Sheeran, explains that the international community can prevent future famines in Africa and elsewhere by using global risk management to enhance food security.

Also in the December 2011 issue of **Finance & Development**, John Quiggin, the author of **Zombie Economics**, discusses the pros and cons of privatization; IMF economists look at the impact IMF-supported programs have on social spending; Raghuram Rajan and Rodney Ramcharan draw parallels between today's booms and busts and those seen in U.S. farm prices in the early 20th century; and Eswar Prasad says newly resilient emerging economies are rethinking the role of capital. ■

# India, Mauritius Reinforce Ties During Ramgoolam's Visit

Mauritius Prime Minister Navinchandra Ramgoolam paid a State visit to India from 6 to 11 February 2012 at the invitation of Indian Prime Minister Manmohan Singh.

Prime Minister Ramgoolam was accompanied by his wife Veena Ramgoolam, Minister of Foreign Affairs, Regional Integration and International Trade Arvin Boolell, Minister of Industry, Commerce and Consumer Protection Cader Sayed-Hossen and high-level officials. An important delegation comprising the main economic sectors from Mauritius also accompanied the Prime Minister.

The Prime Ministers of both countries

held discussions on bilateral, regional and international issues of mutual interest and relevance. The talks were held in an extremely warm, cordial and friendly atmosphere reflective of the special and unique relationship between the two countries. The Indian Prime Minister hosted a banquet in honour of the Prime Minister of Mauritius and the accompanying delegation.

The Prime Minister of Mauritius received Pranab Mukherjee, Minister of Finance and Jaipal Reddy, Minister of Petroleum and Natural Gas and Preneet Kaur, Minister of State for External Affairs. He called on UPA Chairperson Sonia Gandhi.

The two Prime Ministers, during their talks recalled the historical and cultural ties based on the foundations of kinship and shared heritage and common values between the two countries. They reiterated an abiding faith in and commitment to democracy, development and peace.

They shared the confidence that cooperation at the bilateral, regional and multilateral levels will enable the two countries to realise their developmental aspirations, and contribute to peace, prosperity and security in the Indian Ocean Region.

The two sides signed the following documents during the visit:







(i) Memorandum of Understanding on Cooperation in Science and Technology; (ii) Memorandum of Understanding on Cooperation in Youth and Sports; (iii) MOU for Cooperation between Ministry of Textiles, Government of India and Ministry of Industry, Commerce & Consumer Protection, Government of Mauritius; (iv) Education Exchange Programme 2012-2016 and (v) Memorandum of Understanding between the Rajiv Gandhi Science Centre Trust Fund and the National Council of Science Museums of India.

Both sides noted with satisfaction the progress achieved in the implementation of projects under the economic package offered by the Government of India to Mauritius in the past. One Advanced Light Helicopter Dhruv was gifted to Mauritius in November 2009 as part of this package. The Coastal Surveillance Radar System was installed and commissioned in April 2011. The construction of the Offshore Patrol Vessel is underway.

The Indian Government announced

an offer of an economic package, including a Line of Credit of US\$ 250 million and a grant of US\$ 20 million. The Prime Minister of Mauritius thanked the Prime Minister of India for this generous financial package.

The two leaders agreed to strengthen cooperation to enhance security in the Indian Ocean region through jointly agreed programmes of EEZ surveillance, exchange of information, capacity building and the development of an effective legal framework against piracy.

The two leaders emphasized the need to intensify cooperation to tackle the challenges faced by Indian Ocean Rim countries, including strengthening the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). Mauritius pledged its full support to IOR-ARC as India assumed the Chair of IOR-ARC.

The two leaders reviewed the progress achieved so far in cooperation in hydrography between India and Mauritius. Both sides agreed that six years of bilateral cooperation in

hydrography had led to the successful preparation of new navigational charts of Mauritian waters.

The two leaders reviewed the various efforts to promote bilateral trade and investment ties and the development of infrastructure in a manner that contributes to sustainable development in both countries. The two leaders noted the growth of bilateral trade between India and Mauritius which has increased from US\$207 million in 2005-06 to US\$818 million in the year 2010-11, a growth of 295 percent in the last five years. During Financial Year 2010-11, India's exports to Mauritius were US\$801 million and imports from Mauritius were US\$17 million. It was agreed that the Joint Commission Meeting would be held at an early date where all issues relating to closer economic cooperation would be addressed.

Both sides noted with satisfaction, the growing economic and commercial ties between India and Mauritius. The two Prime Ministers agreed on the need to foster greater business linkages in all areas where opportunities exist

whether at bilateral or regional level.

Both sides noted that the Meeting of the Joint Working Group on DTAC was held from 21 to 23 December 2011 in a friendly, constructive and positive atmosphere. Both sides agreed to continue discussions at an early date with a view to reaching a mutually agreeable outcome.

Mauritius welcomed the initiative taken by India to hold the India Africa Forum Summits on a regular basis. Both sides noted with satisfaction that the process had enhanced India's engagement with Africa and given it a modern and functional dimension. Mauritius expressed its appreciation for the contribution by India for infrastructure development and capacity building in Africa. A large amount of credit lines were providing an important basis for increased development and enhanced business interaction between India and Africa. The human resource development and capacity building initiatives were providing opportunities for training African youth to participate in their own development process. They expressed their satisfaction that the Pan African e-Network Project had been successfully implemented in Mauritius and that, under the IAFS initiatives, the Hybrid Planetarium at the Rajiv Gandhi Science Centre

would be undertaken.

Both leaders reiterated the importance of an effective multilateral system, centered around a strong United Nations, as a key factor in tackling global challenges. In this context, they also recognized the need to pursue reform of the main UN bodies, including the revitalization of the UN General Assembly and expansion of the UN Security Council in both categories of membership. The Prime Minister of Mauritius reiterated his country's [consistent support for India's candidature for permanent membership of an expanded UN Security Council.

The two leaders underscored the need for strengthening and reform of multilateral financial institutions and enhancing the voice and participation of developing countries, including SIDS, in international economic decision-making.

The two leaders reaffirmed their unequivocal position against terrorism in all its forms and manifestations. In furtherance of the shared security interests of both countries which are interlinked in the region, it was agreed to enhance bilateral cooperation on issues of common concern, including piracy, terrorism, organised crime and drugs. It was also agreed to intensify cooperation in the areas of training

and capacity building of the Mauritian Police Force. The Prime Minister of Mauritius expressed interest in the purchase of equipment to strengthen the capability of Mauritius Police Force. The Prime Minister of India assured that this equipment could be supplied expeditiously to Mauritius under a mutually agreed time frame. Both the Prime Minister of India and the Prime Minister of Mauritius also agreed on the necessity of ensuring adequate surveillance of the vast EEZ of Mauritius through mutually agreed programmes.

Both sides agreed that climate change was one of the most important global challenges. They reaffirmed the provisions and principles of the United Nations Framework Convention on Climate Change (UNFCCC), in particular that of equity and common but differentiated responsibilities and respective capabilities. They reiterated that developed countries should take the lead in undertaking ambitious mitigation efforts and providing financial and technological support to developing countries. Both Parties shall collaborate on projects of mutual interest to preserve common eco-systems. They shall also collaborate to address vulnerability of Mauritius as a Small Island Developing State (SID) to Climate Change and strengthen coastal research.

India reiterated its consistent support to Mauritius for the restoration of Mauritian sovereignty over the Chagos Archipelago. The Prime Minister of Mauritius thanked India for its long-standing and unwavering stand in this regard.

Both leaders welcomed the fact that the business delegation, led by the Prime Minister of Mauritius, had meaningful interactions with the business communities of India in New Delhi and Mumbai. ■





## Mining, Energy offer Immense FDI Potential

# India Can Play Big Role in Rebuilding Somalia

Feysal Ahmed Yusuf CEO / Founder, Maakhir Resources Company (MRC) Ltd & CEO/President of International Somalia Development Foundation (ISDF), believes India has a big role to play in the rebuilding process of strife-torn Somalia. Indian corporate sector could look for highly beneficial investment opportunities in the fields of mining and energy in the resource-rich East African country. In an exclusive interview to Indo-African Business, Yusuf, who spent six formative years as a student in India, shares his vision about the future India-Somalia engagement in wide-ranging areas of economic collaboration for mutual benefit. Excerpts.

***The strife-torn Somalia is limping back to normalcy. Tell us how the world in general and India in particular, could get involved in rebuilding your resource-rich African country?***

Yes, it is indeed an exciting and very promising new era for Somalia where it is obvious that we have reached the end of the two decades long civil strife that completely taken over Somalia. We are now witnessing many windows of opportunities, from this new era of peace and stability in Somalia that will lead to development, progress and rebuilding of this resource rich country.

The International communities have noticed these opportunities and they were reassured by the fact that we Somalis started taking our peace making processes in our own hands, hence, producing the recent Garowe 2

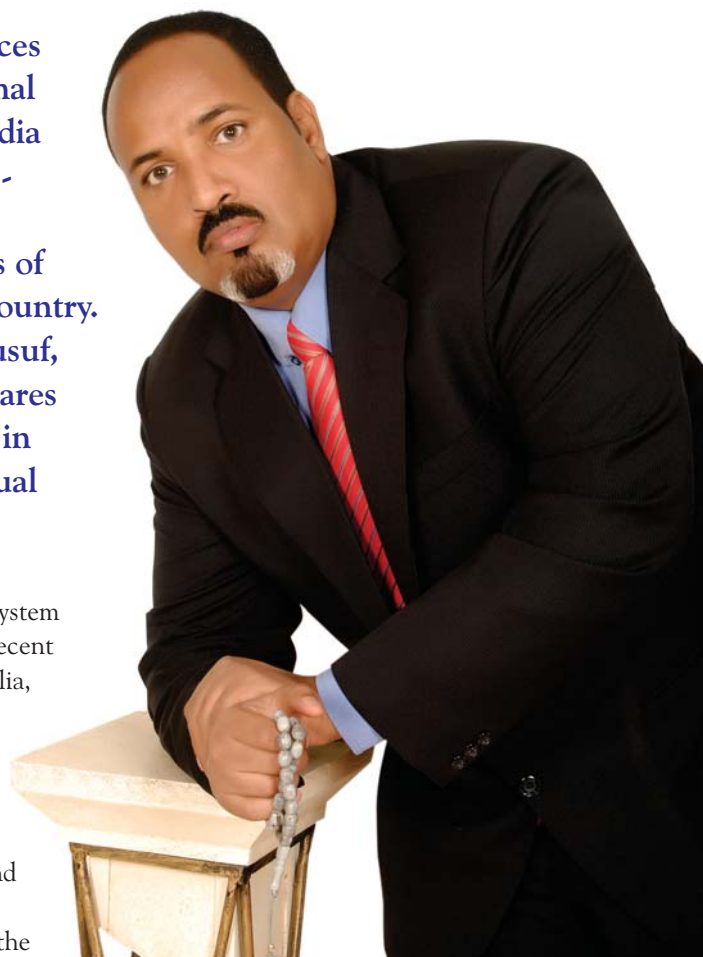
accord that installs a federal system for Somalia, followed by the recent London Conference for Somalia, which India too participated and contributed to.

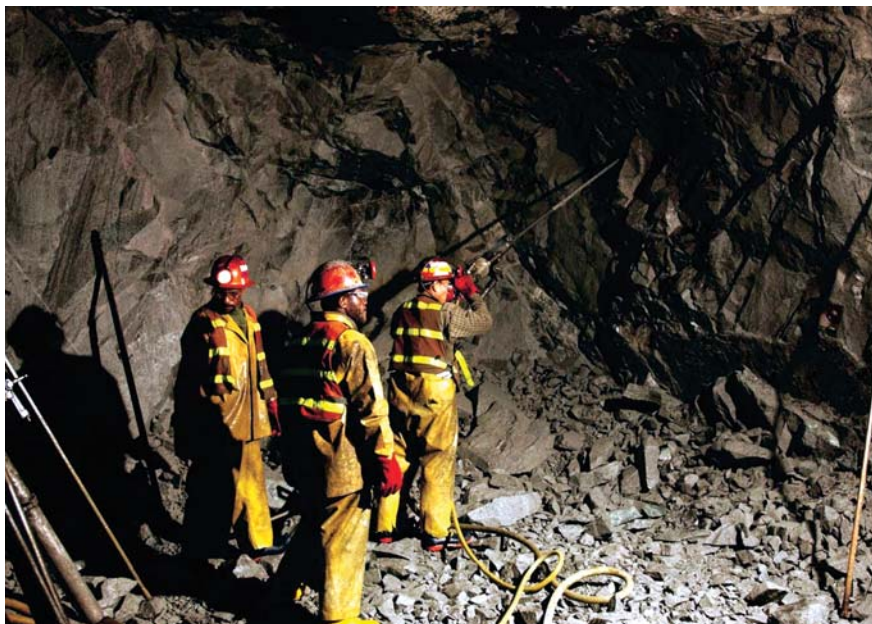
India as a neighbor and a longtime ally of Somalia, especially in the commerce and trading and also India as an emerging economic power in the region have participated and contributed to Somalia's search for peace and stability. Also India has participated greatly in the recent humanitarian relief program for the famines in Somalia during last year.

***It is obvious that Somalia may soon emerge as a major source of oil, going by reports emerging from recent exploration results. Will it not be in the interests of the energy-starved India to collaborate with Somalia in a big way by***

***joining in exploration efforts using its expertise to mutual advantage?***

Yes, it is totally rejoicing to learn that Somalia is now drilling for oil and the bad publicity we attracted due to the menacing wars, piracy and radicalism is now getting whitewashed by this uplifting news of peace and progress like the oil drilling in Puntland of Somalia, it is not everyday news that you hear from my very rich but completely destroyed country. Much of the thanking and appreciation goes





to the leadership of Puntland state of Somalia, the management and board of the Canadian Oil Company called African Oil Corp. for recommencing the dormant exploration program of Somalia after two decades.

Not many know that Somalia had a prudent exploration program carried by the tier one oil and gas companies prior the civil strife, we were almost there to join the world's top oil producing nations, we had a great seismic work done in the past, over hundred exploration wells were drilled with good result of oil show, but then the fall of government in 1991 that led to a further civil war which has been going on for the last 20 years, but luckily now seem to be coming to an end.

Of course, the recent discoveries of oil and gas in East Africa especially at Lake Albert of Uganda, Tanzania and Mozambique as well as oil produced from our neighboring Yemen, it makes Somalia one of the most potential, hottest spot and yet un-explored country in the whole world. So I am so sure it is not too far seeing Indian companies entering into Somalia.

Over all, I am quite optimistic that

India will take a leading role in Somalia's rebuilding programs that could commence anytime in the near future, also India as a growing economic power with already visible great appetite for energy and minerals as common in any growing economy, I am quite sure that Indian companies will join the race and play a pivotal role, after all India is been our nearest market and neighboring economic power and it will be pity if India doesn't join and even lead the eminent revival and reconstruction of Somalia.

***You have been involved with the area of telecommunications in various important positions. What are the prospects for India-Somalia collaboration in the area of Information and Communication Technology (ICT)?***

It is true that prior to my current role of consultant, FDI/Biz facilitator cum entrepreneur, my core and past career lied with the IT/Telecommunication industry, where I served 20 successful years career that peaked to C-level posts at UAE's renowned Etisalat telecom and subsidiaries like Thuraya Satellite and last post been the CIO at

Zanzibar-Etisalat Telecom of Tanzania. I have also been involved in the financial sector and worked as Director of IT for Abu Dhabi Islamic Bank in the UAE.

During my career, I was fortunate to have the opportunity of carrying extensive business dealings with leading Indian ICT companies , where since late 1990's I was engaged with giants like Wipro, Infosys, Satyam in their good old days at Hyderabad, BPL of Bangalore and most recently with TechMahindra, Etisalat-Technologia of Bangalore and many other companies. Also I had participated the recruitment drive and interviews of capable Indian ICT manpower from India for so many years.

The successful ICT engagement between India and Somalia has already started, as The Pan-African e-network program is already implemented in Somalia, and it will enhance the quality of education in Somalia, making India's advanced ICT grip as enabler, also this same ICT project is providing telemedicine services to many.

We have thousands of students in India already, and also hundreds of Indian lecturers in Somalia, mainly the ICT. Most of our telecom and business houses use ICT solutions from India; we could therefore capitalize on that and continue the ICT collaboration with India.

***You have held important governmental assignments such as Senior Economic Advisor. Can you identify the areas in which Indian investors could get involved in Foreign Direct Investment (FDI) route?***

In the short term, Indian investors could join the race for acquiring necessary license in the mining and



energy industries as an early bird. But in the long term, the infrastructure building, the construction industry, agro-food industry, pharmaceutical industry, basic industries technology transfer, the service industry and almost every sector will be an open opportunity for Indian companies to participate, after all we are about to start the reconstruction of the nation. Also it is worth mentioning that there will be significant international funding for Somalia's rebuilding, and the possibilities for Indian companies to participate in these opportunities will be enormous in the near future.

***You are the CEO/President of International Somalia Development Foundation (ISDF). Could you provide a detailed profile of this non-profit organization, so that we could carry it as a separate article?***

International Somalia Development Foundation (ISDF), is an independent non-profit Economic Development / Community Foundation, providing professional support to Government entities in Somalia. Through field work, applied research and advocacy, ISDF is already playing key roles in bringing FDI to Somalia, and will keep working closely with international companies to identify, evaluate and choose investment targets. ISDF is also closely working with national/regional governments in Somalia advising them on the planning and implementation of key infrastructure and resource exploration projects in the country.

We in ISDF strive to promote citizen participation, Job Creation, Promoting Foreign Direct Investment, Marketing, promoting and

campaigning for prudent and efficient utilization and management of natural resources in Somalia.

Owing to this, we have already established an investible venture called Maakhir Resources Company (MRC) Ltd for mining and oil resources. This is an excellent opportunity for foreign Investors to join the resource utilization race at early stage, so to creating jobs and nourishing economy in a win-win situation for the investors and the local communities in Somalia. We are already talking to number of Indian mining companies.

***Are you exploring the opportunities that ISDF could guide various Indian corporate companies interested in investment and developmental projects in Africa, with special reference to Somalia?***

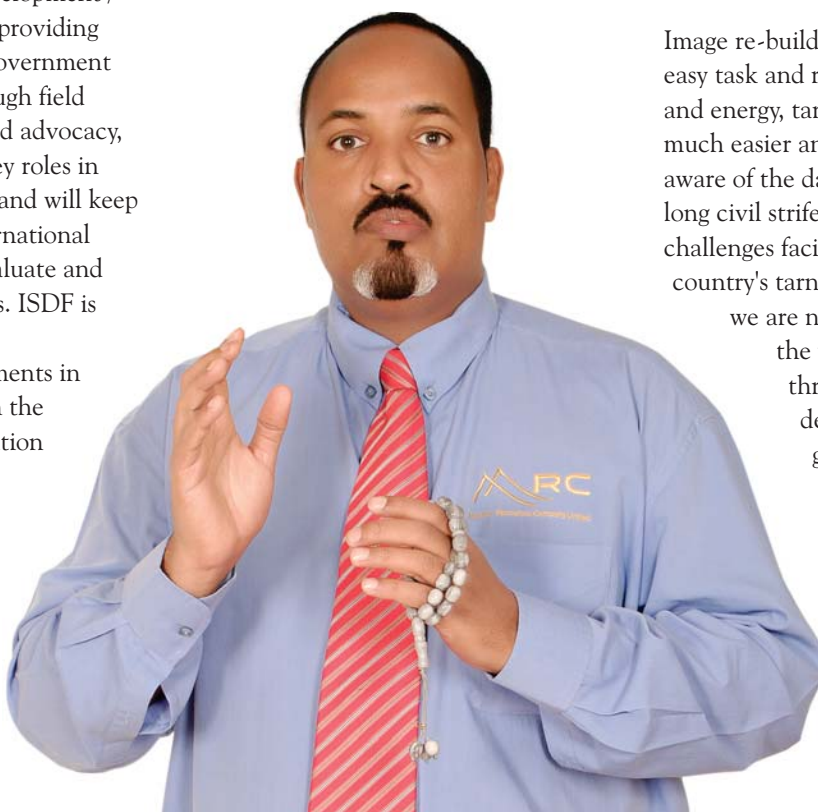
Yes, ISDF is the right vehicle to link-up prospective investors to potential

opportunities in Somalia, our aim is bring investors to Somalia, and surely the participation of Indian corporations in the re-building Somalia at early stage is very important as it will augment the political and economic ties between our two countries. After all India is well known to have advanced technologies and knowhow which help us rebuild Somalia

Also, Indian government's development initiatives for Africa are making differences in many African countries, and we hope Somalia to be added to the beneficiaries of these useful projects in the near future. In nation building it is the private business sector participation that usually wins the race when it comes to employment and economic growth

***What important damage-repairing and image building measures do you envisage to project a positive image for the resource-rich Somalia?***

Image re-building is not usually very easy task and requires lot of efforts and energy, tarnishing an image is much easier and quicker. We are fully aware of the damage that the 20 years long civil strife has caused us and the challenges facing us in improving our country's tarnished image, however, we are not the first country in the world which went through wars and destruction. With more good news coming out of the country in a way of peace, stability, progress and development drive, and I am sure we will come out of the problems we have faced during the recent past.



It requires lot of efforts from my countrymen and also hopefully once we have a complete stability, economic development and re-entry of FDI, the trust and image for Somalia would eventually start to better and build up. Also it is very common for nations and cities to hire the good services of Nation Branding expertise, where a nation or a city under goes rebranding processes similar to the rebranding in the corporate culture.

***At a personal level, could you tell us how India has influenced your educational career, your thinking and your attitude to its democratic, educational, research institutions?***

Very positively indeed, I am so proud of growing up in India with its rich cultures; I did my graduate and post-graduate from Pune University and Aligarh Muslim University, stayed six straight years as a foreign student in India. This has transformed me a lot and changed my attitude very positively; as such environment offers young students to acquire diversified culture, positive energy and education during the early youth days.

Also my attachment with India continued as I was once again lucky to have continued my connection with India and Indians during my career and the many projects I was involved in around the world.

I strongly believe educational sector is very important area where India can help Somalia in its nation re-building efforts. Like myself, thousands of Somali students have graduated from Indian educational institutions over the years. We have also benefited from generous scholarships from India. Some of these ex-students from Delhi, Mumbai, Bengaluru, Hyderabad, Aligarh, and Pune have become top

educators, community leaders and successful entrepreneurs who can all help in a building useful relationship between India and Somalia

***What is your long-term vision for India-Somalia bilateral trade, cultural, political and economic relations and immediate steps to take the ties forward?***

Fortunately Somalia and India have already enjoyed few centuries old bilateral trade and commerce between our two countries, starting from wooden boats/dows from India frequenting trips at Somali coastal towns for centuries now and brought required goods from Indian sub-continent and Gulf countries. Before the war broke out there were thousands of Indians with thriving business in different parts of Somalia. We hope to bring back as many as we can and more once stability returns to our country.

On the diplomatic front, the Somali Embassy have recently been reopened in New Delhi and the official diplomacy between the two countries have already have been established. Our current Ambassador to India H.E. Mrs. Ebyan Salah is a good friend of mine, also a product of Indian education and my college-mate at Pune during the early 80s. The Ambassador is already doing great job in reestablishing historical Indo-Somali links and creating new ones for fruitful cooperation between the two countries.

***What is your advice to business communities from both Somalia and India at this juncture of nation-building for your country?***

As re-emerging country from civil war, a country that needs to harness its potentiality and abundant natural resources and to create better living



standard for our people, we need to create lot of jobs and opportunities, as well education and offer vocational training to our youth who missed their chances during the years of civil war in the country.

In conclusion, in the new Somalia which is emerging from years of civil war offers both challenges and opportunities, and India can be a key player in helping Somali people stand on their feet again. Indian companies are well positioned to participate in the reconstruction projects and reap the investment opportunities at early stage. Somalia is open for business, therefore I say **“LET US PARTICIPATE! LET US REBUILD! AND LET US BENEFIT!”**. ■





## SOLUTIONS IN THE POWER, INFRASTRUCTURE, FACILITIES AND MUNICIPAL WASTE MANAGEMENT SECTORS!

We are an Engineering, Procurement and Construction company in India and have been providing services to the Power Transmission and Distribution sector with a focus primarily on the Distribution segment. In addition, we are significantly focused on and involved in other businesses that include generating power from Renewable Energy sources; providing Municipal Solid Waste Management Services; providing Facility Management Services; and developing Information Technology solutions for Power utilities. Our business operations are geographically spread across India and conducted through A2Z Maintenance & Engineering Services Limited and its direct and indirect subsidiaries.

### \*A2Z Maintenance & Engineering Services Limited

- Providing EPC Services to Power Transmission and Distribution Sector
- Installation of Power Transmission Line Projects
- Electrical Distribution System
- Substation up to 400kV
- Transmission Line up to 765 kV
- Rural Electrification
- BOP for Power Plants
- Railway Electrification
- EHV Cabling

### A2Z Infrastructure Limited

- South East Asia's largest integrated MSW processing facility
- COGEN Project in three sugar mills
- Operates a 1500 TPD MSW Project in India
- Integrated MSW Projects Varanasi (600 TPD), Indore(600 TPD), Meerut (600 TPD), Aligarh (220 TPD) and Moradabad (280 TPD)
- Engaged in Municipal Solid Waste Management and Renewable Energy sectors

### A2Z Infraservices Limited

- Providing Comprehensive Engineering, Business Support, Housekeeping and Project Management Services
- Multi-Location, Multi-Service provider
- Servicing diverse industry segments-Corporate, Shopping Malls, Commercial Buildings, Retail outlets, BFSI sector, India Railways and Airports
- Providing specialized services to the Indian Railways under the CTS scheme
- Clients in Public and Private sector



Corporate Office: Plot No. 44, Sector-32, Institutional Area, Gurgaon-122001, Haryana (INDIA)  
Tel: 0124-4517600, Fax : 0124-4380014, Website : [www.a2zgroup.co.in](http://www.a2zgroup.co.in)

# Africa Likely to Meet Rising Indian Demand for Oil & Gas

Minister of Finance Pranab Mukherjee has said that to meet the growing demand for crude oil and gas in India, Africa will play a major role in the coming years.

Delivering keynote address at the Inaugural Session of 3rd India Africa Hydrocarbons Conference, in New Delhi recently, the Finance Minister said that, "for enhancing our energy security, India is interested in acquiring equity in oil and gas assets overseas. It is my firm belief that India and Africa are poised for a long-term partnership in the hydrocarbon sector based on mutuality of interests. He expressed confidence saying that in the days to come, we will witness growing investments by Indian companies in Africa and vice versa."

Today, the Minister said, India's oil companies are present in around 24 countries including in Egypt, Kenya, Uganda, Tanzania and Mauritius. The total overseas investment by our public sector oil undertakings is about USD 13 billion which includes two pipeline projects in Sudan and Myanmar. The 3rd India Africa Hydrocarbons Conference, organized by the Ministry of Petroleum & Natural Gas and FICCI, got off to a grand start on 9th December 2011.

Adding that the conference is a great opportunity to reinforce growing relations with Africa, particularly in the area of energy, he stressed 'India and Africa are poised for a long term partnership in oil and gas sector in the fields of exploration and production,



refining, transportation and distribution'.

Mukherjee called upon policy planners to focus on providing the right conditions and a conducive environment for Indo-African partnership to grow manifold. 'India's approach to Africa is consultative, responsive and based on Africa's own assessment of its needs', he added.

He said that India being a US\$1.8 trillion economy growing steadily at 8-9 percent per annum, it seeks to build a long term partnership with oil rich African countries to meet its growing energy needs. He stressed that for our relationship to grow further, we need to stop looking at hydrocarbon business as a zero sum game, and strive to look beyond the prism of producers and consumers. In this context, beneficial synergy cannot be overemphasized. He further said that human development and technology are the key areas, which require

special attention. India can play a major role in these areas. He expressed hope that we would witness growing business and investment by Indian companies in Africa and vice versa.

Minister for Petroleum and Natural Gas S. Jaipal Reddy, in his inaugural address, underlined that Indian companies are already present in 24 African countries in both upstream and downstream hydrocarbon sector and are interested in farm-in opportunities in producing blocks, especially in Libya, Algeria, Egypt and Nigeria. 'Our preferred approach would be to go in joint ventures with Africa's national oil companies', he elaborated.

He also said that the spirit of the conference as 'the thrust of India's approach to Africa is to build an enduring partnership for sustainable development, based on principles of



equality, mutual respect and mutual benefit'. He elaborated that it is on a solid foundation of socio-cultural affinity and political goodwill that India and Africa can build new structures of mutually beneficial economic cooperation. Further, India is the 4th largest oil importer in the world and Africa is emerging as the latest and most promising entrant to the world's oil and gas producers' club. The complementarity of the two regions is too obvious to be missed.

Reddy informed that that our premier public sector oil companies – ONGC, IOCL and GAIL will be offering training to 450 technical personnel from Africa's oil and gas sector over the next three years, under the umbrella of the India-Africa Forum Grants in aid for Human Resource Development and Capacity Building.

Ms. Irene Nafuna Muloni, Minister of Energy & Mineral Development, Republic of Uganda, while making a presentation on 'Investment opportunities in African oil and gas sector', touched upon the general issues concerning the oil and gas sector in Africa, with thrust on Ugandan hydrocarbon sector. She informed that a new petroleum legislation is being framed by her government, which will govern Ugandan oil and gas industry. She remarked that investment opportunities exist in the areas of E&P, refining, crude oil and product pipelines, etc. The Minister concluded that African

oil and gas sector has great potential and is bound to grow, and Africa looks forward to India for sharing its knowledge and experience in hydrocarbon sector. A win-win model would be based on good governance, transparency & accountability, environmental management, national participation and better socio-economic infrastructure and services. She invited India to invest in Uganda.

G. C. Chaturvedi, Secretary (Petroleum & Natural Gas), in his concluding remarks, expressed the hope that the objectives of the conference would be met seeing the enthusiastic response and participation from various stakeholders.

Harsh Mariwala, President, FICCI and CMD, Marico Industries Ltd., in his welcome speech informed that 20 government delegations from Africa,

with 8 countries represented by their Ministers, are participating in the two day conference. He said 'a resurgent and vibrant India welcomes a sunrise continent'. A knowledge paper prepared by Deloitte, knowledge partner for the Conference, was released by the Finance Minister.

Adi Karev, Global Oil & Gas Leader, Deloitte made a presentation on 'The evolution of risk management and corporate governance in the oil and gas industry' and emphasized the need of managing intangible risks, leveraging local and global human talent and accountability beyond stakeholders. He concluded that partnerships between India and African countries could well shape corporate best practices and a new model of collaboration between the governments.

A bilateral meeting was also held between India and Uganda on the sidelines of the conference today. The two Ministers led the respective delegations. Ms. Irene Nafuna Muloni, Minister of Energy & Mineral Development, Republic of Uganda, invited Jaipal Reddy to visit Uganda along with a technical team and make a presentation to their Parliament which is presently finalising the legislative framework for the oil and gas sector. ■



# Promising Discoveries in Mozambique, Somalia East Africa Poised to Emerge as Major Global Oil & Gas Supplier

East Africa is poised to emerge as a major global oil & gas supplier in the near future. Recent developments in the region indicate that it has become a new hot zone for oil and natural gas exploration, with major discoveries by Anadarko of the United States and Italy's Eni in the Indian Ocean off Mozambique and by Norway's Statoil off neighboring Tanzania.

Even war-racked Somalia, further north in the Horn of Africa, is part of the drive for energy resources in the region, with a Canadian company, Africa Oil, expecting to start producing shortly in the northern autonomous enclave of Puntland.

But the big prize there is the offshore oil and gas fields that Somali officials say contain more than 100 billion barrels of oil, more than Kuwait. If

that's the case, Somalia, torn by war since 1991, would become the seventh largest oil nation.

Deposits of similar magnitude are believed to lie under the Indian Ocean along the coast of East Africa, enough to transform the ramshackle economies of countries like Mozambique, an impoverished former Portuguese colony.

In Uganda, the big Lake Albert oil field, discovered in 2006 by London's Tullow Oil, is expected to start production soon, eventually reaching 150,000-350,000 barrels per day.

Lake Albert, which lies in the center of Africa between Uganda and the Democratic Republic of Congo, is estimated to contain up to six billion barrels of oil.

Most of the gas discoveries are off Mozambique and Tanzania but exploration is also under way in Kenya and Ethiopia. The Indian Ocean island of Madagascar is believed to hold "enormous reserves" of gas, industry sources say.

These resources are a natural magnet for Asian giants like China and India, which are gobbling up Africa's natural resources as fast as they can to fuel their ever-growing economies.

East African oil and gas could be shipped directly across the Indian Ocean to Asia, bypassing the volatile Middle East that currently supplies

the burgeoning Asian energy market.

That would avoid such chokepoints as the Strait of Hormuz, the gateway to the Persian Gulf and a major oil artery to the Far East, which Iran is threatening to close in its simmering confrontation with the West.

But oil and gas exports could be imperiled by the increasingly bold pirate Somali gangs preying on shipping plying the Indian Ocean.

Still, major oil companies are falling over themselves to grab a stake in East Africa, largely by buying out smaller wildcat outfits which made major strikes.

One of these is Cove Energy, a London-listed company. It put itself up for sale in January after reporting one of the world's largest natural gas strikes in a decade, a field off Mozambique containing an estimated 15 trillion-30 trillion cubic feet of gas, more than Norway's entire reserves.

Recently, Royal Dutch Shell offered \$1.6 billion for Cove's 8.5 percent stake in the highly promising Block 4. Four days later Thailand's state-owned energy company PTT Exploration and Production stepped in with a \$1.7 billion bid. Soon, India's state-run Oil and Natural Gas Corp. offered \$2 billion.

Cove's discovery in Mozambique's Rovuma Offshore Area 1 abuts the major find made in January by





Anadarko in partnership with Eni, a field off Cabo Delgado province containing up to 30 tcf.

However, the true extent of the Rovuma Basin isn't likely to be known for two years when various studies are completed. Industry experts say Tanzania has reserves of at least 60 tcf.

British Petroleum says that excluding Nigeria's gas reserves of 187 tcf, proven reserves in sub-Saharan Africa totaled 41 tcf at the end of 2010.

Mozambique, the fastest growing energy player in East Africa, estimated this month that international energy companies are expected to invest \$50 billion over the next 5 years to develop a liquefied natural gas industry in the region.

Texas company Anadarko, which heads a consortium of Japanese, Indian and British investors, said it plans to set up a natural gas liquefaction plant and an LNG export terminal, together worth \$1.8 billion, in Mozambique by 2018.

Eni announced in November it had found a "gigantic field" with estimated reserves of 22 tcf. Recently, Statoil and its partner, Exxon Mobil of the United States, disclosed the biggest discovery yet in Tanzanian waters, a field holding an estimated 5 tcf in the Mafia Deep Basin 50 miles offshore.

## Britain leads dash to explore for oil in war-torn Somalia

British Prime Minister David Cameron recently hosted an international conference on Somalia, pledging more aid, financial help and measures to tackle terrorism. The summit followed a surprise visit by Foreign Secretary William Hague to Mogadishu, the Somali capital, where he talked about "the beginnings of an

opportunity" to rebuild the country.

According to the Observer, a leading UK newspaper, talks are going on between British officials and Somali counterparts over exploiting oil reserves that have been explored in the arid north-eastern region of the country. Abdulkadir Abdi Hashi, minister for international cooperation in Puntland, north-east Somalia – where the first oil is expected to be extracted next month – said: "We have spoken to a number of UK officials, some have offered to help us with the future management of oil revenues. They will help us build our capacity to maximize future earnings from the oil industry."

British involvement in the future Somali oil industry would be a boon for the UK economy and comes at a time when the world is increasingly concerned about the actions of Iran, the second-biggest oil producer in OPEC.

Hashi, in charge of brokering deals for the region's oil reserves, also said Somalia was looking to BP as the partner they wanted to "help us explore and build our oil capacity". He added: "We need those with the necessary technical knowhow, we plan to talk to BP at the right time."

Somali Prime Minister Abdiweli Mohamed Ali said his government had little choice but to entice western companies to Somalia by offering a slice of the country's natural resources, which include oil, gas and large reserves of uranium. "The only way we can pay [western companies] is to pay them in kind, we can pay with natural resources at the fair market value."

Britain is not the only country looking to develop Somalia's vast natural resources. Last month oil exploration began in Puntland by the Canadian company Africa Oil, the first drilling

in Somalia for 21 years. Hashi, who sealed the Africa Oil deal, said the first oil was expected to be extracted within the next "20 to 30 days".

The company estimates there could be up to 4bn barrels (about \$500bn worth at today's prices) in its two drilling plots. Other surveys indicate that Puntland province alone has the potential to yield 10bn barrels, placing it among the top 20 countries holding oil. Chinese and US firms are among those understood to have also voiced interest about the potential for oil now that, for the first time in 20 years, the country is safe enough to drill.

Yet it is the extent of oil deposits beneath the Indian Ocean that is most exciting Somali officials. One said the potential was comparable to that of Kuwait, which has more than 100bn barrels of proven oil reserves. If true, the deposits would eclipse Nigeria's reserves – 37.2bn barrels – and make Somalia the seventh largest oil-rich nation.

The state-owned China National Offshore Oil Corporation has tried to acquire an interest in Somalia's reserves. Senior officials from the Somali transitional government are adamant that the imminent extraction of oil in Puntland next month would kickstart a scramble from the multinationals.

Towards the end of the London conference, BP and Shell unveiled an initiative to support job-creation projects in the coastal regions of Somalia. A subsidiary of Shell was thought to have acquired exploration concessions in Puntland before the descent into lawlessness in 1991.

A BP spokesman said there were "no plans" to work in Somalia and no official had recently visited the country. ■

# Exim Bank Extends LOCs to Togo & Chad

Today, in its 30th year of operations, Export Import Bank of India (Exim Bank) proactively seeks to enhance the competitive edge of Indian companies through a range of financing programmes, advisory and support services. Exim Bank has been the prime mover in encouraging project exports from India. Currently, more than 200 project export

contracts valued at approximately US\$ 8.6 billion are under execution in around 40 countries across Asia, Africa and Europe, with Exim Bank's support.

Recently, Exim Bank has signed two separate LOCs with Togo and Chad for USD 13.095 million and USD 40.32 million respectively for funding different projects in

both the countries.

On 12 January 2012, Exim Bank CMD T.C.A. Ranganathan signed the LOC agreement with Adjì Otèth Ayassor, Minister of Economy and Finance, Togo for USD 13.095 million for financing farming and cultivation of rice, maize and sorghum in that country.

The LOC agreement with Chad was signed in New Delhi on 19 January 2012 by T.C.A. Ranganathan, CMD, Exim Bank and Mahamat Ali Hassan, Minister of Economy, Planning & International Cooperation, Chad for financing four projects that include a compost production unit, solar energy, live stock feed and expansion of a spinning mill in that country.

Under the LOCs, Exim Bank reimburses 100 percent of contract value to the Indian exporter, upfront upon the shipment of goods/ provision of services.

The main items that India exports to Togo are manmade yarn fabrics, semi-finished iron and steel, machinery and instruments, pharmaceutical products and manufactured goods. The main items that India imports from Togo are crude fertilizer, metalliferous ores and metal scrap, wood and wood products, cashew nuts and raw cotton.

The main items that India exports to Chad are pharmaceutical and chemicals, transport equipment, machinery and instruments, and gems and jewellery. The main items that India imports from Chad are cotton raw and electronic goods. ■



T.C.A. Ranganathan, CMD, Exim Bank with Chad's Minister of Economy, Planning and International Cooperation Mahamat Ali Hassan after signing a Line of Credit Agreement for USD 40.32 million.



T.C.A. Ranganathan, CMD, Exim Bank with Togo's Minister of Economy & Finance Adjì Otèth Ayassor after signing a Line of Credit (LoC) Agreement for USD 13.095 million.



# Putting Science Into Agriculture Mahyco's Mission Since 1964



A pioneering seed company, Mahyco is focused on developing genetically enhanced crops with the use of gene transfer technology. This ongoing research facilitates Mahyco to always remain at the forefront of supplying top quality seeds to the farming community. Mahyco believes in utilizing the latest technological developments for the good of farmers and the people. The recent developments in hybrid seeds would go a long way in addressing the need for feeding a growing population. It has always been Mahyco's endeavour to provide the best hybrid seeds.



## **Maharashtra Hybrid Seeds Co. Ltd.**

4<sup>th</sup> Floor, Resham Bhavan, 78, Veer Nariman Road, Mumbai-400020

Tel.: 022 30273025, Fax: 022 22047871

E-mail: [info@mahyco.com](mailto:info@mahyco.com), website: [www.mahyco.com](http://www.mahyco.com)



# Africa – The World's Next Big Growth Destination

**Rahul Sabharwal, Vice President, Tech Mahindra Ltd, is convinced that Africa is a land of opportunities and will be the next growth destination in the world. In an exclusive interview with Indo-African Business, he shares many insights into Tech M's operations in Africa and his vision for the company's future in the vibrant continent. Excerpts.**



**Tech Mahindra has set up African operations. Your recent entry has been Nigeria. Which are the other markets in Africa that you are currently operating in? What are your other African Growth markets in the near future?**

Africa has been of strategic importance to the Mahindra group for a long time, between Tech Mahindra and Mahindra Satyam we have had our presence in Africa with a development center in Egypt and South Africa. On the MSAT side, Tech M has been servicing multiple customers in Nigeria, Tanzania, Botswana, Mozambique etc. We entered the Africa BPO market with Airtel and are currently servicing Airtel in seven countries including Nigeria. We have over 2,000 employees spread across Ghana, Zambia, Malawi, Congo B, Congo DRC, Gabon and Nigeria.

We see an immense potential and opportunity in Africa and see markets like Kenya, Zambia, Tanzania and Ghana as additional potential growth markets. We can see the telecom industry changing in Africa and

foresee these markets also taking the lead in exploring the outsourcing model further. We are also exploring BPO opportunities with Banks and Insurance companies within the Africa continent.

**How would you define the workforce of your African operations? Are they typically African locals or are they people from other Asian or European countries?**

We are a part of the Mahindra group which operates in 79 countries globally and in each country that we operate our endeavor is to promote local talent. Apart from the 20 odd expatriates that we have, the rest of our workforce of about 2,000 people in Africa is local. The expats are drawn from other locations that we operate from. The goal over a period of next 24 months would be to have 100 percent local staff managing the business in Africa.

**What is your total employee strength in Africa?**

We are close to 2,000 people spread

over seven countries that we operate in.

**Your comment on the HR regulations of Africa?**

We have had a positive experience in the countries that we are currently operating in, there are as always areas which can be improved by regulations to ensure that countries are competitive with the rest of the world. However if BPO (ITES) as an industry to thrive in African countries, lot of support is required from the local governments in areas of tax breaks, flexible labor laws and declaring BPO as an essential industry.

**What is the revenue percentage contribution of your African Turnover from Indian Enterprises & Non-Indian Enterprises?**

These numbers are not reported separately, hence can't be shared.

**Besides being the IT /Telecom operators outsourced partner, are you also running a BPO outfit for other sectors like banks, financial institutions, consumer brands, healthcare etc.?**



We are at this point pursuing multiple companies in the sectors mentioned. We have recently signed up a deal with one of the leading banks in Ghana to help them start and grow their customer contact center. There are multiple other companies in the pipeline and we should hopefully be able to grow in Africa not only in Telecom space but the other verticals as well.

**Does your organization follow the African Policies & Regulations in your day-to-day affairs, or have you been managing them in the Indian style? What difficulties did you face in your initial stages?**

We operate in seven different countries within Africa, each with its own laws. We have registered offices in each country compliant with the laws of the land in that particular country. The employee policies in each country are governed by the local laws. We had the advantage of working with some of the best consulting firms to set up our offices in these countries which helped us bring in local expertise right upfront to ensure compliance with local laws. We also have in each country a local HR manager who helps us being compliant on all the laws & practices of the land.

**What are your marketing strategies for the African market?**

The Mahindra group has been present within Africa, including manufacturing facilities. With Mahindra Satyam being the World Cup 2010 (soccer) sponsor, we are a known brand within the African market. On the Tech M side we have been present within Africa for over two years and have a sales team spread in various countries. With our presence in seven new countries now in the last 3-4 quarters we now have extra focus with our teams on the ground meeting with the local businesses and growing the business.



**According to you, what are the factors affecting your business?**

At this point the we have been able to start and stabilize the business across Africa, typically the external environment is something which impacts the business. Operational challenges like Infra – scarcity of electricity, medical facilities, transport facilities (trains), better air connectivity and improvement in other basic infra required for businesses to be successful in Africa.

**Where do you see yourself in three years and five years time frame?**

We believe we have the first mover advantage in the BPO sector and that we foresee ourselves as the leaders in providing viable solutions across verticals in the entire continent, we also have an advantage of a large employee base and centers to support the growth...

**On a closing note, for the benefit of our readers comprising of a majority of aspiring entrepreneurs wanting to expand their businesses into Africa,**

**what are your key recommendations for conducting successful business in Africa?**

Africa in our mind is a land of opportunities and the next growth area in the world economics...key recommendations would be

1. Business dynamics are different than what are encountered in India. People need to be well prepared.
2. Businesses need to take a long term view of things; short term outlook to business may not succeed.
3. Need to build a local team to be successful; trying to run the business with too many people from a different country/continent will not succeed.
4. Need to build a local connect within the community to operate in; entrepreneurs can't be looked upon as expatriates.

Rahul Sabharwal

Mobile: +260 974794475

+91-9845379582

Rahul.Sabharwal@Techmahindra.com

# Africa at the Cusp of Broadband Revolution

By Santosh Anchan, Portfolio Management Group, TechMahindra

## Introduction - Arrival of Under Sea Cable link

Over the last decade, the African region has been the world's fastest growing region in terms of mobile penetration. While fixed line penetration has stagnated at 4.0 percent in Africa, mobile has grown at an astonishing rate to 45 percent with North Africa leading at 73 percent. However same is not true for broadband and it lags behind considerably when compared to other continents due to lack of fixed infrastructure coupled with high costs of service provisioning. Currently the average broadband penetration in Africa is only 1.5 percent with South Africa leading at approximately about 3.0 percent.

Owing to coverage restrictions and lack of bandwidth, large parts of the region still witness connectivity delivered via satellites or mobile technology. Lack of bandwidth availability and limited connectivity with rest of the world has arrested the development of Africa and has constrained

However, all this is changing and there are high improvements expected in this area over the next three to four years. This is mainly because we can now see myriad of submarine cables that form a thick ring around Africa, as shown in figure 1. Thanks to Africa's leading telecommunications service providers, World Bank funding as well as various government organizations and their international partners, who have invested in various undersea fiber optic projects to bring much-needed broadband capacity to the continent and enhanced connectivity with rest of the world. Mainly Sub Saharan Africa is going to benefit more from the undersea cable projects that started landing cables at Africa's coastline from 2009 to 2011 with most of its major cities now connected with rest of the world.

Initially there was only one primary submarine cable available in Africa which was SAT-3 in 2003. However, with arrival of

the end of 2013 when ACE and SAex will complete their part of undersea cable projects this capacity is expected to touch 34,200Gbps. This increase in international bandwidth capacity is going to influence the much needed aggressive investment in projects to build the backbone and last mile access infrastructure to connect interiors of Africa with the now well connected cities. This will also help in the reduction in the wholesale price of these newly laid out infrastructure, thereby improving the affordability of broadband services to mass public.

## The North Africa & Sub Saharan Africa Divide

We can see a great deal of disparity between North Africa and Sub Saharan Africa in broadband service availability. Out of 1 billion plus population of Africa only 11 percent of population has access to internet. Of these users, 38 percent were based in North Africa, an area that contains only 17 percent of Africa's population. With North Africa excluded, Africa's Internet penetration drops to just 8.0 percent. When we compare these figures with rest of the continents, wherein Europe has 67 internet users per 100 inhabitants, Americas has 51 users per 100 people and Asia follows with the figure of 23 users per 100; it is clear that there is lot of work that needs to be done to improve this figure in coming years to ensure that Africa doesn't miss the broadband revolution.

It is not that Africans don't want to embrace broadband in their daily lives.

the continent from achieving its full potential.

SEACO M, EASSy, TEAMS, Glo-1 and Main One the amount of available bandwidth in Africa increased from 340Gbps to 11,160Gbps in 2010. By



## Undersea fibre-optic cables to provide broadband internet access to Africa by 2013

Source: ManyPossibilities: 2011

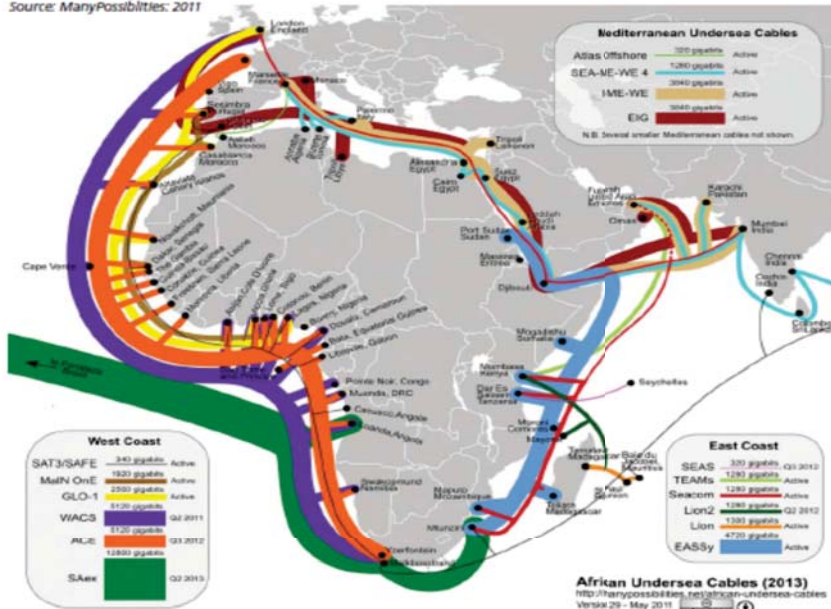


Figure 1: Undersea fibre-optic cables in Africa (2013)

It is the non-availability plus non-affordability of the service makes it difficult for the population to connect with internet. Internet growth in Africa has grown by 2,527 percent, compared to a world average of 480 percent between 2000 and 2011. Much of this growth has been due to the splendid mobile penetration in North Africa specifically in countries like Algeria, Morocco and Tunisia. The higher subscription cost is limiting the uptake in Africa. The average cost of a broadband monthly subscription for an Internet user is USD 65, which is 2.5 times as much as in the United States. In North Africa however, the average cost of broadband is USD 12 while in other parts of Africa like Angola, Benin, Ethiopia, and Togo the cost of a monthly broadband subscription is well over USD 100.

As mentioned before, Internet access is mainly via mobile technology or via satellite. As Satellite access is more costly, better mobile service availability is helping to some extent in connecting the masses to internet. Mobile subscription in Africa has

increased from five million in 2000 to 500 million in 2010 and is expected to reach 800 million by 2015. Also, as mobile devices are cheaper and easier to use, it becomes the default choice for most of the users to access internet via their mobile devices. As per Google, four out of 10 search queries originating from Africa are via mobile. So in the absence of fully developed broadband solutions mobile technology is helping African population to some extent in connecting to the rest of the world.

### Role Played by ICT in Building Network Infrastructure

ICT is going to play a major role in ending the marginalization of the African continent by integrating it to the global village to improve the socio economic conditions. Increase in international bandwidth provides a real opportunity to build backbone infrastructure to connect the remote and rural areas of Africa with the major well connected cities. This could be either wireline or wireless technology infrastructure depending upon the implementation cost and

ease of deployment at regional levels.

In the latest Networked Readiness Index compiled by the World Economic Forum and INSEAD, not a single African nation makes it to the top 20. But out of the last 20 countries, half are from the continent. So ICT investments are focusing mainly on upgrading communication infrastructure and increasing the regions fiber optic connectivity footprint. Many countries are rolling out national fiber backbone networks to take the new bandwidth beyond the capital cities to population centers in the interior parts of the continent.

As realized by many countries, Broadband infrastructure is the foundation for the knowledge society and a well connected society can help solve some of the more pressing problems in Africa. Currently the average broadband penetration in Africa is only 1.5 percent with South Africa leading at approximately about 3.0 percent. As per the studies in emerging markets a 10 percent increase in Broadband penetration helps GDP to grow by 1.3 percent. And the fact that technology lowers production and distribution costs makes a clear case for further development of this sector. To improve agriculture, banking, healthcare, education and other sectors there is urgency to bring broadband in most of the African nations. So many African governments have come up with some or the other form of ambitious policies to help improve broadband penetration. Nigeria wants to achieve 12 percent broadband penetration by 2015, Ghana has a target of 15 percent broadband penetration by 2015 and Uganda has a more practical target of reaching 10 percent of households by 2013.

### Regulatory Environment

As much as 93 percent of African countries have established regulators but they require more autonomy to

regulate independently and effectively. The telecom markets needs to be more liberalized eliminating restriction to entry and competition to encourage investment by private operators. Some of the countries such as Ghana, Nigeria, Kenya, Uganda and Tanzania have taken a lead in this direction and are already seeing the benefit in terms of successful innovative projects and better acceptance of services by people.

In addition to this, the efficient management of spectrum represents a major challenge and priority for the regulators. The lack of access to spectrum limits the expansion activities of operators and deployment of new services such as wireless broadband. Newer, more efficient methods of spectrum allocation, such as auctions, are also of high priority for the region's regulatory bodies.

Opening up of the markets in East Africa has helped in building more innovative solutions such as M-Pesa, a mobile money transfer mechanism in Kenya. Safaricom in Kenya has started the M-Pesa service in 2007 which offers a swifter, safer and more cost effective means to transfer money. There are more than 14 million users of M-Pesa service with 27,988 M-Pesa agent outlets throughout Kenya. In 2010, these 14 million Kenyan M-Pesa users transferred an estimated USD7 billion, equivalent to 20 percent of national gross domestic product (GDP) through M-Pesa.

After looking at the success of M-Pesa, MTN has also started mobile money transfer service in Uganda and has around 1.2 million subscribers using the service and transferring a monthly average of USD 60 million. As more and more countries accept this type of money transfer the figure is expected to reach 350 million by the year 2015. Besides this, there are many other phone applications that operators are investing in to provide

real-time health and agricultural information, and a virtual marketplace for trading goods and services.

## Social Media

Social media in Africa is growing rapidly and has a huge potential mainly considering that as much as 40 percent of Africa's billion plus population is 15 years old or younger. In Kenya which has around 60 percent of the population below 25 years age, in interviews and group discussion has mentioned social media as one of the most attractive features of Internet. Facebook is becoming more popular and growing at faster rate in Africa. There are around 32 million Facebook users from Africa with 14 million mainly coming from the North (Algeria, Tunisia, Morocco and Egypt). In all, 27 percent of African internet users have Facebook profiles, compared to 18 percent of internet users in Asia and 23 percent of internet users in the Middle East. So at present only 3.0 percent of Africa's population has signed up with Facebook and going by the speed with which it is expanding there is huge potential for social media in this continent.

According to Gaba research, Facebook now receives 100,000 new Senegalese users each month. The number of YouTube video plays in sub-Saharan Africa is doubling each year. Not to be left behind leading social media companies such as Google, Facebook and Twitter who are setting up their offices in Africa. Twitter is working on relationships for expanding SMS service across many countries in Africa. Twitter shortcodes for some African countries have been announced, such as Nigeria (40404: Zain, 20644: Glo Mobile); Kenya (8988: Safaricom) and Madagascar (40404: VIP). There are also some indigenously developed not for profit social media platform such as Ushahidi from Kenya which was

originally developed to share and map information related to violence emerging from Kenya using mobile or internet in 2007. It uses crowd sourcing technique for social activism and public accountability. Ushahidi was also used to create crisis and recovery maps following earthquakes in Haiti and Chile, wild fires in Russia, and the tsunami in Japan. So all this indicate that Africans are not only embracing social media at a faster pace but are coming up with useful innovative solutions for the entire society to address social issues such as injustice and natural calamities.

## Conclusion

So with the arrival of undersea cables, most of the coastal cities in African continent are well connected to the rest of the world and an increase in available international bandwidth will help drive the cost downward to make the services more affordable to larger part of the population. In fact, International wholesale prices have fallen by more than 50 percent in many markets since 2010. With coastal cities connected, it become much easier than earlier to build the infrastructure to connect the remote interior part of the continent and help in the overall growth of broadband technology. At the regulatory level more autonomy is required to open up the market and make the spectrum available via auction to operators so that new services can be provided in a more liberalized market. As mobile has already grown to good extent over the last decade it is the right time for Africa to leapfrog into the broadband technology in the new decade.

## References:

1. *Mobile Africa Report 2011*
2. [manypossibilities.net/african-undersea-cables/](http://manypossibilities.net/african-undersea-cables/)
3. *Africa Macro\_5 trends powering Africa's allure (Trend 3-Technology)* ■





The International Business Development Forum  
At The Incredible Destination, India

a **FUTURALLIA** event

[www.indiallia.com](http://www.indiallia.com)

**Connect your business globally at "INDIALIA"**  
**An opportunity to meet with over 600 SMEs from India and Overseas**  
**International Multi - Sector B2B Meeting Forum**

**23 - 25 APRIL, 2012 World Trade Centre, Mumbai**

**An International Meeting Place That Offers...**

- **Business briefing seminar on trade opportunities in India**
- **More than 600 business leaders participating from nearly 30 countries**
- **Over 8,000 business meetings over two days**
- **Upto 12 personalized, pre - selected and pre - scheduled business meetings**

**The Expo - A Catalyst to Reinforce Your Business Opportunities...**

➤ **Experts Village**   ➤ **International Village**   ➤ **Partners Village**

**Powered by an International network of Delegation Leaders from over 30 countries**



**➔ Register now !** <http://indiallia.com/how-to-register> **Attractive Packages**

**World Trade Centre Mumbai**

31st Floor, Centre 1 Bldg, World Trade Centre Complex,  
Cuffe Parade, Mumbai - 400 005, INDIA

❖ T: 91 22 6638 7272  
❖ F: 91 22 2218 0823 / 2218 8385  
❖ E: [marketing@wtcmumbai.org](mailto:marketing@wtcmumbai.org)  
❖ W: [www.wtcmumbai.org](http://www.wtcmumbai.org)

**All India Association of Industries**

6th Floor, New Excelsior Bldg, A.K.Nayak Marg, Fort,  
Mumbai - 400 001, INDIA

❖ T: 91 22 2201 9265 / 2201 9160  
❖ F: 91 22 2201 9764 / 2201 9760  
❖ E: [info@aiaindia.com](mailto:info@aiaindia.com), [indiallia@aiaindia.com](mailto:indiallia@aiaindia.com)  
❖ W: [www.aiaindia.com](http://www.aiaindia.com)

**Follow us on**

<http://www.facebook.com/indiallia>

<http://events.linkedin.com/INDIALLIA/pub/803794>

<http://twitter.com/#!/Indiallia>

**Supported by**



**Organisers**



**WORLD TRADE CENTRE  
MUMBAI**



**All India Association of Industries**

# Banking on a Changing Africa

Togo is like much of West Africa — small, poor and an occasional producer of sensational soccer players — but for the bank. Lomé, Togo's capital, is home to Ecobank, a 21-year-old pan-African retail and corporate bank that, according to CEO Arnold Ekpe, employs 11,000 people in 620 branches in 26 countries, with a balance sheet of \$8 billion.

Unlike a lot of other banks, Ecobank is expanding. It has opened 200 branches since 2006 and aims to set up in three more countries by June. What's more, it actually makes money: annual profits were up 47%, to \$191 million, in 2007 and up 32%, to \$104 million, for the third quarter of 2008 alone, the latest period for which figures are available. Even more extraordinary, it is managing to raise money in the "crunched" capital markets — \$700 million since August. Granted, the world's banks are in a historic crisis. That does not make any less arresting the thought that some of the best-performing bankers on the planet right now come from a place called Togo. "Warren Buffett is based in Nebraska," says Ekpe. "It's not where you are. It's what you do."

Up to a point. In Africa's case, the perception has long been that where you are renders all but irrelevant what you do. Africa is hopeless, a place of war and famine seemingly populated almost entirely by tyrants and children with flies in their eyes. According to this view, if Africa generates any kind of growth, it is in suffering — and in the overseas aid sent to address that, now a \$40-billion-a-year industry. Naturally, with a new appeal every year and a new disaster



every other, some people have begun to wonder if all that money is doing any good. They argue that aid creates dependence, fuels corruption, undermines democracy and stifles development. They have written books with titles like *The Trouble with Africa: Why Foreign Aid Isn't Working* (by an ex-spokesman for the World Bank in Africa) and *Dead Aid* (by a Zambia-born former Goldman Sachs investment banker).

And that debate is important, no doubt. But it is drowning out a more significant development. Ecobank's success is not an isolated blip, and aid is no longer Africa's main source of foreign income. Africa is becoming a business destination.

In 2006, according to the Organization for Economic Cooperation and Development, foreign investment in Africa reached \$48 billion, overtaking foreign aid for the first time. That gap has only widened, reflecting a



quadrupling of foreign investment since 2000. As the senior adviser in Africa for the International Monetary Fund (IMF), David Nellor, noted in a report last September, sub-Saharan Africa today resembles Asia in the 1980s. "The private sector is the key driver," wrote Nellor, "and financial markets are opening up." War is down. Democracy is up. Inflation and interest rates are in single digits. Terms of trade have improved. Crucially, said Nellor, "growth is taking off." The IMF puts Africa's average annual growth for 2004 to '08 at more than 6% — better than any developed economy — and predicts the continent will buck the global recessionary trend to grow nearly 3.3% this year.

Yes, Africa is still a continent of commodities — with its forests, oil fields and mines — and demand for commodities has plummeted. Yes, Africa still has its Darfurs, Somalias, Congos and Zimbabwes. But commodity prices are higher than they were in the 1990s. Most Africans are not middle class, but most also no longer live in extreme poverty. The World Bank says the percentage of Africans living on \$1.25 a day or less dropped from 59% to 51% from 1996 to 2005 and has decreased further since.

In an article for the online journal *allAfrica* in February, Oxford University economist Paul Collier and Witney Schneidman, who advised President Obama on Africa during his campaign, noted that Africa now offers the world's highest rate of return on investment. "Africa, usually the poorest performing region in the world economy, is now likely to be among the best-performing," they wrote. "Moreover, the region has been largely immune from the current banking crisis...The continent's financial institutions did not venture into derivatives or sub-prime mortgages."

Shanta Devarajan, the World Bank's chief economist for Africa, says the current downturn might be unfair to the continent, since it is "not remotely Africa's fault," but it should not alter the underlying trend: "There has definitely been a transition in the last few years. The continent now has huge potential." Or as Stephen Hayes, president and CEO of the Corporate Council on Africa, puts it, "Africa offers more opportunity than any place in the world."

Perhaps the most compelling evidence that Africa is now a business destination is China's new love for it. While the old superpowers still agonize over Africa's poverty, the new one is captivated by its riches. Trade between Africa and China has grown an average of 30% in the past decade, topping \$106 billion last year. Chinese engineers are at work across the continent, mining copper in Zambia and cobalt in the Democratic Republic of Congo and tapping oil in Angola. Nor is this merely exploitative. China bought its access by agreeing to create a new infrastructure for Africa, building roads, railways, hospitals and schools across the continent. The current crisis is not expected to affect China's march in Africa: on the contrary, with the West's plans in Africa on hold at best, Beijing views it as an opportunity to extend China's lead. "We will continue to have a vigorous aid program here, and Chinese companies will continue to invest as much as possible," Chinese Foreign Minister Yang Jiechi said in South Africa in January. "It is a win-win solution." Dambisa Moyo, who wrote *Dead Aid*, says those who need convincing about Africa should ask themselves if they are convinced about China, "because if you back China, you're backing Africa." Ecobank CEO Ekpe says part of the explanation for China's zeal for

Africa is a new way of looking at Africans. "[The Chinese] are not setting out to do good," he says. "They are setting out to do business. It's actually much less demeaning."

And that gets to what, for Africans, is the emotional heart of the matter — and why joining the business world means so much. Though it rarely occurs to Westerners who've been instructed that Africa needs their help, charity is humiliating. Not emergency charity, of course: when disaster strikes, emergency aid is always welcome, whether in New Orleans or Papua New Guinea. But long-term charity, living life as a beggar, is degrading. Andrew Rugasira, 40, runs Good African Coffee, a Ugandan company he set up in 2004 to supply British supermarkets under the motto "Trade, not aid." He is emblematic of a new generation of African antiaid, antistate entrepreneurs. For Rugasira, aid not only "undermines the creativity to lift yourself out of poverty" but also "undermines the integrity and dignity of the people. It says, These are people who cannot figure out how to develop." Aid even manages to silence those it is meant to help. "African governments become accountable to Western donors," says Rugasira, "and Africa finds itself represented not by Africans but by Bono and Bob Geldof. I mean, how would America react if Amy Winehouse dropped in to advise them on the credit crisis?"

And if that's a striking inversion, consider another one. Look back at the African growth figures once more. Compare them with this year's forecasts for the developed world. Who's the basket case now? ■

# Sonalika, a Trusted Global Brand in Tractors



*Landini-Solis Tractor at an exhibition in South Africa.*



*President of Argentina in discussion with Sonalika President Rajiv Wahi after signing of co-operation protocol for Argentina with local partner during her state visit to India.*

Sonalika has over the years emerged as the most reliable global brand of International Tractors Limited (ITL).

Sonalika is today India's leading agriculture equipment manufacturer producing a wide range of tractors from 20 to 90 HP, farm equipment and implements. It has an international distribution network of over 1,800 dealers in over 65 countries currently. Starting with small exports to India's neighboring markets like Nepal, Bangladesh, Sri Lanka, Sonalika has now taken great strides forward by exploring new markets like the United States, Australia, South America and Gulf countries.

Working on its vision to become a leading global tractor manufacturing company and a major Player in automotive, products, ITL had established a new Assembly line in Nigeria along with a local partner to cater to the local market needs. Currently Sonalika is India's largest exporter of tractors to Africa.

Sonalika engines and tractors also comply with tough American EPA norms as well as Euro Homologation for several models has been done to enable the products to enter the European markets.

The 'LANDINI-SOLIS' Tractor range has been successfully introduced in Southern African countries with several key government orders and after sales facilities at over 60 points in South Africa.

ITL has been made the production



hub for major sourcing of components and agricultural implements from Italy, Japan, Turkey, Brazil, which shows the depth confidence of leading brands in ITL products and company.

After a successful launch of Sonalika



*President of Cameroon H.E Paul Biya on first Sonalika Tractor assembled in Cameroon*

Tractors in Argentina last year, ITL has further expanded its footprint in Europe with a distribution network setup across several European countries.

Sonalika is proud to be the supplier of 177 Tractors plus Implements to Malawi Government under Indian Line of Credit in 2011. This equipment is bound to help the Malawi government in developing agriculture in their country and bring in a Green Revolution.

Sonalika had also recently executed one of the largest order for agricultural equipment from India under Government of India line of credit to Cameroon for 1000 Tractors and Implements, valuing USD 38 million.

ITL's USPs such as ISO Certification 9001:2000 and ISO 14001, Zero defect policy, 3A's Advantage – Affordable price, Adaptability and Appropriate technology provides ITL with truly an outstanding platform of success and competitive edge over other tractor companies in India.

The zest of Sonalika to be known as a Complete Agricultural Solution Provider has made Sonalika become a truly International Agricultural Equipment manufacturer.

*For more information on Sonalika visit:*  
[www.sonalika.com](http://www.sonalika.com)

*Email:* [exports@sonalika.com](mailto:exports@sonalika.com) ■

## Rwanda's Focus on Energy Generation

One of the major resolutions to come out of this year's national leadership retreat that closed on 6 March 2012 is to increase electricity generation and ensure that 70 percent of Rwanda's people gain access by 2020.

The resolution comes shortly after a successful Rwanda Energy Forum hosted by the Rwanda Development Board (RDB), Ministry of Finance and the World Bank. It is timely and offers the much needed political commitment to boost energy generation.

As John Zutt, the World Bank country director for Rwanda noted during the Forum, clean and efficient energy is critical for the attainment of the middle income economic status that Rwanda seeks achieve by 2020.

A middle income economy is one in which people who need jobs are able to find work and earn a decent living; it is one with thriving manufacturing and services sectors characterized by

high purchasing power. For the case of Rwanda, where most people survive on agriculture - directly or indirectly, we need vibrant agro-processing industries which not only add value to farm produce but also employ many more young people. All this is only possible with availability of more energy.

With clean energy, school children can study even at night, health units can provide services on a 24-hour basis and they can carry out surgical operations on patients from even the remotest part of the country. And as the whole population gains access to quality medical and education services, you get a healthier, wealthier and literate population - the backbone of a middle-income economy.

Therefore, be it promoting small-scale enterprises, agro-processing, manufacturing or tourism, electricity remains the single most important

resource need to move things forward.

As the population grows, electricity becomes very critical in easing pressure on forests. Currently, only about 10 percent of Rwandans have access to electricity - meaning that a whole 90 percent of the population depends on wood energy for cooking. The figure could even be higher because of the 10% who have access, most of them use it for only lighting due to the high unit cost of electricity. A situation where by 90% of the population depends on wood is unsustainable situation because Rwanda does not have that much forest cover to provide wood energy for a growing population.

That is why the national target of enabling 70 percent of the people to access electricity by 2020 is a timely and double-edged initiative that will save the environment as well as provide the much needed energy to power the country to prosperity. ■

# Indo-African S&T Meet Calls for Mutual Co-operation



The first India-Africa Science & Technology Ministers Conference and Tech Expo was held on 1 and 2 March 2012 at Vigyan Bhawan, New Delhi. The inaugural session was addressed by Minister for Science & Technology and Earth Sciences Vilasrao Deshmukh, Minister of State for External Affairs Preneet Kaur and Minister of State for Science & Technology and Planning Ashwani Kumar from the Indian side and Minister of Scientific Research of Arab Republic of Egypt Nadia Eskander Zakhary (Chair of African Ministerial Conference on Science and Technology) and Commissioner of Human Resources, Science & Technology of African Union Commission Jean Pierre O Ezin from the African side.

In her speech at the inaugural session of the Conference, Minister Kaur said that India had always felt a special solidarity with Africa. Following are excerpts from her speech.

India is keen for a reinvigorated and multi-dimensional India-Africa relationship. The tradition has continued under the rubric of the India Africa Forum Summit that paves the way for India and Africa in the



areas of technology transfer, economic cooperation and capacity building. This new paradigm of cooperation aims at building upon the historical trust, goodwill and political engagement between India and Africa to create a modern functional partnership for mutual benefit.

We have now embarked upon an intensive and all-encompassing engagement with the African countries to implement important decisions that India and Africa took together at the first and second India Africa Forum Summits held in April 2008 and May 2011 respectively.

It is a matter of great satisfaction that today we are fulfilling one of the important commitments made at the first India Africa Forum Summit by organizing the S&T Ministerial Conference. We are confident that the

Science and Technology exposition will provide an opportunity to witness, appreciate and share various technologies. It will also help to develop an understanding for science, technology and innovation systems in the African continent.

India's visionary Prime Minister Jawharlal Nehru considered institutions of scientific knowledge as "temples of learning" and "places of pilgrimage". The spirit of this vision echoes, as under IAFS-I and IAFS-II, India has committed more than 100 capacity building institutions in Africa. This manifests our desire to build African capacities for both human and natural resources. Among the institutions, that we propose to establish and which have direct impact in the field of science and technology are; Food Processing Cluster, Medium Range Weather Forecasting Centre, University for Life and Earth Sciences, Soil, water and Tissue Testing Laboratories, Farm Science Centers, Material Testing Laboratories for Highways, Rural Technology Parks, Food Testing Laboratories, Centres on Geo-Informatic Applications and Rural Development, Women Solar Engineer



vocational Training Centers, besides Information Technology Centers. The Addis Ababa Declaration and the Africa India Framework for Enhanced Cooperation adopted at the end of the second Summit will now guide our systematic enhanced engagement with Africa in the coming years.

Demonstrating India's continued commitment to development in Africa, India has successfully implemented the Pan-African e-Network Project including tele-education, tele-medicine and connectivity between leaders in 47 African countries. An agreement has also been signed for its implementation in the 48th country, South Sudan recently.

To further strengthen these issues in Africa, there is a provision for 22,000 new scholarships for African Students in various academic courses and training programmes including special agriculture scholarships and C.V. Raman fellowships. India has offered more than 700 CV Raman Scientific Fellowships till 2014. So far more than 150 post-doctorates from Africa have availed the fellowships. We hope that this would help in building capacity for scientific research in Africa.

As per India's commitment to assist African countries in the field of Science & Technology, proposals for institutional strengthening of identified institutions in Africa and transfer of need based technologies have also been initiated. We are happy that the delegates from all the three institutes are present here and hope



that they will have fruitful discussions with their India interlocutors. My ministry will support all these initiatives through its "Aid to Africa" budget and has duly secured approvals from the Cabinet to take this vast new agenda for cooperation with Africa forward.

In conclusion the camaraderie India shares with Africa would enhance technical collaboration, transfer of technology and greater participation by the young and dynamic populations of both India and Africa.

The next India Africa Forum Summit is slated for 2014 and our endeavour will be to implement as many decisions of the two Summits that have taken place so far as possible and take India-Africa cooperation to a new height by adopting mutually beneficial idea.

Following the inaugural session of the Conference, the Ministers visited the Tech Expo which was organized to showcase and share the best technologies.

More than 150 delegates from around 40 African countries attended the conference including 30 African Ministers dealing with Science and Technology, representatives from African Union Commission, and representatives from African Regional Economic Communities. Various round table sessions were held during the two days which focused on the following areas: Capacity building in Science and Technology, Science & Technology for development, Knowledge transfer & adoption and research areas of mutual interest.

India agreed to strengthen the three selected regional institutions in Africa such as Institute Pasteur of Tunisia, Institute of Mathematics and Physical Sciences of Benin and School of Science and Technology of Masuku in Gabon. The conference addressed the common societal needs such as affordable health care, water technology, climate change, agricultural science, food processing technologies, renewable energy, and Information & Communication technology, women in Science & Technology etc.

The conference ended with issuing of India-Africa Science & Technology Ministers Conference Declaration which put forth the action plan for the future cooperation in the field of Science and Technology.

The conference was organized in New Delhi as per India's commitment made at the first India Africa Forum summit. Under the India Africa Forum summit, India has committed more than 100 capacity building institutions in Africa, provided 22,000 new scholarships for African students in various academic courses and training programmes including Special Agricultural Scholarships and C V Raman Fellowships. ■



# Indo-Ethiopian Trade Rises by Leaps & Bounds to \$5 bn

Bilateral trade between India and Ethiopia is growing very rapidly. In the last seven years Indians investment has grown from USD400 million to more than USD5 Billion. India has provided over USD 700 million of line of credit for the sugar's sector development and for rural electrification. Recently India has announced USD 300 million line of credit for Regional Railway Construction project between Ethiopia & Djibouti.

Ethiopia has embarked on fast economic track for the last several years in a row. Real GDP grew by about an average of 11.2% per year for the last seven consecutive years (2003/04-2009/10) making Ethiopia among the top performing economies in Sub-Saharan Africa.

Agriculture is the main stay of the economy of the country. It accounts for almost 43.5 percent of GDP, 80 percent of employment and 86 percent of foreign earnings. Coffee is the major export product followed by oil seeds, chat, leather and leather products, gold, pulses, live animals, flower, meat and meat products, fruits and vegetables.

The Ethiopian government has launched a new five-year plan (2010-2015) called the Growth and Transformation Plan (GTP). The GTP is geared towards fostering broad-based development in a sustainable manner to achieve the MDGs. Over the next five years, the GTP envisions a major leap in terms of not only



economic structure and income levels, but also the level of social indicators.

Ethiopia's market-oriented economic development strategy embraces wide reforms, with inducements to both domestic and foreign private investments. The private sector is encouraged to invest in most areas of the economy. The Agriculture, Manufacturing, Mining, Power and Tourism sectors provide wide range of investment opportunities while investors are also encouraged to look for opportunities in the government privatization programs. Foreign investors may invest on their own or jointly with domestic investors. There is neither restriction on the modality of participation nor discrimination

between domestic and foreign investors with regard to the provision of incentives or on form of ventures.

Ethiopia has plenty of worthy attractions. It enjoys nine UNESCO registered heritage sites. The ancient city of Axum, The Rock-Hewn Churches of Lalibela, Fasil Ghebbi, the Simien Mountains National Park, The remains found in the Awash Lower Valley, hominid remains discovered in Omo Lower Valley, carved stelae of Tiya, Harar Jugol, the Fortified Historic Town and Konso Cultural Landscape are registered by UNESCO as world heritages. It has got nine National Parks and Wild Life sanctuaries, safaris and Game Parks. It is mosaic of different nations and



nationalities with unique culture and lifestyle.

Ethiopia is located in the Horn of Africa and is bordered by Eritrea, Djibouti, Somalia, Kenya, South Sudan, and Sudan. The country has a high central plateau that varies from 1,800 to 3,000 meters (6,000 ft.-10,000 ft.) above sea level, with some mountains reaching 4,620 meters (15,158 ft.).

The climate is temperate on the plateau and hot in the lowlands. At Addis Ababa, which ranges from 2,200 to 2,600 meters (7,000 ft.-8,500 ft.), maximum temperature is 26o C (80o F) and minimum 4o C (40o F). The weather is usually sunny and dry with the short (belg) rains occurring February-April and the big (meher)

rains beginning in mid-June and ending in mid-September. A number of rivers cross the plateau--notably the Blue Nile flowing from Lake Tana.

Ethiopia's population is highly diverse. It is estimated to be 82 Million (2011 est.). Most of its people speak a Semitic or Cushitic language. The Oromo, Amhara, and Tigreans make up more than two-thirds of the population, but there are more than 80 different ethnic groups with their own distinct languages within Ethiopia. English is the most widely spoken foreign language and is taught in all secondary schools. Amharic is the official language.

Ethiopia is a Federal Democratic Republic, with multi party system, as per the constitution adopted in 1994.

Executive power resides with the prime minister. There is a bicameral parliament; national legislative elections take place every five years. Last elections were held in 2010. The judicial branch comprises federal and regional courts.

*For more information please contact us at the following address: -Consulate General of the F.D.R. of Ethiopia*

221, Nariman Point, Maker Chambers V, 10th Floor, 1019-20, Mumbai 400 021 Tel. 2202 4652 (pbx), 2202 1607 (Direct)  
Fax:2202 3352  
e-mail: [ethconmbai@gmail.com](mailto:ethconmbai@gmail.com) ■

## ECOWAS Urged to Put Sugar on CET Priority List

A four-nation ad-hoc committee on the tariff for the importation of sugar into the ECOWAS region, which met in Abuja recently has called on the ECOWAS Commission to include sugar on the product priority list for the implementation of common regional external tariff under the ECOWAS Agricultural Policy (ECOWAP).

This was one of the key recommendations of the ad-hoc committee, which comprises Cote d'Ivoire, Ghana, Nigeria and Senegal. It was set up by the Joint ECOWAS-UEMOA Committee for the Management of the ECOWAS Common External Tariff (CET) at its 11th meeting in Cotonou, Benin Republic last December, to determine appropriate tariffs for the importation of sugar and sugar products into the region.

After listening to the presentation by a sugar specialist during its two-day meeting which ended on 6 March 2012 at the Commission's Abuja headquarters, the ad-hoc committee noted that its recommendation was based on the importance of sugar to the economic development of the region. The meeting chaired by Salifou Tiemtore, Director of Customs, ECOWAS Commission, also recommended that Member States should maintain the status quo on their customs tariff applicable to raw and refined sugar till 2014. By 2018, a uniform duty rate of 35 percent on both raw and refined sugar is expected to come into force.

Furthermore, the ad-hoc committee recommended that

approaches to taxation on raw sugar should be accompanied by appropriate monitoring mechanism and measures to ensure proper implementation. The 11th Joint ECOWAS-UEMOA Committee Meeting in Cotonou agreed a roadmap for the finalization of a draft ECOWAS CET to be submitted to the ECOWAS Council of Ministers for adoption by end of June 2012.

The finalization of the CET, a major step in the establishment of a customs union under the ECOWAS integration agenda, is also critical to the conclusion of ongoing Economic Partnership Agreement (EPA) negotiations between the ECOWAS and the West African Economic and Monetary Union (UEMOA) Commissions and the European Union. ■

# Ranbaxy Opens Unit in Morocco, Gets Foothold in North Africa

Ranbaxy Morocco has recently announced the opening of its new manufacturing facility at Casablanca, Morocco, paving the way for a direct business presence in North Africa.

With the successful audit of the facility by the Moroccan Health Authorities, Ranbaxy Morocco is now authorized to commence manufacturing of its products at its Casablanca facility. The achievement of this milestone positions Ranbaxy to access a USD 1Billion pharmaceutical market in Morocco.

Commenting on the inauguration of the manufacturing facility at Morocco, Ranbaxy's Africa Head Mahendra Bhardwaj said, "Ranbaxy has a significant presence in Africa with its own ground operations in key markets. Morocco is one of the important markets and this manufacturing facility further reinforces our commitment to the people of Morocco

**RANBAXY**  
LABORATORIES LIMITED

and the African continent."

In addition to servicing the Morocco market, Ranbaxy also plans to extend the supply from this manufacturing unit to other African countries, in the coming years.

Ranbaxy has a strong presence in Africa. With the addition of Morocco, the Company now has three manufacturing facilities in Africa; the other two located in Nigeria and South Africa respectively. With five subsidiaries, five representative offices and a strong workforce of nearly a 1,000 people, Ranbaxy's distribution network caters to 44 of the 54 countries in this continent.

Ranbaxy Laboratories Limited, India's

largest pharmaceutical company, is an integrated, research based, international pharmaceutical company producing a wide range of quality, affordable generic medicines, trusted by healthcare professionals and patients across geographies. Ranbaxy's continued focus on R&D has resulted in several approvals, in developed and emerging markets many of which incorporate proprietary Novel Drug Delivery Systems (NDDS) and technologies, developed at its own labs.

The company has further strengthened its focus on generics research and is increasingly working on more complex and specialty areas. Ranbaxy serves its customers in over 125 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 46 countries and manufacturing operations in seven countries. Ranbaxy is a member of the Daiichi Sankyo Group. Through strategic in-licensing opportunities and its hybrid business model with Daiichi Sankyo, a leading global pharma innovator headquartered in Tokyo, Japan, Ranbaxy is introducing many innovator products in markets around the world, where it has a strong presence. This is in line with the company's commitment to increase penetration and improve access to medicines, across the globe. ■





# CRASH-PROOF PROTECTION FOR EXPORTERS.

Exporters will now get crash-proof cover from Export Credit Guarantee Corporation (ECGC). Economic and political instability are making the world markets more unstable and unpredictable, negatively impacting businesses across the globe. A known buyer, even your best friend, could default in payments. The risks of a foreign buyer going bankrupt are also aggravated. Insolvency happens. This is when Credit Insurance from ECGC insures a business without worrying about payments. Our cover is not just uncertainty-proof, but worry-proof as well, you'll realize.



**ECGC**

You focus on exports.  
We cover the risks



ISO 9001: 2000 Certified

ICRA Rating: iAAA

Insurance is the subject matter of solicitation.

**Export Credit Guarantee Corporation of India Ltd., (A Government of India Enterprise)**

Express Towers, 10th Floor, Nariman Point, Mumbai 400 021, India. Tel: (022) 6659 0500-10 Fax: (022) 6659 0517

Toll-free No. 1800-22-4500 E-mail: [marketing@ecgc.in](mailto:marketing@ecgc.in) Visit us at: [www.ecgc.in](http://www.ecgc.in)

# African Meet to Promote Private Sector

The Parliamentary Network on the World Bank and the International Monetary Fund (IMF), together with the Rwandan government and parliament is holding a special Parliamentary conference on Private Sector Development in Africa on 14 and 15 March 2012 in Rwanda.

The African Development Bank (AfDB) is co-hosting the major conference on the development of the private sector in Africa and its crucial role for economic growth, job creation and poverty reduction on the continent.

An AfDB delegation will attend the conference, led by Operations vice president, Kamal El Kheshen, and will include executives from the AfDB's private sector, governance and human development departments.

El Kheshen commented: "Private sector development" is one of the four pillars of the African Development Bank's strategy for development. African parliamentarians, as law-makers and representatives of the people, have the important role of shaping policies and passing laws which attract investment, protect property rights and provide safeguards for contract enforcement. The Kigali conference is a major opportunity for discussing ways for all stakeholders to support private sector development".

The conference, entitled 'Private Sector Development in Africa - Cornerstone for Sustainable Growth', will bring together some 150 to 200 participants from the private sector,

civil society, donors and parliamentarians from more than 35 African countries. The conference will review the private sector environment in Africa and examine action that African nations, in particular their parliamentary representatives, can take to promote sustainable private sector development that boosts inclusive growth.

Representatives of the private sector and civil society and the donor community will also join the conference, to review the private sector environment in Africa and examine steps that African nations and parliamentarians in particular, can take to promote sustainable private sector development that boosts inclusive growth.

"African Parliamentarians are a very important constituency in the development agenda, and they have shown, in many instances, that they can hold their government accountable and influence the political will for attainment of their set

development goals," said Obiageli Ezekwesili, the World Bank's Vice President for Africa.

The choice of Rwanda to host this event could not have been more appropriate: it is ranked among the top business friendly destination in East Africa, the third in Africa, and the second top reformer globally according to a recent study. Building on Rwanda's impressive progress in the area of private sector development, the goal of the conference is to provide African parliamentarians with practical knowledge and tools about private sector development and to encourage them to push for reforms in their own countries.

"Private sector development is one of the four pillars of the African Development Bank's strategy for development. African parliamentarians, as law-makers and representatives of the people, have the important role of shaping policies and passing laws which attract





investments, protect property rights and provide safeguards for contract enforcement. The Kigali Conference is a major opportunity for discussing ways for all stakeholders to support private sector development", said AfDB operations vice-president Kamal El Kheshen.

Among the key topics to be discussed at the conference are the role of legislators in areas essential to Africa's development, such as transparency, accountability, regional integration, infrastructure development, technology, skills development and capacity building, and access to finance. Africa's first Nobel Laureate in Literature, Wole Soyinka, will speak on leadership and development. .

"This conference is timely and important as parliamentarians play a key role in their respective countries

discussing how the policy environment can help the private sector fulfill its potential as an engine of job creation and inclusive growth." Said Roger Nord, deputy director, IMF Africa Department.

Participants will also have a chance to discuss concrete development success stories and challenges. Presentations will be given by private sector practitioners and experts, parliamentarians and scholars.

"One of the aims of the Parliamentary Network on the World Bank and IMF is to encourage its members to better exercise their oversight role and champions reforms; and we hope that this conference will outfit our members with the requisite skills to debate private sector development constructively and with the requisite knowledge... we want to see many

more nations in the continent replicating the Rwandese example" said Alain Destexhe, Chair of the Parliamentary Network on the World Bank and IMF. The Parliamentary Network on the World Bank and IMF was founded in May 2000 as an informal action oriented network of individual parliamentarians. Since then, it has grown to become an independent organization of more than 1,000 parliamentarians from 110 countries and mobilizes parliamentarians in the fight against global poverty while promoting transparency and accountability in international development. The network has unique access to the World Bank and IMF and offers a platform for policy dialogue between these institutions and parliamentarians worldwide. ■

## Congo & IMF to Co-Host Meet on Natural Resources Use

The Government of the Democratic Republic of Congo and the International Monetary Fund (IMF) will co-host a high-level conference on the "Management of Natural Resources in Sub-Saharan Africa", on 21 and 22 March 2012 in Kinshasa.

The goal of the conference is to present the latest analysis and thinking on macroeconomic policies and the management of natural resource revenue, and elaborate on how this might effect the policy dialogue with Sub-Saharan African countries. It will also cover tax policy, administration, and regulatory frameworks conducive to good management of natural resources with particular focus on how to make them work in

the context of weak institutional capacity.

The event will bring together policy makers, stakeholders, academics, and civil society from around the world. It will provide an opportunity to discuss the best ways to ensure effective

management of the large flows generated by extractive industries--oil, forestry, and mining--within local institutional environments.

The conference is being made possible because of financial support from the Government of the

Democratic Republic of Congo, the United Kingdom's Department for International Development, the IMF's Central African Regional Technical Assistance Center, and the Managing Natural Resource Wealth Topical Trust Fund, which is financed by the European Union, Norway, Australia, Switzerland, the Netherlands, Oman, and Kuwait. ■



# JCB - A Partner in India's Nation Building Process

**JCB India Limited, the country's largest manufacturer of construction equipment, has its role cut out and clearly defined; a partner in India's nation building process.**

Based at Ballabgarh in the northern state of Haryana, JCB India is a fully owned subsidiary of JC Bamford Excavators Limited, UK. The company offers 21 different machines in seven product types such as:

- Backhoe Loaders,
- Loading Shovels,
- Tracked Excavators,
- Compactors,
- Telehandlers,
- Skid Steer Loaders and
- Pick and Carry Crane.

An excellent network of 54 dealers and more than 400 outlets throughout the country, along with a world-class customer service network support, JCB also runs Operator Training School with around 15,000 operators trained till date.

JCB India, with support of Lady Bamford Trust of UK, has been actively supporting the economically weak people of the country. JCB recently adopted two villages at Jharsaintli in Haryana and Ambi near Pune.

"Our mission is to grow our company by providing innovative, strong and high performance products and solutions to meet our global customers' needs," the company proclaims on its website.

Throughout its 65-year history, JCB has always invested heavily in research and development (R&D), which helps the company stay at the cutting edge of innovation.

Today, JCB has some of the finest engineering facilities across the globe, produces a range of more than 300 machines and maintains a reputation for unrivalled customer service.

## **A Truly World-Class Company & A Global Manufacturer**

The JCB name is synonymous

worldwide with world-class quality. All JCB products are designed and built for hard work and reliability. Each JCB factory - whether in the UK, Brazil, North America, India or Germany - uses only the most advanced technology, components and manufacturing processes, while the company's meticulous design, rigorous testing, and best-practice lean manufacturing techniques ensure that wherever they are in the world, its customers will receive the same world-class JCB product quality.

JCB, which started manufacturing activity at its Delhi plant in 1979, expanded India operations by constructing a second factory in Pune. A thousand miles from JCB India's Delhi factory, the second factory is positioned strategically close to the port of Mumbai.

JCB is committed to constant innovation. The company challenges accepted knowledge and uses its understanding to develop more productive, more powerful and more profitable machines.





JCB's investment in R&D enables the company to offer a continually updated range of more than 300 machines. The company now boasts the largest range of compact equipment in the world and has developed solutions for industries as diverse as construction, agriculture, waste handling, landscaping, military, timber and many other specialist areas.

## And there's much more in the pipeline.

- Largest range of compact products in the world
- Over 300 machines in the range
- World leader in telescopic handlers
- Number 1 worldwide in backhoe loaders
- Major player in heavyline products

NO DPF = Significant fuel savings, decreasing downtime, reducing whole life service costs, increasing packaging flexibility, better resistance to varying fuel qualities.

Engine Response = Further engine response improvements compared to current Tier 3 engines giving your operators and productivity planners more "bang for their buck"

Fuel Consumption = 5 – 10% improvement over Tier 3 engines

Low cost of ownership = Giving measurable value to your customers by decreasing down time and reducing

servicing and fuel costs

Worldwide service and support network – Setting out to "delight" and exceed expectations of the customer in the most demanding environments around the globe.

Performance = 55kW / 74bHP - 129kW / 173 bHP with world beating torque levels at low engine speeds (375-750 Nm)

## JCB - High Mobility (HM) Defence Machines

JCB high mobility defence machines are specifically developed with military input to meet emerging military operational challenges.

Each machine features full suspension, ABS braking, a top speed in excess of 55mph (88kph) and exceptional cross country mobility, meaning that they are all self-deployable, enabling the maintenance of operational tempo, increasing efficiency and reducing the number of troops required on the ground.

All are also designed for inter-operational mobility and can be transported in a C-130, whilst HMRTF will fit inside a standard ISO 20ft container.

- Purpose designed and built for military use
- Ability to maintain operational tempo allows rapid response

- Self deployable, with full suspension and ABS braking enabling travel speeds of over 88kph
- Can be transported in a C-130
- Support can be delivered immediately to the deployed force

## Massive Investment Results in Industry's Cleanest Engine

JCB has made one of the biggest investments in its history to develop the off-highway sector's cleanest engine in readiness for incoming emissions legislation.

## The keys benefits of the innovation are:

- Reduced fuel consumption
- Reduced cost of ownership
- Better reliability
- Better packaging and no compromise of machine design

## Lean manufacturing processes in all factories

- World leader in innovation, research & development
- Worldwide common standards & procedures
- 18 factories - UK, Brazil, North America, India, China & Germany
- World-class manufacturing facilities



# Rising Indian Demand Boosts Zimbabwe's Diamond Exports

Diamond mining companies in Zimbabwe are set to benefit from rising prices on global markets, with prices creeping up across all categories as demand grows in Zimbabwe's major export destination, India.

Most local diamond firms, especially in Marange, sell their gems in India, where they fetch better prices than elsewhere and have received strong backing to conduct sales under the Kimberley Process.

Reports from India said the first cycle of diamond auctions this year was met with solid improvements in demands across all product categories and geographical areas, putting local gems in good stead to fetch good prices.

Neil Ventura, the chief executive of rough diamond trader Diamdel, a De Beers group unit, said regular auctions continued to strengthen in the first two months of the year and are forecast to keep rising in the next few weeks.

"All our indicators point towards a

continued, broad-based strengthening in demand in the coming weeks and into the early second quarter," said Ventura.

Demand at Diamdel's regular auctions continued to rise, after a lull in recent months, in the first two months of the year. The firm made 323 lots available, compared with the 105 lots in November/December 2011.

International media reports quoted the company recently as saying that about 165 different businesses bid at the auctions held during January and February this year, with 300 lots sold to 76 different buyers.

While demand for diamonds from all geographic markets was improving, demand from India-based firms, where Zimbabwe sells most of its gems, increased rapidly following a steady decline in the two previous months.

Ventura noted that demand also improved from Israel and Belgium-based businesses, while demand from Asia Pacific-based buyers held steady.

Zimbabwe could rake in US\$2.5 billion in diamond exports in the next few years while US\$600 million is expected to flow into national coffers and has already been provided for under the 2012 National Budget.

International investors recently said Zimbabwe would become a leading diamond supplier, at constant levels, for about 20 years over the next few years and India would remain the major export destination for local diamonds.

At least nine out of 10 diamonds are polished in India, making the Asian country a major global player. Zimbabwe and India's bilateral relations improved significantly at both national and corporate levels. Several Indian company-delegations and business groupings have recently visited the country to explore opportunities.

India led a number of developing countries in resisting international advocacy groups and Western countries' bid to classify local gems as "blood diamonds" to prevent their sale on global markets under KP Process.

Major global producer De Beers and Rapaport, which does the marketing, research and influences standards and prices of gems on global markets, allegedly sought to have local gems specified on global markets to maintain its dominance.

Its share of the market has fallen from 95 percent to 40 percent now. ■







## Introduction

Global Procurement Consultants Ltd (GPCL) promoted by Export-Import Bank of India (Exim Bank of India) is a unique public private partnership model that seeks to offer collective Indian experience and expertise through the provision of a range of project related advisory services, with particular focus on procurement and capacity building.

GPCL synthesizes India's consultancy expertise in project management and procurement across varied sectors of the economy including finance, infrastructure, energy, transportation, communication, information technology, industry, agriculture, mining, water resources, health and education.

# GPCL: A Valued Partner in Africa's Development

By Shankarnarayan R. Rao, President, GPCL

## Shareholders

GPCL has been promoted by Exim Bank in partnership with leading public and private sector firms such as WAPCOS, MECON, RITES, Agricultural Finance Corporation, Tata Consulting Engineers, and Consulting Engineering Services.

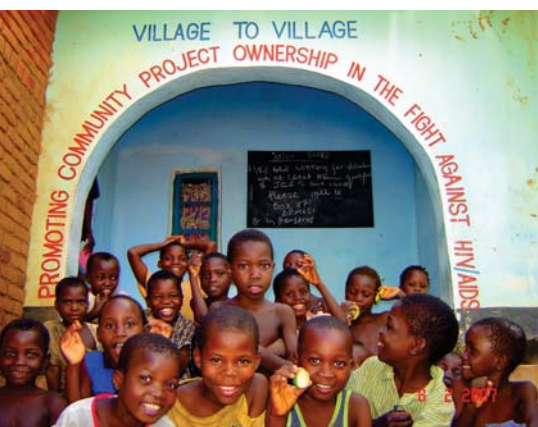
Exim Bank of India, the promoter of Global Procurement Consultants Ltd (GPCL), strongly supports GPCL in its global endeavours through a range of financing and facilitating services. The countries in the African continent have always been a focus region for Exim Bank of India, and thus a critical component of the Bank's strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in Africa, the commitment towards building relationships with the African region is reflected in the various activities and programmes, which Exim Bank of India has set in place.

Exim Bank of India has representative offices in Addis Ababa, Ethiopia; Johannesburg, South Africa; and Dakar, Senegal, which play a key role in facilitating economic cooperation with the African region, and are closely associated with the Bank's initiatives.

GPCL, inter-alia, leverages upon the strengths of its shareholders to support its initiatives in Africa.

## Association with African Development Bank

African Development Bank commissioned GPCL to carry out a comprehensive "Forensic Audit" (technical, procurement, financial) of US\$ 75 million water supply projects, in Edo and Delta States in Nigeria, and to submit reports on confidential findings on the management and execution of the project and recommend steps to be taken for the Bank's consideration in providing a supplementary loan to complete the



Malawi PPR\_Children from one of the beneficiary Community Based Organizations in Zambo District



Total War Against AIDS Project, Kenya - Global Procurement Consultants Limited as a Procurement Monitoring Agent.tif



Extension of Kahunge Gravity Flow Scheme, Kmuenge District, Uganda

projects.

**Swaziland:** The African Development Bank appointed GPCL to carry out a Country Procurement Assessment Review (CPAR) in the Kingdom of Swaziland, in order to examine the existing public procurement framework, policies, logical issues, financial controls and processes in the various Ministries and Departments, compare them with good procurement practices (regional and international) and then propose recommendations to revamp the system for better governance.

## Association with World Bank

GPCL has undertaken a number of consultancy assignments in India and numerous countries abroad, directly for the World Bank or in projects funded by the World Bank. A representative list of projects in Africa is summarised below:

**Eritrea:** GPCL was commissioned by the World Bank to carry out an Independent Procurement Review of four Bank financed projects in Eritrea involving review of over 75 contracts covering sectors such as ports

rehabilitation, health, emergency reconstruction, and child care.

**Ghana:** The World Bank appointed GPCL, to carry out the Independent Procurement Review of six Bank financed projects in Ghana involving 100 contracts covering agriculture, education, energy, health, roads and water supply sectors.

**Kenya:** GPCL, following an international competitive process, was appointed as the Procurement Monitoring Agent by the National AIDS Control Council of Kenya, for the World Bank financed Total War on HIV/ AIDS Project. The procurement under the project over two phases was monitored by GPCL.

**Malawi:** GPCL carried out the Independent Procurement Review of 4 World Bank financed projects in Malawi covering 65 contracts under four projects from the education, emergency, privatization, and transportation sectors. Besides, GPCL also assessed the procurement capacity and financial management of the implementing units, for each of the projects.

- Also, National AIDS Commission (NAC), Malawi, selected GPCL through international competition, for conducting Procurement Post Review for the World Bank aided HIV/AIDS Response Project involving review of over 25 contracts and reporting on the procurement performance of the Commission.

- GPCL was again selected by NAC through an international competitive process, to carry out a critical review of procurement, contracting and institutional capacity, that were in place. GPCL visited four major towns in Malawi and covered 16 major Grant Recipient Organizations and four Community Based Organizations (CBO), besides the NAC. A detailed report on the findings and recommendations for improvement were submitted to the NAC.

- Based on GPCL's involvement in carrying out the above audit, NAC requested GPCL to carry out another ex-post procurement audit.

Accordingly, GPCL carried out the Ex-Post Procurement Audit for the third time on the trot covering 10 Grant Recipient Organizations and

**Shankarnarayan R. Rao** is the President of Global Procurement Consultants Ltd (GPCL), a venture promoted by Export-Import Bank of India. GPCL is structured as a public-private partnership model, with the other shareholders being major private and public sector firms. GPCL provides a wide range of advisory services creating a platform to provide collective Indian expertise and experience, primarily on procurement and project implementation aspects, to executing agencies, project developers, and lenders with a focus



on developing countries/ emerging economies.

Rao took over as President, GPCL in October 2009 shortly after retiring from the services of Export-Import Bank of India, as the Bank's Executive Director. Exim Bank of India, a fully owned Government of India agency, finances, facilitates and promotes India's international trade and investment. At Exim Bank of India, Rao was responsible for a variety of functions including export credit, project and trade finance, lines of credit, corporate affairs, institutional



four Community Based Organizations and submitted a comprehensive report outlining the observations and recommendations for improvement.

**Nigeria:** GPCL carried out the Independent Procurement Review of five World Bank financed projects in Nigeria involving review of over 160 contracts covering sectors such as Community Development, Education, Energy and Privatization.

- GPCL, in association with its shareholder, Tata Consulting Engineers, provided Procurement Advice and Support to Lagos State Water Corporation for the World Bank funded assignment in restoring an ageing 115 mgd (then about 65 mgd) water supply system to its design capacity. Tasks included procurement packaging, prequalification of bidders for works, preparation of bidding document, advice on bidding process and bid evaluation, and contract preparation.

**Uganda:** Under a Quality Based Selection process, GPCL and its local associates were appointed by Ministry of Local Government, Uganda, to undertake an Independent

Procurement Review of contracts under the World Bank financed Second Local Government Development Program including an assessment of the implementing agencies' procurement capacity at 74 Higher Local Governments throughout Uganda. The assignment involved countrywide field visits followed by an exhaustive report on findings and recommendations.

- The World Bank appointed GPCL through international competition, to conduct the Independent Procurement Review on four Bank financed projects in Uganda. The assignment involved review of over 80 contracts under agriculture, health, finance and transportation sectors. In addition to the procurement review, GPCL also assessed the procurement capacity and financial management of the implementing units, for each of the projects.

## In a Nutshell

GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired

institutional and corporate objectives.

GPCL also supports, enhances and extends scope of supervision as also strengthening of institutional capacity for effective programme/ project implementation. In doing so, GPCL leverages upon its demonstrated strengths derived from its core staff, panel of specialists, associates and resources of its own shareholders to assist funding and project executing agencies.

GPCL has undertaken several assignments in various parts of Africa. GPCL's professional services in the area of procurement covering project spanning several sectors and encompassing all modes of procurement have been appreciated by the multilateral agencies as also the project executing agencies. GPCL is well positioned to support project executing agencies as also lenders, particularly multilateral agencies, in supporting economic co-operation through effective project implementation.

**Email:** [info@gpcl.in](mailto:info@gpcl.in)

**Website:** [www.gpcl.in](http://www.gpcl.in)

linkages, planning and research, information technology, management information systems, and the provision of advisory services. He was also responsible for the interactions with the Government, Embassies, international agencies as also industry associations and trade bodies. Rao has served on the Advisory Council of Confederation of Indian Industry (CII) - Institute of Quality and the Bangalore International Exhibition Centre as also as a member of the Jury for the CII- Exim Bank Award for Business Excellence.

Mr. Rao, a graduate from the Indian Institute of Technology, Bombay, joined Exim Bank of India in March 1983 when the Bank had just commenced operations, and was closely associated with several of the Bank's lending and service programmes, particularly in the area of project financing and the provision of value added information, advisory and support services. Rao had a stint of five years as the Bank's Representative in Washington D.C. He was also based in New Delhi as the Bank's Regional Resident Representative responsible for the Bank's activities in Northern

India.

Before joining Exim Bank of India, Rao was with Tata Consulting Engineers, a leading engineering consultancy firm, where he was involved with the provision of range of project formulation, implementation and monitoring services for a variety of chemical and industrial projects.

**Email:** [srrao@gpcl.in](mailto:srrao@gpcl.in)

**Tel:** (91)(22) 2285 2528

**Fax:** (91)(22) 2285 2532

**Website:** [www.gpcl.in](http://www.gpcl.in) ■

# The Eyes that Beckoned Me...



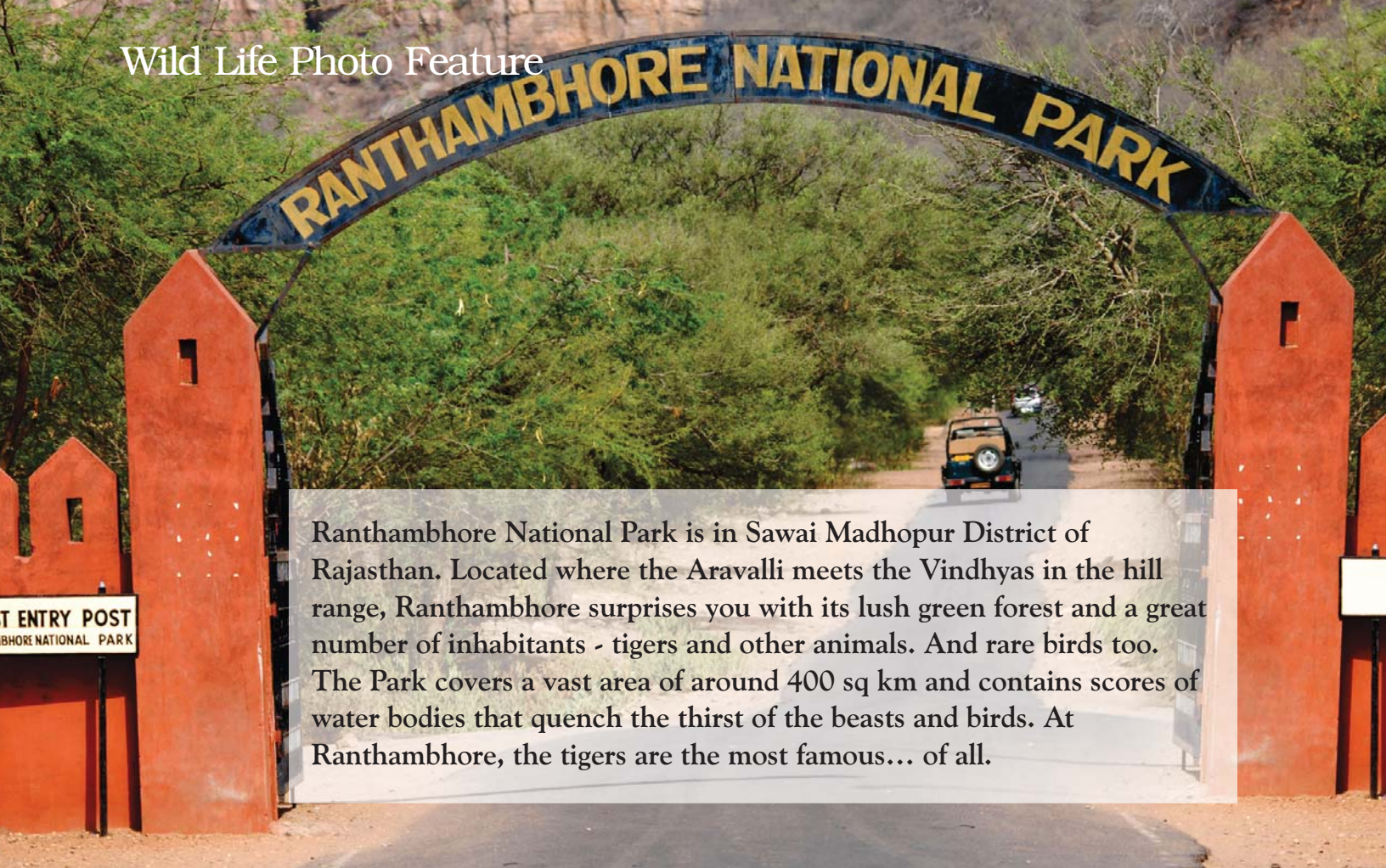
She has all the poise of a professional model; and all the moods too. I waited patiently for her to walk the forest ramp. I missed my heartbeat when our eyes met. Then, I shot her... with my camera, of course! She is Machali, the Queen of Ranthambhore National Park.



[ashish.bist25@gmail.com](mailto:ashish.bist25@gmail.com)

Ashish Bist is a banker by profession and photographer by passion. Currently, he is working as Asst. Vice President, Retail Assets, at the Central Office of Axis Bank Ltd, in Mumbai. An active cricketer and a qualified cricket umpire, Ashish acts as a honorary Public Relations Officer for the Photographic Society of India, the oldest such organization in the country serving the cause of photography. 'As a photographer, wild life fascinates me', says Ashish, whose camera says it all in this photo-feature.





Ranthambhore National Park is in Sawai Madhopur District of Rajasthan. Located where the Aravalli meets the Vindhya in the hill range, Ranthambhore surprises you with its lush green forest and a great number of inhabitants - tigers and other animals. And rare birds too. The Park covers a vast area of around 400 sq km and contains scores of water bodies that quench the thirst of the beasts and birds. At Ranthambhore, the tigers are the most famous... of all.













## Wild Life Photo Feature







A bright-faced mandrill, native to Equatorial Guinea.

## MALABO. BRIGHT AND EARLY.

Ethiopian Airlines has now commenced flights to Malabo, Equatorial Guinea from our home in Addis Ababa. So whether you are travelling for the oil trade, business or pleasure, there's now a more convenient way to visit this city. And with short onward connections to Europe, the Middle East and Asia via our hub in Addis Ababa - this new route is bound to brighten your day.

VISIT US AT [WWW.ETHIOPIANAIRLINES.COM](http://WWW.ETHIOPIANAIRLINES.COM)  
FOR CONVENIENT ONLINE BOOKINGS,  
CONTACT THE ETHIOPIAN AIRLINES MUMBAI OFFICE AT:  
TEL: (91 22) 221 63797 FAX: (91 22) 221 53725

**Ethiopian**  
የኢትዮጵያ

THE NEW SPIRIT OF AFRICA





# India's Largest Manufacturer of Construction Equipment



JCB is the largest construction equipment manufacturer in India. One out of every two construction machine sold in India is a JCB. The company offers an unmatched product range of excavators, wheel loaders, backhoe loaders, telescopic handlers, skid steer loaders and compaction equipment in India. JCB products are sold in over 150 countries across the world.

## We Care. That's why we're Everywhere.



**JCB INDIA LIMITED** : 23/7 Mathura Road, Ballabgarh - 121 004 Haryana, India.  
Teli: + 91 129 4299000 Fax: +91 129 2309050, E-mail: [delhi.marketing@jcb.com](mailto:delhi.marketing@jcb.com) Website: [www.jcb.com](http://www.jcb.com)

For more information SMS "JCB" to 56767 or  
call our toll free no. 1-800-2000-522

[infinitv@infinitvadv.com](mailto:infinitv@infinitvadv.com)