



INDO-AFRICAN BUSINESS

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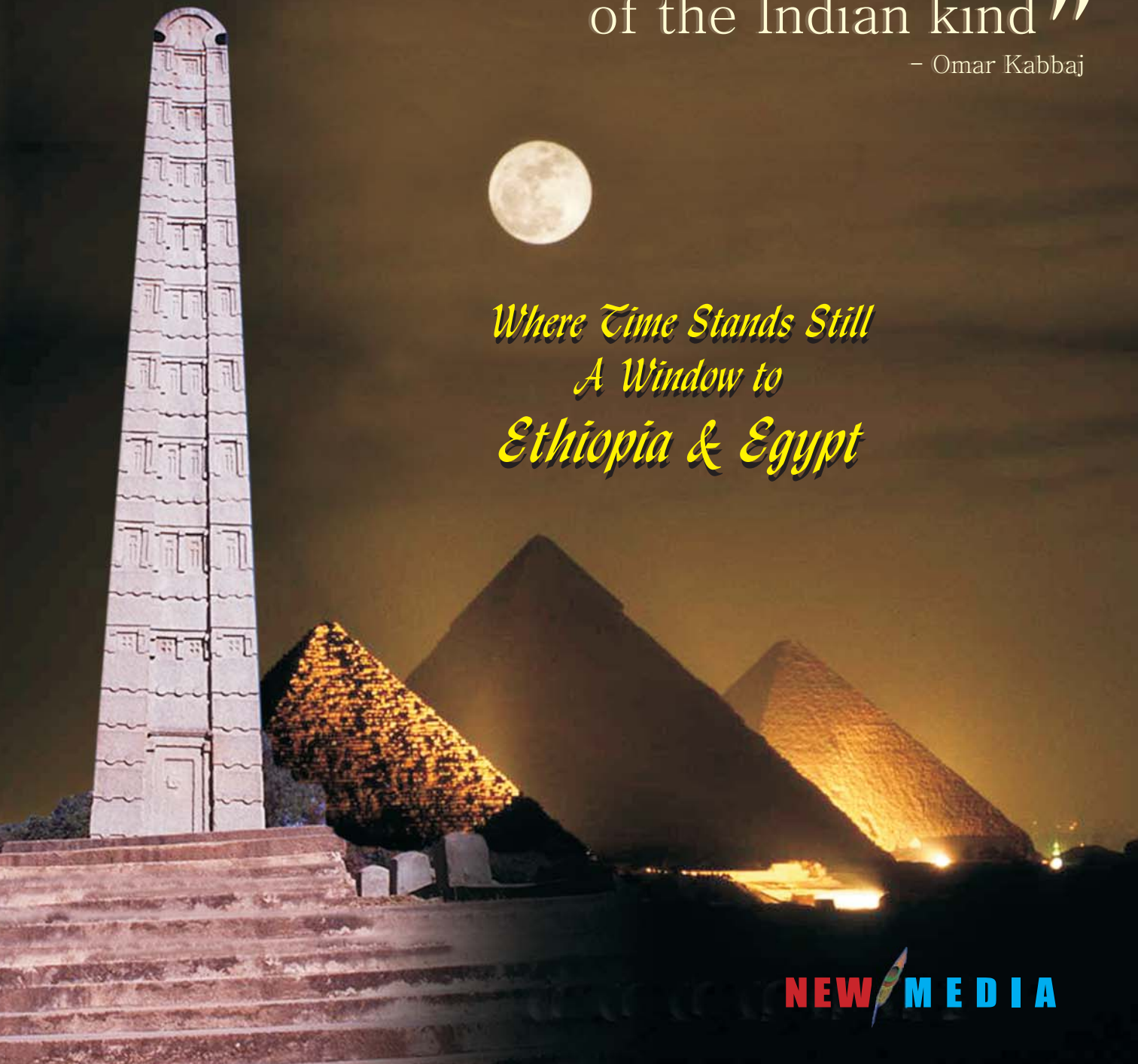
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“Africa needs
Green Revolution
of the Indian kind”

– Omar Kabbaj



*Where Time Stands Still
A Window to
Ethiopia & Egypt*



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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 Readers,

Greetings. The focus of the current issue is on Egypt and Ethiopia, the two ancient countries, which are currently swept by the winds of reform and globalization. India, no less ancient than Egypt and Ethiopia, has had a long tradition of trading with both of them. We carry in-depth articles on Indo-Egyptian and Indo-Ethiopian economic relations and the prospects of their future growth. We also present an interview with EgyptAir Regional Manager Amr Elhefny Elfeky on how the Airlines, one of the oldest in the world, is coping with the new challenges in the fiercely competitive field of aviation. Development and eradication of poverty are two most pertinent concerns of the current leadership in Africa. Omar Kabbaj, President of the African Development Bank, has an insider's view of the ills affecting the continent and the panacea that is required to cure them. We carry Kabbaj's speech on poverty alleviation in Africa. Equally concerned about Africa's development is the Indian institution - the Export and Import Bank of India. We carry a write-up from the Exim Bank on the investment prospects in the Southern African region, comprising 14 countries. On August 31, Exim Bank had organized a half-day exposure on India-Africa Partnership. We carry a report as well as a picture story of the proceedings. We also present in this issue, the keynote address of Dr. V. S. Gopalakrishnan, Director-General of the World Trade Centre (Mumbai), in which he subtly asks Indian businessmen to go and discover Africa which offers more investment opportunities than any other business destination in the West. The New Partnership for Africa's Development (NEPAD) is a synonym for African initiative and fight against poverty in that continent. We carry plenty of news on NEPAD's activities. One area of universal interest in Africa is tourism. The current issue presents the tour packages offered by Egypt Tourism, which is a mix of classic and modern fare, like a trip starting with visiting Pyramids and temples and ending with scuba diving or a moonlit dinner cruise on the Nile River. While on the subject, we offer an article on the exotic concept of agri-tourism and entertainment farming. It is but vacationing on the farms, living with the nature and returning home refreshed and recharged. Which, is also our objective of offering you this issue. By the time you are through with all the pages, you will feel no less refreshed than those holidaying on the farms, plucking the fruit and vegetables of their choice. And we haven't forgotten the regular features either.

Wish you happy reading

A handwritten signature in blue ink, appearing to read 'Satya Swaroop', with a long horizontal flourish extending to the right.

Satya Swaroop

Managing Editor

satya@newmediacomm.biz

Africa needs 'Green Revolution' of the Indian kind

- Omar Kabbaj



The African continent has gone through major changes in terms of policies and programmes of most of the countries in the last decade. The governments in Africa have realized that they have to attain sustainable economic growth in order to alleviate poverty and be transparent and accountable through good governance so as to attract investors. The African Development Bank has been leading the dialogue for change in the continent apart from funding a large number of development initiatives in the African Continent. Omar Kabbaz, President, African Development Bank Group (ADB), on a recent visit to India on an invitation of Exim Bank of India, spoke about the vast potential of the African continent at length with Rajiv Tewari in New Delhi.

The African Continent presents huge opportunities of development in the areas of infrastructure, education, population control, health services, agriculture and Information and Communication Technology. Many countries on the continent also present good opportunities in the area of Outsourcing. Manufacturing sector outsourcing too has excellent opportunities of south-south collaboration.

In the Senegalese city of Thiès, a new enterprise, "Senbus," has been assembling a large number of 30-seat buses for the domestic and regional markets under a partnership between Senegalese investors and Tata International, one of India's largest companies. This is only indicative of the vast untapped potential of the African Continent.

Growth Indicators

The African Development Bank Report 2004 provides several positive indicators. GDP has grown from 2.9 per cent in 2002 to 3.7 per cent in 2003 with 18 countries in the continent achieving a growth rate of over 5.0 per cent. The fiscal deficit has declined from 3.4 per cent in 2002 to 3.0 per cent in 2003. The debt burden too has reduced. Ratio of debt to GDP declined to 47.6 per cent and ratio of debt service to exports fell to 15.2 per cent. This is in spite of the fact that several countries in the region have yet to launch effective economic programmes. The potential of most countries is much higher. Many can achieve growth rates of 6.0-8.0 per cent. Mozambique has demonstrated that higher growth rates are possible.

Agriculture

An average of 60 per cent of the total population of the African Continent lives in rural areas and 20 per cent of its GDP comes from Agriculture.

Over 90 per cent of the rural labour force is engaged in agricultural activities. Therefore, it is critical for Africa to have a green revolution of the Indian kind to raise the standard of living in the rural areas. India can share a lot of valuable lessons with Africa in this area. There is a lot of scope of collaboration in educational and technology institutes specializing in agriculture. Most of the countries, on the advice of the ADB now emphasize the role of the private sector, agro industry, agro-business development, technology adoption, rural infrastructure and regional co-operation.



Infrastructure

The ADB has recognized the positive changes in the policies of most of the governments in the continent and has focused its resources a lot on the lending operations in the development of Infrastructure. The African Development Bank Group has disbursed loans to the tune of UA 33.21 billion (Approx US \$ 52 billion) among 52 countries over the period 1967 to 2003. Its future plans are to give over US \$ 600 million for Rural Water Supply and Sanitation Initiative. For technical support on infrastructure, its plans are to lend over US \$ 580 million. The total amount of an indicative African Development Fund Projects over 2005- 2007 is UA 2.6 billion. Over 30 per cent of this amount will be for infrastructure projects. This again could be a major area of co-operation with India.

Private Sector Investment

The governments on the African Continent have realized the importance of the private sector in development. Joint exploitation of natural resources in partnership with local and foreign private players is being encouraged. For example, member countries of the Southern African Development Community have come together to create the Southern Africa Power Pool to generate and distribute power efficiently among the member countries. Southern Africa has also focused on building growth poles. Most significant of these is the Maputo Development Corridor that links Gauteng with Maputo, the Mozambican port. This corridor has projects estimated at over \$ 7 billion with several billion already committed. This is just a glimpse of the opportunities presented by the African

Continent for private investment. Average returns on projects in Africa are very attractive and far higher than several other parts of the world.

Huge consumer market

With over 800 million consumers, Africa offers a very good market for consumer products too. Companies like Coca Cola, Citibank, Mobil, Shell have benefited a lot by investing in Africa. Some of the parts of the continent desire a lot in terms of peace and order but the impression that the entire continent is troubled with unrest and diseases is not true. Most of the continent provides excellent opportunities of investment and growth.

IT Sector

Information and Communication Technology is again a great opportunity area for India. The African Continent has taken a major step forward in this area by establishing the African Virtual University for providing satellite based distance education. Another step is the creation of Development Gateway Foundation to bridge the digital divide. Indian Educational Institutes and the IT sector have a lot of potential of growth in this area.

Travel & Tourism

Members of the business community, government officials and visitors from India must not miss to travel and explore an incredible range of sights and experiences from the mountains of Uganda to the calmness of the lagoons and waterways of Botswana, the craggy heights of Mt. Kilimanjaro to the soft sands of the Seychelles, Majestic Victoria Falls, from the dunes of southern Namibia to the beautiful beaches of South Africa; the sweeping plains of the Serengeti and the colorful Masaai, Samburu and Himba people and so much more that the African Continent promises.



India is a Pool of Economic Growth

- Dr. Boni Yayi

Amongst the emerging economies of the world, the African continent holds a lot of promise. Growth prospects here need the fuel of investments in the right doses for them to transform themselves into reality. The West African Development Bank is dedicated to the cause of developing the region. **Dr. Boni Yayi**, Chairman, West African Development Bank, in an exclusive interview with **Shruti Sinha**, informs about the mission of the institution, the purpose behind its association with EXIM Bank and India and the future it beholds. Excerpts.

What is the background in which the Bank came into existence and what is the purpose behind its formation?

The West African Development Bank is a creation of 8 regional African countries from the western part of the continent that decided to enter into an economic and monetary cooperation. This expanse of the geographical area covers about 73 million people. Our mission is to finance poverty alleviation and bring about economic integration of these countries. The activities of the bank were launched in 1976 and today it is the first of all regional banks in terms of balance sheet, in terms of resources. We finance the private sector, poverty alleviation and mainly the regional projects like harbour, roads, electricity, education and every regional project involving the infrastructure.

Please tell us about your association with the EXIM Bank and the recent agreements that you have signed with it.

We have decided to go to regions from where we can get finances for our main aim that is to fight poverty. That is why I have come here, as India is an economic and financial power in the world like China. We are opening the shareholders family of our bank. The 8 West African regional countries and their central banks fund our bank and we also have the non-regional shareholders. So we have the French, German, Belgian and the European Bank and now we want to access Asia. Here we have India and China. China is already our shareholder and today the EXIM Bank on behalf of India has become our shareholder. We are very happy today because EXIM Bank is a good bank. It is an excellent institution that has value in the international financial market and having the EXIM Bank and India as our shareholder will definitely increase our credibility in the international stock market.

By the arrangement made today, we will permit the access of our population to Indian technology, in terms of industry, in terms of small and modern enterprises, in terms of technology of information and communication. India, for us, is a good reference in the world and that is why I think that we have done a good operation by including EXIM Bank in the capital of our bank. India

and China are pools of economic growth in the world. By getting associated with the EXIM Bank, our bank's goodwill has increased in the world. We can now go to the international market and mobilize credit. It is a credit line by which our bank can support businessmen to buy a lot of articles, a lot of services and goods of India. In other words, to promote the businessmen of India in Africa. We can supplement this agreement, as we have discussed, throughout by technical assistance, by exchanging expertise, information, every thing by which our bank can grow in the sub region, in Africa and in the world.

How can we sum up the economic, social and cultural structure of the 8 regional countries, as it is very essential to learn about them, as we understand the structure of the bank they constitute?

The 8 countries' decision to form a united and integrated market is the main reason behind the creation of this bank. Therefore you cannot consider either of these countries individually. They form an integrated market with single currency, same central bank and single regional bank, the B.O.A.D. (Banque Ouest Africaine De Developpement) or the West African Development Bank. Their purpose is to harmonize project management, to bring about regional stability as in one country. Our economic growth on an average is about 3%. Individually speaking, Burkina Faso has about 6%, Senegal 7% and Mali 6%. (These are three of the 8 constituent countries). However in cumulative terms, our average growth is less. Our purpose, therefore, is to make the growth rate reach 7% per year for each country by launching an economic program. I am happy on getting India's assistance. Therefore we would like to organize a round table conference to formulate a program for realizing our economic objective.

If you were asked to project a picture of Africa, what would you have to say?

The perception of Africa is largely an image created by the press. But I have something different to say. Africa is moving ahead. We now have a number of growing institutions like ours that are willing to face the challenge of globalization. We have an Africa that is new, wanting

to grow and gain. The perception needs to be changed. Some parts of Africa have war but that is not all about Africa. There are regions that are looking forward to grow and even those regions that suffer from war; they have to be addressed by way of good governance, giving importance to the private sector. We have to provide the cure by way of a well thought out regional strategy.

Our aim is to make Asia accessible to our businessmen and we have begun with India and China. We have everything in Africa. It is rich in natural resources. It has crude oil, petroleum, river, water, forests and minerals. For harnessing these what is needed is technology from India and China, good governance for developing industries.

By the agreement that we have signed, we guarantee to promote Indian businessmen and India in Africa. We want to cooperate in every field to promote this partnership and cooperation.

The Commerce Ministry of India has launched a program, the Focus Africa. What do you have to say about such efforts to encourage cooperation between the two nations?

All that I would like to say is that we are in partnership with India, Asia and the world. India is ready to assist us on conditions of introducing good governance, encouraging the private sector and promoting a well-developed regional strategy. We have a lot to exchange. We have a lot to promote in terms of human resources, which are very important for us. In the context of a legal framework, judicial system, sound administration norms, small and medium enterprises, info-tech, telecomm and agriculture and food processing, too we have a lot to imbibe from India.

One thing, which is very important to note, is that we have to promote South-South cooperation. The focus is shifting increasingly towards the East. We should not have a few pockets of growth in the world but have regions of growth all over. We have to keep pace with globalization.

Plus there are many aspects of India that are attractive. Its culture, movies, attitude of people; if these could be harnessed to establish a good relationship between the two nations then why not?

Any message you have for the business community?

I am very impressed with India. It is a pool of economic growth. The growth here can also increase the demand for African products here. And this is the work of Indian businessmen, whom I would like to congratulate and welcome to Africa, which is fast changing, moving and getting ready to globalize. It is ready for every cooperation and partnership with India. God bless India!

EXIM Bank

ECGC, MIGA Partnership

New Partnership Provides Package of Financing and Insurance Solutions for Indian Companies Investing Overseas.

Export-Import Bank of India (Exim Bank), Export Credit Guarantee Corporation of India Ltd. (ECGC) and the World Bank's Multilateral Investment Guarantee Agency (MIGA) have formed a partnership that will provide a package of services that combines competitively-priced financing with risk mitigation to Indian companies investing overseas.

The objective is to support the outward expansion Indian companies, as they increasingly seek opportunities to invest overseas. Outbound foreign direct investment by Indian companies is about \$1 billion a year and growing.

"By providing financing and risk mitigation tools, the partnership between MIGA, Exim Bank and ECGC would cater to the needs of the Indian enterprise and encourage them in venturing abroad with higher level of confidence", said Mr. T.C. Venkat Subramanian, Chairman & Managing Director of Exim Bank, during the launch of the partnership in Mumbai.

Under the new arrangement, Exim Bank will provide the needed financing, while ECGC and MIGA will provide insurance against the risks that are out of investors' control such as currency inconvertibility and transfer restrictions; expropriation; war, terrorism and civil disturbance; and breach of contract.

MIGA and ECGC will work together largely through reinsurance/co-insurance arrangements. Investors can opt for either financing or insurance or the combined package of services. Additionally, investors can interact locally with ECGC while still benefitting from the World Bank's involvement.

MIGA's presence brings the World Bank umbrella of deterrence against host government actions that might affect project viability, says Luis Doderó, Vice President and General Counsel of MIGA. "MIGA's involvement can help protect investments, and in the event that disagreements do occur between investors and host governments, MIGA can mediate disputes and prevent claims from arising and disrupting projects." MIGA also brings unparalleled knowledge of country conditions and opportunities in developing countries, as well as international best practice in terms of environmental and social standards.

Investors will be able to take advantage of all the benefits of partnership with the World Bank without having to interact directly with MIGA staff in Washington DC. Says Mr. P.K. Dash, Chairman-cum-Managing Director of ECGC, "The new arrangement will have a very strong impact on efficiency and turnaround time. Investors can, for example, work with a primary contact at ECGC who coordinates the process and eliminates duplication. Documentation for the non-commercial risk insurance aspect of the partnership has been standardized by MIGA and ECGC."

Africa So NEAR, but why so FAR?

- R. Rajappa, CEO, Global Procurement Consultants Limited

Africa a continent of emerging economy, provides challenges and opportunities for phenomenal trade, investment and technology transfer. Leaving out francophone and Portuguese speaking countries, there are at least 21 countries which are English speaking and of relevance to Indian exporters. Last year Africa received nearly USD 4.1 billion of developmental aid from the World Bank and another USD 2.3 billion from the African Development Bank. However, as per data available for the year 2003-04, Indian exports to Africa constituted less than 5% of its total exports!

Global Procurement Consultants Limited (GPCL), a Joint Venture promoted by Export Import Bank of India, is a synergetic fusion of talent and experience available in both Public and Private sectors. In a short span of 6 years, GPCL has left an indelible mark of professional excellence in the sphere of procurement policy, reviews, studies, and advisory services in over 20 countries worldwide including countries in Africa such as Eritrea, Malawi, Nigeria, Sudan, Swaziland, Tanzania, and Uganda.

One of the thrust areas in GPCL's activity in Africa has been Procurement Audit, wherein large World Bank funded projects in diverse sectors like Education, Finance, Health, Infrastructure, Privatisation Reforms, etc., were reviewed. In spite of the fact that the value of the contracts that GPCL had audited in Africa in the various categories of procurement viz., Goods, Works, and Consultancy is around USD 200 million, it is disappointing to note that participation from the Indian industry has been hardly in one or two contracts. Whereas, firms from China, South Africa, Denmark, Netherlands have participated extensively even in small value civil works contracts and consultancy. Since most of the tenders were widely advertised, lack of awareness of opportunities cannot be a valid alibi for non-participation in these tenders. It was noted that agencies from China were securing lucrative contracts mainly on the basis of local tie-ups, competitive cost and willingness to transfer their know-how.

Following are few examples wherein India could have easily participated and won such contracts, but had not done so, may be due to complacency or imaginary fears over local banking facilities available in these countries and apprehensions over law and order situation:

- ICB for Procurement of High Voltage Metering Equipment awarded to Rousant International, South Africa for USD 185,236 PURP, Malawi.
- ICB for Construction of 1 No. 320 Student day Secondary School awarded to Hualong Construction

Ltd., China for USD 1,000,000 equivalent SEP, Malawi.

- QCBS for Design Review, Tender document preparation, and Construction Supervision of a Road Project in Uganda awarded to Dr. Ahmed Warrith, Egypt for USD 700,000 equivalent.

.....and many more.

On the contrary, Indians enjoy a favourable position with many African administrations. Slowly but steadily many African countries are returning to peace and harmony. Also, since most of the opportunities are through aided projects, payment is assured by reputed multilateral funding institutions.

India has a wealth of skilled professionals, intellectuals, cheap raw materials, and a strong local industry capable of producing goods of international quality. All this at a much lower cost than its counterparts in Europe and the US. It was also noted that local entrepreneurs were enthusiastic to have a tie up with Indian counterparts. It is always beneficial to have a local partner, who will be able to represent our interests and provide necessary advice and precautions to be taken for safe travel within the country of operations.

There are many avenues available for identifying opportunities in Africa, viz.,

- ADB Business Bulletin a monthly publication which lists out opportunities by African Development Bank.
- United Nations Development Business
- Commercial wings of Indian Embassies/ High Commission
- Export-Import Bank of India's office in Johannesburg
- Indo-African Chamber of Commerce and Industry
- Through local contacts in some of the select countries one would like to target.

GPCL, based on its experience, can offer Bid Support Services to India exporters (contractors, Suppliers and Consultants) on proper preparation and submission of their proposals in line with procurement guidelines and practices stipulated by the World Bank / African Development Bank. In one such instance, based on professional advice extended by GPCL, an Indian contracting firm who participated for the first time in Africa could submit a winning proposal.

It would be a pity that if opportunities that Africa offers are not capitalised upon by the Indian industry at large. Timely and concerted efforts is the need of the hour to ensure that Africa is indeed more near and not far.

Kalam's visit forges stronger ties with S. Africa

Dr. Kalam and Mr. Mbeki held extensive talks in an atmosphere of friendship and mutual understanding that traditionally characterize the Indo-South African relationship. New ways of enhancing the strategic partnership between the two countries based on shared democratic values were also explored.

The two sides agreed that the visit of Dr. Kalam to South Africa will undoubtedly further consolidate and expand bilateral co-operation in all fields. They agreed on the importance of increasing the frequency of bilateral visits at all levels including by dignitaries, ministers, officials, experts as well as people-to-people contacts.

The two sides also noted the importance of Inter-Parliamentary co-operation and called for the intensification of interaction of bilateral parliamentary exchanges.

The two sides, after taking into account the untapped potential for bilateral co-operation in certain areas, reiterated the need to expand bilateral trade, economic, scientific and technical co-operation. They also noted that the business and scientific circles of both countries should establish direct contacts for the implementation of industrial,

scientific and technical projects.

With a view to implement cooperation, the South Africa-India Memorandum of Understanding on Information and Communications technologies was signed on 15 September 2004.

In this context, the importance of the Joint Ministerial Commission, the India-South Africa Commercial Alliance, the India-South Africa Joint Committee for Scientific and Technological Co-operation and the India-South Africa Joint Committee on Defence Co-operation for the development of bilateral ties was reiterated and it was noted with satisfaction that regular meetings were taking place.

The two sides emphasized the significance of strengthening people-to-people contacts. In view of the tremendous contribution that exchanges in the fields of culture, education and tourism can make towards this end; they welcomed the

progress in the implementation of the cultural exchanges programmes and in mutual promotion of tourism.

Views were exchanged on India's vision of evolving into a developed country by 2020 and South Africa's plans for development. Both commended the ongoing efforts to

The President India, Dr. A.P.J. Abdul Kalam visited South Africa from 14 to 18, September 2004 at the invitation of the President South Africa, Mr. Thabo Mbeki. The visit, described as historic as it was first-ever by an Indian President, Dr. Kalam was warmly received by the South African leaders and the people. The visit was also considered as a reaffirmation of the time-tested relations between the two countries and their peoples. Here is an account.



The President Dr. A.P.J. Abdul Kalam and the former President of South Africa Dr. Nelson Mandela going round the Dr. Nelson Mandela Foundation in Johannesburg.



The President Dr. A.P.J. Abdul Kalam was accorded a Civic Reception at Chatsworth Stadium in Durban, South Africa.

realise those lofty goals and the need to share experiences and insights bilaterally.

It was agreed that the tripartite IBSA Dialogue Forum, comprising India, Brazil and South Africa, should focus on speedy implementation of the specific projects and ideas contained in the Plan of Action drawn up at the last IBSA Ministerial Joint Commission, held in New Delhi in March 2004 so that the people of the three countries could benefit in a concrete manner from the utilization of the potential synergies among the members.

The two sides held detailed discussions on regional and international issues of mutual interest, which revealed a close convergence of viewpoints. Both countries agree on the need to reform the United Nations to make it more effective and truly representative of the contemporary international community.

The two sides called for an equitable balance in an expanded Security Council to provide a decisive voice to developing countries so that it becomes more representative and responsive to their needs and aspirations. India and South Africa share the belief that the emerging world order should be just, equitable, multi-polar and based on the principles of democracy, sovereign equality, territorial integrity, non-interference in the internal affairs of states, peaceful settlement of disputes and principles of the United Nations. The two sides noted the need to continue a high level of interaction and co-operation between South Africa and India at the UN and in other multilateral fora.

The two sides noted with satisfaction the progress achieved at the WTO General Council Meeting in Geneva to remove Blockages to the Doha Development Agenda. They commended the increased solidarity among developing countries at the WTO.

The Indian side highly appreciated the constructive

policy of the Republic of South Africa as a factor of peace and stability in Africa and its efforts to promote multi-faceted regional co-operation, including through NEPAD, to ensure security and prosperity in the region.

The two sides expressed satisfaction over the positive development in the continent represented by the establishment of the African Union, with NEPAD as its socio-economic arm. The South African side expressed its appreciation of India's commitment to work closely with Africa in the context of NEPAD, pursuant to the traditional ties of co-operation and solidarity that have always characterized India-Africa relations.

The two Sides reaffirmed their support for the Asian-African Sub-Regional Organisations Conference (AASROC) process aimed at forging a New Strategic Partnership between Africa and Asia, incorporating existing initiatives, exchanges of experience and best practices among the countries and sub-regional and regional organizations of Africa and Asia.

Both countries expressed their resolve to ensure that this partnership will seek to translate ideas into reality and guide Asia and Africa toward a better future based on their collective self-reliance. Discussions in this regard centred around the existing involvement by India in Africa, including the India Africa Fund and the need to streamline and align these initiatives for coherence and maximum benefit with similar initiatives.

On the situation in the Middle East, the two Sides called for an early establishment of a Palestinian State in accordance with relevant UN Security Council resolutions so as to end the Israeli occupation.

Dr. Kalam extended an invitation to Mr. Mbeki to pay a state visit to India. The invitation was accepted with pleasure. The dates for the visit will be finalized through diplomatic channels.

The President Dr. A.P.J. Abdul Kalam garlanded the bust of Mahatma Gandhi at the Phoenix Settlement in Durban, South Africa.



The President Dr. A.P.J. Abdul Kalam was given a warm welcome by the Phoenix Settlement in Durban, South Africa.



WTC Chief's Call to Indian Businessmen

GO Discover Africa



DR. V.S. Gopalakrishnan

For many Indians, Africa conjures up images of forests, wildlife, and tales of explorers and adventurers. All this sounds exciting but Africa is much more than that. It is a continent full of promise and potential, opportunities and untapped wealth, investment possibilities and immense trade prospects. Explaining all this in his lucid style, the World Trade Centre Director-General, Dr. V.S. Gopalakrishnan asks Indian businessmen to go and rediscover Africa.

The fact stands that an educated Indian knows a good deal about the distant West but little about the neighbouring continent of Africa. As for an Indian businessman you will find him obsessed with China but somewhat ignorant about Africa. What explains this?

History has given Africa a raw deal. Most of it came under colonization and exploitation. Many countries got independence only a few decades ago. The newly independent States had to build industry practically from a scratch. Their developmental take-off is not easy and quick.

Add to this the burden of bad leadership and corruption. Even intra-African trade is indeed negligible. Africa is somewhat isolated in terms of transport and communication. Media coverage is negligible too. So you have a recipe that explains why Africa is not readily on India's radar screen.

Indeed it is a strange travesty that despite UNCTAD, GATT and then WTO, the share of Africa in world trade has been on a decline. In the period between 1985 and 1996, the share of Africa in the value of world merchandise exports declined from 4.3 per cent to 2.3 per cent, and is around 3.0 per cent now.

The policies pursued by the West had been detrimental to Africa's trade. But suddenly we are witnessing a transformation. The Least Developed Countries (LDCs) which were being ignored by the QUAD countries in the WTO, suddenly found their strength starting from the Doha Meet.

The LDCs now are a powerful and vociferous lobby. At Cancun, the West came under severe attack for the first time. The four African States of Burkina Faso, Benin, Chad and Mali which survive on cotton exports would no longer tolerate the US subsidizing 25,000 cotton farmers with a huge annual payment of US\$ 4 billion which resulted in depressing the international prices of cotton. So the Cancun Meet had to fail, with good reasons. Brazil, supported by Benin, Chad and even India, went to the Disputes Settlement Body of the WTO and very recently the ruling on cotton subsidy rightly went against the US. That is a historic decision in agriculture.

AFRICA NOT A PUSH OVER:

By Indian standards Africa is no push over. We have a population of 103 crore and our annual exports in 2003-04 were nearly US\$ 62 billion whereas Africa with a lesser population of 80 crores had exports touching US\$ 141 billion in 2001. The total African import that year was US\$ 136 billion. Therefore Africa does provide a great opportunity for trade.

Purchasing Power:

Out of 54 African countries, there are 15 countries having a per capita GDP higher than that in India. While India's per capita GDP based on PPP (Purchasing Power Parity) in 2001 was US\$ 2200, the figures for these 15 countries are:- Mauritius -10,400; Libya - 8900; Seychelles - 7700; South Africa - 8500; Gabon -6300; Tunisia - 6500; Reunion islands - 488; Algeria - 5500; Namibia - 4300; Swaziland - 4000; Botswana - 6600; Morocco - 3500; Egypt - 3600; Zimbabwe - 2500 and Lesotho - 2400. It makes sense to trade where there is purchasing power.

Sizeable Population

It also makes sense to trade with countries having a sizeable population. There are 10 countries with a population of three crore and above, and they are Nigeria (12.3 crores), Egypt (6.8 crores),

Ethiopia (6.4 crores), Congo DR (5.1 crores), South Africa (4.3 crores), Tanzania (3.5 crores), Sudan (3.5 crores), Algeria (3.1 crores), Kenya (3.0 crores) and Morocco (3.0 crores).

INDIA SHOULD ALSO GO FRENCH:

Traditionally our trade ties have been with sub-Saharan English-speaking States. The northern African countries such as Morocco, Algeria and Tunisia have historic French ties. These countries are the richer ones in Africa as we have seen. If language is not a barrier in love, it should not be allowed to become a barrier in trade. The Indian trader should make conscious efforts to break the language barrier and establish strong ties with these countries.

TRADE GROUPINGS AND TRADE INITIATIVES:

The early bird catches the worm. That is reason enough for India to captivate the trading mentality of Africa before China, Japan and other competitive exporters capture the African market. No doubt our main export thrust will be towards the USA and Europe where the buyers have been and the money is. But India should constantly diversify its markets and products. Africa is the nearest continent to us.

India's trade with Africa is not significant but the initiatives have begun in order to make that significant. You are surely aware of the FOCUS : AFRICA that was part of our Government's exim policy of 2002. The SADC (South African Development Community) consisting of 14 sub-Saharan countries, is seeking PTA/FTA with India, China, USA, EFTA and MERCOSUR. India is in the process of finalizing such agreements with SACU (South African Customs Union) and with COMESA (Common Market for Eastern and Southern Africa) which has 20 member countries. As a policy India is attempting to sign CECAAs (Comprehensive Economic Cooperation Agreements) along with FTAs (Free Trade Agreements). Some of the other well established regional organizations in Africa are IGAD (Inter-Governmental Authority on Development) and ECOWAS (Economic Community of West African States).

IOR-ARC (Indian Ocean Rim Association for Regional Cooperation) is another initiative for trade and investment promotion. It has 19 member countries located along the Indian Ocean rim. Launched in Mauritius in March 1997, it includes some African countries and India which will benefit mutually. In March 2004, India signed an MOU with 8 West African countries forming TEAM - 9 (Techno Economic Approach for Africa Indian Movement). Again in March 2004 a Framework Agreement called IBSA (India, Brazil and South Africa) was signed with the objects of promoting economic and commercial cooperation mutually and reducing the dominance of rich countries in trade.

I have not yet finished with acronyms that can cause a headache. AGOA (African Growth and Opportunity Act) is a legislation of the USA proclaimed on 2 October 2000.

It now applies to 35 African countries. Several categories of products are allowed by the Act duty-free entry into the USA. In February 2001, The EU adopted EBA (Everything But Arms) initiative for the LDCs by which their products were allowed duty-free and quota-free entry into Europe. The American and the European initiatives should reduce the export-handicaps of Africa.

WHAT SHOULD WE DO?

India's exports to Africa stood at US\$ 2.8 billion in 2001-02, constituting 6.4 percent of India's total exports of US\$ 44 billion. (In 1990-91, this percentage was much lower at 2.7 percent). However the share of India in Africa's imports was only 2.05 percent. So there is a big scope for Africa to give India a bigger share.

The EXIM Bank of India has been doing remarkable work in promoting Indo-African trade. It has conducted several studies, has been extending lines of credit, involved in project procurement and doing a number of things. The Indo-African Chamber of Commerce in Mumbai has been playing a significant role in promoting trade and investment. It supported an important initiative in organizing an Interactive Session with our commercial representatives of sub-Saharan countries at Mumbai in November 2003.

I would refer to a recent EXIM Bank Study according to which India could share 10 percent of Africa's imports by 2007. That figure would be US\$ 18 billion. That is nearly 25 percent of total planned exports from India amounting to US\$ 80 billion in that year. Would that be feasible? "Strategy for Quantum Jump in Exports: Focus on Africa, Latin America and China" (Working Paper No.5; May 2003) is the EXIM Bank study that I would recommend to you. The selected countries include South Africa, Egypt, Nigeria, Morocco, Algeria, Tunisia and Libya. So my advocacy of loving the Francophiles has been covered here. As regards the Indian products to be promoted for exports, the study rightly states that the product specific pattern of imports varies from one African country to another. There are nearly 150 products that have been identified for various destinations. Some of the important items for our exports are iron and steel items, vehicles, transport equipment, electrical machinery and equipment, plastic and plastic products, agro-processed items, chemicals, drugs and pharmaceuticals.

India wants to trade with Africa but does Africa want to trade with us? Yes, subject to quality and delivery. We have quite a way to go before we could secure a reputation in Africa.

India would have to multiply its promotional efforts. Mechanism of Joint Commissions and Joint Trade Committees needs optimal activation. Increasing number of participation in trade shows, buyer-seller meets, catalogue shows and the like will have to be resorted to. The Export Promotion Councils and various Chambers of Trade have to target Africa more actively.

While the Asian giant would stand awakened in the early part of this century, it would be only a generation before the African Giant too makes its mark on the globe.

Southern African Region

A Gateway to boost Indian Investment & two-way trade

Southern African countries, constituting the Southern African Development Community (SADC), is a formidable economic group with 14 countries as its members. The investment potential in this bloc is immense as the direct foreign investment (FDI) flows into these countries indicate. A study conducted by the Export Import Bank of India (Exim Bank) reveals that the Southern African region offers a great opportunity for India to step up trade with SADC countries. The indepth Study analyses India's trade and investment relations with select Southern African countries, with a view to identifying potential avenues for enhancing bilateral trade and investment.

Background

In recent years, various arrangements to promote economic integration and intra-regional trade and investment flows have been undertaken by African countries. One such arrangement is the (SADC). Founded in 1992, as a successor to the former Southern African Development Coordination Conference (SADCC), SADC is active in pursuing the integration and liberalisation of economies in the region. With its 14 member-states (Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe) and population of around 212 million, it forms a major trading bloc in Africa.

The objectives of SADC include:

- Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration;

- Achieve complementarity between national and regional strategies and programmes;

Promote and maximise productive employment and utilization of the resources of the region; and

- Achieve sustainable utilization of natural resources and effective protection of the environment.

In September 2001, the SADC Protocol on Trade was launched to liberalise intra-regional trade in goods and services within the region on the basis of fair, mutually equitable and beneficial trading arrangements. The SADC Protocol envisages the establishment of a SADC Free Trade Area by 2008.

SADC: Extra Regional and Intra Regional Trade

Trade within the SADC region has been increasing, as also the trade of most of the countries that form the bloc.

The share of SADC in Africa's total exports has also been more than 40% in the past few years, the highest being at 51.8% in 2000. On the other hand, imports in the SADC region has been falling for the past three years even though total imports from Africa has been rising steadily.

The intra-SADC trade increased after its formation in 1992, and in 2001 intra-SADC exports stood at US\$ 3.63 billion. The percentage of exports among the SADC countries in the total exports by SADC countries has increased significantly from 4.8% in 1990 to 10.2% in 2001.

Trends in FDI Inflows into SADC

While the foreign direct investment (FDI) inflows into SADC has registered a fluctuating trend over the recent past, FDI decreased from US\$ 10.072 billion in 2001 to US\$ 3.407 billion in 2002. SADC countries accounted for more than 30 per cent of Africa's total FDI inflows in 2002. Among all the SADC countries, South Africa and Angola account for the major share of FDI inflows to the region. Among the other countries Mozambique, Tanzania, Zambia, Namibia and Swaziland are countries receiving moderate amounts of FDI inflows. United States, with new initiatives like the African Growth and Opportunity Act (AGOA), which improves market access for African exports at favourable terms, is poised to be a major source of FDI going to the African states. The European Union is also among the principal sources of FDI in the African countries.

To attract more investment, the SADC countries have introduced various investment incentives in the form of protection against expropriation, repatriation of profits, non-discrimination between foreign and domestic investors, etc. To actively promote foreign investment, these countries have set up investment promotion agencies, which serve as a one-stop shop for all investment related matters.

Priority Sectors for Investment

The governments of the SADC countries have identified certain sectors/industries as priority areas and offer special incentives for investments in those sectors. Some common priority sectors in these countries include textiles and garments, information technology, agricultural machinery, food processing and related industries, transport machinery, and tourism.

Indo-SADC Trade

India has robust trade relations with the SADC countries, with the trade turnover (exports + imports) increasing from US\$ 1.5 billion in 1997-98 to US\$ 3.3 bn in 2002-03. India's trade balance however, has changed from a surplus of US\$ 68 million to a deficit of US\$ 1,269 billion over the same period. This is primarily due to a doubling of Indian imports from SADC over the period, while exports have not varied significantly over the years.

The share of SADC in India's total exports to Africa has been declining over the recent years, with the SADC countries accounting for 32.1 per cent of India's exports to Africa in 2002-03, down from 40.2 per cent in 1997-98. South Africa is the largest trading partner amongst the SADC countries, accounting for more than 47 per cent of total exports to SADC, followed by Mauritius, Tanzania, Congo DR, Mozambique, Angola, Zambia, Malawi and Zimbabwe.

Reflecting increasing importance as sources for imports, the share of SADC countries in India's total imports from Africa has witnessed a rise in recent years from 24.1 per cent in 1997-98 to as high as 66.1 per cent in 2002-03. Imports from SADC countries also have been dominated by South Africa, which accounted for as much as 92.1 per cent of imports from SADC during 2002-03. Consequently, trends in total imports from SADC have been in line with imports from South Africa.

While India has maintained surplus trade balance with other SADC member countries, the trade balance with South Africa is in a deficit rising from a deficit of US\$ 104 million in 1997-98 to US\$ 1.62 billion in 2002-03.

Export Potential

While India's exports to the SADC countries have witnessed positive growth during the past few years, potential exists to further enhance exports to the region. The Study has attempted to identify such potential areas where India and SADC member countries can promote trade in future.

Machinery and electrical goods, transport equipment, chemical and rubber products, and wood & wood products are some of the items with export potential in Botswana; Items that have export potential in Mozambique include machinery and equipment, vehicles, transport equipment & spare parts, textiles and iron and steel; Machinery and equipments, chemicals and textiles are some of the items that have export potential in South Africa; Commodities having potential to be exported to the Namibian market includes transport equipment, chemical products, rubber and plastic

products, machinery and instruments and textiles; Machinery and equipments, road vehicles and parts, chemicals and iron & steel manufactures are some of the commodities that can be exported to Tanzania.

Import Potential

With a view to enhancing trade relations, India could also focus on sourcing increased amounts of imports from the select SADC countries. Principal items that can be imported from Botswana consist of copper & nickel, meat & meat products and diamonds. Commodities having potential for imports from Mozambique include raw and processed cashew nuts. India can increase its imports of gold, inorganic chemicals and electronic goods from South Africa.

Potential import items from Tanzania can be gold, coffee and cashew nuts and that from Namibia can be diamonds and raw hides & skins.

Multilateral Funded Projects

Besides participating in investment activities that are promoted by the respective governments in the SADC countries, Indian companies should also endeavour to increase participation in multilateral funded projects. Multilateral institutions such as the World Bank and the African Development Bank support and fund a number of projects in the SADC countries particularly in the transportation, education and urban development related fields, among others. At the same time, increased efforts to participate in technical assistance in terms of project preparation and advisory services in such multilateral agencies' funded projects would serve to enhance Indian commercial presence in the SADC region.

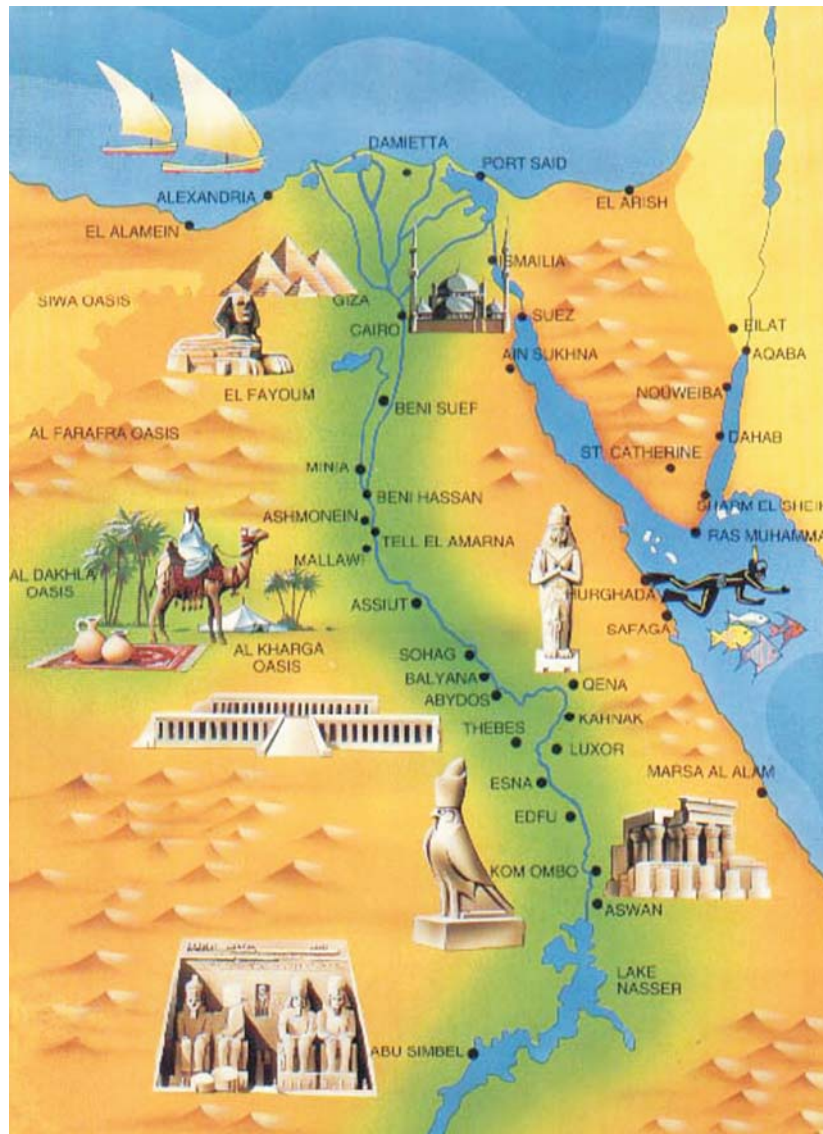
Exim Bank's Initiatives

To promote bilateral and regional commercial relations, the Export Import Bank of India has extended Lines of Credits (LOCs) to support export of eligible goods on deferred payment terms. The current operative LOCs covering the SADC region include US\$ 10 million each to Eastern and Southern African Trade and Development Bank (PTA Bank); Government of Zambia; and ABSA Bank, South Africa; US\$ 5.0 million each to Seychelles Marketing Board, Seychelles and Government of Angola; and Rs 20 crores to Offshore Development Company, Namibia. New credit lines to other countries including Mozambique, Swaziland, Lesotho and Mauritius are in the pipeline. These LOCs seek to expand export of product groups identified as those with potential to enhance trade between two regions. Exim Bank also operates a comprehensive programme, through equity, loans and guarantees, to support setting up of joint ventures' and wholly owned subsidiaries by Indian enterprises. Further, the Bank assists Indian companies to participate more actively in projects funded by multilateral agencies.

The Publication is available at: Export Import Bank of India, Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400005. Phone +91 22 22185272 Fax: +91 22 22182572. Email: eximcord@vsnl.com

Reforms turn Egypt Investor-Friendly

Straddling the crossroads of global trade, Egypt is a major commercial and trans-shipment destination. It occupies the northeastern corner of Africa, and is bordered by the Mediterranean to the north, Palestine, Israel, the Gulf of Aqaba and the Red Sea to the east, Sudan to the south and Libya to the west. The country thus occupies the crossroads between Europe, Africa and Asia.



In the early 1990s, the government launched an Economic Reform and Structural Adjustment Program (ERSAP) supported by a Standby Arrangement with the International Monetary Fund and a Structural Adjustment Loan from the World Bank, in addition to bilateral debt forgiveness/debt service relief from the Paris Club. This comprehensive program, designed to achieve macroeconomic stability in the wake of partial reforms implemented in the early 1980s and debt rescheduling in 1987, included: financial sector reform, interest rate liberalization, reductions in subsidies and price controls, exchange rate standardization, foreign trade liberalization, and public sector reform. The overarching goal was to create an open, market oriented, decentralized economy receptive to foreign direct investment and private-sector participation.

Egypt is rapidly shifting towards a market-based economy, a transition that demands implementation of a consistent economic policy. Hence, real economic growth takes place in an enabling environment, while macro- and microeconomic institutions are rehabilitated.

The reform program was designed to be carried out in three main phases. The first focused on stabilizing the economy, improving public finance and exchange rate policies, stabilizing inflation, tightening monetary policy, and deregulating prices, markets and investment.

The main targets of the second phase were trade and investment issues, private sector reform, and banking sector restructuring. These reforms were implemented directly, through policy changes, and indirectly, through educational and other measures to improve economic and social welfare. Deregulation of prices, markets and investments was carried out successfully. As the government came to realize the crucial role the private sector would play, it then began to exert increasing efforts to fostering and channeling such participation.

Reform policies are based on four interdependent pillars that must be consolidated in tandem to realize the nation's huge potential: investment, savings, institutional reform and export promotion. Egypt has completed the third phase of the economic reform program, which has been commended by the IMF "as an

achievement that has few parallels".

The gradual price liberalization strategy has paid off, and currently, prices of all products are market-based. Railway fares, electricity, petroleum products and natural gas prices are adjusted continually in line with their international equivalents. Continued economic progress, therefore, is based principally on Egypt's large, diversified economy, expanding international opportunities, modest external debt levels, fulfillment of debt service requirements, political stability, sustainable GDP growth, and the potential for further economic growth as a result of continued structural reforms.

The following indicators summarize the main developments in the macroeconomic framework during the past decade. As a result of the comprehensive economic reform program launched in 1990/1991, the Egyptian economy had displayed positive trends.

Economic growth accelerated from 1.9% in 1991/92 to 5.3% in 1999/2000. Significantly, the fiscal deficit decreased from 6.4% of GDP in 1991/92 to 4.7% of GDP in 1999/2000. In addition, foreign debt as a percentage of GDP has decreased markedly, from 77.9% in 1991/92 to 27% in 2000/01. Moreover, the current account deficit witnessed a drastic improvement, declining to 1.2% in 1999/2000 from 1.9% in 1998/99. Once again, these figures bear testimony to the government's success in managing this deficit by increasing non-traditional exports and attracting foreign direct investment.

The reform program has also been effective in reining in inflation rates that hovered around 20 percent in 1991. The inflation rate fell sharply, reaching 3.8% in 1998/99, 2.8% in 2000 and 2.4% in 2001; the steady decline is continuing, and the inflation rate will soon be in line with averages prevailing among Egypt's EU trading partners

The fiscal deficit has also tumbled from almost 20% of GDP in 1990 to 3.5% in 2000, after a brief increase spanning 1998 to 2000, which allowed the country to overcome a phase of domestic and global recession. Of course, the decrease in the fiscal deficit (as a percentage of GDP) must also be attributed to the growth of GDP, as shown in the figure below

During 2000/01 the balance of payments witnessed a deficit of \$852 million (0.9% of GDP). The current account deficit, after widening to 3% of GDP in 1997/98,

fell to 1.2% of GDP in and was close to balance in 2000/01. These trends were supported by healthy capital inflows and foreign exchange reserves.

External debt indicators are exceptionally good and compare very positively by peer standards in addition to having a favorable maturity profile. Egypt's outstanding debt stock and service obligations continue to fall relative to current account receipts and GDP. Egypt's external debt burden has been declining for several reasons: Paris Club debt restructuring prudent fiscal and monetary policies, and economic reform measures.

A Well Diversified Economy

Egypt has a well-diversified economy, with no single sector contributing more than 21% of GDP. Such a solid economic base reduces vulnerability to external shocks, and has enabled Egypt to attract foreign investments in a variety of fields.

Since the reform program began in 1991/92, the private sector has played an increasingly dominant role in growth. Private activities contributed to over 74% of Egypt's total gross domestic product in 1998/1999. The private sector has taken the lead in agriculture and irrigation, industry and mining, electricity, construction, transportation, communications, storage, trade, finance and insurance, restaurants, hotels, and housing.

Private investments exceeded 80% of total investments in Egypt during 1999, reflecting the government's commitment

to facilitating private sector participation. Furthermore, the government encourages individual business people and transnational corporations to invest in non-traditional areas, especially in financial services such as insurance, utilities and infrastructure through BOT and BOOT agreements - further proof of the government's successful reform policies. In addition, it is worth noting that economic growth was spearheaded by the private sector, underscoring the government's dedication to ensuring the transition from a state-driven to a private sector-driven economy.

Rating

Egypt exhibits many strong, positive indicators. Foreign debt and debt service remain low and the maturity profile is highly favorable, with some 96% of debt long-term and concessional. Foreign exchange reserves cover more than 10 months of imports. Inflation is still in the one digit



range at below 3%. The fiscal deficit decreased from 6.4% of GDP in 1991/92 to 4.7% in 1999/2000, and current account deficit witnessed a drastic improvement, declining to 1.2% in 1999/2000 from a deficit of 1.9% in 1998/99.

Egypt successfully launched its dual inaugural Eurobond tranche, of \$500 million with a five-year maturity, priced at 275 basis points over a five-year US Treasury Bond offering a fixed coupon of 7.625%. The second tranche of \$1 billion, with a 10-year maturity, was priced at 335 basis points over a 10-year US Treasury Bond offering a fixed coupon of 8.75%.

Hence, Egypt ranks sixth among a number of selected African countries in the world Economic Forum Competitiveness Report for 2001.

The events of 11 September and the international recession that followed have affected Egypt in a number of ways. Among the most affected areas were tourism, transport, exports and foreign direct investment. Most of the affected areas are labor-intensive, and social tensions have sharpened with the resulting increase in unemployment and reduction in the income of less privileged groups.

Egypt has one investment-grade sovereign credit rating from Fitch, and two below-investment ratings from Standard and Poor's and Moody's (Mergent).

SOCIO-ECONOMIC OUTLOOK

Egypt is rich in human resources. Its labor force, close to 18 million, is an excellent source of productive and inexpensive labor; combining semi-skilled, skilled and highly qualified workers its businessmen have extensive experiences in the markets of neighboring countries. The labor force has grown at an average rate of 2.7% a year in recent times. Low wages have encouraged the use of labor-intensive technologies.

While Egypt's is a young population, it is slowly growing older: the number of Egyptians younger than 15 represented 37.44% of the total figure in 1997/98. But this ratio decreased to 35.6% in 2000/01 and 34.9% in 2001/02. Children younger than six years of age represented 14.71% of the total population in 2000/01.

School-age Egyptians represented 42.56% of the total population in 2000/01, while those who attained productive status in 2000/01 represented 60.92%.

According to the 1996 census, the population stood at 59.3 million, excluding Egyptians who live abroad. In 2000/01, total population was estimated at 64.652 million; it is expected to rise to a total of 67.728 million by the end of this year. Of these, 65.828 million people lived within Egypt's borders in 2001/02, while the number of Egyptians living abroad was estimated at 1.9 million.

Between 1981/82 and 1999/2000, the workforce-population ratio rose from 26.4% to 29.8%, reflecting society's ability to benefit from the population increase, and turn it into a catalyst for development.

In 1999, around 560,000 new job opportunities were

created, easily absorbing the 498,000 workers that had entered the labor force that year, and therefore signaling a decline in unemployment. The unemployment rate, indeed, had already decreased from 9.2% in 1991/92 to 8.1% in 1998/99.

Expenditures on education, health, and other services have yielded impressive results in the last two decades; for example, the number of enrolled students completing basic education has doubled. With an eye on the importance of vocational and technical training in the coming era, the government has focused on increasing the number of educational and cultural institutes.

Total private-sector employment has also been rising steadily, and the quality of the labor force is high. Still, there is work to be done in several fields: according to the WEF Competitiveness Report, while Egypt ranks highest for engineering scientists, it comes tenth for engineers, twelfth for secondary and technical training as well as risk-taking and initiative and fifteenth for supply of skilled labor.

Further improvements to labor legislation are thus in the pipeline. New legislation will replace law 137/1981, facilitating the Egyptian labor market's development in circumstances of liberalization and globalization, and bringing labor regulations into line with into standards. In addition, the government has been recently actively working to study labor market requirements, and the inputs of the education process, to be able to rapidly match and accommodate to the changing market environment

Egypt's internal stability is anchored by its political prominence in the Middle East, broad-based popular participation, a stable economy, and a popular leadership.

Political parties, publications and public debate forums have proliferated since Egypt began strengthening its democratic institutions in the early 980s. This period has also been marked by unprecedented openness for the media and cultural activities, new prospects of development rapidly progressing administrative and legislative reforms coupled with an earnest drive towards integration into the world economy.

Egypt's new management philosophy relies on the private sector as the main engine of economic activity, while the government is responsible for mediating economic growth and coordinating development and technological progress.

Economic policy is therefore drafted in consultation with the private sector and takes interests into account. The implementation of reforms relies largely on the advice of business, consumer groups and other stakeholders.

Egypt is a parliamentary republic. The Civil Code of 1948 stipulates that Egyptian courts must rule according to custom, Shari'a and principles of natural justice, and equity. With respect to commercial activities, the Commercial Code, then trading practice or the provisions of the Civil Code are to be applied.

EgyptAir- Connecting the World with the Land of Pharaohs & Pyramids



Amr Elhefny Elfeky

An airline that connects a land, as ancient and magnificent as Egypt, to the world has a tough task. It must mesmerize its customers into believing they are flying on the wings of fantasy into the land of dreams. EgyptAir has succeeded in doing this as

its popularity and reputation testify. Constantly striving to soar higher in terms of the service it offers, EgyptAir does not allow its laurels to rest on Cloud Nine. The Airline plans to soar higher. Egypt Air Regional Manager Amr Elhefny Elfeky talks about the Airline's past grandeur, its present operations and the future plans in an interview to Satya Swaroop. Excerpts.

Egyptair, is one the world's oldest and most experienced airlines. Could you elaborate the airline's long journey since its inception in 1932, its milestones and achievements?

Egyptair Mumbai has been operating from Mumbai since its inception more than 50 years ago. It was the second airline after British Airways to start operations from Mumbai. Egyptair started their operations from Mumbai

to Cairo in 1962.

Operating out of the land of an ancient culture, Pharaohs and Pyramids, you have an added advantage of attracting tourists. How have you been able to take advantage of this great historic asset?

The Pyramids are most definitely 'ONE OF THE MAJOR WONDERS OF THE WORLD' from the most ancient civilization of the 'PHARAOHS'. People from different lands flock to Egypt to view this wonder called the Pyramids. NO OTHER PEOPLE IN THE WORLD ANCIENT NOR MODERN HAVE DISCOVERED THIS MOST PRECIOUS SECRET WHICH IS HELD ONLY BY THE EGYPTIANS - THE PYRAMIDS.

The EGYPTIAN MUSEUM is another unofficial wonder of the world holding the treasures from the pyramids - Tutakhamun's masks in gold, silver and other metals each and every artifact has a story behind it.

Also the tourists are attracted to the beautiful and majestic mosques with their intricate inlay work. The NILE CRUISE takes you down the river NILE. It offers you different tailor- made packages with stops in Luxor, Aswan & Abu Simbel.

The Aswan Dam, Karnak Temple, the Esna Locks are other scintillating points of interest. Here, I would like to add that we operate several flights daily from Cairo to all

domestic points like Luxor, Aswan, Abusimbel.

You are also operating in the world's most volatile regions, with terrorist threat looming large, especially against those traveling from the West Europe and America. How are you dealing with the security challenges?

Egypt and Egyptair have combated the Security Threat by employing well trained security on each and EVERY FLIGHT. Also the major and minor airports in Egypt maintain round-the-clock vigil by deploying security personnel with the most modern equipment. Tourist Police do the rounds of the city securing the safety of all tourists through day and night. A strict vigil is maintained near all the ancient monuments round the clock. Women, children and all can walk or drive down the streets of Cairo and cities and towns in Egypt even at 2 am in the morning without any fear as crime is not rampant and the citizens have to follow stringent laws.

Africa is on the verge of a take-off economically, after a long political and other struggles. Has Egyptair any plans to intensify its flight networking within that vast continent?

Egypt is a member of COMESA. Trade exists between Egypt and Africa and is on the increase. We intend to increase our Cargo flights between Egyptair and cities in Africa. We have already started operating five flights to Khartoum from Cairo.

Egypt and India have shared ancient cultural and trade relations. What are Egyptair's India plans now that this country is emerging as an economic power which has triggered mobility among its vast number of businessmen to travel around the world?

Egyptair is endeavouring to entice the common tourist, the business men, students and even the elderly citizens by placing before them many tailor-made sightseeing programs for Cairo, Nile Cruises. There are as many as 400 cruise liners from 2* to 5* (Two-star to Five-star) sailing the river NILE, the gift of ALLAH. Our own travel agency Karnak Travels offers a myriad number of programs from cheap to fancy. Even transit passengers can avail of the sightseeing programs from M/s. Karnak Travels. Recently, Egyptair and the Egyptian Government have developed and constructed a new terminal and hall for Business and First Class travelers. The restaurant offers varied varieties of Egyptian and Continental cuisine. The Frequent Flyer Program recently launched by our Airline has become very popular with tried and trusted passengers as it offers points on miles, upgrading, free tickets, discount on duty free shops and updated lounge services. We are endeavouring to operate flights from Delhi to Cairo to entice the North Indian Passenger

to travel to Egypt. We are already operating two flights weekly from MUMBAI TO SHARJAH AND CAIRO. We are also in the process of signing SPA's with domestic carriers in India.

You are aware that India has identified Africa as a vibrant continent for business focus and expansion of bilateral trade. What advantage would EgyptAir derive from the exciting possibilities of the emerging opportunities?

As Africa has been now marked as a vibrant and growing continent. Egyptair has many frequencies to the major cities in Africa and not only carries our esteemed passengers but also essential and precious cargo. The flights are operated to Lagos, Abidjan, Accra, Kano, Khartoum, Johannesburg with very convenient connections. Also we operate several flights to cities in North Africa like Tripoli, Benghazi, Tunis, Algeria Casablanca.

As of now, EgyptAir operates 400 weekly flights to 84 cities across the world. What are your long-term fleet and flight expansion plans and investment required?

Apart from our wide network and connections to 84 cities around the world with 400 weekly flights to different destinations with Cairo as a HUB. Egyptair has opened a new Call Centre in Cairo at the MAIN COMPLEX with state of the art facilities. We have already signed a contract for the purchase of five new AB330 Aircrafts out of which we have taken delivery of two aircrafts.

In a competitive world of aviation and tourism, what is your survival formula to keep flying on Cloud Nine?

We will maintain our wide network possibly even introduce more stations and also our main motto is punctuality which we will try to keep up to. The

Egyptian captains are well known for their flying skills and The Frequent Flyer program is being updated as well. Another introduction is Junior Passenger's program below the age of 18 in order to rope them in young they are given a special Egyptair student card which entitles them to accumulate their points for the miles and redeem them later. Hence, they will always prefer to fly EGYPTAIR. We have apart from the SPA Agreements also Code share with different airlines.

Have you any plans for business tie-ups with other airlines and allied agencies as strategic alliances to strengthen and expand your business?

Most definitely we have plans for expansion. We are in the process of appointing GSA's in Colombo and also starting flights from DELHI to CAIRO to service the North Indian traffic - tourist, student, businessman etc.



The Mystique of EGYPT

How do you describe Egypt? An ancient land embedded with mythology, mystery and centuries of glorious history? What unfathomable secrets do the pyramids, built by the Pharaohs of the Biblical era, hold in the deep depths of their bowels? The mummified queens and princesses of incomparable beauty, or the treasures of the King Tutankhamun, carrying an evil curse? The Sphinx of the eternal silence will not speak. To find answers to these questions, one has to explore the length and breadth of the land and the heart of its deserts, through which flows the Nile, the mighty river which had been a mute witness to the marching armies of monarchs, including those of Ceaser and Nepolean. Generations of tourists from across the globe have been drawn to Egypt to experience the rare sense of being part of that heritage. Sounds impossible? But Egypt Tourism has succeeded in making it possible. Here is how.

When most people think of Egypt, they think of antiquities, but Egypt offers much more. Certainly it is a prime location to see the great heritage from the ancient world, including Pyramids and wonderful temples, but it is also part of the Holy Land, and tours to Christian and other religious monuments are popular. Yet Egypt offers many adventure tours as well, including nature and desert treks, great scuba diving and even golf, fishing and birding expeditions. Alternatively, one may choose to simply relax on Egypt's wondrous Red Sea or Sinai coasts, or take in the high culture of Cairo, including grand operas, fine restaurants and its exciting night life. One may even leisurely float down the Egyptian Nile on a luxurious river boat, or mix and match these vacations, including excursions into deeper Africa or places such as Petra and Jordan.

SIX SUPER-DESTINATIONS

Egypt could be said to have six different tourist super-sites. Each has its own flavor, and mostly each serves a different purpose. Surprisingly, or perhaps not, most of these tourist areas do not depend on ancient monuments to sustain them. In fact, only Luxor is completely dependent on this trade.

These super-sites are :-

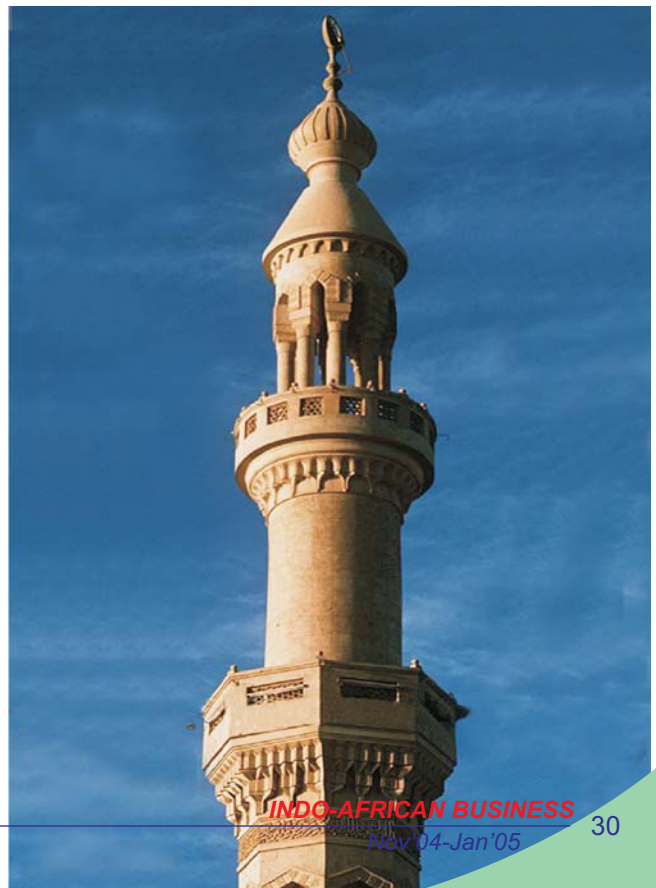
Alexandria & the area around the City.

It could in fact be argued that this area extends to Marsa Matruh to the west on the coast. The area has a Mediterranean feel about it, and the attraction is the

Mediterranean Sea, and to the people of Cairo, a somewhat cooler climate.

Cairo and its surroundings

Cairo has everything. Cairo has great hotels,



entertainment, restaurants, all manner of monuments from throughout the history of Egypt and it is often the entry point for most people visiting Egypt. It even has bowling allies and several golf courses to chose from.

Luxor, and the surrounding area.



Luxor is a living museum with vast numbers of ancient Egyptian monuments. It is also highly oriented to tourists, and might be thought of in the same regard as a theme park, where the attractions just happen to be real monuments.

Aswan and the surrounding area.

Aswan is probably the least of the super-site tourist areas, but has great hotels, along with the huge Lake Nasser just to the south.

Hurghada and the surrounding area, particularly El Gouna.

Not to far apart are El Gouna, Hurghada and Safaga, and these areas contain just about everything a tourist would like to have, with the exception of ancient monuments. They make up for that with every variety of water sports, several golf



courses, casinos and more. The Red Sea area has less of an Egyptian feel, but not as European as the Sinai.

Sharm El Sheikh, and the Sharks Bay.

This is the Sinai super-site, again with most everything any tourist might wish. There are even some wonderful Christian monuments nearby, and the water sports, as at Hurghada, are all inclusive. This is not to say that there are many more tourist destinations, particularly on the Red Sea and in Sinai, and on Egypt's mainland interior, the oases. However, in much of the rest of the mainland interior, travel and destinations are limited. However, the tourist super-sites encompass perhaps ninety-five per cent of the ancient monuments, and most else there is to do in Egypt.

CLASSICAL HOLIDAYS TO EGYPT CLASSIC

The classic tour of Egypt is mostly Pharaonic (Ancient Egypt), though most of the time this will also include some religious and Islamic sightseeing. The most common classic tour is usually 10 to 14 days, and generally includes Cairo, Luxor and Aswan, though not

particularly in that order. Classical tours are often arranged with, or without a Nile Cruise. Typically, such a tour will begin in Cairo, as that is the major airport where most tourists enter Egypt. However, tours of the Cairo area are frequently split between the beginning and end of the trip. For example, a tour might cover the Giza Pyramids (Great Pyramid),

as well as Saqqara (Step Pyramid) and even the Egyptian Antiquities museum on the first day of the tour. Then, after traveling to Luxor and Aswan and returning to Cairo, tours will often visit the Citadel and Khan el-Khalili market in Islamic Cairo and the churches and Coptic museum in Old Cairo. Of course, the tours may not be in this specific order. After the first day or two in Cairo, such tours usually move on to either Luxor or Aswan, usually by air but possibly by train. However, other forms of travel are often arranged, including bus travel. If this is the case, the bus may stop at antiquity sites along the way, such as some of the antiquities near the Fayoum. The next leg of the tour usually begins in either Luxor or Aswan. Luxor is often arranged as either a one or two day tour. In the morning, or one day of a two-day stay, the tour visits the West Bank where many monuments and tombs are to be found, including some of the finest in Egypt. This usually takes place in the morning in order to avoid the heat of the afternoon. Then, one afternoon or one day will be reserved for the east bank, where the Luxor and Karnak temples are located, as well as the excellent Luxor museum. Other activities might include a visit to the local bazaar. For Aswan further south in Egypt, a day tour is usually sufficient for many, and may include visits to Elephantine Island, St. Simeon's Monastery, the unfinished Obelisk, the Nubian Museum, the High Dam and Philae Island, though time may not permit most standard tours to visit all of these sites. However, a frequent addition to the standard classical tour is the temples at Abu Simbel. This will usually add a day to the Aswan tour. Most tours fly to Abu Simbel and back in one day, leaving some of that time open to expand on the visits to Aswan sites. Other less common tours may bus to Abu Simbel, possibly with a stay in a local hotel there. If, after Cairo, a tour first ends up in Luxor, the next destination will usually be Aswan, or if Aswan is the first stop, the next destination will usually be Luxor. The most common forms of transport between these two destinations are tour bus or Nile Cruise boat. While one may take a train or even fly between the two destinations, this is usually not done due to the antiquity sites such as the temples of Kom Ombo and Edfu, which are located between the two cities.

Religious Tours

One might say that there are four different types of Religious Tours. The first type might be considered Islamic tours, but this is outside of the scope of most westernized tours. While westerners frequently visit a few ancient mosques, they usually do not plan an entire tour around Islamic monuments. The other three types of Religious tours include the Holy Family Route, the Exodus Route and unstructured religious tours. Unstructured religious tours simply have no grand plan, such as following the Holy Family or Exodus Route. On the other hand, they may present a more balanced survey of all religious sites in Egypt, including those of both the Holy Family and Exodus Routes. Simply put, the Holy Family and Exodus tours attempt to follow the routes of

these holy journeys,

while unstructured religious tours may cover a spectrum of religious sites including those on both the Holy Family Route and Exodus Route. In any event, many such religious tours can and often do include visits to the most important pharaonic sites such as the Pyramids and the



Egyptian Antiquity museum. Furthermore, unstructured religious tours and the Exodus tours will often include the Sinai, so even a short beach stay might be included.

Adventure and Specialty Tours

Adventure and specialty tours are very often combined with a classical pharaonic tour, though they need not be, and in some specific cases, rarely are. However, some specialty tours are in fact classical tours with a twist. These types of tours vary considerably and we cannot probably name every variety possible. However, they include a Golfing Tour.

Golfing Tour

Golfing tours almost always include a classical element. This is not a traditional tour at all, so it is difficult to say what the normal tour will include. However, most usually they include one or two courses in Cairo, then perhaps Luxor and possibly the Red Sea coast or the Sinai. Many such tours are set up for a morning or afternoon of Golf, with the remainder of the day spend sightseeing. However, getting in a round of golf in Egypt

does not necessitate taking a golfing tour. A round of golf may be arranged at several

locations on a classical tour, or for that matter most any other type of tour, as there are now a variety of courses spread out over Egypt.

Fishing Expeditions

One may, of course, fish most anywhere along the Nile, and visitors will see Egyptians doing so even on the bridges and banks in Cairo. However, of growing popularity, as well as being unique, is Lake Nasser fishing. Here, one may find some of the largest fresh water fish in the world, and there are regular fishing expeditions. Because Lake Nasser is just south of Aswan, fishing expeditions to the area may include some classical sightseeing, though often they will not. While somewhat rare, there are also deep sea fishing opportunities in the Red Sea, though one must look around to find them. Specifically, we know of deep-sea fishing boats in Hurghada on the Red Sea Coast and Nuweiba in the Sinai.

Birding Tours

Bird watching has been more and more popular in Egypt, as Egypt is on the migratory path of many species of birds. While birds may be found throughout the Nile Valley and the Sinai, the most popular areas appear to be near Aswan, and the Northern Sinai. Bird watching around Aswan is almost always accompanied with a classical tour, and may simply be an addition to a standard classical tour. However, there are few ancient monuments in the Northern Sinai, so these tours rarely involve a classical component.

Nature Tours

Most commonly, nature treks occur in the Sinai, and specifically in the mountainous region of middle southern Sinai. Actually, such treks in the Sinai mountains are as much spiritually oriented as nature oriented.

Simple Holidays

Simple holidays in Egypt are a European tradition dating back over 100 years, when people would visit Aswan and Luxor not for the antiquities, but simply to relax around a pool in a nice hotel and watch the traffic slip down the Nile. Obviously, it would be simple to include a classical element to such holidays, but many people who come to Egypt for this purpose have seen the sights before. They usually come for the warm, dry climate and they include mostly mature adults and families. A good example of a hotel that caters to these vacationers is the Movenpick Jolie Ville in Luxor, which is a complete resort including a golf course.

Beach Vacations

We currently believe that more people come to Egypt for beach vacations than for any other reason. This might be a surprise to many who would believe that classical tours

would lead the pack. But for many Europeans, Egyptian beaches offer the least expensive means of a sand and sea holiday. Traditionally, the Sinai and Sharm el-Sheikh specifically was for wealthier vacationers, while the Red Sea Coast and Hurghada provided the low-end resorts. However, El-Gouna, just north of Hurghada, has provided the Red Sea Coast with a high-end draw. While these locations are packed with vacationers, a less frantic upper crust vacation can be had in locations such as Soma Bay on the Red Sea, or Taba on the Sinai. Less crowded budget areas include Safaga on the Red Sea and Nuweiba and Dahab on the Sinai.

It is not uncommon for beach vacations to include some classical or religious sightseeing. Many beach goers in the Sinai will take some time to visit St. Catherine's Monastery, as well as some of the other religious monuments located on the peninsula. And from either the Sinai or the Red Sea coast, visitors often arrange day or two-day tours to Cairo, Luxor and/or Aswan.

Scuba Diving Vacations

Egypt's Red Sea has some of the best scuba diving in the world, and people come from everywhere to explore the underwater wonders, including pristine reefs and many shipwrecks. Most destinations for scuba diving are the same as for beach vacations. In Sharm el-Sheik, Taba, Dahab and Nuweiba on the Sinai and El Gouna, Hurghada, Soma Bay and Safaga on the Red Sea coast, one will always find dive shops as well as great places to dive. We have also found that many, many people come



to Egypt to receive either initial or advanced diving training. Obviously, scuba diving holidays can and usually do involve an element of a standard beach vacation, and most everything pointed out above about beach vacations can be applicable to a scuba diving vacation.

India-Africa Partnership & Launch of Indo-African Business

Exim Bank, in association with MVIRDC World Trade Centre (WTC), organized an event of great significance for bilateral relations between India and the continent of Africa. Titled “India-Africa Partnership”, the half-day event was held at the World Trade Centre, Mumbai on August 31, 2004.

In a note, Exim Bank said that the African region presented significant business opportunities for Indian companies, both by way of trade and investment. In this context, Exim Bank has already taken several initiatives to support such activities. These mesh well with Government of India's “Focus Africa” and NEPAD programme.

Exim Bank Chairman & Managing Director T. C. Venkat Subramanian delivered the inaugural address at the event, where other speakers from the Bank also presented an overview of the potential of the African region.

The event also brought into focus the role of PTA Bank, a regional development bank covering 16 countries in Eastern and Southern Africa. Exim Bank has already extended four Lines of Credit (LOC) valued at \$ 24.3 million to PTA Bank for promoting exports from India. Exim Bank is now extending a new LOC for \$ 10 mn. Dr. Michael Gondwe, President of PTA signed the LOC with Exim Bank, and also made



▶ PTA Bank President, Dr. Michael Gondwe, making a presentation on Africa.



▶ Exim Bank CMD Venkat Subramanian delivering the inaugural address.



▶ WTC (Mumbai) Director-General, Dr. V. S. Gopalakrishnan, delivering the Keynote address.



▶ New Media Managing Editor Satya Swaroop talking about Indo-African Business, after its launch.

EVENT

a brief presentation on the activities of PTA Bank.

Dr. V.S. Gopalakrishnan, Director General, World Trade Centre, delivered the keynote address wherein he said Africa held immense untapped potential for Indian businessmen. The World Trade Centre promotes international trade and business through its membership of the World Trade Centers Association, and its trade facilitation services.

At the Bank's initiative, the inaugural issue of *Indo-African Business*, a quarterly publication from the New Media stable of transatlantic publications was launched on the occasion.

This magazine focuses on bilateral trade between India and African region. It is a bilingual (English &

French) quarterly magazine. The Bank's latest Occasional Paper on '*Select Southern African Countries: A Study of India's Trade and Investment Potential*,' was also released during the three-hour programme.



A view of the audience listening to the speakers in rapt attention.



S.R. Rao of Exim Bank addressing the gathering



Dr. Gondwe launching the Indo-African Business



The three main speakers paying deep attention at the proceedings



Dr. Gopalakrishnan releasing Exim Bank's Occasional Papers

**African Development
Bank turns 40**

Celebrating the spirit of Commitment & Service

As African Development Bank completes 40 years of its commitment to development its President, Omar Kabbaj, reviews its accomplishments of the institution, whose role was to contribute to the economic and social progress of its regional members individually and jointly. Here are the excerpts of Kabbaj's speech on the occasion.

The 40th Anniversary (1964-2004) should be a time of reflection for all associated with the Bank. It is a time when we should review how far our institution has come, take stock of our successes and setbacks, and assess more fully the challenges that lie before us. It is also an appropriate time for us to rededicate ourselves to the noble goal of our institution, namely, improving the lot of the many millions of Africans who continue to live today in abject poverty.

When viewed from the perspective of four decades back, there can be little doubt that our Bank has indeed come a long way. At the time it started its lending activities in 1967, the Bank's authorized capital was only UA 250 million, with 33 subscribed members. And although the resources at its disposal were considerably augmented by the establishment of the African Development Fund in 1973 and the Nigeria Trust Fund in 1976, it, nonetheless, remained a relatively small institution during its first two decades of existence.

It was only the opening of Bank membership to non-regional members in 1982 that enabled it to become what it is today – the premier development finance institution on the continent. This decision also paved the way for the Bank to become a truly multilateral development finance organization similar to its sister institutions in other regions – with a global membership of 77 countries not only from Africa, but also from the Americas, Asia and Europe. Indeed, the Bank Group today represents a unique global partnership in support of Africa's development efforts.

Non-regional Members' Entry

The entry of non-regional members also paved the way for the five successive capital increases of the Bank, such that today its capital stands at UA 21.5 billion. And, as important, it enabled it to become the only institution on the continent with a triple A rating. I should add that this standing of the Bank in the international financial markets was reaffirmed by the successful floating last year of our first \$1 billion global benchmark bond in the international capital markets.

In tandem with its increasingly solid financial base over the last decades, the Bank Group has also continuously adjusted its focus of operations. From an initial concentration on infrastructure and agriculture, it has, over time, broadened its objective to one of poverty reduction and sustainable economic growth. This orientation was clearly stipulated in the Vision statement that we adopted in 1999.

I believe it is important to stress that our Vision Statement enabled us to clarify and delineate our priority areas of intervention. And as importantly, it extended our operations into areas such as, for example, good governance – that were once considered outside the purview of the Bank. And with the adoption of our Strategic Plan, we have made clear the fundamental principles that will guide all our operations in our regional member countries, namely: *first*, country ownership, *second*, selectivity in line with our comparative advantage, *third*, participatory approaches in all our interventions in our regional member countries, and, *fourth*, full cooperation and collaboration with all our development partners.

I should also add that the Bank Group has in the last four decades adjusted its interventions and developed new instruments in response to the evolving needs of its regional member countries. Thus, in the mid-1980s, it moved into policy-based operations to support policy reforms and provide quick-disbursing funds when an increasing number of our countries began to face serious balance of payments difficulties. It launched its private sector operations in the early 1990s – and expanded it throughout the last

decade – when it became increasingly clear that rapid economic growth would only be achieved in our countries through the activities of vibrant private sectors. And we began to extend debt relief to our countries in the second half of the 1990s, in the context of the HIPC initiative, when it became clear that the development prospects of many of our low-income countries was being held back by the accumulation of large external debts.

Although our Bank has made large strides in the last four decades, we must, however, also admit that it has faced serious difficulties – and even crises – in the past. This was particularly the case in the early to mid-1990s. These difficulties led to serious differences between the shareholders of the Bank, with a significant number expressing their loss of confidence in the institution. These differences accounted for the two-year hiatus – from 1994 to 1996 – of new lending activities from the ADF window the first time this had happened in the history of the Bank. In addition, it also led to the postponement of the negotiations on the fifth general capital increase.

In response to these crises, the Bank undertook a comprehensive survey of its operations leading to the publication of the *Knox Report* in 1994. In addition, the Boards of Governors established a panel of eminent persons to look into all aspects of the governance structure of the Bank and to propose changes. Their report, entitled “*Reforming the Governance Structure of the African Development Bank*”, and which included a series of recommendations on institutional and corporate governance, came out in early 1996.

The Results of the Reform Process

Following the publication of these important reports, the Bank launched a series of reforms covering all aspects of its activities and its organizational structure, including operations, finance, corporate management, as well as institutional governance. *After nearly a decade of comprehensive reforms, where do we stand today? And what institutional challenges remain?* Let me provide with you with a broad overview.

Operations

In our operations, we have undertaken a series of important actions to improve their quality, effectiveness, and sustainability. These have included: *first*, developing a comprehensive, coherent, and internally consistent policy framework in line with best practices elsewhere to guide all our operations; *second*, enhancing our internal review system and providing training in project design work to improve the quality of projects at entry; *third*, enhancing our portfolio management by ensuring at least 1.5 supervision missions per program/project per year, enriching the skills mix of supervision missions, and undertaking mid-term

reviews; and *fourth*, introducing, in the last year, a results management framework to help us better assess the impact of our operations on the ground and enhance their development effectiveness.

In addition, our interventions have specifically promoted country ownership by ensuring the alignment of our Country Strategy Papers (CSPs) to the Poverty Reduction Strategy Papers (PRSPs) of our regional member countries, where these exist. Further, to promote sustainability and efficient implementation, much effort has gone into ensuring the participation of stakeholders in the preparation of the CSPs, as well as in the design of specific projects and programs. I believe the collaboration with our partners has also improved considerably – as evidenced by the strong working relationships we have built with the Bretton Woods institutions, the United Nations system, bilateral organizations, and NGOs.

There can be little doubt that these various actions have led to a general improvement in the quality of our projects and program. This is evidenced by the continuous decline in the number of projects classified as problem projects. These stood at 35 percent in 1995 but have declined to less than 10 percent in 2003.

While we can take pride in the achievements to date, it is clear, however, that we will need to take additional measures, particularly with a view to speeding up the implementation of projects, ensure their timely completion, and enhance their development effectiveness.

Towards this end, and as many of you may be aware, we have developed a New Action Plan to improve the implementation of our operations and it will soon be presented to our Boards for their consideration. The Plan calls for a series of actions focusing on: strengthening country institutional capacity; improving further the quality of projects at entry; mainstreaming further critical cross-cutting uses such as governance, gender, and environmental sustainability; reducing substantially the time required for projects to become effective; improving disbursements; and a progressive implementation of results-based management systems.

Towards this ends, as well as to enable the Bank Group to meet critical staff and budgetary shortages in other areas, we will soon be presenting to the Boards of Directors a proposal that we have called a Strategic Compact. The compact will indicate the additional staff and financial resources that the Bank Group will need to strengthen its activities in critical areas and to meet the many calls that have been made on it by its shareholders and clients.

Financial Management

Turning now to the Finance Complex, here also we have undertaken a series of reforms and measures that have yielded many positive results. Over the last eight years,

ANNIVERSARY

new loan products have been introduced to meet better the needs of our clients. The asset and liability management of the Bank has consistently improved and has now reached a standard comparable to the best practice in other financial institutions. In addition, the Bank has upgraded its credit and treasury risk management systems. And with the full implementation of the integrated enterprise resource planning system (SAP), the Bank is now one of the few institutions on the continent that has in place the most advanced information technology system to manage all aspects of its financial activities.

These measures along with the cleaning up of the Bank's portfolio, the systematic application of its arrears policy, and prudent management of the Bank's administrative budget, have led to a substantial strengthening of the Bank's financial base. The Bank's net operational income has averaged \$260 million in the last two years rising from a low of \$ 80 million in 1994, reserves have more doubled in the last eight years, and the level of arrears which had progressively increased to UA 1.1 billion in 2001 has been almost halved to UA 677 million in 2003. In addition, the Bank's financial ratios such as leverage, gearing, and liquidity ratios, are now some of the best among the multilateral development banks.

Corporate Management

As in the other areas, significant reforms have also been made in our corporate management. Since 1995, the Bank has undergone two restructurings. The first in 1996 was undertaken in response to the crisis that the Bank had faced and it entailed a considerable downsizing of the Bank. By contrast, the second, undertaken in 2002, aimed at giving the Bank Group the organizational means to fully operationalize its Vision and has involved a significant expansion. While some aspects of the second reorganization, such as recruitment for the newly created positions, have been delayed by the temporary relocation, I am confident that all aspects will be fully implemented in the coming months.

As in human resources management, much effort has gone into upgrading our information technology (IT) system. Over the last eight years, the Bank has invested considerable resources in its IT system.

Concluding Remarks

Let me conclude by affirming that our Bank has indeed come a long way since its establishment some four decades ago. We can take satisfaction that as a result of the actions of its pioneers, the Boards of Directors, management and staff of the Bank, and the far-reaching reform program that we implemented in the last eight years the Bank has now joined the ranks of the leading multilateral development banks, with the full support of its shareholders.

ADF project to help develop fisheries in RWANDA

A new African Development Fund (ADF) project, aimed at helping Rwanda improve its aquaculture sector and create thousands of new jobs, has been approved.

The \$1.47 million fisheries project, called the Inland Lakes Integrated Development and Management Support Project, was cleared on October 6, 2004.

While improving the incomes of actors in the fisheries sub-sector in a sustainable manner, the project will also contribute to strengthening food security in Rwanda.

The project will help build national capacities in the management of fish resources, ensure sustainable build up of fish stocks over 25,000 hectares of water bodies and protect 35,000 hectares of catchment areas. It will also induce an additional annual production of 10,000 tonnes of fish and of 1,000 tonnes of pigs and poultry.

At the economic level, the project will also generate savings in foreign exchange with the gradual substitution of fish imports. Similarly, it will help improve 50 per cent of the incomes of the target communities, particularly women, and strengthen food security by raising the current per capita consumption of 1 Kg per year to 2 Kg per year by 2010.

Furthermore, the project will help create 19,800 jobs, 10,000 of which will be for the entire fisheries sector and 9,800 generated by the labour intensive protection works.

The Bank Group operations in Rwanda started in 1974. To date, the Group has committed in the country approximately US\$ 558 million (RWF 322 billion) for 63 operations.

Ancient Ties Find Modern Expression

Ethiopian Market Reforms Entice Indian Investors

Endowed with these historical interconnections, present day relations of both countries enjoy continuity and are based on mutual respect, admiration and co-operation. Bilateral co-operation is multifaceted and is being enhanced and reinvigorated through regular contacts and visits.

Bilateral Trade Pact

The presence of Indian traders in the Red Sea several centuries ago fostered commercial contacts and co-operation. These age-old economic ties between the two countries have been further strengthened by measures undertaken in the past decades. The relationship was given a great fillip on 12th November 1982 when the two countries signed a bilateral trade agreement that laid down the framework of co-operation.

In view of the growing realization of the need to diversify and further strengthen the bilateral economic relations, particularly in area of trade and investment, the new trade between India and Ethiopia was signed in March 1997, and based on this agreement Ethio-Indian Joint Business Council was set up and three meetings have since been held. At the third meeting held in Addis Ababa, both sides expressed satisfaction at the growth of bilateral trade over the last two years and they noted that it is for the first time that the bilateral trade in 2001-02 has crossed the \$ 100-million mark, with Ethiopian export increasing from \$ 3.9 million in 2000-01 to over \$ 18 million in 2001-02.

Ethiopian Incentives

With the spread of globalization, government controls have been relaxing and private sector is being recognized as the core strength of trade, investment

and commercial prospects. To this effect, to encourage private investment and promote the inflow of foreign capital and technology into Ethiopia various incentives are granted to investors (both domestic and foreign) engaged in new enterprises and expansion in areas qualified for Investment incentives. These include custom duties, income tax holidays, and loss carry forward, etc.

With regard to Custom Import, 100 per cent exemption from the payment of Import custom duties and other taxes levied on Imports is granted to all investment capital goods, such as plant, machinery, equipment, etc. There is also exemptions from payment custom duties where Ethiopian products and services destined for export are exempted from the payment of any export tax and other taxes levied on exports. Besides, any income derived from an approved new investment shall be exempted from the payment of Income Tax for periods ranging from one to

five years depending upon the priority of investment activity and the location in which the investment is undertaken. Furthermore, an Investor is entitled to have

The trade and economic relations between Ethiopia and India date back to ancient times. Indian traders, along with the Romans, Greeks, Phoenicians and Arabs traded with the ancient Axumite kingdom. The ancient port of Adulis was the hub of maritime trade where Indians brought Silk and Spices for Ivory and gold. Historians have cited evidences to prove the ancient links and contacts between the peoples of the two countries. Thus, trade and people to people contact has been and continues to be an important feature of Indo-Ethiopian bilateral relations.



OPPORTUNITY

deduction of expenses for research, improvement studies or training from taxable income. Any remittance made by a foreign investor from the proceeds of the sale or transfer of share of assets upon liquidation or winding up of an enterprise is exempted from the payment of any tax.



Potential Areas

Following are a few potential areas for Indian businessman to look into Ethiopia:

- 1 Educational and Technical Training
- 2 Water Resources Management
- 3 Pharmaceuticals and development of small industries
- 4 Leather, Leather processing /Leather garments

Leather: Ethiopia has abundant leather. India can offer leather processing units, leather finishing units and units for manufacturing of leather garments.

Tea & Coffee Plants: Ethiopia offers both Tea and coffee of very good quality. India can offer processing plants.

Oil Extractions: Ethiopia has a lot of edible oils and thus seeds extraction, refining and bottling plants can be set up in Ethiopia and exports within Africa.

Textiles and Readymade Garments: Ethiopia has excellent quality of cotton at very competitive prices. India is presently buying raw cotton from Ethiopia. A number of units can be set up for processing cotton to yarn to fabric and for manufacturing readymade garments.

Indian entrepreneurs can also set a base for production of readymade garments for quota free/duty free exports to the US and Europe.

Medicines & Drugs: Ethiopia imports formulations and medical disposable etc. There is a huge demand for testing kits, as well as formulations and drugs for HIV / AIDS, TB, Malaria and other diseases.

There is a very good scope for setting up SME units for producing medical disposable like syringes, bandages, catheters, blood bags and other medical disposables.

Setup plants to manufacture pharmaceutical items in the form of tablets, capsules and injectables.

Plastic Processing: Ethiopia uses items like buckets, cups, plates, utensils, etc. Plastic processing units could do very well for local supplies in Ethiopia as well as to other African markets.

Sugar Processing Units: Ethiopia produces some Sugar. The quality of sugar produced is to the Standards, thus, sugar refining units can be set up and sugar produced can be exported to Africa and other countries.

Power: Ethiopia has Hydro-Power as well as Thermal Power production. The Government is continuously upgrading the power generation capacity, specially through Hydro Power Plants. India can involve power generation and power distribution ventures.

Railway Projects: Ethiopia has Railway lines between Addis Ababa and Djibouti. It requires lot of reconstruction and renovation. Indian Railways can participate in upgrading the railway system.

Minerals and Mining: Ethiopia has a lot of mineral wealth. India can share its expertise in jointly exploring minerals in the country.

Indian Industrialists and businessmen with their



appropriate technology as well as with their technical and business development know-how could take advantage of the most favourable business climate prevailing in Ethiopia.

The Ethiopian Government is also appreciative of what India has achieved in all its developmental aspects by adopting indigenous technology and pursuing an

innovative approach. Thus, there is a lot to give and take through the exchange of experiences and transfer of technology, etc.

Market-friendly Reforms: Ethiopia today is implementing market friendly reforms. Foreign exchange controls are being relaxed and Investors are assured repatriation of interest, profits and dividends. The government is open to create increasing market freedom through privatization and ease restrictions on cross-border investments.

Recently, an Indian entrepreneur has signed a contract in Ethiopia with the zonal council of the Oromia state to establish a Sugar-processing factory in Wolega zone. Raji

won a \$ 250,000 consultancy service contract of Waibeshebele river basin, Jyoti Structures Ltd., Mumbai won a contract for supply and installation on turnkey basis of 132 KV and 66 KV transmission lines for Ethiopia's Eastern Region Power Transmission Project-II, KEC International Ltd., Mumbai has executed contracts for the Ethiopian Electric Power Corporation. Kalpataru Power Transmission Ltd., Gandhinagar also won a contract for Shakiso-Negele Power Transmission Project.

Ethiopia enjoys a stable political environment with good democratic governance. It's democratic construction guarantees fundamental freedoms and rights, including freedom of association, press and freedom to undertake

business and own property in Ethiopia. The country is a signatory of the Multilateral Investment Guarantee Agency (MIGA) and has also signed the World Banker's Convention on the settlement of investment disputes between states and nationalities of other states and Bilateral Agreement for promotion and protection are in place with several countries.

Ethiopia is also a beneficiary of Preferential Market Opportunities to USA market under Africa Growth and Opportunity Act (AGOA).

- Member of Common Market for Eastern and Southern Africa (COMESA) embracing of 23 countries with a total population of 30 million.

Exports and Imports between member countries enjoy preferential tariff rates.

- Products to European Union Market are entitled to duty reduction or exemptions and are free from all quota restrictions under the terms of Lome Convention.

- Under the Generalised System of Preferences (GSP), a wide range of Ethiopians manufactured products are entitled to preferential duty treatment in the United States, Canada, Switzerland, Norway, Sweden, Finland, Austria, Japan as well as most European Union Countries.

- Moreover, no quantitative restrictions are applicable in Ethiopia's exports of any of the 300 plus items currently eligible for GSI treatment. Ethiopia has highly discipline and trainable manpower.



Sangi plans to launch the factory and sugar-cane plantation on 3492 hectares of land. M/s Green Focus Ethiopia Ltd., three years ago was involved in a Mango Plantation projects in Ethiopia at a total investment capital of about \$ 10 million in 4000 acres of land. So far the company has planted about 20,000 mango saplings imported from India. E.V. Industries is another company interested in setting up a factory for the manufacturing of sewing and embroidery threads, which involves an investment of nearly \$ 550,000. There are about 28 other companies doing business in Ethiopia in the area of manufacturers, trade, agriculture and Education.

Besides, Indian companies are doing contract work in Ethiopia in the roads, telecommunications sectors and power sectors. TCIL is executing contracts for the Ethiopian Telecommunications Authority. WAPCOS

Capital Requirements

1. Any foreign investor, to be allowed to invest in Ethiopia shall be required to allocate a minimum capital of 100,000 US dollars for a single investment project.

2. The minimum capital required of a foreign investor investing jointly with domestic investors shall be 60,000 US dollars.

3. The minimum capital required of a foreign investor investing in areas of engineering, architectural, accounting and audit services, project studies or business and management consultancy services or publishing shall be:

a) 50,000 US dollars if the investment is made wholly on his own:

- a) Profits and dividends accruing from investment
- b) Principal and interest payments on external loans
- c) Payments related to a technology
- d) Proceeds from the sale or liquidation of an enterprise
- e) Proceeds from the transfer of shares or of partial ownership of an enterprise to a domestic investor.

Investment Guarantees, Incentives and Protections

1. No investment may be expropriated or nationalized except when required by the public interest and then, only in compliance with the requirements of the law.

2. Adequate compensation, corresponding to the

Ethiopia Offers Safeguards & Guarantees

Investments and Incentives Add Up to Easy Remittances

Ethiopia recognizes the importance of economic development on all fronts and the role of foreign investment in promoting it. No amount of foreign investment is insignificant, starting with \$25,000 for a foreign investor interested in a joint venture in a host of industrial and business activities. The Ethiopian Government also offers a number of safeguards, guarantees and incentives to investors, including easy repatriation of returns and profits.

b) 25,000 US dollars if the investment is made jointly with domestic investors.

4. A foreign investor:

a) re-investing his profits or dividends; or

b) exporting at least 75% of his outputs I shall not be required to allocate minimum capital,

5. Any foreign investor having brought investment capital into the country shall have registered same at the National Bank of Ethiopia and obtain a certificate of registration.

Remittances of Funds

1. Any foreign investor shall have the right in respect of an approved investment to make the following remittances out of Ethiopia in convertible foreign currency at the prevailing rate of exchange on the date of remittance:

prevailing market value shall be paid in advance in case of expropriation or nationalization of an investment for public interest.

3. Any foreign investor may remit compensation paid to him out of Ethiopia in convertible foreign currency.

4. Full and equal treatment for foreign investors and Ethiopians in undertaking investment and business opportunities.

5. Ethiopia is a signatory of the Multilateral Investment Guarantee Agency (MIGA) which provides guarantee for non-commercial risks.

Ethiopia has also signed the World Bank's convention on the settlement of investment disputes between states and nationals of other states. This provides for the international arbitration of disputes with foreign investors.

Bilateral Agreements for promotion and protection are in

place with several countries.

6. A 100 percent exemption from the payment of import duties and other taxes levied on imports is granted to all investment capital goods, such as, plant machinery and equipment as well as spare parts worth up to 5 percent of the value of the imported investment capital goods provided that the goods are not produced or available locally in comparable quantity, quality and price. Investment capital goods imported without the payment of import customs duties and other taxes levied on imports may be transferred to another investor enjoying similar privileges.

Exemption from customs duties or other taxes levied on imports are granted for raw materials necessary for the production of export goods. Taxes and duties paid on raw materials are drawn back at the time of export of finished products. The duty draw back scheme applies to all taxes at the time of import and to those paid on local purchases. Except coffee all other goods and services destined for export are 100 percent exempted from any export tax and other levied on exports.

7. Any income derived from an approved new investment is exempted from income tax for periods ranging from one to five years depending upon the priority of investment activity and the location in which the investment is undertaken. Income derived from an expansion is exempted from income tax for a period of two years for pioneer activities and one year for promoted activities.

8. Foreign investors are entitled to make the following remittances exempted from the payment of tax.

- Profits and dividends;
- Principal and interest payments on external loan;
- Payments related to a technology agreement;
- Proceeds from the sale of liquidation of an enterprise;
- Proceeds from partial sales of shares to domestic investors;
- Expatriate employees may remit salaries and other payments accruing from their employment in hard currency after personal income tax is deducted.

9. Business Enterprises that suffer losses during the tax holiday period can carry forward such losses following the expiry of the exemption period from 3 to 5 years depending upon the investment location and priority area or investment activities.

10. Stable Political Environment

Democratically elected government and strongly committed to free market economy.

Democratic constitution with adequate provisions for respect, protection and promotion of fundamental

freedoms and rights including full freedom to undertake business and own property individually or collectively. A safe place to invest and undertake business and one of the lowest crime rates in Africa.

Employment of Expatriates

1. Any investor may employ duly qualified expatriate experts required for the operation of his business.
2. An investor who employs expatriates shall be responsible for replacing within a limited period such expatriate personnel by Ethiopians by arranging the necessary training thereof.
3. A foreign investor upon obtaining the prior consent of the Authority shall without any restriction have the right to recruit an enterprise of which he is the sole or major owner or share holder.

Comparative Advantages for Prospective Investors

- Population of 70.7 Million provides a large domestic market for industrially manufactured goods.
- Geographical location of the country provides it with the advantage of proximity to Europe and Middle East Markets.
- Member of the common market for Eastern and Southern Africa (COMESA) embracing 23 countries in Eastern and Southern Africa with a total population of approximately 300 million. Exports and Imports between member countries enjoy preferential tariff rates.
- Production to European Union market are entitled to duty reduction or exemption and are free from all quota restrictions under the terms of the Lomé Convention and Everything but Arms Scheme.
- The trade preference accorded to Ethiopia includes duty free entry of all Industrial and Manufactured products.
- Under the Generalized System of Preferences (GSP), a wide range of Ethiopia's manufactured products are entitled to preferential duty treatment in the United States, Canada, Switzerland, Norway, Sweden, Finland, Austria, Japan as well as in most other European Union Countries.
- No quantitative restrictions are applicable Ethiopia's Exports of any of the 3000 plus items currently eligible for GSP treatment.
- Preferential market opportunities to USA market under Africa Growth Opportunity Act (AGOA).
- Availability of large skilled and unskilled highly disciplined & easily trainable man power and inexpensive labour force. Ethiopia people have excellent historical tradition of openness and friendship in relation to people and partners from other Countries.

A land of contrasts and extremes, Ethiopia has remote and wild places, some of the highest and most stunning places on the African continent such as the jaggedly carved Simien Mountains, one of UNESCO's World Heritage Sites - and some of the lowest, such as the hot and fascinating Danakil Depression, at 120 meters below sea level one of the lowest dry land points on earth, with its sulphur fumaroles and lunar-like landscape.

Tourists flock to Ethiopia, where ancient historical traditions have been preserved; the ceremonies and rituals of the Ethiopian Orthodox Church, take the devotees of history to the times of the Old Testament. In

The wildlife consists mainly of East African plains animals, but there are now no giraffe or buffalo. Oryx, bat-eared fox, caracal, aardvark, colobus and green monkeys, Anubis and Hamadryas baboons, klipspringer, leopard, bushbuck, hippopotamus, Soemmerings gazelle, cheetah, lion, kudu and 450 species of bird all live within the park's 720 square km.

Abijatta-Shalla Lakes National Park

Abijatta is surrounded mainly by acacia woodland, the Park covers 887 sq km of which 482 Sq km are water. Abijatta and Shalla are both terminal lakes but very different in nature. Lake Abijatta is 14 meters (46 feet) deep as opposed to Shalla which has a depth of 260

Old as time, Cradle of Human Culture Swings to Eternal Lullaby



Probably as old as time, Ethiopia is a heritage country. As Abyssinia, Ethiopia's mores and manners, culture and traditions date back more than 3,000 years. Even earlier than the times lived by "Lucy" or Dinkenes, meaning 'thou art wonderful', as she is known to the Ethiopians, whose remains were found in a corner of this country of mystery and mythical aura.

no other country is it possible to find oneself so dramatically transported back in time or to participate with such freedom in the sacred rituals of an archaic faith.

Ethiopia is a land of natural contrasts, from the tops of the rugged Simien Mountains to the depths of the Danakil Depression; the cornucopia of natural beauty that blesses Ethiopia offers an astonishing variety of landscapes: Afro-Alpine highlands soaring to around 4,300 metres, moors and mountains, the splendor of the Great Rift Valley, white-water rivers, Savannah teeming with game, giant waterfalls, dense and lush jungle... the list is endless and breathless.

Ethiopia's many national parks enable the visitor to enjoy the country's scenery and its wildlife, conserved in natural habitats, and offer opportunities for travel adventure, unparalleled in Africa.

meters (853 feet).

Using Lake Langano as one's base, it is an easy side trip to visit Abijatta-Shalla Lakes National Park.

The altitude of the park ranges from 1,540 to 2,075 meters (5,051 to 6,806 feet), the highest peak being **Mount Fike**, situated between the two lakes. The temperatures can be high, reaching 45°C (113°F) at maximum and 5°C (41°F) at minimum. Rain falls between March and April and June and September, averaging 500 mm (19.5 inches).

Abijatta-Shalla Lakes National Park



The surrounding area is mainly acacia woodland.

The Park was created for the many aquatic bird species that use the lakes, specially great white pelicans and greater and lesser flamingo. The birds use Lake Abijatta as a feeding center while using Lake Shalla's island as breeding site. White-necked cormorant, African fish eagle, Egyptian geese and others are in abundance in the park.

Awash National Park

Lying in the lowlands east of Addis Ababa, and striding the Awash River, the Awash National Park is one of the finest reserves in Ethiopia. The Awash River, one of the major rivers of the Horn of Africa, waters important agricultural lands in the north-eastern part of Ethiopia and eventually flows into the wilderness of Danakil Depression. The dramatic Awash Falls as the river tumbles into its gorge, is the site not to be missed in the national park. A special attraction is the beautiful clear pools of the hot springs (Filwoha).

Awash National Park, surrounding the dormant volcano of Fantale, is a reserve of arid and semi-arid woodland and Savannah, with riverine forests along the Awash River. Forty-six species of animals have been identified here, including Beisa Oryx and Swayne's Hartebeest. The bird life is prolific specially along the river and in amongst the 392 species recorded.

Access to the park is the best from the main Addis-Assab highway, and there is a caravan lodge called Kereyu Lodge at the edge of the gorge.

Bale Mountains National Park

Bale Mountains National Park is 2,400 sq km in area, covering a wide range of habitats and ranging in altitude from 1,500 to 4,377 meters, the highest point in southern Ethiopia.

Nyala

The stately and beautiful mountain Nyala, another of Ethiopia's endemic species, is best seen at Dinsho, the Park's Headquarters. Simien wolf, endemic to Ethiopia, also known as the Simien jackal or Abyssinian wolf, is found in greater numbers in the Gaysay area in Bale

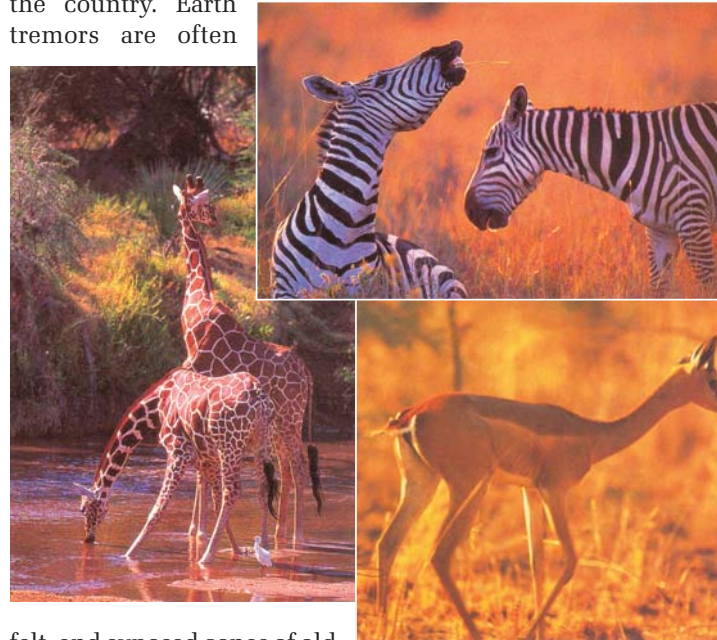
Lake Tana



Mountains, between 3,000 and 4,500 metres high.

Danakil Depression

Volcanic activity, which has continued until today, finds expression in volcanoes in Ethiopia's Danakil Depression, as well as in the hot springs in many parts of the country. Earth tremors are often



felt, and exposed cones of old volcanic plugs are seen throughout the plateau. After the Rift opened, much of this area was flooded by the intruding waters of the Red Sea, a flood that was subsequently stemmed by fresh volcanic activity that raised barriers of basaltic lava. Behind these barriers the trapped inland sea that had formed began to evaporate under the fierce heat of the tropical sun - a process that is almost complete today. Only a few scattered, highly saline lakes - Gamarri, Affambo, Bario, and Abbe remain. Elsewhere, there are huge beds of natural salt - which, at points, are calculated to be several thousands of metres thick.

Gambella National Park

Gambella National Park in the west of the country is

unique with its large area of swamps and wetlands. The wetlands and the Baro River contain large quantities of bird life (154 species are present in the park), many of them migratory visitors. The park also contains 41 species of wildlife not found elsewhere in Ethiopia.

One of Ethiopia's least developed parks and receiving few visitors, Gambella National Park is located on the Akobo River system. It was originally created for the protection of the extensive swamp habitat and the wildlife there.

The park contains forty-one species, many representative of neighboring Sudan and not found elsewhere in Ethiopia, such as Nile lechwe and the white-eared Kob, the latter migrating in the large numbers. Roan antelope, topi, elephant, buffalo, lelel hartebeest, lion, and giraffe are also present.

The most important of the 154 bird species present here is the whale-headed stork, an unusual large-billed, tall bird seen standing in the swamps.

Lake Tana

Lake Tana, the largest lake in Ethiopia, is the source of the famed Blue Nile and is where it starts its long journey to Khartoum, and then on to the Mediterranean. The 37 islands that are scattered about the surface of the lake shelter fascinating churches and monasteries. Some of which have histories dating back to the 13th century.

Lake Tana, the largest lake in Ethiopia, is the source and from where the famed Blue Nile starts its long journey to Khartoum, and on to the Mediterranean. The 37 islands that are scattered about the surface of the lake shelter fascinating churches and monasteries. Some of which have histories dating back to the 13th century.

A sail or cruise on Lake Tana is one of the most pleasant

excursions for visitors to this region, particularly in the heart of the summer. Boats can be hired from the Marine Transport Authority in Bahir Dar.

Along the lake shore bird life, both local and migratory visitors, make the site an ideal place for bird-watchers. Bird lovers will not want to miss Fasiledes island, which is specially famous as an important wetland. The whole of the lake Tana region and the Blue Nile gorge host a wide variety of birds both endemic and migratory visitors. The variety of habitats, from rocky crags to riverain forests and important wetlands, ensure that many other different species should be spotted.

Archeological research at Yeha has unearthed many historical treasures, including a number of Sabaean inscriptions and a variety of animal figurines. Several of these antiquities are on display in the National Museum in Addis Ababa.

People & Traditions

With over 80 different ethnic groups having their own languages, culture and traditions, the strong religious setting, celebrations and festivals play an important part in every one's daily life.

Church ceremonies are a major feature of Ethiopian life. The events are impressive and unique. The Ethiopian Orthodox Church has its own head, follows its own customs, and is extremely proud of its fourth century origins.

Ethiopia's Islamic tradition is also strong and offers colorful contrast, particularly in the eastern and south-eastern parts of the country. In fact, there were Ethiopian Muslims during the lifetime of Prophet Mohammed. This rich religious history is brought to life in the romantic walled city of Harar, considered by many Muslims to be the fourth "Holy City" following Mecca, Medina, and Jerusalem.

Axumite Kingdom

Ethiopia has a proud and long history extending to the known beginnings of humankind. The Axumite kingdom was one of the great civilizations of the ancient world and has left behind the mystery of the great Stelae found at Axum. In the late middle Ages great religious civilizations flourished in many parts of the country, particularly at Lalibela where churches hewn out of massive monolithic rock testify not only to great faith but also to great architectural skills.

And in the former capital of Gondar many significant castles speak of the same legacy. All these would be enough to make Ethiopia a fascinating place to visit and travel through, but Ethiopia has so much more to offer.

Ethiopia is the earliest known home of humankind. A skeleton of an older human ancestor Australopithecus Afarensis was





discovered in 1974 in the Afar region.

Anthropologists have established that the skeleton covering 40 per cent of the human body had belonged to a twenty-years-old female that lived 3.5 million years ago. Registered by the United Nations Education, Science, and Culture Organization (UNESCO) as a World Heritage, the site of the discovery is called Hadar - situated 160 kilometers northeast of Addis Ababa.

The Skeleton is popularly known as **Lucy** or **Dinkinesh**. The discovery has completed the missing link between apes and men - paving the way for the search to human origins.

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Fascinating People

The Lower Omo is home to a remarkable mix of small, contrasting ethnic groups not only the Bume and Konso, but also the Gelebe, the Bodi, the Mursi, the Surma, the Arbore, and the Hamar, to name but a few. Lifestyles are as varied as the tribes themselves. Lacking any material, culture and artifacts common to other cultures, these tribes find unique ways in which to express their artistic impulses. Both the Surma and the Karo, for example, are experts at body painting, using clays and locally available vegetable pigments to trace fantastic patterns on each other's faces, chests, arms, and legs. These designs are created purely for fun and aesthetic effect, each artist vying to outdo his fellows.

The Afar

The Afar, most of whom occupy one of the most inhospitable desert or semi-desert areas in the world, have long been regarded as a fierce and warlike people. They are certainly proud and individualistic, and somehow manage to eke a living out of the challenging wilderness in which many of them live. The majority of the Afar are semi-nomadic pastoralists, but a minority have settled, notably those in the Aussa oasis. Almost all are Muslims, and are organized into confederacies, tribes, and clans. The nomads live in small, isolated groups with the camel as their beast of burden, and keep sheep, goats, and

The Anuak

The Anuak people are found in the Gambella region. The indigenous Anuak people are mainly fishermen in this region, and the crops they do grow such as: sorghum does not reach their full potential because of the extremely basic methods employed. There are few large villages, as people prefer instead to group together around a mango grove in the extended family compound of no more than five or six huts.

The Oromo

The Oromo people, offer their products for sale in open markets. They produce the more familiar grains and vegetables of established agriculture. Coffee, one of the world's favorite beverages, is believed to have been 'born' in this region.

The Somali

The lowland Somali wear long, often brightly coloured cotton wraps, while some of the cattle-herders in the lake district have clothing made of skins.

The South People

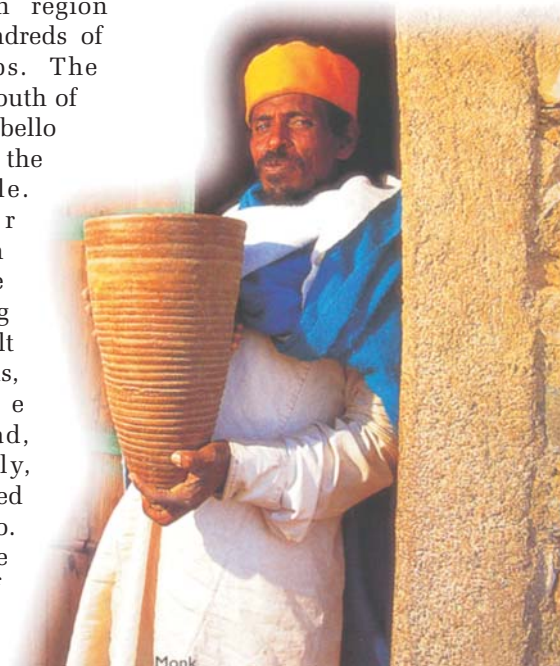
The Southern region comprises hundreds of ethnic groups. The region of the south of Konso and Yabello is inhabited by the Konso people.

Except for trading with the neighbouring Borena for salt or cowrie shells, outside influence had, until recently, virtually passed by the Konso.

The cornerstone of Konso culture, however, is a highly specialized and successful agricultural economy that, through terracing buttressed with stone, enable them to extract a productive living from the none-too-fertile hills and valleys that surround them.

The Tigray

The women of Tigray wear dozens of plaits (shuruba) tightly braided to the head and fuzzing out at the shoulders. Young children often have their heads shaved, except for a tuft or a small tail of plaits, which are left so that if God calls them 'He will have a handle by which to lift them up to Heaven'.



NEPAD's ambitious grid to light up every dark nook & corner

The New Partnership for Africa's Development (NEPAD), has succeeded in drawing up a campaign to link Africa's disparate and often unreliable power grids.

In Africa, everyone agrees that the much-talked-of economic renaissance will not happen unless African countries can repair and expand transport and power networks shattered in many parts by decades of war or neglect.

In Africa there are 800 million people, 200 million in southern Africa, and less than 15 percent of those people have access to electricity. Similarly, in the Congo there are 65 million people and less than 10 percent have access to electricity. The anomaly persists despite Africa's claim that it has sustainable hydropower resources.

It is the mighty Congo River, which bisects the eponymous country as well as the continent, that is the driving force behind plans to extend a power grid from the Inga hydropower project at the river mouth to the tip of Africa.

Inga, one of the few lasting investments made in the vast country, has for years provided vital power to Congo's southern mining centre Lubumbashi, as well as to Zambia and as far as South Africa. But due to years of neglect many of its turbines are out of action.

The Westcor project, signed by Angola, Botswana, South Africa Namibia and the Democratic Republic of Congo on October 22, aims to put a third hydro plant with 3,500 MW capacity, Inga III, on a branch of the Congo river, and build a new power line through oil-rich Angola and Namibia at a total cost of some \$5 billion.

Following on from the Westcor project are ambitious plans for a continental power grid with high-capacity power lines spreading out from Inga like a giant spider's web reaching to South Africa in the south and Egypt in the north.

To the north one line would stretch to Lagos in Nigeria via the Republic of Congo, Gabon and Cameroon, while another line would stretch all the way to Cairo through Sudan and either Central African Republic or the Democratic Republic of Congo.

Another would follow the outdated interconnector from Inga to South Africa via Lubumbashi, Zambia,

Zimbabwe and Botswana.

Energy trade is nothing new in southern Africa. South Africa buys in most output from Mozambique's 1,250 MW Cahora Bassa generator, majority owned by its former colonial power Portugal, and in turn exports power, notably to Zimbabwe and Namibia.

Zambia plans to install inter-connectors to supply power to Kenya and Tanzania by 2012.

As well as Inga, the Westcor project will pave the way for a number of proposed hydro and gas-fired generating stations along the transmission route, especially in Namibia and Angola.

The Congo's flow is second only to the Amazon and reliable year-round thanks to its 3.8 million squarekm (1.5 million square miles) basin straddling the Equator

Exploiting more of the vast power potential of the Congo river has been on the cards for decades. But the project has taken on increased urgency as southern Africa steadily increases its power usage, creeping ever closer to capacity.

South African demand is expected to exceed current supply by 2007, and the country is spending \$3 billion to build three new power stations in the next five years.

Separately, Eskom is spending 12 billion rand (\$1.82 billion) on recommissioning three coal power stations mothballed due to excess capacity in the late 1980s and early 1990s.

South Africa has the continent's only nuclear power station and is developing a pebble-bed nuclear reactor, but Minerals and Energy Minister Phumzile Mlambo-Ngcuka has said a commercially viable form of the technology is 10 years away, and environmental groups oppose its development.

To the north, diamond-rich Botswana, has pledged to provide power to 70 percent of its scattered population by 2009, from just 22 percent now, and to all by 2016, according to figures from the U.S. Energy Information Administration.

Increasing household usage across southern Africa and a concerted drive to develop power-hungry industries such as aluminum smelting, power demand can only rise.

Green signal for NEPAD action on food security

A go-ahead has been given to the recommendations put forward in the NEPAD study to explore further options for food-security reserve systems in Africa.

The study, commissioned by NEPAD, was carried out by the World Food Programme (WFP) in collaboration with the Food and Agriculture Organisation of the United Nations (FAO), the World Bank, the European Union, the International Food Policy Research Institute (IFPRI), individual countries concerned and the African Regional Economic Communities (REC).

Following the go-ahead, a process must now be established to ensure buy-in by African countries and support by potential partners to ensure that the recommendations in the study report are implemented.

NEPAD will lead this effort, in collaboration with the Regional Economic Communities and its partners, including the WFP.

The NEPAD study noted that Africa has suffered from increasingly serious food crises over the last three decades as a result of natural and man-made disasters and the growing impoverishment of the rural population.

The combination of drought, civil strife, poverty and the impact of HIV/AIDS has resulted in a high rate of under nourishment among Africans: over 40 percent of the total population, especially women and children, experience chronic food insecurity.

Among children, malnutrition is responsible for very high rates of stunting and infant mortality.

African leaders decided to take action to reverse this trend. At the second summit meeting of the African Union in Maputo in July 2003, African Heads of State and governments resolved "to ensure the establishment of regional food-reserve systems, including food stocks, linked to Africa's own production, and the development of policies and strategies under the African Union and Regional Economic Communities, to fight hunger and poverty in Africa".

The mandate given for the NEPAD study was to focus on food-reserve systems, based on a review of the origins and operational experiences of eight sample countries: in the Sahel, Burkina Faso, Mali and Niger; in Southern Africa, Malawi, Tanzania and Zambia; and in the Horn of Africa, Ethiopia and the Sudan.

It draws lessons from these experiences that could enhance the effectiveness of existing and future national food-reserve systems in supporting food security policies.

Main conclusions of the study are:

* All African countries would benefit from clear food-security policies that

(i) Provide food safety-nets for chronically food-insecure people,

(ii) Envision special relief programmes in the event of food emergencies

(iii) Explain the roles of domestic food production, food trade and food reserves in maintaining adequate supplies, and

(iv) Clearly specify the roles to be played by governments, farmers and the private sector.

* Domestic food production will continue to be the major source of food supply throughout Africa for the foreseeable future; actions to improve productivity and production performance will therefore be crucial for the success of any food-security policy.

* Countries have a variety of options for maintaining supplies when harvests are poor and for managing supplies destined for beneficiaries of safety-net or emergency food-relief programmes; these range from complete reliance on trade to relatively large physical reserves complemented by financial reserves and measures to promote development of domestic food markets.

* If an option that involves holding physical reserves is preferred, a number of measures have to be put in place, including:

(i) Compatible food-security, market-development and trade policies;

(ii) Credible early-warning and food-security information systems;

(iii) Suitably located and well maintained transport, storage and communications infrastructures;

(iv) Clear stock-management and accounting procedures;

(v) Trained staff; and

(vi) Adequate funding arrangements.

A system that meets all these conditions is referred to as an integrated food-security reserve system. Mali's Programme pour la restructuration du marché des céréales is given as the best example of an integrated food-reserve system reviewed in the course of the study.

The Ethiopian Emergency Food Security Reserve is seen as one of the best current examples of an emergency food-security reserve system.

Action at regional levels could complement national food-security policies and reserve systems in the areas of market information, early warning, assessments of food security and food needs, facilitation of cross-border and intra-regional trade, and emergency preparedness and response.

Exim Bank Inks \$ 10 mln pact with PTA Bank to boost exports to Africa

Export-Import Bank of India (Exim Bank) and Eastern and Southern African Trade and Development Bank (PTA Bank) signed an agreement in Mumbai in August, 2004 on a Line of Credit.

Under the agreement, Exim Bank extended \$ 10 million to PTA Bank, to promote India's exports to 16 Eastern and Southern African member-countries of PTA Bank. The Agreement was signed by Exim Bank Chairman & Managing Director T. C. Venkat Subramanian and Dr. Michael Gondwe, President of PTA Bank. The LOC marks yet another initiative on the part of Exim Bank to promote project exports from India to Africa, for which tremendous opportunities exist.

This is the fifth LOC extended by Exim Bank to PTA Bank. Under the earlier LOCs aggregating \$ 35 million, exports of items like sugar plant, cement plant, sanitary machinery, tissue paper plant, medical equipment and pharmaceutical products, were catalyzed.

Under the LOC, importers based in PTA Bank's member countries will make advance payment of 10 per cent of contract value and credit will be provided by Exim Bank for 90 per cent of contract value to PTA Bank. Exim Bank will reimburse Indian exporters on shipment of goods. Credit period will be up to five years.

PTA Bank is a Regional Development Bank, established in 1985, following the Treaty for the Common Market for Eastern and Southern African States (COMESA). PTA Bank's regional member countries are Burundi,

Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Somalia, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. China became the only non-regional member of PTA Bank recently. Besides these 17 member countries, African Development Bank is also member of PTA Bank. PTA Bank provides financial and technical assistance to promote economic and social development in member countries.

India's exports to African member countries of PTA Bank amounted to \$ 1.47 billion, in 2003-04, representing an increase of 26 per cent over the previous year.

There exists considerable demand in the Eastern and Southern African region for Indian technology and plant and machinery in the sectors like power generation and transmission, sugar, cement, textiles, chemicals, pharmaceuticals and agro-processing.

Indian companies have set up a number of joint ventures/wholly owned subsidiaries in the region, in various areas of operations, including software development services, broadcasting and telecasting, plastics, chemicals, textiles, electricity generation and transmission and investment management services. Tourism, Pharmaceuticals, Electronics, Computer Software and accessories, Information Technology related products, Financial services and Textiles are some of the common sectors across most COMESA countries that hold potential for Indian investors.

Mozambique gets \$ 20 mln Exim Bank LOC to buy Indian goods

Export-Import Bank of India (Exim Bank) has extended a Line of Credit (LOC) of \$20 million, to Mozambique to support India's exports of equipment, goods and services to Mozambique. An Agreement to this effect was signed in Mumbai in September, 2004 by Exim Bank Executive Director R. M. V. Raman and High Commissioner of Mozambique to India Carlos Agostinho do Rosario, Mozambique.

Under the LOC to Mozambique, the entire 100 per cent of FOB contract value would be reimbursed by Exim Bank to the Indian exporters, whose contracts are approved by both sides, upfront upon the shipment of goods. Mozambique has nominated Banco de Mocambique (central bank of the country) as the executing agency from Mozambique side.

Mozambique has registered strong real GDP growth in recent years which is expected to continue in 2004 and 2005, driven by output from the industrial mega-projects that are coming on stream, as well as by

investment and robust performance in a range of other sectors. In 2004, real GDP growth is expected to rise to 8.0 per cent, owing to the high levels of foreign direct investment directed towards large-scale investment projects, including the expansion of the Mozal aluminium smelter and the construction of a gas export pipeline to South Africa.

India's exports to Mozambique amounted to \$ 64.74 million during the year 2003-2004, registering a growth of 38 per cent over the previous year. Non-basmati rice, man-made yarn and made-ups, transport equipments, machinery and cotton yarn made-ups were the principal items in India's export basket to Mozambique in the year 2003-04.

The just concluded LOC of \$ 20 million is expected to give boost to the Indo-Mozambique trade further, as there is considerable demand in Mozambique for Indian capital goods for infrastructure projects, rural electrification and transport sectors.

This is the kind of business opportunity that's in the offing for the low-profile, unassuming Indian farmer and his family. Termed loosely as Agri-Tourism, it will not only give a sustained income round the year to the farmer but also provide him with a solution to seasonal unemployment.

Apart from exposure to farming activity, visitors can experience village life; community life of local folk songs; dances, art and crafts, community events, wedding celebrations, festivals, rugged village games like wrestling, kabaddi, gilli-danda, kite flying, bullock riding, and tractor racing, etc; The fun is endless.

All this unforgettable experience can be classified into



Just imagine life without the hustle and bustle of the city; in a farm house, where one can milk a cow in the morning, drive the cattle into the farm, relax in the cool shade of a tree listening to the birds' chirping, get involved in some farming activity, pick up a bit of knowledge of staple food crops, fish in the nearby rivulets and buy fresh fruit and vegetables from the village market. Sounds exciting? What else could a tourist seek for?

Agri-tourism and entertainment farming, which has a major potential in India due to the country's vast range of agricultural and varied culture.

Though not defined properly, Agri-Tourism can be broadly described as an act of visiting a working farm or any agricultural, horticultural or agribusiness operation to enjoy, get educated or be involved. Sometimes, it is also known by various other terms such as eco-tourism, nature tourism, rural tourism, etc. It is a relatively recent trend in the tourism industry across the world.

There are three basic pillars of agri-tourism and entertainment farming; have something for visitors to see; have something for them to do, and have something

for them to buy.

Success of any agri-tourism and entertainment farming enterprise will depend on how well the three pillars are interwoven with each other to provide a better value for money to visitors. Diversified farms are ideally suited to agri-entertainment, as they can provide wide variety of farming experience to visitors. Farmers can offer a number of services in their farmhouse under the three pillars.

Educational Tours

How many of us, particularly people staying in metros, have seen actual farming practices of staple crops viz. rice, wheat, pulses, which we eat everyday? The answer

Farming is Fun & Entertainment Agri-Tourism is Big Biz



would be surprisingly a very low percentage. Hence this lack of exposure of city residents provides an opportunity for farmers in terms of offering an educational tour of their farmhouses to the city-bred.

Farmers can tie up with various colleges and public schools to organize these educational tours. These tours may involve identification of various fruits, vegetables and daily used crops, awareness of agronomic practices involved in rearing these crops and concerns about food wastage and environment. While planning the educational tour programme, farmers should use appropriate ways and means suited to target visitors. For example, if visitors are minor, then more of a pictorial presentation is required, whereas for graduates in-depth

technical presentation is required. For an educational tour, it is advisable that farmhouses should be developed in the vicinity of major cities, where a number of schools are and more, to get regular flow of visitors, which in turn ensures a sustained source of income.

Historical Recreation

Creating a historical re-creation attraction at a farmhouse requires lot of hard work and the farmers should be emotionally attached to the farm. With planning and effort, farms that have original farm structures or equipment may serve as heritage tourism attraction. While our nation's heritage is deeply rooted in agriculture, the urban connection to our agrarian background is growing weaker. Farm and folk-life tours are increasingly used to educate and entertain people about both historic and modern methods of food production. Some attractions grow out of the owners' hobby collection such as old farm machinery, old log structures, a collection of birds' nests which would appeal to children.

Festivals and Events

India is known for its incredible range of festivals and events because of its multi-cultural mix of population, representing a myriad range of traditions. Hence, every corner of India has its own uniqueness, which boasts of a different festival and cuisine. Farmers can entice visitors by organizing local festivals.

Farms, ranches, and other lands located in beautiful settings with adequate open space may be attractive sites for outdoor plays, concerts, fairs, and cultural festivals.

Farms of smaller sizes can jointly organize big events to offer affordable services. Farmers can rent out their farms for private parties, corporate picnics, wedding ceremonies, etc.

Crop Art

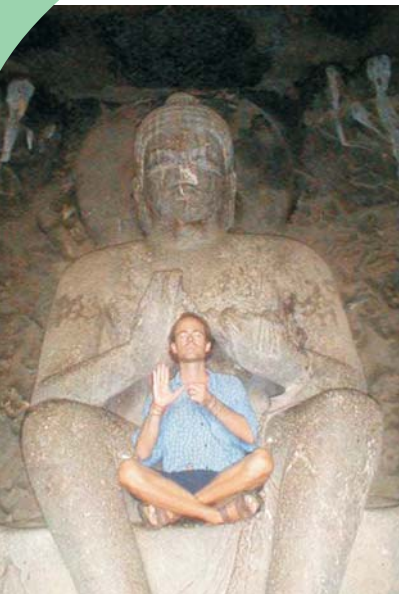
Crop art is an artistic expression by creating various designs, sculptures, coloured paintings of entire farm or part of the farm or standing crops in the field. Such crop art is best viewed from the air or from raised structure. For example, in the 'Pizza Farm' in the US, one field is devoted to a circular arrangement of crops and animals. Pie-shaped wedges of pepper plants, wheat, tomatoes, and so on depict pizza ingredients. Several sections may house hogs and cattle (representing sausage and cheese). This is reportedly one of the fastest-growing species of crop art. Children may use a coin-operated feed pellet machine to feed the animals.

Though, such type of art could be expensive and unaffordable for Indian farmers, hence it is advisable to adopt crop art which can be created by local artisan. Crop art could be a major attracting feature for visitors, especially children.

Natural Features

An outstanding natural feature on a farm may become a tourist attraction such as a rock outcropping, a waterfall, a water stream, or a spectacular view. Farmhouses having natural features have an extra edge. Sometimes, farmers overlook natural features of interest to visitors. Water is a popular natural attraction and sport; hence its stream can be created artificially, if it is not available naturally, to





attract visitors.

Pick-Your-Own (U-Pick)

Pick-Your-Own (U-Pick) farms are those farms where family members can visit and pick produces from crops of their own choice and pay for it. Such farms are very popular in the US. People interested in having fresh fruits and vegetables, right from the farm can visit these farms. U-Pick offers several advantages to farmers, as he is relieved of the burden of harvesting cost. U-Pick operations do best when they are located within an hour driving time from the city. Small children should be kept away from the picking area to avoid damages to the crops.

Theme Entertainment

Most entertainment farming concepts depend mostly on attracting visitors from cities. Hence these farms should organize rural based themes to attract visitors. For example, in Rajasthan, visitors are treated at every step in Rajasthani tradition and foods. To add to such themes, the crafts, environment, folksongs and pet animal should be from the same region.

Food & Drink

A long day's activity and visit to the farm can make anyone thirsty and hungry. Ready-to-eat foods and a range of beverages should be part of the experience of the entertainment farming. Food and beverages could be a major revenue source to the farmhouse. Farmers should ensure that the refreshment should fit into the theme of farm entertainment.

Gifts/Souvenirs

Farms should keep gift items and souvenirs compatible to the theme. In India, varieties of craft items are available from various regions of the country. For example, bamboo products and cane products from North Eastern region. Other items such as wood carvings, dolls, quilts, basketry, wheat weavings, pottery, decorative items like pumpkins and corn, handloom products etc. could be kept for selling in the farm.

Hunting & Fishing

A further option for recreational farming is leasing wooded land or marginal cropland for hunting, fishing, or hiking. Hunting and fishing can range from hourly activities to entire day activities, which can conclude in guided trips and lodging. These activities can fetch good revenue to the farm.

Foreign Tourists

Agri-tourism and entertainment farming could be a major attraction to foreign tourists and hence a major source of foreign exchange earner. Foreign tourists can stay in farm houses at much lower cost (as compared to developed countries) and enjoy longer vacations to have a fulfilling experience of countryside and Indian farming. Farm houses should tie-up with leading tour operators in India and abroad to bring the regular flow of foreign tourists into India. For example in UK and Scotland, there are networks of farm houses such as Farm Stay Ltd., which provide various packages to attract the tourists.

Agri-tourism and entertainment farming in India, is at a nascent stage with low level of value addition. Of late, a few states like Haryana, Himachal Pradesh and Punjab are promoting farm tourism by enticing city dwellers to the farmhouses. The state governments are also giving incentive as tax exemptions and infrastructure support. But there is still a long way to go to harness existing potential of the value added segment of agriculture.

To get into business of agri-tourism and entertainment farming, Indian farmers have to adopt a new outlook and switch their thinking away from farm production alone and develop infrastructure necessary for the growth of this exciting industry.

L'Afrique a besoin d'une "révolution verte" à l'indienne

- Omar Kabbaj



Le continent africain a connu de nombreux changements en terme de politiques et de programmes, dans la plupart des pays depuis les dix dernières années. Les gouvernements africains ont réalisé qu'ils devaient atteindre des croissances économiques durables en vue de soulager la pauvreté, et d'encourager la transparence et la responsabilité au travers d'une bonne gouvernance afin d'attirer les investisseurs. La Banque Africaine du Développement a conduit le dialogue pour le changement sur le continent en plus de la fondation d'un grand nombre d'initiatives de développement sur le continent africain. Omar Kabbaj, Président de la Banque Africaine du Développement (African Development Bank Group ADB), a, lors de sa récente visite en Inde sur invitation de Exim Bank of India, parlé du grand potentiel du continent africain avec Rajiv Tewari à New Delhi.

Le continent africain présente d'énormes opportunités de développement dans les secteurs des infrastructures, de l'éducation, du contrôle de la population, des services de santé, de l'agriculture et des technologies de l'information et de la communication. De nombreux pays du continent présentent également de bonnes opportunités pour les délocalisations. Les délocalisations du secteur industriel ont également d'excellentes opportunités dans le cadre de la coopération sud-sud.

Dans la ville sénégalaise de Thiès, une nouvelle entreprise, "Senbus", assemble un grand nombre de bus à 30 places pour les marchés domestiques et régionaux, en partenariat avec des investisseurs sénégalais et Tata International, l'une des plus grandes entreprises indiennes. Cet exemple est indicatif du vaste potentiel non exploité du continent africain.

Indicateurs de croissance

Le rapport 2004 de la Banque Africaine de Développement fournit plusieurs indicateurs positifs. Le PIB a grandi de 2,9% en 2003 à 3,7% en 2003, avec 18 pays du continent affichant des taux de croissance supérieurs à 5%. Le déficit fiscal est descendu de 3,4% en 2002 à 3,0% en 2003. Le fardeau de la dette a lui aussi été réduit. Le ratio de la dette au PIB descend à 47,6%, et le ratio de la dette du service aux exportations passe à 15,2%. Cela en dépit du fait que plusieurs pays de la région n'ont pas encore lancé de programmes économiques effectifs. Le potentiel de la plupart des pays est bien plus grand. Nombre d'entre eux peuvent atteindre des taux de croissance de 6 à 8%. Le Mozambique a prouvé que des taux de croissance plus élevés sont possibles.

Agriculture

Une moyenne de 60% de la population totale du continent africain vit en zone rurale, et 20% du PIB provient de l'agriculture. Plus de 90% de la force de travail rurale est investie dans les activités agricoles. Ainsi, il est essentiel que l'Afrique puisse lancer une révolution verte du type que l'Inde a connu, pour augmenter le niveau de vie des zones rurales. L'Inde

peut partager un grand nombre de leçons inappréciables avec l'Afrique en ce domaine. Il existe un large champ de collaboration dans le domaine des instituts éducationnels et technologiques spécialisés dans l'agriculture. La plupart des pays, de l'avis de l'ADB, privilégient à présent le rôle du secteur privé, l'agro-industrie, le développement de l'agro-business, l'adoption de technologies, les infrastructures rurales et la coopération régionale.

Infrastructure

L'ADB a reconnu les changements positifs réalisés dans les règles de la plupart des gouvernements du continent et a concentré beaucoup de ses ressources dans les opérations de prêt aux développements d'infrastructures. L'African Development Bank Group a déboursé des prêts de l'ordre de UA 33,21 milliards (approx. US \$ 52 milliards) parmi 52 pays sur une période allant de 1967 à 2003. Ses projets d'avenir convoitent de donner plus de US \$ 600 millions pour l'alimentation en eau des zones rurales et les initiatives de sanitation. Pour le support technique aux infrastructures, ses plans prévoient de prêter plus de US \$ 580 millions. Le montant total d'un Projet de Fonds au Développement Africain indicatif sur 2005-2007 se chiffre à UA 2.6 milliards. Plus de 30% de ce montant sera dédié aux projets d'infrastructures. Ceux-ci pourraient à nouveau donner lieu à un secteur de coopération majeur avec l'Inde.

Investissement du Secteur Privé

Les gouvernements du continent africain ont réalisé l'importance du secteur privé dans le développement. L'exploitation des ressources naturelles en partenariat avec les acteurs privés locaux ou étrangers est encouragée. Par exemple, les pays membres du Southern African Development Community (Communauté Sud-Africaine de Développement) se sont unis pour créer le Southern Africa Power Pool (Pôle de l'Énergie Sud-Africain) pour générer et distribuer efficacement l'énergie parmi les pays membres. L'Afrique du Sud s'est également concentrée sur la construction de pôle de croissance. Le plus significatif de ceux-ci est le *Maputo Development Corridor*, qui relie Gauteng à Maputo, le port mozambicain. Ce corridor a une estimation de coût de plus de \$ 7 milliards, avec déjà plusieurs milliards déjà engagés. Ceci n'est qu'un aspect des opportunités présentées par le continent africain pour l'investissement privé. Les retours concernant les projets conduits en Afrique sont généralement très attractifs, et bien supérieurs à d'autres régions du globe.



Un grand marché de consommateurs

Avec plus de 800 millions de consommateurs, l'Afrique offre également un excellent marché pour les biens de consommations. Des entreprises comme Coca Cola, Citibank, Mobil, Shell ont tiré beaucoup de bénéfices en investissant en Afrique. Certaines zones du continent ont un grand désir en terme de paix et d'ordre, mais l'impression que le continent tout entier est en proie à des conflits, soumis à des troubles et aux maladies est fautive. La plus grande partie du continent offre d'excellentes opportunités d'investissement et de croissance.

Le secteur des TI

Les Technologies de l'Information et de la Communication sont à nouveau une grande opportunité pour l'Inde. Le continent africain a fait de grands pas dans ce secteur en fondant l'African Virtual University pour dispenser une éducation à distance par satellite. Un autre pas est celui fait en créant la Development Gateway Foundation pour réduire la fracture du secteur digital. Les Instituts éducationnels indiens et le secteur TI possèdent un large potentiel de croissance en ce domaine.

Voyages et tourisme

Les membres du monde des affaires, les officiels des gouvernements et les visiteurs venant d'Inde ne doivent pas manquer de voyager et explorer une variété incroyable de paysages et d'expériences, depuis les montagnes d'Ouganda au calme des lagons et des canaux du Botswana, des monts escarpés du Kilimanjaro aux doux sables des Seychelles, les chutes majestueuses de Victoria, des dunes du sud de la Namibie aux belles plages de l'Afrique du Sud; des vastes plaines du Serengeti aux peuples chalereux Masaai, Samburu et Himba, et bien d'autres encore, que le continent africain promet.

L'Inde Est Un Réservoir De Croissance Économique



- Dr. Boni Yayi

Quel est le contexte dans lequel la Banque naît et quel est l'objectif derrière sa formation?

La Banque Ouest Africaine De Développement est une création de 8 pays régionaux africains de la partie occidentale du continent qui décidèrent d'entamer une coopération économique et monétaire. Cette étendue de surface géographique concerne environ 73 millions de gens. Notre mission est de financer le soulagement de la



Dr. Boni Yayi

Parmi les économies émergentes du monde, le continent africain tient énormément de promesse. Les perspectives de croissance y ont besoin du combustible d'investissements dans des dosages justes pour que ces perspectives puissent se réaliser. La Banque Ouest Africaine De Développement est dévouée à la cause de développement de cette région. Le Dr Boni Yayi, Président, la Banque Ouest Africaine De Développement, dans un entretien exclusif avec Shruti Sinha, nous renseigne sur la mission de l'institution, l'objectif derrière son association avec l'EXIM Bank et l'Inde et l'avenir qu'il voit. Extraits.

misère et de réaliser l'intégration économique de ces pays. Les activités de la banque furent lancées en 1976 et de nos jours, c'est la première parmi toutes les banques régionales en termes de bilan, en termes de ressources. Nous finançons le secteur privé, le soulagement de la misère ainsi que des projets régionaux tels que les ports, les routes, l'électricité, l'enseignement et tout projet régional relatif à l'infrastructure.

Pourriez-vous nous parler de votre association avec l'EXIM Bank et les accords récents que vous avez signés avec elle?

Nous avons décidé de nous rendre dans les régions où nous pourrions obtenir des finances pour réaliser notre objectif principal, à savoir, la lutte contre la misère. C'est la raison pour laquelle je suis venu ici, étant donné que l'Inde est une puissance économique et financière dans le monde de la même manière que la Chine. Nous ouvrons la famille des actionnaires de notre banque. Les 8 pays régionaux de l'Afrique Occidentale et leurs banques centrales financent notre banque et nous avons également des actionnaires non-régionaux. C'est ainsi que nous disposons également des Banques française, allemande, belge et européenne et nous désirons maintenant accéder à l'Asie. Ici, nous avons l'Inde et la Chine. La Chine fait déjà partie de nos actionnaires et aujourd'hui, l'EXIM Bank, au nom de l'Inde, est devenue notre actionnaire. Nous sommes très heureux aujourd'hui parce que l'EXIM Bank est une bonne banque. C'est une excellente institution qui jouit d'une valeur sûre dans le marché des capitaux international et compte l'EXIM Bank et l'Inde parmi nos actionnaires accroîtra certainement notre crédibilité dans la bourse des valeurs internationale.

Grâce à l'arrangement effectué aujourd'hui, nous permettrons à nos populations d'accéder à la technologie indienne, en matière d'industrie, en matière de petites entreprises et d'entreprises modernes, en matière des technologies de l'information et de la communication. Pour nous, l'Inde est une bonne référence dans le monde et c'est la raison pour laquelle je pense que nous avons accompli une bonne opération en incluant l'EXIM Bank dans le capital de notre banque. L'Inde et la Chine sont des réservoirs de croissance économique dans le monde. En nous associant à l'EXIM Bank, la survaleur de notre banque dans le monde s'est accrue. Nous pourrions maintenant nous adresser au marché international pour mobiliser des crédits. Il s'agit d'une ligne de crédit grâce à laquelle notre banque pourra soutenir les hommes d'affaires pour qu'ils puissent

acheter de nombreux articles, bien des services et de marchandises provenant de l'Inde. En d'autres mots, afin de promouvoir les hommes d'affaires de l'Inde et d'Afrique. Nous pourrions compléter cet accord, conformément à notre discussion, tout le temps à l'aide d'assistance technique, en échangeant l'expertise, les informations, tout grâce auquel notre banque pourra se développer davantage dans la sous-région, en Afrique et dans le monde.

Comment pourra-t-on résumer la structure économique, sociale et culturelle des 8 pays régionaux, étant donné que c'est très important d'apprendre sur eux pour pouvoir comprendre la structure de la banque qu'ils constituent ?

La décision de ces 8 pays de former un marché uni et intégré est la raison principale qui sous-tend la création de cette banque. Par conséquent, on ne devrait pas considérer n'importe lequel de ces pays indépendamment. Ils forment un marché intégré ayant une devise unique, la même banque centrale ainsi qu'une unique banque régionale, la B.O.A.D (Banque Ouest Africaine De Développement). Leur but est d'harmoniser la gestion de projets, de donner lieu à la stabilité régionale comme cela puisse exister dans un seul pays. Notre croissance économique en moyenne se situe autour de 3%. Individuellement parlant, le Burkina Faso a environ 6%, le Sénégal 7% et le Mali 6%. (Il s'agit là de trois des 8 pays constituants). Néanmoins, en termes cumulatifs, notre croissance moyenne est moindre. Notre but est donc de faire de sorte que le taux de croissance atteigne 7% par an pour chacun de ces pays en lançant un projet économique. Je suis heureux d'avoir obtenu l'assistance de l'Inde. Nous aimerions donc organiser une table ronde en vue de formuler un programme pour réaliser notre objectif économique.

Si l'on vous demandait de projeter une image de l'Afrique, qu'est-ce que vous auriez à dire?

La perception de l'Afrique est pour une grande partie une image créée par la presse. Or, j'ai quelque chose de différent à dire. L'Afrique fait des grands pas en avant. Nous possédons maintenant un grand nombre d'institutions en croissance telle que la nôtre qui sont désireuses de faire face au défi de la mondialisation. Nous avons une Afrique qui est nouvelle, désireuse de se développer et de réussir. La perception a besoin de changer. Quelques parties d'Afrique sont en guerre mais ce n'est pas tout concernant l'Afrique. Il existe des régions qui attendent avec impatience de se développer et même quant aux régions qui subissent la guerre, il faudra résoudre leurs problèmes par le biais d'une bonne gestion des affaires publiques, en accordant l'importance au secteur privé. Nous devrions leur fournir des soins par le biais d'une stratégie régionale bien conçue.

Notre but est de rendre l'Asie accessible à nos hommes

d'affaires et nous avons commencé nos efforts par l'Inde et la Chine. Nous disposons de tout en Afrique. Elle est riche en ressources naturelles. Elle possède du pétrole brut, du pétrole, des rivières, de l'eau, des forêts et des minéraux. Pour les exploiter, ce dont nous avons besoin c'est la technologie provenant de l'Inde et de la Chine, et d'une bonne gestion pour le développement des industries.

Par le biais de l'accord que nous avons signé, nous garantissons de promouvoir les hommes d'affaires indiens et l'Inde en Afrique. Nous voulons coopérer dans tous les domaines en vue de promouvoir ce partenariat et cette coopération.

Le Ministère de Commerce de l'Inde a lancé un programme, le Focus Africa. Qu'est-ce que vous avez à dire par rapport à de tels efforts d'encourager la coopération entre les deux nations?

Tout ce que j'ai à dire, c'est que nous sommes en partenariat avec l'Inde, l'Asie et le monde. L'Inde est prête à nous assister en vue d'introduire une bonne gestion des affaires publiques, d'encourager le secteur privé et de promouvoir une stratégie régionale bien développée. Nous avons beaucoup à échanger. Nous avons beaucoup à promouvoir en termes de ressources humaines, ce qui est très important pour nous. Dans le contexte d'un cadre juridique, du système judiciaire, des normes de bonne administration, de petites et moyennes entreprises, des technologies de l'information, des télécommunications et d'agriculture et de traitement des aliments, nous avons également beaucoup à apprendre de l'Inde.

Une chose qui est très importante à noter est que nous devrions promouvoir la coopération Sud-Sud. Le centre d'attention est en train de se déplacer de plus en plus vers l'Orient. Il ne faut pas qu'il n'y ait que quelques poches de croissance dans le monde mais qu'il y ait des régions en croissance partout. Nous devons marcher à la même allure que la mondialisation.

En outre, il y a plusieurs aspects de l'Inde qui sont attrayants. Sa culture, ses films, l'attitude de son peuple; si l'on pouvait exploiter tout ceci afin d'établir de bons rapports entre nos deux nations, alors pourquoi pas?

Y-a-il un message que vous avez pour le milieu d'affaires?

Je suis très impressionné par l'Inde. C'est un réservoir de croissance économique. La croissance ici peut aussi entraîner une augmentation de la demande pour des produits africains ici. Et ça, c'est le travail des hommes d'affaires indiens, que j'aimerais féliciter et accueillir en Afrique, qui subit des changements rapides, avancent rapidement et se préparent à intégrer la mondialisation. Elle est prête pour tout effort de coopération et de partenariat avec l'Inde. Que Dieu bénisse l'Inde!

Afrique - Si proche, mais pourquoi donc aussi loin?

- R. Rajappa, Directeur Général, Global Procurement Consultants Limited

L'Afrique un continent d'économie émergente, offre des défis et opportunités extraordinaires en matières de commerce, d'investissement et de transfert de technologie. Si on laisse de côté les pays francophones et les pays lusophones, il y a au moins 21 pays anglophones qui sont pertinents aux exportateurs indiens. L'année dernière, l'Afrique a obtenu près de USD 4,1 milliards d'aide au développement de la part de la Banque Mondiale et encore USD 2,3 milliards de la Banque Africaine du Développement. Cependant, selon les données disponibles pour l'année 2003-04, les exportations indiennes vers l'Afrique constituèrent moins de 5% des exportations totales !

Global Procurement Consultants Limited (GPCL), un Joint-Venture promu par l'eximbank de l'Inde, représente une fusion synergétique des talents et de l'expérience disponibles aussi bien dans le secteur public que dans le secteur privé. Au cours de la courte période de 6 ans, GPCL a laissé une trace indélébile d'excellence professionnelle dans les domaines de la politique d'approvisionnement, des révisions, et des services de conseil dans plus de 20 pays dans le monde entier y compris des pays en Afrique tels que l'Érythrée, le Malawi, le Nigeria, le Soudan, le Swaziland, la Tanzanie, et l'Ouganda.

Un des domaines principaux de l'activité de GPCL en Afrique s'avère l'Audit d'Approvisionnement, dans le cadre duquel de grands projets financés par la Banque Mondiale dans des secteurs variés tels que l'Enseignement, la Finance, la Santé, l'Infrastructure, les Réformes portant sur la Privatisation, etc., ont été révisés. En dépit du fait que la valeur des contrats dont GPCL a effectué des audits en Afrique dans les diverses catégories d'approvisionnement, notamment Marchandises, Travaux, et Conseil se situe autour de USD 200 millions, il est décevant de noter que la participation de la part de l'industrie indienne a été dans à peine un ou deux contrats alors que des entreprises de Chine, d'Afrique du Sud, du Danemark, et des Pays-Bas ont participé considérablement même dans des contrats des travaux civils et de conseil à valeur peu importante. Étant donné que la plupart de ces appels d'offres ont fait objet d'annonces publiées largement, le manque de connaissance de telles opportunités ne peut être un alibi valable pour la non-participation à ces soumissions. Il a été remarqué que les agences de Chine obtenaient des contrats lucratifs en se basant principalement sur des associations avec des entreprises locales, des coûts compétitifs et la volonté de transférer leur savoir-faire.

Suivent quelques exemples de contrats auxquels l'Inde aurait pu très facilement participer et qu'elle aurait pu aussi aisément obtenir, mais ne l'a pas fait, soit dû à un sentiment d'autosatisfaction soit dû à des craintes imaginaires par rapport aux aménagements bancaires disponibles dans ces pays et aux appréhensions par rapport à la situation de l'ordre public :

- ICB pour l'Approvisionnement des Installations de Dosage Haute Tension décerné à Rousant International, Afrique du Sud pour USD 185 236 PURP, Malawi
- ICB pour la Construction d'1 No. école secondaire en externat pour 320 élèves décerné à Hualong Construction Ltd.,

Chine pour USD 1 000 000 équivalents SEP, Malawi

- QCBS pour la Révision de Conception, la rédaction du dossier d'appel d'offres, et la Surveillance des Travaux de Construction des Voies en Ouganda décerné à Dr. Ahmed Warrith, Égypte pour USD 700 000 équivalents.

.....et bien plus.

1. Au contraire, les Indiens jouissent d'une situation favorable auprès de nombreuses administrations africaines. Lentement mais sûrement nombreux pays africains sont en train de retrouver la paix et l'harmonie. De plus, étant donné que la plupart de ces opportunités sont réalisées à travers les projets subventionnés, le paiement est assuré par des institutions de capitalisation renommées.

L'Inde dispose d'une grande richesse de spécialistes qualifiés, d'intellectuels, de matières premières peu chères, et d'une industrie locale forte capable de fabriquer des marchandises de qualité internationale. Et tout cela à un coût bien inférieur à celui proposé par ses homologues en Europe et aux États-Unis. Il a été remarqué également que les entrepreneurs locaux étaient enthousiastes d'avoir des collaborations avec leurs homologues indiens. Il est toujours bénéfique d'avoir un partenaire local, qui sera en mesure de représenter nos intérêts et de donner des conseils nécessaires et des précautions à prendre pour un voyage sûr dans le pays des opérations.

Il existe plusieurs possibilités de disponible pour identifier des opportunités en Afrique, notamment,

- ADB Business Bulletin (Bulletin des Affaires d'ADB) une publication mensuelle qui répertorie les opportunités accordées par la Banque Africaine de Développement.
- United Nations Development Business (Développement des Affaires des Nations Unies)
- Les services commerciaux des Ambassades/Haut-Commissariats de l'Inde
- Le bureau de l'eximbank de l'Inde à Johannesburg
- La Chambre de Commerce et d'Industrie Indo-Africaine
- À travers des contacts locaux dans quelques-uns des pays choisis que l'on aimerait viser.

GPCL, en se basant sur son expérience, est en mesure de proposer des Services de Soutien en matière des Soumissions aux exportateurs indiens (entrepreneurs, Fournisseurs et Consultants) s'agissant de la rédaction correcte et soumission de leurs propositions conformément aux directives et aux pratiques stipulées par la Banque Mondiale / la Banque Africaine du Développement. Dans un tel cas, en se basant sur le conseil que lui a donné GPCL, une entreprise contractante indienne qui participait pour la première fois en Afrique, a réussi à soumettre une offre gagnante.

Ce serait dommage que les opportunités qu'offre l'Afrique ne soit pas saisies par l'industrie indienne dans son ensemble. Des efforts opportuns et concertés s'avèrent le besoin de l'heure afin de s'assurer que l'Afrique sera en effet davantage proche et non pas loin.

Exim Bank's Tie-up with AfDB to Promote Indian Project Exports

As part of its information dissemination and export facilitation efforts, Exim Bank in association with African Development Bank (AfDB) organised a series of seminars in New Delhi, Mumbai and Bangalore during November 4-10, 2004. The programme was organised during the visit of a high-level delegation from AfDB, led by Mr. Omar Kabbaj, accompanied by Mrs. Aud Marit Wiig, Executive Director for India, AfDB and other officials from procurement, infrastructure and cooperation departments.

The programme was aimed at providing information to Indian exporters on various business opportunities in AfDB supported projects, that could help promote Indian goods, civil works and consultancy exports in African continent. Mr. Omar Kabbaj, President, AfDB gave the inaugural address in New Delhi Seminar.

Mr. T C Venkat Subramanian, Chairman and Managing Director of Exim Bank, in his address, highlighted the potential of the region, and the emerging opportunities for Indian business, both in terms of trade as also investment. Mr. Venkat Subramanian dwelt upon the initiatives taken by Exim Bank to create the environment in which Indian companies could tap such opportunities. These include Exim Bank's role in facilitation of participation by Indian firms in AfDB funded projects, administration of technical cooperation agreement signed between Government of India and African Development Bank, and co-financing agreement with AfDB. Mr. Venkat Subramanian referred to Exim Bank's wide range of trade and investment programmes and the synergy that could be derived with AfDB



activities. Mr. Venkat Subramanian also referred to Exim Bank's programme to support Indian consultants, suppliers and contractors to participate more effectively in AfDB funded projects.

AfDB, a regional multilateral financing agency, supports a wide

range of projects in member countries in which Indian companies could participate in the bidding process, offering goods, civil works and consultancy services. AfDB's support to member countries is in the form of project loans, structural adjustment loans, lines of credit, investment loans, and technical assistance grants.

Mrs. Aud Marit Wiig, Executive Director for India, AfDB sought to introduce the developmental objectives of AfDB, focus sectors of lending, to companies in India. Mrs. Wiig mentioned that India is being successful in terms of clinching the contracts, but its participation level is low as compared to other countries. Though India's equity contribution and voting power is less, they do not come in the way of bidding, as all stakeholders have equal chances in bidding.

Exim Bank of India, through its links with multilateral agencies, financial institutions, trade promotion agencies and service providers, offers a wide range of services to supplement its financing programmes. Such seminars are in line with Exim Bank's objective of

proactively supporting the globalization efforts of Indian companies.

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The King of the Jungle

The image that Africa conjures up in one's imagination is that of a lion, cutting a stately posture for the benefit of camera-wielding visitors on organized safari tours. The majestic and stately African lion has become known as the King of the Jungle.

The African lion is not the great hunter. The lioness does most of the hunting while the male lion lies asleep in the shade under a tree. What a life! Isn't that how you live when you are the King?

The largest of Africa's big cats, these animals are a sight to see in the wild. Though lions don't look that dangerous they could be at times. In fact, virtually every year someone gets killed in one of South Africa's game parks because they mistake the lion's "lazy" nature for them being tame and harmless. People get out of their cars to take close-up photographs and before anyone can help one of the lions attack. For all the laziness of their appearance a lion on attack is fast and ferocious.

The African lion male differs in appearance from the female lion in that the adult male has a mane, and as it gets older the mane often gets darker until it is nearly black. Any one with a domestic cat knows that cats aren't very social. Lions are the only social cats, living in small prides of three to 12 animals.

These beautiful big cats (the male can weigh up to 240 kg or over 500 lbs.) normally sleep during the day. The females do most of the hunting and the lionesses normally hunt in a group: stalking their prey against the wind, trying to get as close as possible before pouncing.

In South Africa you can find lions in many of the National Parks and private game reserves, while a number of lion parks - where they are in large enclosed camps - give you the ideal opportunity to view these magnificent animals.

