

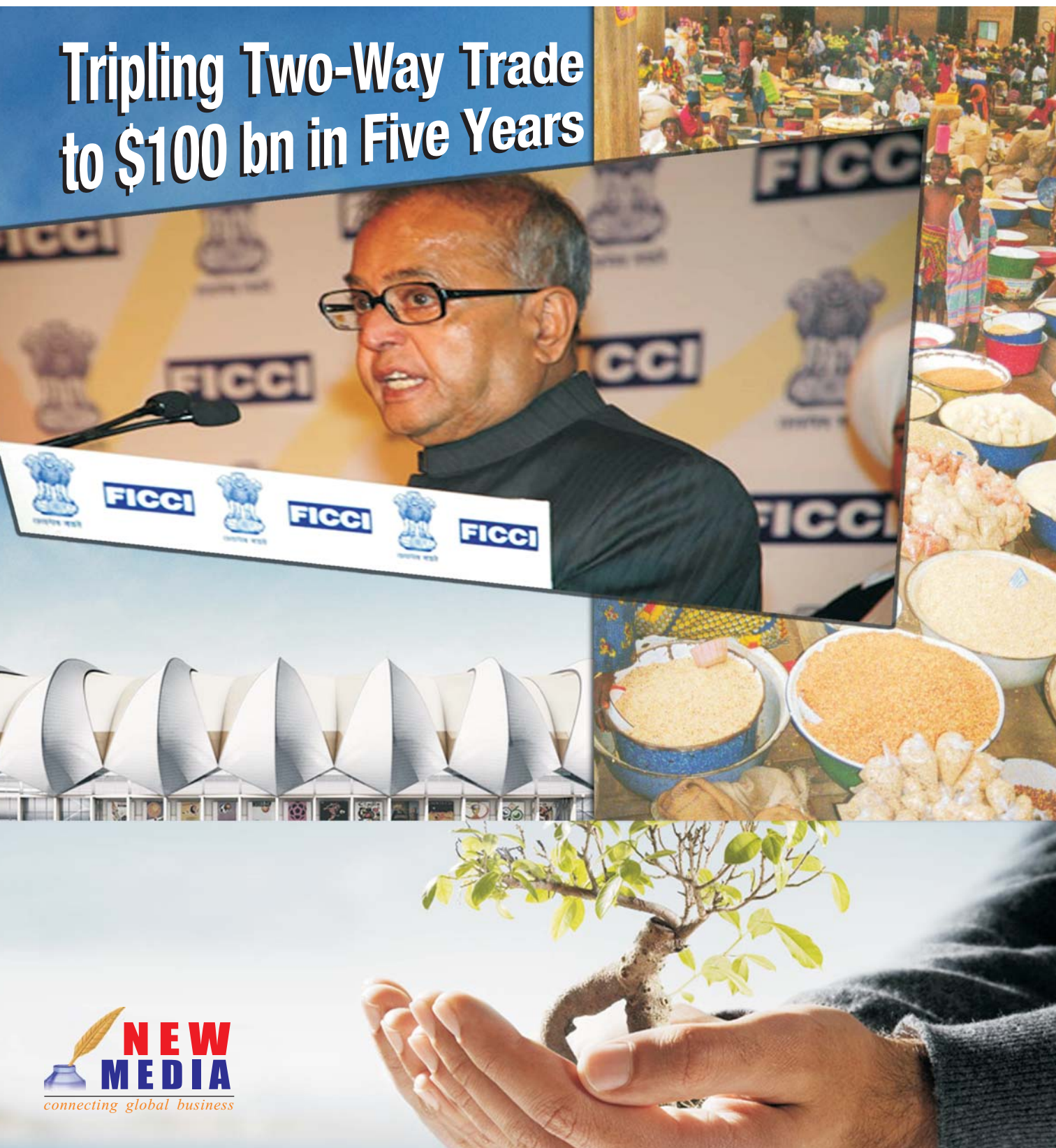


# INDO-AFRICAN BUSINESS

REDISCOVERING A VIBRANT CONTINENT

Nov'08-Jan'09 Rs.200/-

## Tripling Two-Way Trade to \$100 bn in Five Years



# Issue In This



## COVER STORY 05

LoCs to Double to \$5.4 bn Jvs in Agri-Biz, ICT, Rlys, Oil & Gas, Power & SMEs offer Potential

**India to Triple Trade with Africa to \$100 bn in 5 Yrs**



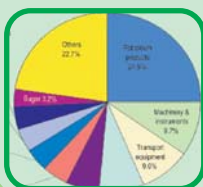
## FACE-TO-FACE 15

**Seychelles: Islands of Unlimited Opportunities**



## CREDIT 22

**Exim Bank's LOCs to Africa Add Up to \$3.68 bn**



## COUNTRY REPORT 29

**India's Fast-Growing Trade Ties with Tanzania**



## A CUPFUL OF THRILLS 38

**Qualifying Games for African Groups Promise Thrillers**

## Section française 50-58

**Founder Chairman**  
**Late Shri R.K. Prasad**

**Distributed by:**  
**New Media Communication Pvt. Ltd.**  
in association with  
**Export-Import Bank of India**

**Managing Editor:** Satya Swaroop  
**Director:** B.K. Sinha  
**Cdr.** P.S. Amar  
**Group Editor:** Dev Varam  
**Strategic Advisor:** Vinaya Shetty  
**Consulting Editors:** Prabhoo Sinha, Rajiv Tewari & Md. Sabir Nishat  
**Deputy Editor:** Tripti Chakravorty  
**Asst. Editor:** Chandra Karki

**Head-Busi. Dev.:** Veerendra Bhargava  
**Creative & Content:** Sunetra Nair  
**Manager- Admin & Finance:** Sunil Kumar  
**Sr. Executive Special Projects:** Prajwala Poojary  
**Liaison Officer:** Vrunda Gurav  
**Executive Database:** Madhavi  
**Circulation:** Jawaharlal, Santosh Gangurde, Vijay Wangade & Suraj Jha

**Art Director:** Santosh Nawar  
**Visualizers:** Maya Vichare & Sagar Banawalikar  
**Photographer:** Bilal Khan

### BRANCHES:

#### Kolkata:

Anurag Sinha, Regional Head, Mob: 098300 15667  
Amrita Chatterjee, Asst. Editor, Mob: 098360 63759  
E-3, 4th Floor, Swagata Apartment,  
Thakurpukur Kolkata- 700 104  
Tel: 033-24537708. Fax: 033-24380719  
Email: anurag@newmediacomm.biz

**Pune:** Jagdish Khaladkar, Regional Director,  
Tel: 098230 38315  
Geeta K. Regional Head,  
Sahyog Apartments 508, Narayan Peth,  
Patrya Maruti Chowk Pune 411 030.  
Telefax: 020 2445 1574  
Email: pune@newmediacomm.biz  
jagdishk@vsnl.com

#### Australia Office:

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

#### New Media Communication Pvt. Ltd.,

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

#### Printed & Published by

Satya Swaroop and printed at: M/s Young Printers, A-2/237,  
Shah & Nahar Industrial Estate, Lower Parel,  
Mumbai- 400 013 and published from  
B -302, Twin Arcade, Military Road,  
Marol, Andheri (E), Mumbai - 400 059. India

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

***Dear Reader,***

Greetings. In recent years, Africa has emerged as one of the most important regions of the world, with which India's bilateral trade has grown by leaps and bounds. In fact, government and business leaders from India and as many as 32 African countries who participated in the recent India-Africa Business Partnership Summit, 2009, organized jointly by the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Ministry of Commerce and Industry, in New Delhi, expressed confidence that the bilateral trade between the two regions can triple over the next five years to reach \$100 billion. India is also planning to double its Lines of Credit to African countries to \$5.4 billion over the next five years. India is trying to catch up with China in tapping the resource-rich Africa through increased investment, especially in the energy sector. The cover story of the current issue of Indo-African Business makes a detailed presentation of the New Delhi Summit. In the Focus section, we have a report on "Africa's Development: Promises and Prospects for 2008", prepared by the Africa Progress Panel, an independent body set up to monitor the delivery of promises made by economically developed to developing countries, calling for more Food Aid and further liberalization of trade policies. Seychelles is a country comprising some spectacularly beautiful islands which offer unlimited investment avenues to Indian hospitality companies, according to its High Commissioner to India Dick Patrick Esparon. The issue carries an interview with the High Commissioner. Export Import Bank of India (EximBank) has been the most prominent catalyst in the promotion of this country's bilateral trade with Africa through its various Lines of Credit. We carry a report. Then, there is a write-up on the African Development Forum's recent conference, where a clarion call was given for financing gender equality initiatives. The issue also carries an Exim Bank study of the Indian cement industry's role in developing the country's infrastructure. Tanzania is one of the African countries with which India's bilateral trade has been growing by leaps and bounds. We carry a detailed report. There is also an article on the preparations of South Africa for hosting the 2010 Soccer World Cup and how some of the qualifying matches are going to be thrillers. The issue carries plenty of news besides the usual French section.

Wish you happy reading



**Satya Swaroop**

Managing Editor

satya@newmediacomm.biz



LoCs to Double to \$5.4 bn Jvs in Agri-Biz, ICT, Rlys, Oil & Gas, Power & SMEs offer Potential

# India to Triple Trade with Africa to \$100 bn in 5 Yrs



Political and business leaders from India and as many as 32 African countries have pledged to boost bilateral trade at a partnership summit held recently in New Delhi. Indian officials said that this country expects to triple trade with Africa over the next five years to reach \$100 billion, in a bid to catch up with China. India is now striving to strengthen its ties with the region and plans to double credit lines to \$5.4 billion over the next five years. The Indian Government has also provided \$500 million for projects from the "Aid to Africa" budget. Despite a global economic slowdown, India is planning a slew of projects to be set up in

Africa in agriculture, small industry, mining, Information and Communication Technology (ICT), oil pipelines, chemical industry, power generation and transmission among others. India's trade with Africa soared from \$967 million in 1991 to \$35 billion in 2008, but remains way behind China's nearly \$100 billion. China trailed India in trade with Africa a decade ago, but its investments have since risen considerably on the back of major energy construction and mineral extraction projects.

India's optimism stems from the outcome during the India-Africa Business Partnership Summit, 2009, where hundreds of meetings, were held on the sidelines between representatives of Indian and African companies. Government officials and industry leaders believe that these meetings could result in hard deals. Officials said Africa could benefit from India's low cost business models.

"India can bring in its low cost expertise in the manufacturing sector and in Information technology...there is so much India can offer to Africa," said Maurice Kagimu Kiwanuka, Uganda's Minister of State for Economic Monitoring. Uganda has \$100 million trade with India and according to Kiwanuka, it could double in less than five years as Indian companies are planning to invest in sectors such as food processing and textiles.

"We share an excellent relationship with Africa. The economic slowdown will not affect trade and we will withstand the financial crisis," said Anand Sharma, India's Minister of State for External Affairs. At the Summit, India has made known that it will donate \$1 billion to connect 53 African countries through a satellite and fibre-optic network to promote "Virtual" medical and educational programmes.

Apart from government to government relations of today, this country's ties date back to the British colonial period when thousands of Indians were taken to Africa as indentured labourers. Many stayed on, and there are now close to two million people of Indian ethnic origin living across countries dotting Africa.

## India's External Affairs Minister Pranab Mukherjee, in his address said Excerpts.

It is less than a year since we had the privilege to host the India-Africa Forum Summit in New Delhi. It was an occasion to celebrate our friendship and renew our commitment to the great continent of Africa. The Delhi Declaration and the Africa-India Framework for Cooperation adopted at the Summit now serve as the contours for our systematic engagement in the coming years.

India and Africa are old civilizations but young nations learning as we grow. Today the Indian economy is over a trillion dollars with key strengths in the services, manufacturing and agricultural sectors. We have also made some advances in the core areas of health and education. Capacity building and human resources development in fact, have always been central to our cooperation with Africa since our independence. Success credited to us in economic growth and development areas is, as always, available for sharing with friends in Africa, within the limits of our capacities and capabilities. Our commitment to Africa is total and we look forward to a close partnership with Africa in its economic resurgence.

I am pleased to see that sectors at the core of economic development and growth including Railways, Road and







Construction; Healthcare and Pharma; ICT; Power; Mining; and, Agriculture - have been carefully identified and selected for this summit.

For this to happen, trade, tariff and investment impediments will have to be vacated in a hurry. In this context, and as announced earlier, our "Duty-free preference scheme" for the Least Developed Countries, 34 of which are African countries, covers 94 percent of India's total tariff lines. It is also our commitment to more than double the amount on Lines of Credit to \$ 5.4 billion for the five-year period beginning 2008-09: \$ 500 million will also be provided over the next five to six years for projects in critical areas from the 'Aid to Africa' budget.

Economic and commercial ties between India and Africa are not new. These exchanges have been ongoing for centuries across the Indian Ocean, and have benefited peoples from both sides. With positive changes and sustained economic development in both India and Africa, this economic and commercial interaction has diversified and deepened since the later part of the 20th century. Bilateral trade has grown from a small 5 billion dollars in 2001-02 to around 30 billion dollars presently, a six-fold growth. Investment levels have also increased across a wide range of sectors such as agriculture, small scale industry, mining, ICT, oil pipelines, automotive plants, chemical industry, power generation and transmission etc... You will agree, however, that these existing trade and investment levels do not reflect the true potential. Less than 8.0 percent of

India's exports are destined for Africa. Our imports from Africa are also around the same proportion of our global imports. After Asia, Africa is the second fastest growing region. We have signed trade agreements with almost 30 countries in Africa.

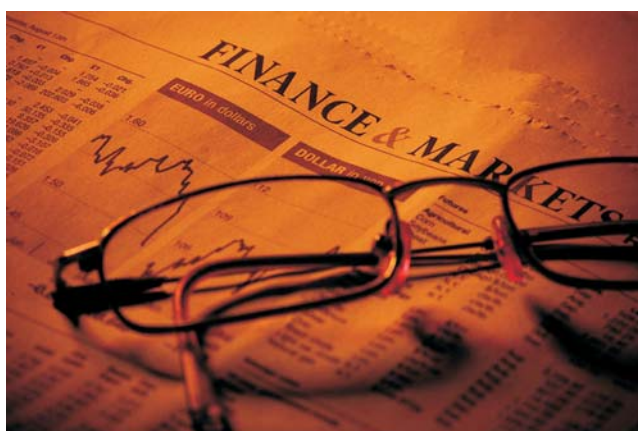
I, therefore, call upon Indian and African business partners to step up their business engagements. Indian companies should accelerate their investments and technical tie-ups with African partners. Cost-effective and intermediate Indian technologies and our large human capital base give us a unique advantage.

### African Infrastructure Needs

The infrastructure needs of Africa are enormous. These also present good opportunities for Indian businesses, as do the growing demands in Africa for new technologies, engineering services and manufacturing capabilities for local value addition. There are millions of young people in Africa who can be employed in the manufacturing and services sectors. The communities of Indian origin in many parts of Africa are also an added advantage.

### Agriculture & Food Security

An important area of cooperation between India and Africa has been agriculture and food security. The India Africa Forum Summit laid a special emphasis on this sector. The Declaration of the India-Africa Framework for Cooperation involves programmes for agriculture. These include irrigation projects, opening up new lands for



cultivation, exchange of seeds, technology, food processing, live stock development, water management, measures to confront the growing threat of climate change, capacity building and fisheries. Some Indian companies have already begun to explore opportunities in Africa in the production of pulses, cereals and oilseeds. I am confident that more will do so in collaboration with African enterprises and Governments. A number of Lines of Credit have already been extended by us for the agriculture sector. These should provide opportunities to Indian and African partners to undertake projects which will be of direct benefit to farming communities.

We are also exploring possibilities of comprehensive economic cooperation agreements with the Common Market of Southern Africa (COMESA) and the East African Community (EAC). We are, therefore, specially delighted and honoured to have among us today, President Paul Kagame of Rwanda, who is also the current Chairperson of the East African Community.

A draft framework agreement was recently initialed in Delhi for a Preferential Trading Arrangement with the South African Customs Union (SACU). With the South African Development Community (SADC), we are developing projects in a number of sectors.

### Global Economic Meltdown

These are fast changing times. In less than six months, a severe global financial crisis has morphed into global economic meltdown which may not have fully unraveled as yet. The repercussions are undoubtedly severe. While the crisis began in the West, the developing countries cannot remain unscathed. Estimates are that global growth and trade may grow at the slowest in over two decades. The financial regulatory framework in many countries will change as will economic expectations. It is no surprise that the model of -international financial governance has also come into question.

The current crisis brings out global interconnectedness. India has over the last few years grown at about 9.0 percent per year which gave us the distinction of being the world's second fastest growing major economy of the world. Our economy is also exposed to the global market, and will therefore, not escape some slowdown.

We are, however, better positioned to withstand the worst. Our economic fundamentals are principally domestic demand, domestic savings and investments. Indeed, India is one of the world's safest markets. We are confident that a 7.0 percent growth is not beyond us this

year and that it shall not be long before we fully regain our growth momentum. We see our growth and development as an open opportunity for mutual gains with our African associates.

Friends, India-Africa relations have always been multi-focused, cutting across many international issues and challenges. It is our desire that on crucial global concerns like climate change, food and energy security, health, jihadist terrorism, marine piracy and democratization of international institutions we continue to enhance our cooperation and dialogue.

Delivering the Keynote address, Rwanda's President and Chairman of the East African Community Paul Kagame, in his presentation, underscored three main points that put into context Africa's development challenges, and the



framework for addressing them sustainably, which include mainly business partnerships, the subject of the Summit.

### Following are excerpts from President Kagame's address.

The first issue I briefly touch on is how we in Africa are confronting factors that have historically obstructed the transformation and utilization of our continent's enormous human and natural resources to create prosperity.

The second point revolves around the changing global realities in particular, the rise of economically successful countries outside the traditional power bloc of the West, such as India, which broadens the field for forming quality partnerships with Africa for greater wealth-creation.

My third point is about the importance of this Summit in



terms of practical steps for forming business partnerships.

### Challenges of Competitiveness

We in Africa, in particular in East Africa, stand challenged to move towards productive and competitive economies that generate significant wealth relative to our development challenges.

In this respect, the greater part of the value-chain of any economic activity, be it in agriculture, mining, petroleum or manufacturing, should no longer be the preserve of "other" societies Africa has to domesticate these processes because that is how wealth is actually created.

Neither development aid, nor reliance on primary commodities will transform our countries indeed this is what largely accounts for our underdevelopment.

The past decade, however, has seen East Africa and Africa in general make considerable progress in transcending this mindset and practice, beginning with improved security, peace, and stability.

With regard to trade and investment, increasingly there is a broader consensus on accelerating regional integration, improving business climate, and the modernization of regional infrastructure.

For example, the process of creating a free trade area that incorporates the East African Community, the Common Market for Eastern and Southern Africa, and the Southern African Development Community is underway bringing together nearly 600 million people into a single market.

There are also important developments within the existing regional markets. In East Africa, we are working on eliminating non-tariff barriers and modernizing infrastructure, integrating our capital markets, and generally harmonizing key policies and regulations to reduce the costs of doing business in our market of almost 130 million people.

In Rwanda's case, regional integration is synonymous with development trade, investment free movement of human and financial capital forms the core of our development vision.

This is why we always request investors to consider our country not only in its own right, but also as a strategic intersection of existing regional markets.

Today's global political economy reflects shifting realities with new robust actors playing more active roles, such as India whose interactions with Africa continue to increase.

While for instance the total trade between India and Africa was \$6.5 billion in 2002-03, it increased to almost 35 billion last year (2008).

Similar trends apply to Indian investments in Africa that stood at \$3.7 billion in 2006-07 and almost doubled in a single year to \$6.8 billion in 2007-08.

### Historical Connection

The rich and multidimensional relationships between India and Africa are not new. In East Africa, the descendants of Indian immigrants during the colonial phase became the backbone of commerce and industry I am pleased to note that currently, among leading entrepreneurs and industrialists in our region there are



those who hail from this history. Meanwhile, India itself was a staunch advocate of African independence and remains a consistent friend of our continent.

Indo-African common purpose and principles in the international sphere are widely-known, for example, our shared view that agriculture should remain key to the Doha Round trade negotiations, together with the necessity to reduce trade-distorting agricultural subsidies in developed countries.

Further, we entirely agree on the need to reform international multilateral institutions to reflect changed realities – it is absurd that with a combined population of about two billion people, neither India nor Africa is represented in United Nations Security Council.

We gather here at this Summit to take further steps in building strong relationships, at the core being business partnerships indeed the stage is set for intensifying our investment interactions especially in the identified priority sectors of health, IT, energy, infrastructure, construction, mining, agriculture and financial services.

The East African market offers enormous investment opportunities in each of these sectors not only in individual countries but also across region, especially in the development of strategic regional infrastructure projects, such as the railways.

We appreciate very much those Indian companies that are already active in East Africa and on our continent in general and trust that more of you will join us, particularly after this important partnership Summit.

Let us challenge ourselves at this New Delhi meeting to engage in results-oriented bilateral as well as trilateral round tables for each sector identified for collaboration; formulate realistic agendas for follow-up; and adopt

timelines for implementing joint projects.

Reflect on how we, as Indian and African government and business leaders can quickly utilize the framework, financial support, as well as easier access to Indian markets made possible by the generous offer of the Government of India at the 2008 India-Africa Summit.

This Summit, has undoubtedly taken India-Africa relationship to an even higher level for which we express our sincere appreciation to the Government and People of this country.

We make a pledge here that we in Africa, East Africa, and Rwanda, take the opportunities availed by this Summit very seriously and are ready to play our part in creating a conducive investment climate for Indian and African investment in our respective spheres.

I look forward to a fruitful dialogue based on country presentations indicating investment opportunities in the different African countries and regions.

Let us have, at the end of the Summit, a concrete roadmap of embarking on an India-Africa collaborative journey, whose ultimate prize is no less than greatly improved lives of our citizens and healthy investment returns for Indian and African investors.

### Focus Sectors

- Healthcare & Pharmaceuticals • Information & Communication Technology (ICT) • Power • Agrifood & Allied Services • Financial Services • Mining • Roads & Railways • Housing & Construction • Ministers/ Senior Government officials/key decision makers from the identified sectors • Leading private and public sector companies • Investors • Procurement Agencies and Regulators • Regional bodies • Multilateral Funding Agencies • Financial Institutions • Manufacturers and Service Providers • Importers and Exporters • Technology and Equipment Providers • Institutions & Consultants

### Summit Highlights

- Two day international conference to gain insights into the African and Indian markets
- Two day international exhibition to showcase the leading players of India and Africa in the identified sectors
- Round tables and B2B meetings with the captains of industry for inviting investments and joint ventures ■



# Africa Progress Panel Report 2008

## More Food Aid & Further Trade Liberalization Vital

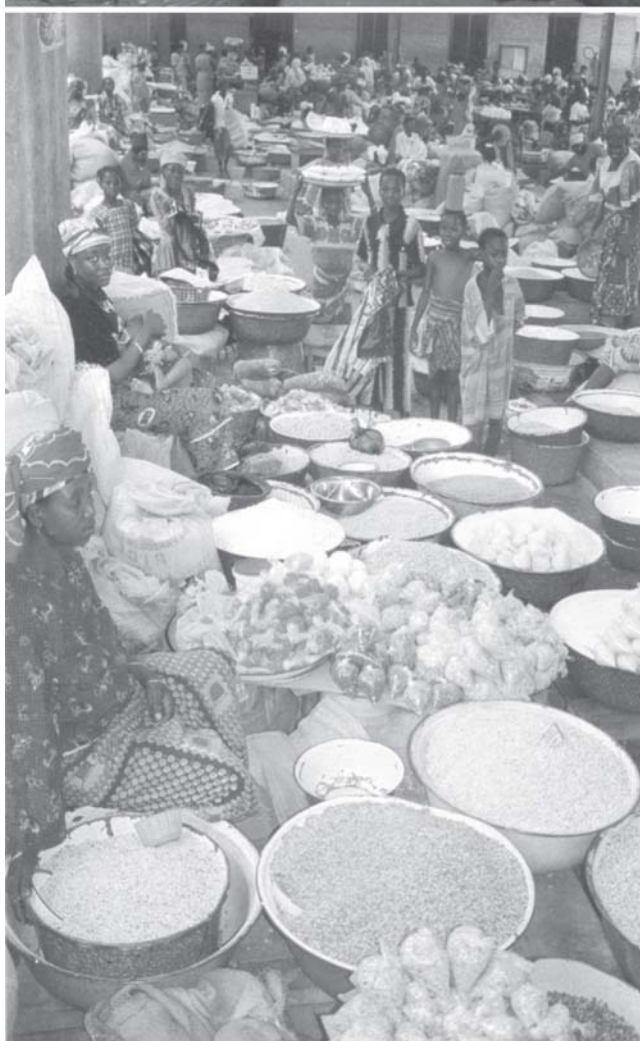
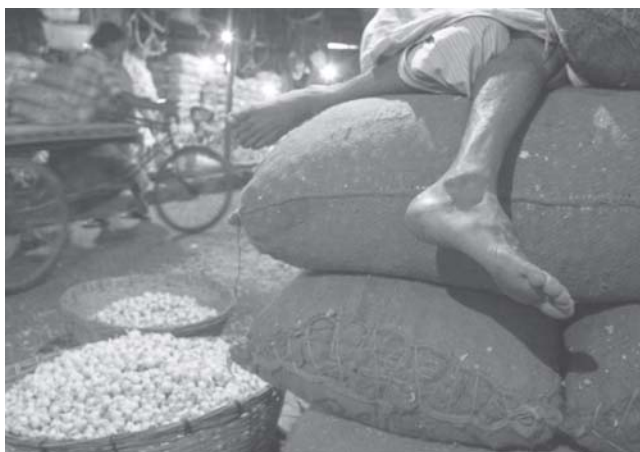
The Africa Progress Panel, an independent body set up to monitor the delivery of promises made by economically developed to developing countries, in its recent report - "Africa's Development: Promises and Prospects for 2008" has called for more Food Aid and further liberalization of trade policies. Following are the excerpts.

The sharp and sustained increase in world food prices is of great concern. Unless some way can be found to halt and reverse the current trend in food prices there will be a significant increase in hunger, malnutrition, and infant and child mortality. Many countries are already experiencing the reversal of decades of economic progress and 100 million people are being pushed back into absolute poverty. As countries adopt export bans on key commodities such as rice, prices in world markets are rising even further.

In the immediate term, the supply of food to the world's most vulnerable citizens must be increased by raising the level of financial assistance to the governments of affected countries and aid agencies. Every effort must also be made to increase the quantity of food on international markets, so that the World Food Programme (WFP), relief organisations, and individual governments are able to purchase food as needed.

Developed countries should immediately review their economic and financial policies to ensure that the production of enough food to feed the world is not threatened. In the short to medium term, safety nets, targeted food aid, cash voucher programmes, and other types of interventions must be also carefully reviewed and redesigned as necessary, to meet the challenge of sustained high food prices.

In the longer term appropriate policies and substantial new investments are needed to raise agricultural productivity and increase food production in Africa and around the world. These will necessarily include investments in key inputs such as fertilizer, improved feeds, effective water management and new crop



varieties, and the linking of farmers to markets via investments in roads and other types of infrastructure.

## Need for Rethinking on Trade Policy

There is a critical need for a rethinking of trade policy in order to boost agricultural production around the world. Biofuel subsidies and export controls are not currently the focus of multilateral trade negotiations but must be addressed as part of an overall strategy to liberalise agricultural production. Trade policy as it concerns fertilizer markets must also be included in multilateral negotiations currently, the market for fertilizer is not generating the quantity response needed to address the shortage in food production.

Policies on grain storage and buffer stocks must also be reviewed. Also, in light of climate change and the resulting decline of agricultural productivity in some parts of Africa, expanded access to markets, fair world trading rules, and improvements in the capacity to trade are critical for job creation, income and accompanying purchases of food. In sum, efforts to liberalize trade must be combined with strategic thinking about the problems we are facing in the global economy.

There has been no progress on multilateral trade negotiations since 2005. The G8 has repeatedly emphasized the importance of the Doha Development Round, but talks have remained deadlocked since 2006. While pressing for the impasse around Doha to be broken, we ask for an early harvesting of gains in trade liberalization for Africa. The G8 and African governments should also prioritize rural development, by strengthening the mechanisms by which the poor can have access to markets. Only then will the full benefits of an open trading system be realized. The delivery of promises on aid for trade must not be held hostage to trade deals.

## Climate Change

Climate change will affect Africa more severely than other regions of the world, and will have a devastating impact on food production and the livelihoods of the rural poor. Many of the poorest, particularly in urban areas, are already facing the consequences of high food prices; the loss of agricultural productivity will make this situation even worse.

The G8 must lend strong support to address the problems of climate change, by investing in adaptation and the prevention of deforestation, and by increasing funding for renewable energy in Africa. Renewable energy, such as solar, wind and geothermal, is very viable

in Africa every effort must be made to move away from coal-based projects towards these sources.

## Infrastructure

The availability of infrastructure is critical to the development of Africa's private sector, including a reliable supply of energy and safe roads. In particular, connecting farmers to markets has taken on a new urgency. Strategies to respond to these needs should be developed in parallel with efforts in the field of water access and sanitation - an MDG made even more relevant by the food crisis and the underutilization of the potential for the expansion of irrigation in Africa. Infrastructure is currently a key constraint to enterprise development almost 60 percent of enterprises indicate that it is their main brake on expansion. There is enormous scope for improvement of infrastructure, with a focus on regional projects. Increased funding from a variety of sources both public and private for regional infrastructure projects is critical.

African governments must make every effort to attract private capital for the funding of infrastructure projects; regulatory and pricing reform, as well as monitoring mechanisms to prevent corruption, will need to be ramped up to achieve this goal. Governments should also attract sovereign wealth funds to Africa for investment in infrastructure the 1.0 percent solution proposed by World Bank President Robert Zoellick can generate an estimated \$30 billion for infrastructure investments. Multilateral banks and other actors can devise new and better instruments for underwriting and guaranteeing investments in frontier markets as well as at regional and sub-national levels.

China and India, as well as Malaysia, the United Arab Emirates and others, have become significant investors in infrastructure in Africa. China is now Africa's third largest trading partner and, together with other new entrants, has brought new dynamism and significant new resources. These countries have created greater opportunities for Africa's development, particularly in the areas of infrastructure, development finance, and trade. If Africa's development is to stay on track, it is crucial for both old and new actors to comply with agreed upon principles of cooperation in the areas of aid, trade, development finance, and debt sustainability.

## Aid Levels and Aid Quality

While the G8 must play a leading role in addressing the food crisis, it must also keep its existing pledges towards Africa's progress. The G8 has made substantial progress





in the area of debt relief, helping to lift millions of Africans out of poverty. Individual countries have also made significant increases in their levels of assistance. However, the pledge to double assistance to Africa by 2010, made at the G8 Summit at Gleneagles in 2005, is not likely to be fulfilled. The volatility of aid continues to be problematic as well, imposing a great burden on countries' abilities to plan investments. There are several ways that the G8 can deliver assistance more effectively, particularly in the area of programmable aid:

- The G8 must make funding sources and timetables available in a timely manner, along with stated pledges. Each member country should provide a detailed outline on the potential and availability of funding as well as how and when funds will be delivered for stated pledges. This information should be released immediately prior to or after each summit, to ensure that pledges and statements made at the summits are honoured fully. Finally, funding shortfalls against the 2010 targets should be addressed immediately through a special plan to meet the pledge made at Gleneagles.
- The proportion of aid that is tied must be clearly identified by every member of the G8, and must be decreased over time.
- The G8 must take steps to reduce the volatility of aid, and support innovative efforts to improve aid quality. Providing information on forthcoming aid disbursements in a timely manner will help to reduce volatility, as will commitments that are made over a multi-year time horizon.
- In light of existing pledges as well as the need for additional resources to address the food crisis and the problems of climate change, the G8 should renew its discussion of innovative financing mechanisms.

## Good Governance

The Africa Peer Review Mechanism (APRM) launched by the New Partnership for Africa's Development (NEPAD), the African Union Convention on Corruption, and the Extractive Industries Transparency Initiative (EITI) have had significant success in improving governance. Sustainable democracies are emerging in many countries although

setbacks in elections in some countries have been a great disappointment. African governments are increasing their revenue base and using more of these resources to meet the costs of economic development. In addition, civil society is playing an important role in holding governments accountable in many countries.

But there is still much work to be done. Some countries are yet to move to healthy, functioning democracies. And other parts of Africa continue to experience terrible and violent conflict, as well as economic and social chaos. In particular, the conflicts in Darfur and eastern Congo continue to take many lives and threaten the stability of the region. Zimbabwe is in total economic collapse with severe political and social implications. The resolution of these crises will require greater and more consistent efforts by the African Union as well as leadership by individual African governments, and the international community as a whole. Strong G8 action to stop corruption by its own businesses in Africa must complement Africa's efforts for better governance.

G8 support for NEPAD and the APRM is critical as well. While the G8 has expressed support for training peacekeepers and for the Africa Standby Force, levels of funding are still inadequate. In general, the African Union's potential as a homegrown peacekeeping body and regional forum is severely limited by resource and capacity constraints. Donors have so far failed to appropriately fund and equip its operations in Darfur. This tragedy calls now for exceptional efforts from all parties involved. African governments must also lend more financial support to the African Union in order to make progress on stated goals of fighting corruption, strengthening institutions, ending conflict, and improving governance. ■

# Seychelles: Islands of Unlimited Opportunities

Seychelles High Commissioner to India **H.E. Dick Patrick Esparon** believes that sky is the limit for investment opportunities between India and his country, whose population comprises people of Indian origin. In an interview to **Satya Swaroop & Tripti Chakravorty** the High Commissioner says that Seychelles and India are realizing that there are unlimited opportunities to be tapped in both countries. Excerpts.



**Please give us an in-depth account of Seychelles' economic development and what schemes are being offered to promote India Investment there?**

Since independence in 1976, per capita output in this Indian Ocean archipelago has expanded to roughly seven times the pre-independence, near-subsistence level, moving the island into the upper-middle income group of countries. Growth has been led by the tourist sector, which employs about 30 percent of the labor force and provides more than 70 percent of hard currency earnings, and by tuna fishing. In recent years, the government has encouraged foreign investment to upgrade hotels and other services. At the same time, the government has moved to reduce the dependence on tourism by promoting the development of farming, fishing, and small-scale manufacturing. Real GDP grew by 5.8 percent in 2007, driven by tourism and a boom in tourism-related construction. The Seychelles rupee was allowed to depreciate in 2006 after being overvalued for years and fell by 10 percent in the first nine months of 2007.

Concurrent with the stabilization process, the development of infrastructure, education and health was undertaken to create a solid base for future economic growth. Today the country is in a transition from central planning to a free market economy with greater private sector involvement. The government is willing to consider the privatization of state-held assets ranging from the wholesale sell-off of parastatals to private sector participation with majority control. Strategic social sectors of the economy, including the generation of electricity, provision of piped water, import of essential and staple commodities and public bus transport, will remain under government control.

While tourism remains the backbone of the economy and provides the bulk of Seychelles foreign exchange earnings, efforts at economic diversification are central to future plans. The development of Seychelles as an International Business Centre (IBC) is being pursued. The

IBC programme includes a duty-free trade zone called the Seychelles International Trade Zone (SITZ), a legal framework for the establishment of international trusts, offshore company registration, development of financial services to support international trading and businesses, and the registration of certain activities in Seychelles, including those under the Merchant Shipping Act and Air Navigation Act.

## Business & Investment Environment

Since the early 1990s, the formulation of all economic policies has been based on the

concept that investment by the private sector in the economy is the key to the future of Seychelles.

Legislation to create an enabling environment for increased private sector involvement in the economy was implemented in 1995. It included a general tax reduction and the passing of new legislation providing



guaranteed incentives. Also in 1995, government established the Investment Development Advisory Service (IDEAS), later renamed the Investment Desk, a division within the Ministry of Finance, which aims to develop and promote an enabling investment climate.

### **Investment Promotion Act (IPA)**

The Investment Promotion Act, promulgated at the end of 1994, took effect on 1 January 1995. IPA aims to develop the economy through promoting new types of economic activities, upgrading the standard of existing activities as well as addressing the fiscal environment for those marginal activities whose circumstances were a result of factors other than undercapitalization and poor management.

Investments are classified into various sectors: Agriculture and Marine Resources Investment; Industrial and Manufacturing Investment; Professional Services Investment; Small-Scale Industries Investments; and Tourism Development Investment.

certain provisions of Social Security, the Immigration Decree and Business Tax Act. In the past only yachts and liveaboards benefited from complete exemption from trades tax on capital equipment, raw materials and manufactured goods and services. The amendments now authorize the same concessions to cruise ships.

The incentives address all areas of taxation and range from concessionary rates to complete exemption of tax. In certain areas the importation of foreign labour up to a limit is permitted upon payment of concessionary work permit fees. Another provision of the Act allows for accelerated depreciation of up to 150 percent in the first five years which could mean a virtual tax holiday in an appropriately structured company.

### **The Seychelles International Trade Zone (SITZ)**

Efforts to transform the archipelago into an offshore business base is seen by the creation of the Seychelles International Trade Zone (SITZ). SITZ is a business park for export-oriented activities. Projects involving the



Concessions are prescribed for the various sectors under three main categories: Export-Oriented Units; Special Growth Areas (any activity in the Outer Islands, a yacht marina, five-star hotels, helicopter services, a golf resort, semi-industrial fishing using the longline or dropline method); and General Category.

Investments that qualify are issued with a Certificate of Approval for a fixed period. This document lists the concessions and incentives, which are automatic and guaranteed during its validity and cannot be changed to the disadvantage of the investment. If subsequent

legislation that is issued is more favourable, then the investment can benefit from the change. For instance, in 1997 several amendments to the IPA were introduced to attract foreign investment within the tourism sector. The new legislation allows yachts, liveaboards and passenger cruise ships registered in Seychelles exemption from

redistribution of goods from Seychelles, transshipment, repackaging, warehousing, light assembly, manufacturing, and processing of goods for export may qualify for an SITZ licence.

The SITZ is located between the airport and the port, thus minimizing transportation costs. It consists of three distinct areas: Zone 1 (16,000 sq. m) is close to Port Victoria and has been designated specifically for warehousing and redistribution; Zone 2 (96,497 sq. m) is to be used partly for warehousing and partly for light assembly; and Zone 3 (140,000 sq. m) is closer to the airport and intended for manufacturing and processing activities. All three zones have been developed by the government with utilities and infrastructure.

Companies situated in the zones benefit from major fiscal incentives including exemption from all local taxes, the ability to import foreign labour, fast and efficient



customs clearance, adequate outbound container space and attractive rates for export cargo.

In return, operators must ensure that their output is geared for an export market; that adequate insurance cover is provided for their workers within the zone; that all transactions are carried out in conformity with the laws of Seychelles; and that their project or manufacturing process does not pose a threat to the environment.

SITZ is managed by the Seychelles International Business Authority (SIBA).

Applications for licences, together with a project memorandum, should be lodged with SIBA who evaluate and approve all proposals.

### **Conducting Business in Seychelles**

The Companies Act governs companies trading in Seychelles. The incorporation process is simple and can take place within 48 hours. There are no restrictions on ownership and companies may be 100 percent foreign-owned.

All businesses require a license issued by the Seychelles Licensing Authority. All imports require an import permit issued by the Ministry of Finance and Communications.

### **Investment Opportunities**

Opportunities abound in a wide range of sectors such as agriculture, livestock and animal feed production, fishing and fish processing, tourism, light industry, and oil exploration. Credit may be extended by the Development Bank of Seychelles for sectors in which there is scope for foreign equity and expertise such as fish smoking, prawn farming, and other value-added fish-related activities. Small hotels offer opportunities (although investment is restricted to those with more than 25 beds), as well as boat building for export to states around the Indian Ocean.

### **Taxation**

A trade's tax is applied on all items imported into the domestic economy. The rates vary from zero to 200 percent on luxury items, but the average rate is 25 percent. Goods for transshipment and re-exportation are exempt from tax, as are imports of capital equipment by new businesses (excluding passenger vehicles), raw materials and industrial throughputs, agricultural inputs and used personal effects (excluding passenger vehicles) of individuals taking up residence in Seychelles.

Professional services such as accountants, lawyers, architects and engineers are also subject to a trades tax on their turnover.

Business tax is payable on profits. Dividends and other personal income are not subject to business tax.

The rates of business tax are:

First SR 24,000 (0 percent)

Next SR 24,000 (25 percent)

Next SR 48,000 (30 percent)

Above SR 96,000 (40 percent)

Income from rental of residential property, ships registered under the Merchant Shipping Act (1992), International Business Companies (offshore companies), International Trusts (offshore trusts), and of operators on the Seychelles International Trade Zone (SITZ) are completely exempt from business tax.

### **Foreign Trade**

Seychelles has always relied heavily on imports and is generally a net importer of visible goods. The country imports a wide range of consumer goods, fuel and all capital equipment. However, efforts are being made to substitute locally produced goods for imported commodities.

Seychelles has great potential as a centre for transshipment and redistribution, being located at the centre of the Indian Ocean, midway between the large trading and manufacturing blocs of Asia and Europe and having direct access to major cities in Asia, Africa, Europe, the Middle East and the Far East.

Preferential import tariffs are applied to goods originating from member countries of the Indian Ocean Commission (IOC), namely, Mauritius, Comoros, Madagascar and Reunion. Likewise, exports originating from Seychelles receive preferential import tariff treatment in IOC countries.

Besides being a member of IOC, Seychelles is also a member of SADC, COMESA, and a signatory to the Lome Convention.

**The Government of India launched the Focus: Africa programme in 2002, to cover seven countries but extended it to the entire continent a year later because of the immense bilateral trade potential it offered. Since then, four India-Africa Partnership Conclaves, followed by the First Ever India-Africa Summit in June this year have been held. Please give a detailed account of how has Seychelles benefited from all this exposure?**

Seychelles for reasons unknown to us was not invited to participate in the four India-Africa Partnership Conclaves.

As for our participation in the first ever India-Africa Summit in June this current year, Seychelles participation was through SADC and the African Union Executive Committee.

Given the above, it is tasked to outline the benefits

derived by Seychelles through the above mentioned incentives/forum.

## **Can you identify specific areas where Indian companies have transferred technology and invested funds in Seychelles?**

Yes definitely, one of India's telecommunication giants "Airtel of the Bharti group started operation in Seychelles more than 10 years ago.

India's Bank of Baroda which started operations 30 years ago and continues to be a major provider of banking services in Seychelles.

The majority of the big construction companies building Hotels and other Tourism infrastructures are of Indian origin and their work force is almost entirely made up of Indian nationals.

## **Line of Credit (LOCs) from Export Import Bank of India have been effective instruments of promoting projects development besides bilateral trade with Africa. What is the total quantum of funds that Seychelles has received under various LOCs and what are the specific projects funded?**

The Line of Credit that Seychelles has with the Government of India and which is being disbursed by the Exim Bank of India amounts to 8M-USD. The agreement to that effect was signed by the Principal Secretary for Finance of Seychelles and Exim Bank Officials in Mumbai in July 2006. The Line of Credit is being utilized to import Tata Buses and spares(for the public Transport System) and basic commodities and foodstuffs namely, onions, Potatoes, Rice Sugar, Soya Meal, Yellow Maize etc.

**India as well as China accord high priority to Africa because of its natural resources, especially in the energy sector. What specific resources that Seychelles can offer India, and what schemes are being offered to promote Indian investment there? What are the other**

## **opportunities for synergy between India and Seychelles?**

Seychelles is a very small country when compares to the other countries of the Indian Ocean and Africa. But, however we are very strategically positioned in the middle of the Indian Ocean. Seychelles working in partnership with India could very well be transformed to become the trans-shipment hub of the Indian Ocean. Seychelles has a vast maritime exclusive economic zone. The potential for investment in the following areas is overwhelming; fishing; fish processing ,post services, and infrastructure development industrial tuna fishing, mari culture for high value species such as pearl, oysters, aquarium fish, fish farming and exploitation of water species. Through Seychelles Indian investors/companies can access the other countries of the Indian Ocean and the African continent.

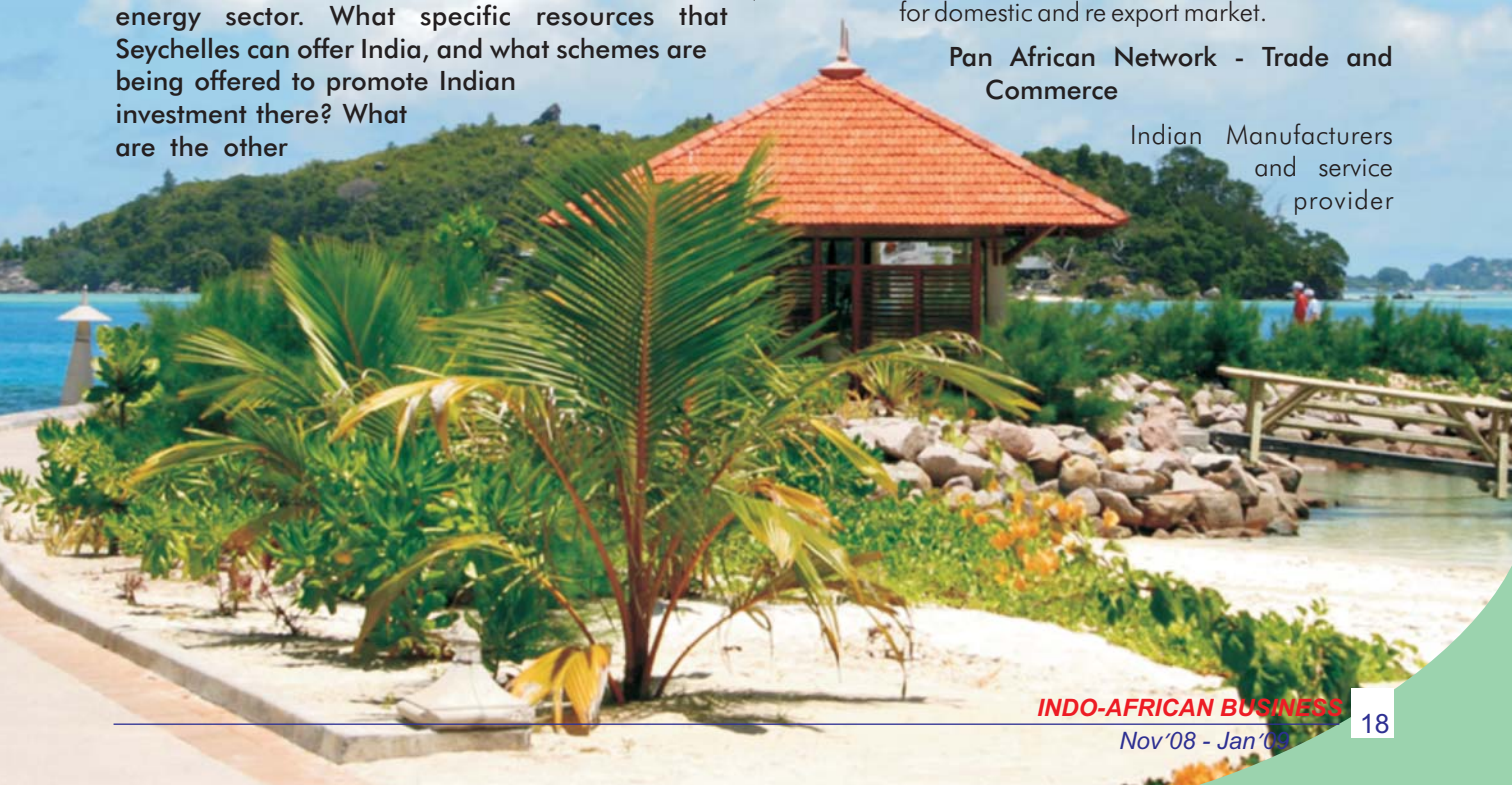
The Hospitality sector of Seychelles is offering safe haven to Indian investors. Investing in Hospitality sector of Seychelles can result in high sustainable growth. Indian investors can engage in the development of luxury resorts, residential properties and high class leisure and recreational facilities.

## **Information Technology and Communication**

Seychelles can gain from India's robust service sector particularly by the highly competitive technology segment. Seychelles is well versed in basic computing and establishing a center for excellence would provide the ground for specialized computer training. E-commerce facilities are potential areas presently being considered by the Government. Other areas of telecommunications and information technology including assembly, retails and wholesale of hardware for domestic and re export market.

## **Pan African Network - Trade and Commerce**

Indian Manufacturers and service provider





can provide Seychelles with the bulk of its day to day requirements. Trade between India and Seychelles more than doubled from 1999 to 2007. More specifically trade grew by 156 percent-The bulk of the commodities are food, live animal products and manufactured goods.

India is a potential market for importing of rice, potatoes and similar food commodities.

## Education & Human Resource Development

The Strategy 2017 launched by Seychelles President James Michael which outlines the Seychelles economic framework for the next ten years places a lot of emphasis on Education and Training. The University of Seychelles was henceforth launched as the vehicle for the creation of knowledge based society. In the past discussions with the Government of India, it was felt that Seychelles could tap into India's expertise when it comes to the provision of qualified Lectures for the University of Seychelles. Rightly this is yet again another possible area of cooperation which we would promote.

The network is a satellite based network provider Tele-education, Tele medieval services and VVIP connectivity for 53 countries in Africa. This project is being implemented. In fact experts and technicians from India are in Seychelles right now. It will be operational towards the end of 2008.

## Would you like to highlight a recent success story of Indian Investment in Seychelles?

Bharti Airtels Telecommunication Company started operation in Seychelles some 10 years ago. Prior to Airtel coming on the scene the whole domestic market was monopolized by the cable and wireless of Seychelles. Airtel today is a major player when it comes to telecommunication in Seychelles.

## Construction Industry

The construction Industry in Seychelles is actually today controlled by companies of Indian Origin and the majority of the construction workers are Indian Nationals.

## Banking Sector

The Bank of Baroda -started operation same 30 years ago and has today assumed his rightful place as amongst the most respectable Bank in Seychelles.

## Public Transport

The Indian Tata buses and the Ashok Leyland buses are the daily mode of transportation for thousands of Seychellois. The Indian buses have been found to be idly suited to travel the roads of Mahe (the main island) and Praslin (the second largest) islands of Seychelles

## Personally, what are the initiatives have you have taken to promote bilateral trade?

First and foremost let me clarify that the Seychelles High Commission in Delhi opens its doors in May this year.

Secondly my priority for this year is to revisit and attend to all the dossiers of cooperation between the Government of India and Government of Seychelles. And most importantly focus on the dossiers where I feel that progress has been slow.

Thirdly, I have embarked on a series of meetings visits and fact "finding missions" with the view to ascertain that indeed there are avenues to promote bilateral trade between India and Seychelles and to assess what India has to offer.

I have met and continue to meet with major organizations like CII, the PHD Chamber of Commerce etc and other individual and private organizations and institutions here in India. I am in the process of networking with those organization and Institutions to organize a visit to India by a very High Level Delegation from Seychelles which will include Top Executives from the Ministry of Finance, Seychelles Fishing Authority, Seychelles Tourism Board ,Seychelles Investment Bureau, Seychelles Chamber of Commerce to present to India what Seychelles has to offer.

The one thing that, I am trying to get materialized is the signing of the double Taxation Avoidance Agreement between India and Seychelles. This is one hurdle that we have to overcome if we are to drastically improve and promote bilateral trade between our two countries.

To summarize, the groundwork and foundations are being laid for a sustainable and genuine partnership and increase in the volume and quality of trade traffic between India and Seychelles.

## Anything else you would like to add?

I am optimistic and convinced that Seychelles and India are slowly but surely coming to the realization that there are unlimited opportunities to be tapped in both countries and that if we collaborate and cooperated with each other the sky is the limit as to what could be achieved.

Seychelles and India shares a common history-The Seychelles Population comprises of people of Indian Origin. Our destinies are to a large extent intertwined.

History will observe how two countries; one with a population of 1.2 billion people and the other of only 85,000 has been able to partner, and overcome the artificial obstacles that lay in their path to achieving peace and prosperity for their respective people. ■





**FDI Up 7-Fold to \$53 bn  
in 7 yrs to '07**

## **Africa - The New Frontier of Global Economy**

Africa is the new frontier of the global economy, says John A. Simon, US ambassador to the African Union.

Speaking at the US Africa Infrastructure Conference in Washington recently, Simon called on his audience to help make Africa a no-conflict zone by 2020. The theme of the 2008 conference is "Connecting the Continent."

Simon cited statistics and basic facts to tell what he called "the predominant story" about the developing continent of Africa.

Over the past 10 years the African continent has enjoyed an uninterrupted period of economic growth, with rates in the past five years exceeding 5.0 percent annually, he told his audience of business executives and potential investors. "Foreign investment has grown from \$7 billion in 2002 to \$53 billion last year a more than sevenfold increase," he said.

He cited a recent report by Credit Suisse First Boston that African countries compare very favorably in terms of governance, education and economic policies to East Asia in the 1970s, a time that was followed by its period of dramatic economic growth.

If Africa is to achieve similar results over the next decade, he said, several gaps still need to be addressed: peace and security what he called the sine qua non for economic development; energy and infrastructure; and professional capacity and connections to the global economy.

"From my perspective, the African Union can and indeed must be a critical element in bridging these gaps if Africa is to recognize the potential it has by 2020. In many ways the next few years will be extraordinarily decisive," he said.

Addressing the issue of peace and security, Simon, a former executive vice president of the US Overseas Private Investment Corporation, said there is a lot of good news on this front.

"Relative to 10 years ago when more than a dozen conflicts raged across the continent, there are now basically three or four," and those are among the most intractable. He saluted the AU for taking a lead role in seeking to stabilize and resolve those conflicts, but he cautioned that the AU cannot be expected to bear this full burden on its own.

"If Africa is to move forward in the next few years, the international community needs to do more," Simon said. He called on his audience to work toward the goal of making Africa a no-conflict zone by 2020. "Ultimately," he said, "it is the absence of conflict that is necessary for there to be the type of economic growth that Africa needs to realize if it is to achieve the very ambitious goals that it has for the development of its people."

On energy and infrastructure, Simon said, "We have all seen the pictures of Africa from space at night: the only lights being visible are those in South Africa and a few that are scattered along the coasts."

And almost everyone doing business in Africa has had trouble shipping containers overland, he said. The cost often exceeds what it would cost to ship that same container to Europe or the United States.

Simon called Africa's shortage of energy and infrastructure a "brick wall" to development. But he acknowledged that progress is being made on a country-by-country basis, with governments putting in place the right environment that is encouraging investors to enter their markets.

What is needed, he said, is not only a large amount of investment capital but an equal amount of technical expertise. Institutions such as the African Development Bank, the Infrastructure Consortium for Africa and the African Union through the creation of an investment bank can play an important role in supporting progress, he said.

A new type of investor for Africa is also needed, he said, who will be satisfied earning traditional money profits as well as what he called developmental profits.

On the institutional capacity gap, Simon warned that "as African economies grow, the strains on their institutions just like the strains on their infrastructure can be a major impediment to growth."

More diverse economies require more sophisticated

institutions to issue permits, enforce contracts, resolve disputes and plan for growth, he said. Africa is the fastest-urbanizing continent in the world, yet urban planning in most African cities is nonexistent. The African Union, he said, can again play a key role in strengthening these institutions on the continent.

On Africa's integration into the global economy, Simon said, "Connecting to the global economy is fundamental to Africa's future," and for that to happen requires "investing in entrepreneurship from all sources, the development of larger markets along regional lines, and the retention of its most gifted people."

On a positive note, he said, many members of the African Diaspora are now returning to the continent "to build its economies ... its businesses and ... its institutions." ■

## Get Connected Through Net, NEPAD Tells African Nations

The New partnership for Africa's Development (NEPAD) has urged upon more and more African nations to get involved in a massive project to develop Internet connection linking African countries to one another and to the rest of the world by 2015.

The project, called the Broadband Infrastructure Network, hopes to connect east African countries to a communications network stretching from South Africa to Rwanda. A second broadband network will connect Lesotho, the Democratic Republic of the Congo, Mauritius, Namibia and Madagascar to an undersea cable running along East Africa.

The connection will be made via fibre-optic submarine cables along the coast of east Africa.

The policy and regulatory advisor for e-Africa Commission, Edmund Katiti, said on Saturday it was important for Africa to get connected to the rest of the world so it can engage in e-commerce, which has made a lot of money in countries like India.

"Currently we can't do that because we don't have broadband, and where broadband is available it is expensive.

"We want to make sure that all countries in Africa have access to broadband connectivity and this connectivity is affordable and reaches as many people as possible."

Mr Katiti, speaking at the 29th NEPAD Heads of State

and Government Implementation Committee (HSGIC) meeting on Saturday, said however, that NEPAD was facing the challenge of getting as many countries as possible to sign the Kigali protocol supporting the effort and its conditions and policies.

So far 12 countries have signed, including South Africa, Malawi, Zimbabwe, Botswana, Mauritius and Rwanda.

The Kigali Protocol, came into force on 13 February 2008, after Dr Bingu Wa Mutharika, President of the Republic of Malawi became the seventh country to ratify it. It takes account of the NEPAD network principles in the development of a policy and regulatory framework for the region, as well as in the details of Special Purpose Vehicles (SPVs) that will own, operate and maintain the NEPAD network.

Currently internet content resides mostly in Europe and America and Africa needs to connect to this.

African countries are currently using foreign-owned satellite systems for their international links and, in many cases, also for regional and even for cross-border telecommunications links.

This major project is expected to drastically reduce telecommunications costs along Africa's eastern flank, despite fears over costs of access to this cable being voiced by some of the smaller telecommunications players in the continent, as well as potential consumers. ■

# Exim Bank's LOCs to Africa Add Up to \$3.68 bn

Line of Credit (LOC) is a special financing mechanism through which Export-Import Bank of India (Exim Bank) extends finance to support export of projects, goods and services from India on deferred payment terms. Exim Bank extends Lines of Credit to overseas financial institutions, regional development banks, sovereign governments and other entities overseas. The Indian exporters can obtain payment for eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. Exim Bank also extends LOCs at the behest of Government of India.

To enhance bilateral trade and investment relations, Exim

Bank of India has in place several Lines of Credit (LOCs) extended to a number of institutions/agencies in Africa. These LOCs supplement the "Focus Africa" programme of the Government of India. Currently, 66 LOCs are in operation amounting to US\$ 2.25 bn covering 47 countries in the African region. These LOCs facilitate import of project-related equipments and services from India on deferred credit terms. At the same time, many of these LOCs are earmarked for infrastructure and related projects.

**In January 2009, Exim Bank has extended the following LOCs to the African region:**



Signing of LoC by S.R. Rao, Executive Director, Exim Bank and Dr. Mohamed Abdelatti Abdella El Maki, Project Manager, Mashkour Sugar Project, Sudan.



- LOC of US\$ 25 mn to Government of Sudan;
- LOC of US\$ 166.23 mn to Government of Ethiopia.

The Line of Credit (LOC) of US\$ 25 million to the Government of Sudan is the first tranche of the total credit commitment of US\$ 150 million for financing the Elduem Sugar Project in White Nile State in Sudan. The LOC Agreement to this effect was signed in Khartoum, Sudan on January 26, 2009, by S. R. Rao, Executive Director, on behalf of Exim Bank and Mohamed Abdelatti Abdella El Maki, Project Manager, Mashkour Sugar Project, Sudan, in the presence of Ambassador of India to Sudan Deepak Vohra, Sam Pitroda, Chairman, National Knowledge Commission, and Awad Ahmed El Jazz, Minister of Finance and National Economy, Government of Sudan.

The LOC of US\$ 166.23 mn to the Government of Ethiopia is the second tranche of the total credit commitment of US\$ 640 mn for financing sugar industry rehabilitation in Ethiopia. The LOC agreement to this

effect was signed in Addis Ababa, Ethiopia, on Tuesday January 27, 2009, by S.R. Rao, Executive Director on behalf of Exim Bank and Sufian Ahmed, Minister of Finance and Economic Development, on behalf of Government of Ethiopia, in the presence of Gurjit Singh, India's Ambassador to Ethiopia. Exim Bank has earlier extended an LOC of US\$ 122 mn as first tranche to finance sugar industry rehabilitation in Ethiopia.

Exim Bank has now in place 110 Lines of Credit, covering over 94 countries in Africa, Asia, Latin America, Europe and the CIS, with credit commitments of over US\$ 3.68 bn, available for financing exports from India. Exim Bank's LOCs afford a risk-free, non-recourse export financing option to Indian exporters. Besides promoting India's exports, Exim Bank's LOCs enable demonstration of Indian expertise and project execution capabilities in emerging markets. ■



Signing of LoC by S.R Rao, Executive Director, Exim Bank and H.E. Sufian Ahmed, Minister of Finance and Economic Development, Ethiopia.

## Safety & Security Concerns

Safety Month, which is marked in February, is to be used to showcase the Eastern Cape's preparations towards ensuring the safety and security of visitors and residents during the 2010 FIFA World Cup.

MEC for Housing and Safety and Liaison Thobile Mhlahlo said it was important for people to feel safe in the province when they arrive for the world cup.

"We will use this month and the remaining period to intensify our efforts of making this province a safe destination for 2010 and beyond. "We will intensify our efforts to fight crime and also ensure that our security preparations for the world cup are on track," he said.

Events planned throughout Safety Month will be focused on mass community mobilisation against crime and strengthening of existing crime fighting initiatives in the province.



MEC Mhlahlo will also during this month visit the world cup stadium and the various sites where South African Police Services members will be deployed, the newly upgraded Mdantsane Police stations, and host debates at schools on strategies to deal with crime.

The safety programme will conclude with a Safety and Security 2010 Summit to be held in Nelson Mandela Bay in March. ■

## FIFA-Panini Pact on Collectibles

FIFA and Panini, described as the world's largest publisher of collectibles, have signed an exclusive joint agreement for the next six years that will cover the next two FIFA World Cups in South Africa 2010 and Brazil 2014 for trading cards and sticker album collections,

it was announced recently.

According to FIFA, Panini collections have proven to be so popular over the last 10 tournaments that Panini became the natural choice to

continue its work with FIFA. The Panini Group was established almost 50 years ago in Modena, Italy and has subsidiaries throughout Europe and Latin America.

Thierry Weil, FIFA's director of marketing, said: "FIFA is proud to work with our long-term licensee Panini for the 2010 and 2014 FIFA World Cups, especially after the success story of Germany in 2006."

The 2006 FIFA World Cup in Germany created the opportunity for Panini to mastermind what is reportedly the most successful collectable campaign in history. Panini sold its programme in almost 100 countries around the world, smashing all previous sales records.

Peter Warsop, Panini's group licensing director said: "FIFA's decision to re-appoint us as its licensee is a great reward for the investments made previously. We are already in discussions with our promotional partners and are committed to continuing the positive trends we have already seen across all product categories."



# The Cup that will Chills You Down

Global brewer Heineken says it expects its South African brewery to be complete by the end of the year, in time for the 2010 Soccer World Cup next year. The company said in March it would construct a brewery near Sedibeng, Gauteng, to brew Amstel locally. The announcement came almost a year after Heineken revoked South African Breweries' (SAB's) licence to brew Amstel locally. Amstel accounted for 9.0 percent of the local market.

Amstel is being imported from the Netherlands and distributed locally by Brandhouse, a joint venture of Heineken, Diageo and Namibia Breweries.

Brandhouse corporate and brand public relations manager Priscilla Singh said last week the brewery project was on schedule. "The site is a hive of activity, and we are satisfied with the progress of the construction at this time."

Heineken, Diageo and Namibia Breweries would also start a new joint venture, DHN Drinks, distributing

combined beer, cider and ready-to-drink products for the three international groups.

The brewery will be 75 percent owned by Heineken, with Diageo holding a 25 percent stake. Grinaker LTA has been contracted to build the brewery, while the managing contractor is BKS, a consulting engineering and management company involved in the Gautrain.

Singh estimated the brewery would employ about 250 people, most of them already hired.

The brewery would brew Heineken and Amstel, but there has been talk of a joint venture to brew n Budweiser, the official 2010 beer, at the Gauteng site.

The brewery will initially have a capacity of 3-million hectolitres, but its construction will allow for expansion.

Brandhouse would continue to distribute and market spirits. Heineken and Diageo will each own 42.25 percent of DHN Drinks, and Namibia Breweries 15.5%. ■



# Drumming Up Mass Support for the Cup

The South African government and the Local Organising Committee in Pretoria will shortly launch the 2010 Mass Participation Programme to drum up support for the 2010 FIFA World Cup to be held in 503 days.

The event which will be held at Galeshewe Stadium in the Northern Cape aims to ensure that all South Africans are part of the World Cup excitement by encouraging and supporting sport in communities throughout South Africa.

The launch in Kimberly will be followed by a slew of similar events in all nine provinces as South Africa builds up to the 2009 FIFA Confederations Cup which will be played in Johannesburg, Pretoria, Rustenburg and Mangaung/Bloemfontein.

"The Mass Participation Programme roadshow is a partnership between government, represented by the Department of Sports and Recreation, and the 2010 FIFA World Cup Organising Committee. The roadshows will take place in all nine provinces between now and June 2009," government said in a statement.

South Africa's yesteryear football stars have also been

invited to participate in the event.

The 2010 Ambassadors, football legends Mark Fish, Phil Masinga, Doctor Khumalo and Desiree Ellis, will carry out coaching clinics alongside local development partners on the day and equipment will be handed over to the (South African Football Association) Safa regions.

Regional coaches have also been selected to undergo a SAFA introductory course. The Minister of Sports and Recreation South Africa, Reverend Dr Makhenkesi Stofile, and Northern Cape Premier Dipuo Peters, will be among the dignitaries attending the event.

The decision to award the hosting of the 2010 FIFA World Cup to South Africa was met with resounding ululations, celebrations and tears of joy in May 2004.

Since then, South Africa has embarked on various development projects in line with the guarantees made to FIFA. The 15 guarantees provided by various government departments cover access to South Africa, safety and security, healthcare services, transport and telecommunications. ■



# India's Fast-Growing Trade Ties with Tanzania

The Tanzanian economy grew by 7.1 percent in 2007, from 6.7 percent in the previous year, supported by a recovery in the agricultural sector and strong growth in the services sector after facing a draught situation in 2006. In 2008, it has been estimated to grow by 7.5 percent. In absolute terms, GDP increased from 14.4 percent in 2006 to US\$ 16.7 billion, and has been estimated to increase further to US\$ 20.6 billion. Consumer price inflation declined to 7.0 percent in 2007 from 7.3 percent in 2006, despite a rise in food and fuel prices in the world market. It has been, however, estimated to increase to 9.2 percent in 2008 (Table 1). According to National Bureau of Statistics, the services sector dominates the economy, accounting for 50.1 percent of GDP in 2007, followed by agriculture (27.7 percent of GDP) and industry (22.2 percent of GDP).

**Table 1: Macroeconomic Indicators of Tanzania**

Items	2004	2005	2006	2007	2008*
GDP (US\$ bn)	12.8	14.2	14.4	16.7	20.6
GDP at market prices (Tsh bn)	13,971.6	15,965.3	17,941.3	20,948.4	24,415.7
Real GDP growth (%)	7.8	7.4	6.7	7.1	7.5
Consumer price inflation (avg,%)	4.1	4.4	7.3	7.0	9.2
Population (mn)	36.7	37.5	38.2	39.0	39.7
Exports fob (US\$ mn)	1,482	1,679	1,918	2,227	2,435
Imports fob (US\$ mn)	2,483	2,998	3,864	4,861	5,804
Current-account balance (US\$ mn)	-463	-587	-1110	-1496	-2012
Total International Reserves (US\$ mn)	2,322	2,072	2,281	2,910	2,674
Total external debt (US\$ bn)	7.8	7.8	4.2	4.4	5.3
Exchange rate (avg, Tsh : US\$)	1,089.3	1,128.9	1,251.9	1,245.0	1,197.8

Source: IMF and EIU. \* - Estimates.

Reflecting higher export earnings, especially from coffee exports, the average exchange rate of Tanzania appreciated by 0.6 percent to Tanzanian Shilling (Tsh) 1245.0: US\$ 1 in 2007, over Tsh 1251.9 : US\$ 1 in 2006. Tanzania's total international reserves rose by 27.6 percent from US\$ 2281 mn in 2006 to US\$ 2910 mn in 2007, providing an import cover of 7.2 months. Total external debt rose from US\$ 4.2 bn in 2006 to US\$ 4.4 bn in 2007.

## Trade and External Sector

Tanzania's exports increased by 16.1 percent in 2007 to US\$ 2.2 bn from US\$ 1.9 bn in the previous year, bolstered by robust growth of gold exports, and have been estimated to increase further to US\$ 2.4 bn in 2008. Imports increased by 25.8 percent to stand at US\$ 4.9 bn in 2007 from US\$ 3.9 bn in 2006. Imports have increased further to US\$ 5.8 bn in 2008. Tanzania's trade deficit rose in 2007 to US\$ 2.7 bn from the previous year's US\$ 2.0 bn.

Gold is Tanzania's largest export commodity. In 2006, gold exports account for 41.9 percent of Tanzania's total exports. The other significant exports in 2006 were coffee (4.3 percent), cotton (3.9 percent) and cashew nuts (2.7 percent). Tanzania's principal imports in 2006 were consumer goods (24.0 percent of total imports), machinery (22.2 percent), petroleum products (17.4

percent) and industrial raw materials (11.5 percent). The major destinations of Tanzania's exports in 2006 were China (8.9 percent of total exports), India (8.8 percent of total exports), the Netherlands (6.2 percent) and Japan (5.4 percent). The major origins of Tanzania's imports in 2006 were South Africa (10.0 percent of total imports), China (9.6 percent), Kenya (8.0 percent) and India (6.9 percent). Tanzania's current account deficit increased to an estimated US\$ 1.5 bn in 2007 from US\$ 1.1 bn in 2006.

## Bilateral Trade and Investment Ties between India & Tanzania

India's exports to Tanzania nearly doubled in 2007-08 to US\$560 mn from US\$ 288.6 mn in 2006-07, mainly

reflecting more than three and half fold increase in export of petroleum products, from US\$ 37 mn to US\$ 139.6 mn in 2007-08, supported by strong growth in exports of primary and semi-finished iron & steel, transport equipments and machinery and instruments. India's imports from Tanzania also increased from US\$ 98.0 mn in 2006-07 to US\$ 164.6 mn in 2007-08, registering a growth of 68 percent, mainly because of higher imports of pulses and cashew nuts. Thus, India's trade surplus with Tanzania more than doubled to US\$ 395.4 mn during 2007-08, as compared to a surplus of US\$ 190.6 mn in the previous year (Table 2).

**Table 2: India's Trade with Tanzania**

Items	2003-04	2004-05	2005-06	2006-07	2007-08	(US\$ mn) 2008-09 (Apr-Oct)
A. India's Exports to Tanzania	175.9	173.8	243.4	288.6	560.0	704.4
		-(1.2)	(40.0)	(18.6)	(94.0)	(116.0)
B. India's Imports from Tanzania	109.4	131.6	119.7	98.0	164.6	43.8
		(20.3)	-(9.0)	-(18.1)	(67.9)	(12.6)
Total Trade (A+B)	285.3	304.2	403.2	405.3	818.5	864.2
		(6.6)	(32.5)	(0.5)	(102.0)	(136.7)
Trade Balance (A-B)	66.5	42.2	123.7	190.6	395.4	660.6

Note: Figures in parentheses indicate growth over the previous year.

Source: Ministry of Commerce and Industry (MOCI), Government of India (GOI) & Exim Bank Analysis.

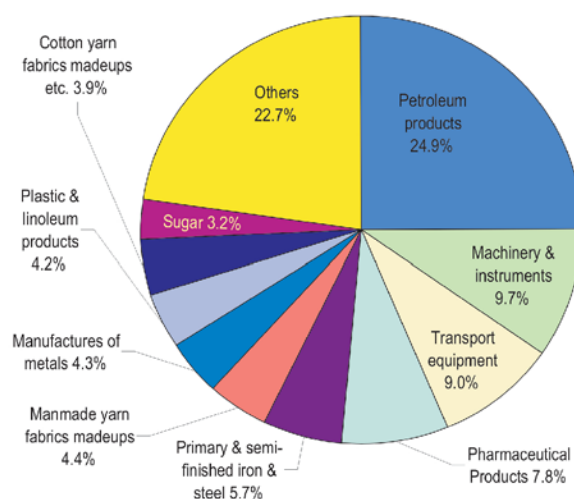
An analysis of trends in India's exports to Tanzania during the last five years shows increase in the share of petroleum products in India's export basket, which has

grown from as much as 2 percent of total exports to Tanzania in 2003-04 to one-fourth of total exports to Tanzania in 2007-08. The share of primary and semi-finished iron and steel also increased from 3.6 percent of total exports to Tanzania to 5.7 percent during the same period. The share of machinery, on the other hand, fell from 14 percent of India's total exports to Tanzania in 2003-04 to 9.7 percent of India's total exports to Tanzania. The top five commodities exported to Tanzania constitute more than 57 percent of India's total exports to Tanzania in 2007-08 (Chart 1).

In 2007-08, petroleum products are the major export items of India to Tanzania followed by machinery & instruments, transport equipment, pharmaceutical products and primary & semi-finished iron & steel (Chart 2).

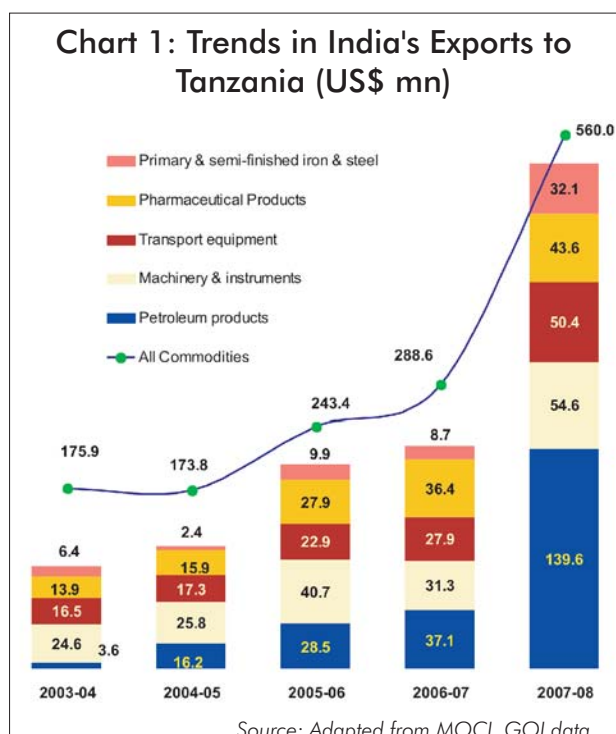
Commodity-wise analysis of India's imports from Tanzania in the last five years shows that cashew nuts continued to remain the most important

**Chart 2: Share of Commodities in India's Major Exports to Tanzania**



Source: Adapted from MOCI, GOI data.

**Chart 1: Trends in India's Exports to Tanzania (US\$ mn)**

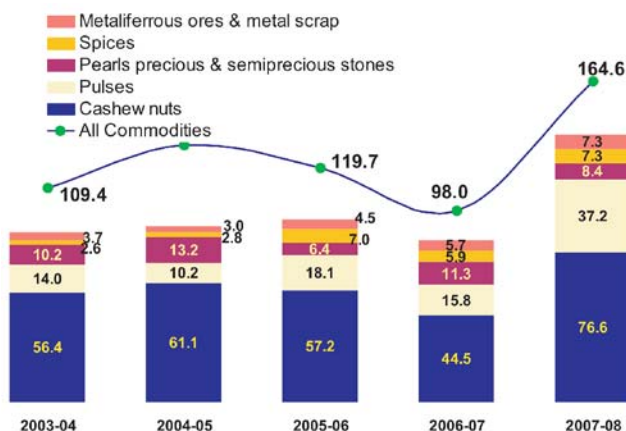


Source: Adapted from MOCI, GOI data.

item imported by India from Tanzania, constituting 45-47 percent of India's total imports from Tanzania during the same period. The share of pulses in India's import basket increased by nearly three folds, from 7.8 percent in 2003-04 to 22.6 percent in 2007-08, and that of spices and Metaliferrous ores & metal scrap doubled during the same period. The share of pearls, precious & semiprecious stones, however, fell from 10 percent in 2003-04 to 5.1 percent in 2007-08. The top five

commodities imported by India from Tanzania constitute more than 83 percent of India's total imports from the country (Chart 3 and Chart 4).

**Chart 3: Trends in India's Imports from Tanzania (US\$ mn)**

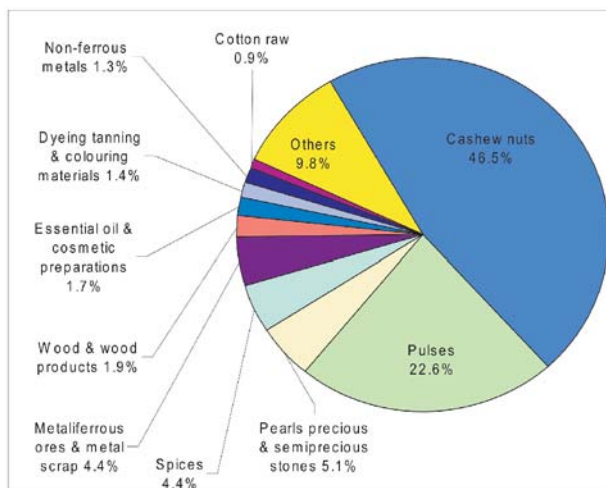


Source: Adapted from MOCI, GOI data.

## Bilateral Investment Relationship

During April-October 2008-09, India's export to Tanzania increased by more than two-fold, to US\$ 704.4 mn from US\$ 326.1 mn during the same period the previous year. India's import from Tanzania also increased to US\$ 43.8 mn during April-October 2008-09 from US\$ 39.0 mn registering a growth of 12.6 percent. India's approved direct investment outflows in joint ventures (JVs) and wholly owned subsidiaries (WOSs) to Tanzania amounted to US\$ 5.2 mn during April 1996 to December 2007. FDI Inflows from Tanzania to India, on the other hand, amounts to US\$

**Chart 4: India's Major Imports from Tanzania**



Source: Adapted from MOCI, GOI data.

0.55 mn during April 2000 to November 2008.

## Tanzania's Membership in major multilateral and regional organizations

Tanzania is a member of almost all significant United Nations agencies and of international organizations, such as Non-Aligned Movement (NAM), Commonwealth, World Bank/International Monetary Fund (IMF), and World Trade Organization (WTO), as well as the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC). In Africa, it is a member of the African Union, the Southern African Development Community (SADC), and East African Community (EAC). It is also an active supporter of The New Partnership for Africa's Development (NEPAD).

## Two-Way Trade to Double in Five Years

The Seventh Session of India-Tanzania Joint Commission on Economic, Technical and Scientific Cooperation was held in New Delhi on 13 and 14 January 2009. The Indian delegation was led by Nalin Surie, Secretary (West), Ministry of External Affairs and the Tanzanian delegation by David H. Mwakyusa, MP, Minister of Health & Social Welfare of Tanzania.

The Joint Commission took note of the existing state of bilateral relations, which have grown from strength to strength, and charted out the course for coming years. Bilateral trade between the two countries has increased rapidly during the last few years and now stands at over US\$ 750 million. The Joint Commission set a target of doubling bilateral trade during the next five years. Tanzania has joined the Duty Free Tariff Preference Scheme announced by India at the India Africa Forum

Summit in 2008. In the Agriculture Sector India has extended a Line of Credit of US\$ 40 million for export of Indian agricultural implements to that country.

The Joint Commission approved cooperation between the two countries in the sectors of small and medium enterprises, trade and industries, agriculture, Information Technology, health, education and water resources. The Indian side agreed to the Tanzanian request for continuing cooperation in these areas and to provide our expertise and technology. Tanzania is one of the largest recipients of scholarships under the ITEC and general scholarship scheme, and a large number of Tanzanian students also study in Indian universities. India has set up a Small Scale Industry Centre in Dar es Salaam recently, and IT Centre is expected to be ready by mid-2009.



# Cementing India's Infrastructure Prospects

The cement industry is a key infrastructure sector of the Indian economy. India today is the world's second largest producer of cement after China with an installed capacity of over 200 million tonnes. With the boost given by the Government to various infrastructure projects, road network and housing facilities, a steep growth in cement consumption is anticipated in the coming years, according to a study made by the Export-Import Bank of India. Following is the gist.

Most cement companies in India have drawn up plans for expansion and setting up new plants. The cement industry has, in fact, planned to add 111 million tonnes of annual capacity by 2009/2010, riding on the back of approximately 141 outstanding cement projects.

The Indian cement industry comprises of nearly 132 large plants and another 365 small plants. While the Centrally-owned Cement Corporation of India, runs 10 plants, various State governments own another 10 large cement plants. Among the leading domestic players in terms of cement manufacturing are Ambuja Cement, Aditya Birla Group, ACC Ltd., Binani Cement, India Cements and J K Cement. They are not only the foremost producers of cement but also enjoy a high level of equity in the market.

## Production

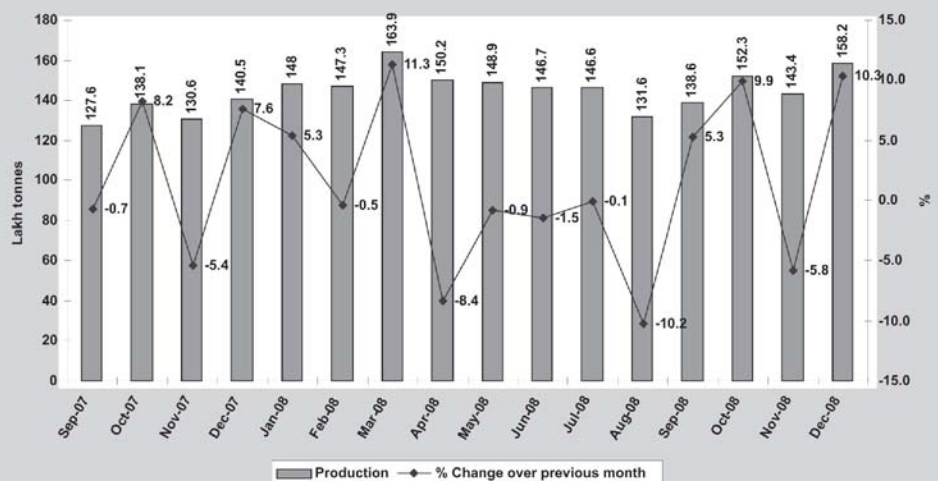
In 2007/08, the industry enhanced its installed capacity by 30 million tonnes to reach a total capacity of 198 million tonnes (Table 1). On a decadal basis, cement production in India increased at a compounded average growth rate of 8.2 percent during the period 1998-2008. Cement production is expected to touch 269 million tonnes at the end of the 11th five-year plan. The capacity has further been

added in the year 2008-09; the aggregate industry capacity stands at 206.96 million tonnes as on December 31, 2008. The cement production has been 15.82 million tonnes in the month of December 2008 (as compared to the production level of 14.13 million tonnes in the corresponding month of previous year), while total production has touched 131.20 million tonnes during April-December 2008 (as compared to the production level of 122.33 million tonnes during the corresponding period of previous year) (see Chart).

In India, about 25 percent of the cement production is Ordinary Portland Cement (OPC), 66 percent, is Portland Pozzolana Cement (PPC), 8.0 percent is Portland Blast Furnace Slag Cement (PBFC) and the remaining 1.0 percent is special cement.

Southern and northern regions contribute nearly 50 percent, both in terms of national installed capacity and cement production. In terms of states, Andhra Pradesh and Rajasthan are the leading states in cement production with the production of around 15 percent each. Other major states producing cement include: Madhya Pradesh (12.1 percent), Tamil Nadu (10.6 percent), and Gujarat (9.8 percent).

Chart: Production Trend of Cement Industry (Monthly Basis)



Source: Exim Research, MOCI, GOI.

## Consumption

Growth in infrastructure and construction activities has been ensuring growth in demand for cement. Consequently, as per latest figures released by the Cement Manufacturers' Association (CMA) cement dispatches (including exports) have been about 16.01 million tonnes in the month of December 2008 (as against 14.28 million tonnes in the month of December 2007), with total dispatches being 130.69 million tonnes during April-December 2008 (as compared to total dispatches of 121.59 million tonnes during April-December 2007). Trend in All India demand and supply is presented in Table 2.

**Table 1: Trends in Capacity and Production of Cement**

(Million Tonnes)

Year	Capacity	Production
2003-04	142.20	117.44
2004-05	150.13	127.57
2005-06	157.15	141.80
2006-07	165.55	155.66
2007-08	198.03	168.31
2008-09 (Forecast)	220.03	179.60

Source: Cement Manufacturers Association

**Table 2: All India Demand-Supply Scenario**

Category	Units	2004-05	2005-06	2006-07	2007-08
Capacity Installed	Mn tonnes per annum	165.39	171.34	174.99	195.77
Capacity Production	Mn tonnes per annum	133.00	147.80	161.31	174.31
Capacity Utilization	Per cent	80.4%	85.96%	92.12%	89.0%
Cement Dispatch*	Mn tonnes per annum	127.14	141.59	155.26	167.67
Cement Consumption	Mn tonnes per annum	123.08	135.56	149.36	164.01

\* by large plants

Source: Cement Manufacturers Association

## Exports

Exports of cement from India have declined from 2.92 million tonnes during April - December 2007 to 2.15 million tonnes in December 2008, a decrease of over 26%. The fall in exports is mainly attributed to capacity additions in Middle East countries (which is a large export market for India) and healthy demand pattern in the domestic market. Further, Government of India has also

been moderating the policies related to export of cement to meet the growing domestic demand and restraining the price increase in the domestic market. Government of India had banned the cement exports in May 2008 as part of efforts to increase local supplies and check rising prices and subsequently there was a partial lift in the ban, which permitted cement exports only from the Gujarat ports. In the past few months, construction activity had slowed down as high interest rates trimmed demand for new homes while companies deferred expansion plans due to a credit crunch. India has recently lifted the ban on cement exports as price pressures eased and domestic demand is depressed due to the slowdown in construction activity. India's cement exports are primarily in the form of Portland cement, cement clinkers, white cement, limestone flux and refractory cements, mainly exported to Middle East countries like Qatar, Iraq, UAE and Yemen Table 3 in next page).

## Evolving Trends in the Cement Industry

- The cement industry has witnessed substantial reorganization of capacities during the last couple of years. There have been instances of several mergers and take-overs in the industry, including the interest evinced by the foreign cement majors.
- There has been mismatch of growth in production and consumption in various regions. Cement, a bulky commodity, involves significant transportation cost, and thus led to demand-supply mismatch and price differentials at regional level.

• With the spurt in domestic demand, the cement industry is witnessing increased investment activities. The cement industry is

planning to increase capacity by 118 million tonnes during the 11th Plan period.

## Outlook

A sharp fall in the demand from the housing sector due to the financial crisis, have affected the cement industry in India. However, contrary to the perception of a general downturn in the construction industry, cement production and dispatches in the country are not showing any sign of slowing down. There is a slowdown only in the organized

**Table 3: Major Export Destinations of Cement**

Country/Year	2004-05	2005-06	2006-07	2007-08
<b>World</b>	<b>228.81</b>	<b>251.88</b>	<b>253.04</b>	<b>204.30</b>
Qatar	18.09	26.12	13.95	58.41
Nepal	34.49	34.51	43.92	48.87
Iraq	0.22	56.58	70.85	41.97
Yemen	3.24	10.2	30.52	17.74
UAE	54.10	7.93	29.95	6.04
Djibouti	0.00	0.71	0.19	5.09
Sri Lanka	22.51	21.85	18.59	5.03
Somalia	1.23	1.68	0.29	3.34
Tanzania	0.03	0.03	0.37	3.33

(US \$ Million)

However, Middle East region, which accounted for a significant share in India's cement exports, is expected to have decline in import demand due to new capacity additions in the region. Apart from this cement firms like Lafarge are vying an option of setting up plants in countries like Sri Lanka and Bangladesh to take advantage of the growing market demands in these countries.

On the positive side, the relative decent growth in GDP and governmental measures to bring about some respite in the housing sector are expected to boost the demand for cement in the country. ■

Source: Directorate General of Commercial Intelligence & Statistics

construction segment, which form only 8.0 to 10 percent of the cement demand. With the production of 15.8 million tonnes and dispatches of 16.0 million tonnes, December 2008, is the second best month for the industry during 2008-09. As per industry sources, the previous best was in March 2008 when production was 16.4 million tonnes and dispatch was 16.4 million tonnes.

Government of India has also announced export benefits for the cement industry including incentives for shipments to third-world countries. The cement sector has also been included in the focus market scheme of the Government of India, enabling the sector to boost their exports to the third world.

## Karuturi Acquires Land in Ethiopia for Farm Operations

Karuturi Global Ltd, the world's largest growers of roses with presence in India, Kenya, Ethiopia, Dubai and Holland has recently announced the launch of its agricultural operations in Ethiopia where it had acquired 3.4 lakh hectares land on long term lease.

The company said it has started cultivation on 11,700 hectares of land in Bako, Ethiopia. This land will be used for the cultivation of maize, rice, vegetables and other commercial crops.

Sai Ramakrishna Karuturi, Managing Director of Karuturi Global said the company hopes to start sowing operations on an additional 40,000 hectares by March.

He said that his company has already tied up for funds from banks to meet the investment cost, which is estimated at \$250 million spread over 60 months. Karuturi will also be sowing long gestation crops such as sugarcane and oil seeds for which it would take some time.

Karuturi is also planning to set up processing units to reap the benefit of additional realisation from the commercial crops. "Actual cost of land would only form small part of the investment as it has been taken on long term lease at \$14 a hectare an year," he said, adding that however farm equipment and the implanting social projects such as constructing schools and healthcare facility as part of the land concession would account for larger chunk of the expenditure.

He said import of farm equipment and developing infrastructure was on and the entire project is expected to be completed by 2014. Agriculture segment of the company's business is expected to contribute nearly 25 percent of the total revenues during financial year. Karuturi Global posted total revenue of Rs 400.5 crore during FY 2007-08, with a net profit of Rs 102.7 crore. ■





# Africa Needs Greater Investment in Agriculture

- World Bank

A World Development Report of the World Bank has called for greater investment in agriculture in Africa and warned that the sector must be placed at the centre of the the continent's development agenda if the goals of halving extreme poverty and hunger by 2015 are to be realized.

The report, dubbed: "Agriculture for Development," says the need for action is especially urgent in Sub-Saharan Africa, where agricultural productivity growth has lagged behind other regions. Agriculture in Sub-Saharan Africa employs 65 percent of the labour force and generates 32 percent of GDP growth.

In Sub-Saharan Africa, home to 229 million extremely poor rural people, agriculture is about much more than simple food security, said Robert B. Zoellick, World Bank Group President.

A greater focus on agriculture will help boost overall economic growth and can offer multiple pathways out of poverty. According to the report, the share of official development assistance going to agriculture in developing countries is a mere four percent. This is also the same insufficient share that governments in Sub-Saharan Africa spend from their budgets on agriculture far short of the 11-14 percent share of national budgets invested in agriculture that fuelled the Asian green revolutions.

The report calls for an agriculture for development agenda for Africa that would improve the investment climate as well as make optimal use of markets, technology, sustainable water and soil management, and institutional services.

In addition, countries must deliver on issues such as a level playing field for trade, while farmer organizations and other local groups need more say in setting policies.

According to the WDR, for the poorest people, GDP growth originating in agriculture is about four times

more effective in reducing poverty than GDP growth originating outside the sector. It cites the example of small holders successfully producing crops for Export markets, such as coffee, cotton and green beans. With rapid population growth and urbanization, it says demand for local food staples and livestock products is growing fast, offering expanding market opportunities.

"African agricultural growth increased from 2.3 percent in the 1980s, to 3.3 percent on average in the 1990s, to 3.8 percent annually from 2000 to 2005. Rural poverty rates have started to decline in 10 of the 13 countries for which data were analyzed, said Francois Bourguignon, World Bank Chief Economist and Senior Vice President, Development Economics.

Further accelerating and sustaining this growth is needed if key development goals are to be met. The report says demand for food in Sub-Saharan Africa is expected to double by 2015 from its level in 2000. But food markets in the region already do not serve millions of people adequately, especially those in remote areas with poor infrastructure.

More needs to be done. For its part, the World Bank is committed to increasing its support for agriculture and rural development, following a decline in lending in the 1980s and 1990s.

Commitments averaged \$2.9 billion per annum during FY05-07, equivalent to 12 percent of overall Bank commitments during that period. In FY07 total commitments reached \$3.1 billion, of which \$580.5 million were directed to Sub-Saharan Africa.

## Private Sector's Role

While agriculture in Africa holds promise, the report says current Challenges are daunting and require new roles for the state, the private sector, and civil society.

The report also identified a new mix of centralized and decentralized services to serve rural people; and

improved coordination among such entities as the Consultative Group on International Agricultural Research (CGIAR), the Food and Agriculture Organization (FAO), the World Bank, a wide range of development partners and non-governmental organizations, regional organizations and national governments.

The agriculture for development agenda also requires rich countries to Amend policies that harm the poor. For example, it is vital that the rich Countries reduce subsidies that hinder African cotton exports.

And the report says rich countries that have been the major contributors to global warming urgently need to do more to help poor farmers to adapt to climate change.

Africa's own agricultural revolution must cater to very diverse rain feed farming systems and simultaneously improve technologies, institutions, and markets, said Alain de Janvry, Co-Team leader of the report and

professor of agricultural economics at UC Berkeley.

He cited irrigation in Nigeria (small scale) and Mali (large scale), multiple uses for cassava in West Africa, cotton in Zambia, and horticulture and dairy in Kenya as good examples of local successes which can be scaled up.

Today, environmentally friendly technologies like conservation tillage, integrated pest management, and new varieties such as Nerica rice (known as New Rice for Africa) hold promise.

Science and technology are a lynchpin to Africa's future productivity growth said Derek Byerlee, Co-Team leader of the report.

According to the authors, beyond agriculture, greater geographic mobility and improved skills are central to reducing rural poverty in Africa. Because of HIV/AIDS and malaria, better health care and education must be an integral part of a broader set of safety nets that protect the assets of poor people. ■

## \$250-mln Satellite Planned to Improve Africa's Telecom Facilities

A \$250-million satellite with the aim of improving communications is to be built by a private-fund owned satellite firm. Intelsat will team up with a South African investment consortium to build and launch this satellite called the Intelsat New Dawn to serve Africa and improve communication on the poorest countries.

The African continent which is rich in minerals and has recently attracted several investors still lags behind in terms of development and communication is very poor.

According to a Reuters report, the two companies said the project would cost about \$ 250 million and would be funded with 15 percent equity and 85 percent debt financed by African institutions. Intelsat is expected to provide 74.9 percent of the equity and the Convergence Partners-led group will provide 25.1 percent.

However, according to a statement, Intelsat's cash contribution to the project expected to enter service in early 2011 will be approximately \$25 million.

Demand for fixed satellite services in Africa is said to be growing given increased investment on the continent and as more people get hooked up to phones, the Internet and pay-TV.

Mobile operators Vodacom, joint-owned by Vodafone and Telkom, and Kuwait's Zain have indicated that they will use the satellite, and pre-orders for capacity or backlog total more than \$350 million.

Apart from poor communication in phones, internet is also a big problem in Africa with many poorest countries having difficulties to access it. ■



# Qualifying Games for African Groups Promise Thrillers



The line-up for the five African groups in the third and final round of qualifying games for the 2010 FIFA World Cup was finalized at FIFA headquarters in Zurich recently.

The games - which will be played between March and November 2009 promise some great African fixtures. The 20 countries which went through to the next stage of the tournament in second-round qualifiers took part in the third round draws in the presence of FIFA President Sepp Blatter and Confederation of African Football boss Issa Hayatou.

The countries were drawn in groups organized around the second-round leaders: Cameroon, Nigeria, Egypt, Côte d'Ivoire and Ghana.

The draw will present soccer fans with some epic

encounters between neighbours, such as a Cameroon-Gabon clash in Group A. The matches between Kenya and Mozambique in Group B, Algeria and Egypt in Group C and Mali and Ghana in Group D also promise to produce African classics.

In West Africa, neighbours Côte d'Ivoire and Guinea are set to produce an explosive thriller.

The combined elimination matches for the 2010 World Cup and African Cup of Nations tournaments will see five African countries qualifying for the World Cup. As host nation, South Africa will bring to six the total number of African teams in the tournament.

**As Coaches Sharpen Strategies ...** ■





# Friendly Encounters Galore

With the race to reach 2010 FIFA World Cup in South Africa in mind, and the need to sharpen up and strategise for the task ahead, there are no fewer than 35 friendly encounters taking place in all four corners of the globe, including bill-topping encounters pitching France-Argentina, Brazil-Italy and Spain-England.

The friendly will offer national-team coaches valuable time with their squads after a lengthy period without international meetings, as number of supremos appears set to test out new formations or give young hopefuls their chances. Brazil coach Dunga, has decided to only call up European-based players partly so as not to weaken those Brazilian clubs in midweek Copa Libertadores action. Dunga's Argentinian counterpart Diego Maradona has followed a similar tack, including just three domestic-based footballers in his Albiceleste squad.

Spain-England: This encounter between UEFA EURO 2008 winners Spain and an England side rejuvenated under Fabio Capello remains full of promise despite high-profile injury absentees such as Carles Puyol, Cesc Fabregas, Wayne Rooney and Steven Gerrard. The last time the two teams met, on 7 February 2007 at Old Trafford, a sweet strike from Andres Iniesta sealed a 1-0 Spanish success.

La Roja, who have enjoyed a seamless transition since

Vicente Del Bosque took over from Luis Aragones, are heavily indebted to both Barcelona and Liverpool - suppliers of five squad members apiece. Capello, meanwhile, a Liga winner in each of his two spells in Spain with Real Madrid, had this to say: "It's always fantastic to play against a stronger side. That way the win means even more."

The other matches: Ahead of his team's clash with Norway, Germany head coach Joachim Low has called up two new players in Andreas Beck and Mesut Osil. The duo are currently enjoying contrasting fortunes on the Bundesliga front, with Beck flying high with newly promoted Hoffenheim and Osil's Werder Bremen way off the pace in mid-table. Of the Mannschaft's established performers, Michael Ballack and Torsten Frings both make their returns but there is no place for Lukas Podolski, who is out of favour and struggling for match time at Bayern Munich.

Over in the Russian camp, it is the non-inclusion of attacking pair Andrei Arshavin and Roman Pavlyuchenko for the friendly against Turkey that has earned most column inches. Coach Guus Hiddink has instead chosen to allow Arsenal's transfer-window capture Arshavin more time to adapt to his new surroundings and Tottenham Hotspur striker Pavlyuchenko is also conspicuous by his absence. Prior to Portugal's





# 'Make Soccer Event a Tourist Attraction'

Namibia's Environment and Tourism Minister Netumbo Nandi-Ndaitwah has expressed concern about the impact of the global economic crisis on the Namibian tourism sector, which has already shown lower tourist arrival figures compared to previous years.

"This is a cause for serious concern. We will need to face this challenge together, because its impacts will be felt by all of us, albeit in different forms and intensity," she told the 40th board meeting of the Regional Tourism Organisation of Southern Africa (Retosa) at Swakopmund recently.

She said although work to enhance tourism development was an ongoing process, the tourism sector should be geared to enhance tourism's contribution to economic growth and development.

She called on the delegates to seize the opportunity of

next year's FIFA World Cup and African Cup soccer tournaments in South Africa and Angola respectively.

The meeting at Swakopmund was attended by senior Government officials and delegates from tourism umbrella bodies from SADC's 14 member states.

SADC's Deputy Executive Secretary, Joao Caholo, said: "It is critical that we continue to explore more innovative ways of enhancing expenditure by the tourism sector. During the World Cup event our resolve to maximise our tourism opportunities cannot be doubted."

He said it was important for the tourism sector to ensure that its plans and strategies for the soccer events are finalised soon. "Given that we are barely a year away from the event it is important that we create a lasting impression to visitors to this event, who will in turn be our ambassadors to the rest of the world," he said ■





# S. Africa Heading for Broadband Revolution

A world of possibilities will open up soon for consumers and businesses when the 15 000km Seacom undersea cabling system goes live at the end of June, 2009 and South Africa gets cheap broadband.

According to Brian Herlihy, Seacom's president, the Information Technology sector, the \$650 million (R6,5 billion) cable will be a definite boon.

For high-quality internet access, countries need a large broadband connection to global networks. "We expect that South African consumers will use the internet in ways they wouldn't think of today," says Herlihy.

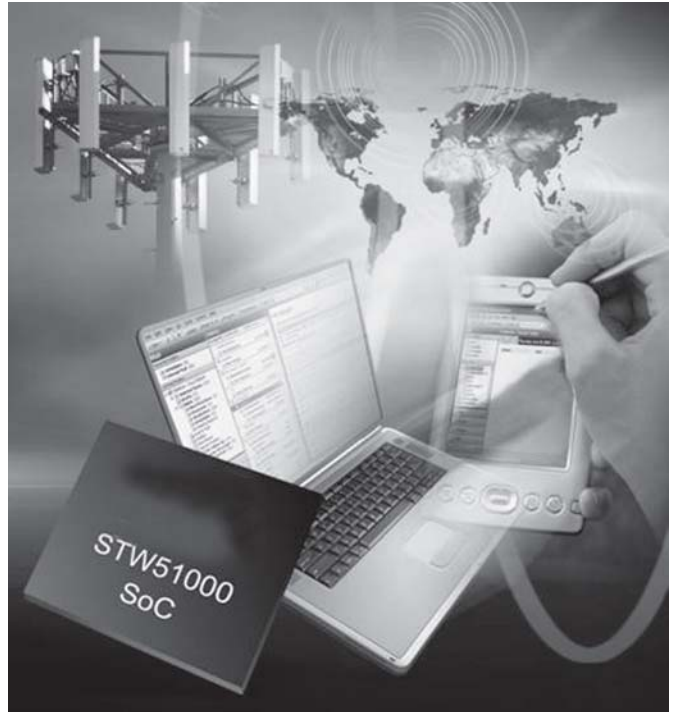
"Take the United States elections: the major provider of reporting is no longer the CNNs and NBCs, it is the individuals putting up daily video blogs of everything and anything that was happening. The internet is the greatest leveling tool we have ever known."

Herlihy said international bandwidth was so expensive at present that the market could afford to purchase very little capacity. But since the announcement of the cable started competition, prices on SAT3 (the current west coast cable) have come down appreciably and would decrease further.

Arthur Goldstuck, the managing director of the information technology firm World Wide Worx, says the new cable would dramatically upgrade capacity for international bandwidth.

Over time, bandwidth caps (the maximum usage of data per month) for broadband customers would increase or even disappear altogether. "Pay-per-use broadband or ad hoc usage will become very affordable," says Goldstuck.

"We will see software applications and websites developed to take advantage of faster and more widespread consumer broadband access. Corporate-owned websites will become more elaborate and a more effective reflection of an organization's overall offering.



"The big winner will be video-based services, from South Africa-specific sub-portals on YouTube to huge growth in local equivalents; from video conferencing for small business to video messaging for individuals and executives. This will probably also give rise to a sub-industry that trains or grooms people to improve their appearance or performance on video."

He said 3G would become cheaper but the entry cost - the cost of subscribing and getting the 3G data card - would probably not change much in the short term.

Kate Elphick, the Director of Digital Bridges, says the biggest benefit of the Seacom cable is its potential to grow the macro economy. Research indicates that when the internet reaches grassroots level in developing countries, macroeconomic growth can reach up to 30 percent.

The cable brings with it the promise of increased broadband and lower prices, which means that more people can tap into the internet. "Pretty soon you have communities of interest springing up all over the show," says Elphick.

She says that, with more people on the internet, the government would be able to deliver services to greater numbers of citizens.

"Finally, we will see more power going to the citizens and governments becoming more accountable. No longer will toyi-toying be the only protest option, but people will also be able to blog and take photographs to send to newspapers as evidence of poor service delivery." ■



# MP Carves out a Global Cultural Niche in Tribal Art & Culture

India's central State of Madhya Pradesh is creating a niche for itself as a global centre for promoting tribal art and culture. Vanya, a State Government department looking after tribal welfare has succeeded in hosting an International Film Festival of Tribal Art and Culture (IFFTAC) 2008 last February and is now all set to hold the second edition of the event in the bustling commercial city of Indore from 6 to 9 February, 2009.

The inaugural three-day IFFTAC 2008 was an overwhelming success, with films from across 40 countries participating in the festival, besides showcasing tribal culture through an impressive exhibition and seminars. According to O.P. Rawat, Principal Secretary in the State Government's Tribal Welfare Department, the idea of IFFTAC has received instant global response because tribal culture is spread across the world, with the host India, especially Madhya Pradesh, having its own distinct identity in this arena. The IFFTAC organizers believe Madhya Pradesh rightfully qualifies for hosting a festival on a global scale as tribals constitute a fifth of the State's total 60 million population and mostly live in their natural habitat of forests, spread across a third of its total area.

This Indian cultural identity is derived from the essence of various forms of folk life, lyrics, songs and dances. Tribal society, without any ambiguity, has been the custodian of culture, tradition and natural resources. It has thus become imperative for the civilized world to conserve its tribal culture, while achieving an integral connection with it.

Against this background the IFFTAC 2008 was conceptualized to highlight the essence of tribal culture and way of life and help remove the misconceptions about these vibrant people. In this era of Global Village, the necessity of putting forward these thoughts became a necessity. Madhya Pradesh Chief Minister Shivraj Singh Chouhan, young and dynamic in outlook, personally took up the matter with his Cabinet colleague and Forest and Tribal Welfare Minister Kunwar Vijay Shah for directing Vanya to





conceptualize the IFFTAC 2008. Vanya in association with Mumbai's Indian Infotainment Media Corporation, a professional organization committed to social causes, organized the festival, the first of its kind in the world in Indore from 1 to 3 February, 2008. The IFFTAC 2008 took off to a glittering start with popular Bollywood star and politician Shatrughan Sinha, along with actor Randhir Kapoor and several other film and television personalities attending the inaugural function. Among the distinguished foreign guests were Peru's acting Ambassador Carlos A. Yrigoyen, and Shewangizaw Endale, a representative from Ethiopia.

Speaking on the occasion, Sinha said, "The effort to bring the tribal people into the mainstream and develop their tribal art, culture and civilization is not only appreciative but also exemplary. All should learn from this."

On his part, Kapoor congratulated the Madhya Pradesh Government and the organizers of this unique event. He said, "This is a special occasion, which not only the country, but the whole world will witness."

The festival received as many as 250 film entries from 40 countries. Of these, 69 films were selected for competition and for screening. Apart from these, non-competitive documentary and short films and feature films on tribal issues were also screened during the festival.

The countries participating in the festival included Australia, France, Germany, Hungary, India, Iran, Ireland, Israel, Italy, Japan, New Zealand, Pakistan, Peru, Russia, Scotland, Singapore, South Africa, Sri-Lanka, Switzerland, Sweden, United Kingdom and the US. Ethiopia, Ecuador, Peru and Botswana were country-partners of the festival.

The award for the best International Film went to to Haken Berthas of Sweden for her film "Thin Ice" an inspiring interpretation of women's empowerment in a



remote area of Ladakh.

Director and Producer Vijay Pratap won the award for the Best National Film for her film 'Tribal Fertility Rites (Itikela Panduga)'. She won the award for its well researched documentation of ritualistic practices of tribes in the Eastern Ghats of Andhra Pradesh.

Joseb (Soso) of Georgia was awarded for the Best film by a Tribal Film Maker for his truthful & convincing portrayal of tribal culture & ethos in his film "Svani".

Director Ravi Williams won the award for the best film by a Film Maker from Madhya Pradesh for his film "Oh Lohgundi Raja Ho" depicting the honest and sincere treatment of the problems of Agadiya tribes.

Director M Yashwanth Reddy and Producer Ch. Shrinivas Reddy won the award for Best Film by a student film maker for the film "Please Don't Disturb Us" for its sensitive, realistic documentation of the lives of the Khond tribes of Andhra Pradesh.

Director Lesile Mackenzine & Tara Douglas won the Jury award for the best Animation Film "The Tallest Story Competition" for its elegant craftsmanship and handling of tribal stories from different parts of India. ■



# AU Plans Investment Bank to Boost Private Sector Growth

The African Union (AU) has recently announced plans to create an investment bank to finance private sector developments within the continent, as part of its efforts to put the continent on a sound growth path towards its industrialization.

AU Commissioner for Economic Affairs Maxwell Mkwezalamba said talks on the formation of the continental development bank were underway to give the continent's investors access to much-needed capital to finance development initiatives.

"Africa's industrialisation dream would be unthinkable in the absence of the private sector," Mkwezalamba told the opening session of the AU-sanctioned Africa Private Sector Forum, convened to explore continental initiatives to industrialise Africa.

Africa's leading business minds, including bankers, financiers, mobile phone company chiefs, airline executives and security experts, are gathered at the AU hub to discuss available investment opportunities in Africa.

The forum also aims to sensitise the African populace on anti-graft efforts needed to push the industrialisation process, in addition to seeking to put the economic integration of Africa on a fast-track while creating working relationships with Africa's private sector.

Mkwezalamba said the continent's private sector firms were incapable of competing on a global scale

because of their inability to produce industrialised goods on a massive scale.

The African industries, he noted, were also bogged down by poor investment policies.

"The private sector has a key role in Africa's industrialisation. The potential for the private sector to push Africa's industrialisation through investments in infrastructure and education can make Africa more competitive," AU's economic chief noted.

He said Africa stood to benefit from the right investment policies, targeted investments in preventing climate change impacts like drought and fighting corruption, if the continent's private-sector players targeted their social responsibility investments on climate change.

Ethiopia's Industry Minister Tadesse Haile said the private sector was Africa's only hope for industrialisation, because of the growing budget shortfalls that most African states faced, leaving little or no funds for extra-investments in roads, electricity and education.

"The budgetary constraints make it more difficult for Africa to invest in infrastructure, that is why we require the private sector to work with us in the private-public partnerships," the Ethiopian Minister told the delegates.

He said Africa's private sector, in its current form, was "weak and fragmented" and unable to compete, adding this could be addressed if the governments worked together to eliminate tedious taxation procedures and ensure non-discriminatory investment rules. ■





# Ethiopia Launches \$1.8 bn Gen-Next Telecom Network Expansion Project

**The Ethiopian Telecommunication Corporation (ETC), the country's sole mobile network operator has announced that it is executing integrated "Next Generation Network" telecom expansion project.**

The corporation is currently executing eleven integrated "Next Generation Network" Telecom expansion projects at a cost of around \$1.8 billion.. The project is believed to improve both the quality and coverage of the telecom service.

It is also expected to enhance the existing mobile lines to 15 million and push the mobile service coverage to 64 per cent, while the broadband Internet service which is only limited to only 16 areas will be expanded to 500 areas.

Around USD\$1.5 billion of the budget is covered by the Chinese company, ZTE, while the rest is earmarked by the corporation. One of the objectives of the project is expanding the ground line telephone services, and to enhance the network capacity to 4.4 million from 1.1 million at present.

The prepaid WCDMA 3G mobile phone service launched in the capital city, Addis

Ababa, which is now serving over 1,500 3G service customers is also part of the new ETC projects. Currently, the service is restricted to 10 3G networked districts of Addis Ababa. The information obtained from the ETC shows that the corporation is planning to expand the video and data-transfer mobile services to the other parts of the country.

Out of the 77 million total population of Ethiopia, the total number of mobile subscribers is not more than three million. Recently ZTE added 1.2 million GSM lines to the network capacity to cope with demand and also a surge in usage which occurred during the celebration of the Ethiopian millennium.

It is recalled that recently ETC had signed a US\$400 million agreement for the supply of 15 million lines for its mobile networks over a 4-5 year period.

The number of public phone lines across the nation would reach 50,000. When the project is completed all Kebeles (local administrative with population size of 5 to 10 thousand) across the country will access telephone and internet services, as installation of close to 14,000 kilometres optical fiber line will be carried out in various directions, according to the information obtained from ETC.



## M&M Eyes 20 pct Sales from Xylo Exports Despite Market Downturn

At a time when most companies feel that exports in 2009 will decline, leading utility vehicles (UV) maker Mahindra & Mahindra (M&M) is targeting 20 percent of sales from overseas markets for its new Xylo that is slated for launch in January.

The company is planning three more launches during the year and has lined up the launch of an all-new sports utility vehicle (SUV) platform for mid-2010. "We will launch this yet-to-be-named SUV first in India and we plan to take it to the US market later," said awan Goenka, President, Automotive Sector, M&M.

As for the Xylo, M&M will start exporting it to South Africa within two to three months of its launch and, subsequently, to the Association of Southeast Asian Nations (ASEAN) countries. "The left-hand drive version of the Xylo would come in around a year and then we plan to take it to countries like Brazil, Chile, and of West Asia, and Africa including Egypt," Goenka said.



Exports would be an important component of Xylo sales. "The Xylo, however, has not been designed for the US at all. We are mid-way into product development for a brand new SUV platform that will be launched in India in the second half of 2010 and will be eventually exported to the US," he added.

This, then, will be M&M's second launch in the US market, after the Scorpio, which is scheduled to enter the US markets in end of 2009. "The downturn is perhaps one of the best times to launch new products as it creates a buzz around it. The current slowdown in the global economy will not deter our launches," Goenka said.

M&M has assembly plants in Egypt and Brazil in association with local partners. M&M would send completely knocked down (CKD) units to these countries, while ready vehicles would be exported to other markets. ■

## Conglome to invest Rs 500 cr in Africa on Acquisitions & Equity Stake

Conglome Industries Private Ltd, a group company of Visu International Ltd, is looking at investing Rs 500 crore in the first phase for expansion in Africa, Myanmar and Vietnam.

C.C. Reddy, Chairman, Visu Group of Companies, told presspersons recently, "We have identified 11 sectors in

agriculture, education, mini-hydro power generation and distribution, roads, housing, bore wells, manufacturing of ethanol and alcoholic and non-alcoholic beverages to make the investment."

The company intends to raise the required capital from equity, banks and partners. The promoters of Conglome

# ITC Agribusiness Wins UNIDO Award for e-Choupal



Kolkata-based ITC has won the top UNIDO award at the International Conference on Sharing Innovative Agribusiness Solutions 2008 at Cairo in recognition for its exemplary initiatives in agribusiness.

ITC's Agribusiness was adjudged the winner, out of 120 solutions presented by 65 countries, for providing innovative solutions including updated information on crops in remote Indian villages.

ITC's e-Choupal, the largest rural digital infrastructure in the world, today covers over 40,000 villages and benefits more than four million farmers. This rural distribution network, comprising of digital and human infrastructure, not only empowers farmers with information but has also helped transform rural communities into vibrant economic organizations by co-creating thriving markets.

The e-Choupal network is an efficient two way channel, facilitating the flow of goods and services to and from largely inaccessible rural markets.

ITC's initiative was presented the top award among the

10 shortlisted for their innovative character and their potential to help developing countries attract agribusiness-related investments.

Agribusiness stakeholders, representatives of public and private technical and financial institutions, international organizations, donors, NGOs and academia from various countries presented over 120 new solutions at the UNIDO International Conference.

ITC was the only winner from India, others being the UK's COLEACP-PIP (to enable compliance solutions for the export of fruits and vegetables), Passive Refrigeration from Italy (to maintain the cold chain from farms to markets) and Sri Lanka's Cargills (Ceylon) (to link small farmers directly to markets).

Special awards were given to the SEKEM farm (for ecologically responsible development in Egypt), the Songhai Centre in Benin (for holistic agricultural development) and UNIDO's ETRACE programme (to establish an effective traceability system for Egyptian producers). ■

Industries, he said, have also identified companies in Uganda, Ghana, Nigeria, Benin, Burkina Faso, Angola, Congo, Tanzania, Sudan and Burma for acquisitions and also to further consolidate, expand and diversify those companies.

"We have identified eight companies and the cost of acquisition is Rs 100 crore. Out of which Rs 25 crore will be equity and the rest raised from foreign funding," he said.

Conglome, he said, is also looking out investing in agricultural ventures in Africa. The business model that we are looking at is either to sub-lease the land after

getting it from the Government or by developing a co-operative and incorporating local farmers in the co-operative," he added.

According to him, Visu proposes to establish primary and secondary schools, business management institutions and computer training institutions in various African countries.

Apart from this, Visu intends to set up global schools in Hyderabad, Visakhapatnam, Ghana, Uganda and Myanmar. Reddy said that they are also on the look out for buying universities in Australia and the US by 2010. ■



# African Leaders Plan Continental Hydel Power Station

African leaders are planning to establish a continental hydro power station to harness its huge energy potential. Country representatives attending the 20th Session of the African Hydro Symposium in Zambia recently said hydro energy is the cheapest and cleanest for the continent.

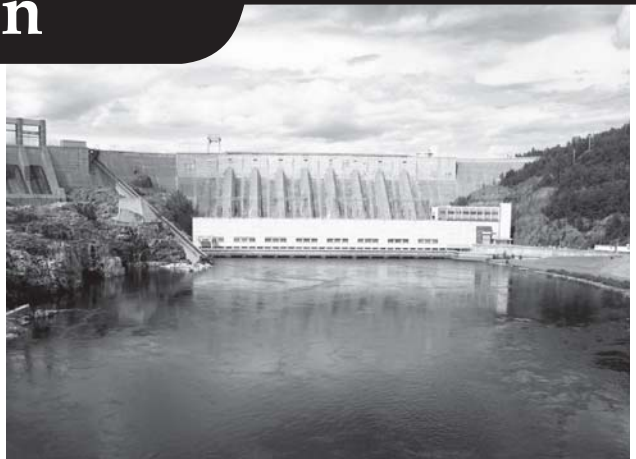
Lawrence Musaba, the Centre Co-ordination Manager for the Southern African Power Pool (SAPP), Africa has a combined feasible hydro-capacity of more than 1,750, 000 gigawatts (GW) per year, enough to power the whole continent but unfortunately, only 4.3 percent of this has been exploited.

The symposium heard from SAPP and the Regional Electricity Regulators' Association of Southern Africa (RERA) that in order to deal with the regional power deficits and stop a further decline in the environment different alternative power sources have to be researched on and implemented.

One such renewable energy source is hydro energy, which involves using water to turn turbines, and in turn generate clean and cheap electricity.

With seven major river systems Nile, Congo, Niger, Zambezi, Senegal, Orange, and Limpopo Africa holds 10 percent of the world hydro-energy potential, but has so far exploited only a small part of its capability, the symposium heard.

RERA stressed that climate change, the quest for cleaner energy and Africa's needs for constant power supply clearly underscore the need to boost investment



in the hydropower sector while taking account of broader economic and social concerns.

The symposium, which aims at sharing experiences between government and the private sector, is intended to pool resources and step up regional co-operation in the energy sector among African countries. Cahora Bassa is currently one of Africa's biggest hydroelectric stations, producing an estimated 2 500 MW.

The DRC has a vast hydropower potential of more than 100 000 MW. About 44 000 MW of that is found at the Inga Falls and over 56 000 MW at other sites scattered across the country.

Other hydropower projects in Southern Africa include Kariba shared between Zambia and Zimbabwe Kafue Gorge in Zambia, Kidatu in Tanzania, Maguga in Swaziland and the Bethlehem power project in South Africa, among others. ■

## EMCO plans power transformer unit in South Africa

Mumbai-based EMCO, engaged in the manufacture and sale of transformers and single-phase electronic energy meters in India, is planning to enter South African market through acquisition or by setting up a manufacturing facility. The company is planning to invest around Rs 50 crore in that country.

The company has recently bagged orders worth Rs 720 crore for setting up 18 power substations across the country.

Rajesh Jain, Chairman and Managing Director, EMCO, told reporters recently that the company was currently exporting transformers from India to the South African market and the total export revenues from these markets were in the range of \$5-6 billion.

The company has tied up with South Africa-based Edison Power to form a new joint venture

# Algeria Inks \$1-bn Pact with GE Energy to Develop Power Sector

A \$1-billion energy agreement has been signed between Algeria's state-owned power company Sonelgaz and GE Energy. The service agreements include an 18-year contractual service for the Koudiet Eddraouch power plant in El-Tarf, east of Algiers.

The agreements also include a six-year maintenance program for 48 gas turbines at 12 other power plants. This will also help improve efficiency, output and reliability of 51 gas turbines installed in 13 power plants across the country.

GE Energy will also supply "value packs," a service to help improve the reliability, performance and safety of equipment, and upgraded control systems as part of the deal.

The work, which will focus on electrical systems, is intended to fortify gas lines for developing industries and export from northern Africa to southern Europe.

GE currently is managing CSAs for customers at more than 700 sites covering 2,000 turbines worldwide. Under the CSA for the Koudiet Eddraouch plant, GE will provide maintenance, including parts, services and repairs, for a fixed price over the life of the contract.

Benefits to the customer will include performance guarantees, fixed maintenance costs and access to GE's latest technology and global experience. Similar to CSAs, GE's multi-year maintenance program for the additional 13 Sonelgaz plants will offer a full range of services to meet specific plant requirements, and will help extend the life of the aging gas turbine fleet.

Algeria's needs for power are increasing at more than 7 percent a year. The country installed generating capacity in 2006 was



7,077 megawatts, while its need for power is surging more than 7 percent annually and will reach a projected 14,000 megawatts by 2010, almost double the 2006 level.

Sonelgaz generates and distributes natural gas across Algeria. Established in 1969, Sonelgaz and its subsidiaries generate more than 7,900 megawatts of electricity a year. ■

company EMCO Edison Power. In the new company, which is likely to receive an investment of \$20 million (around Rs 100 crore), EMCO will hold 51 percent equity while Edison will hold the remaining 49 percent.

The JV will set up the manufacturing unit in South Africa, which will make transformers up to 20 MVA, with the total annual capacity of 2,000 MVA annually. The JV plans to become a reliable power equipment supplier in South Africa and grow in the region through organic and acquisition route.

The JV company will supply the entire range of transformers to South Africa and the neighbouring countries. Apart from the routine contracts, major investments planned by Western Power Corridor

(Westcor) and huge transmission and distribution sector capital outlay planned by Eskom in the region will definitely give a boost to the JV and its business.

Speaking about the turnkey electrical substation projects and power grid business in India, he said the company has bagged 17-18 orders for setting up substations in different parts of the country including Maharashtra, West Bengal and Karnataka. Cost of each project will be around Rs 30-40 crore. These projects will be executed in the next 12-18 months, said Jain.

Company's current order book size is around Rs 1,500 crore and is likely to close deals worth another Rs 300 crore by April 2009, he added. ■

## La ligne de codes pour Doubler à \$5.4 milliards

Les sociétés en participation dans les affaires d'Agriculture, la Technologie de Communication D'information, les Chemins de fer, le Pétrole et le Gaz, Le pouvoir et les Petites entreprises moyennes offrent le Potentiel

## L'Inde pour Tripler le Commerce avec l'Afrique à \$100 milliards dans 5 ans



Les chefs politiques et d'affaires de l'Inde et bien 32 pays africains ont promis de promouvoir le commerce bilatéral à un sommet d'association tenu récemment à New Delhi. Les fonctionnaires indiens ont dit que ce pays s'attend tripler le commerce avec l'Afrique pendant les cinq ans prochains pour atteindre \$100 milliards, dans une offre pour rattraper la Chine. L'Inde s'efforce maintenant renforcer ses liens avec la région et projette de doubler des mentions au générique à \$5.4 milliards pendant les cinq ans prochains. Le Gouvernement indien a aussi fourni \$500 millions aux projets de la "Aide au " budget Africain. Malgré un ralentissement économique global, l'Inde planifie le fait de faire périr de projets à être montés en Afrique dans l'agriculture, la petite

industrie, l'exploitation minière, les Renseignements et la Technologie de Communication (ICT), les oléoducs, l'industrie chimique, la génération de

pouvoir et la transmission

parmi d'autres. Le commerce de l'Inde avec l'Afrique est monté de \$967 millions en 1991 à \$35 milliards en 2008, mais reste la voie derrière presque

\$100 milliards de Chine. La Chine a suivi l'Inde dans le commerce avec l'Afrique il y a une décade, mais ses investissements sont depuis montés considérablement à l'arrière de la construction d'énergie importante et des projets d'extraction minéraux.



L'optimisme de l'Inde provient du résultat pendant le Sommet d'Association d'Affaires d'Inde-Afrique, 2009, où des centaines de réunions, ont été tenues sur la touche entre les représentants de compagnies indiennes et africaines. Les fonctionnaires et les chefs d'industrie croient que ces réunions pourraient s'ensuivre dans les affaires dures. Les fonctionnaires ont dit que l'Afrique pourrait profiter des modèles d'affaires de prix bas de l'Inde.

"L'Inde peut introduire son expertise de prix basse dans le secteur industriel et dans la technologie d'information ... il y a tant d'Inde peut offrir en Afrique," a dit Maurice Kagimu Kiwanuka, le Ministre délégué de l'Ouganda pour Contrôlant Économique. L'Ouganda a le commerce de \$100 millions avec l'Inde et selon Kiwanuka, il pourrait doubler dans moins de cinq ans comme les compagnies indiennes projettent d'investir dans les secteurs comme le transformation alimentaire et les textiles.

"Nous partageons un rapport excellent avec l'Afrique. Le ralentissement économique n'affectera pas de commerce et nous résisterons à la crise financière," Anand Sharma a dit, le Ministre délégué de l'Inde pour les Affaires Externes au Sommet, l'Inde a annoncé qu'il donnera \$1 milliard pour raccorder 53 pays africains par un réseau satellite et à fibres optiques pour promouvoir des programmes médicaux et éducatifs "Virtuals".

Sauf le gouvernement aux relations gouvernementales d'aujourd'hui, les liens de ce pays datent de la période coloniale britannique où des milliers d'Indiens ont été pris en Afrique comme indentured les manoeuvres. Beaucoup sont restés et il y a maintenant près de deux millions de personnes d'origine ethnique indienne vivant à travers les pays amoureux l'Afrique.

Le Ministre d'Affaires Externe de l'Inde M. Pranab Mukherjee, dans son adresse a dit, les extraits.

C'est moins d'une année depuis que nous avons le privilège d'accueillir le Sommet de Forum d'Inde-Afrique à New Delhi. C'était une occasion pour célébrer notre amitié et renouveler notre engagement au grand continent de l'Afrique. La Déclaration de Delhi et le Cadre d'Afrique-Inde pour la Coopération adoptée au Sommet servent maintenant des contours pour notre engagement systématique dans les années à venir.

L'Inde et l'Afrique sont de vieilles civilisations, mais de jeunes nations apprenant comme nous grandissons. Aujourd'hui l'économie indienne est plus d'un trillion de dollars avec les forces clé dans les services, en fabriquant et les secteurs agricoles. Nous avons aussi fait quelques avances dans les régions de base de santé et d'éducation. Le bâtiment de capacité et le développement de ressources humain en fait, étaient toujours centraux à notre coopération avec l'Afrique depuis notre indépendance. Le succès crédité à nous dans la croissance économique et les zones d'aménagement est, comme toujours, disponible pour partager avec les amis en Afrique, dans les limites de nos capacités et capacités. Notre engagement en Afrique est total et nous





attendons une association proche impatientement avec l'Afrique dans sa réapparition économique.

Je suis content de voir que les secteurs au coeur de développement économique et de croissance en incluant les Chemins de fer, la Route et la Construction; Soins médicaux et Pharma; technologie d'information; Pouvoir; Extrayant; et, l'Agriculture - a été soigneusement identifiée et choisie pour ce sommet.

Pour cela d'arriver, pour faire du commerce, les obstacles tarifaires et d'investissement devront être quittés en toute hâte. Dans ce contexte et comme annoncé plus tôt, notre "projet privilégié Exempt de droits" pour les Pays Moindres Développés, dont 34 des pays africains, couvre 94 pour cent des lignes tarifaires totales de l'Inde. C'est aussi notre engagement à plus que double la quantité sur les Lignes de Crédit à \$5.4 milliards pour la période de cinq ans commençant 2008-09 : \$500 millions seront aussi fournis pendant les cinq à six ans prochains aux projets dans les régions critiques de l'aide au budget Africain.

Les liens économiques et commerciaux entre l'Inde et l'Afrique ne sont pas nouveaux. Ces échanges ont été en cours pendant les siècles à travers l'Océan Indien et ont profité aux gens des deux côtés. Avec les changements positifs et le développement économique soutenu tant en Inde qu'en Afrique, cette action réciproque économique et commerciale a diversifié et s'est approfondie depuis la partie dernière du 20ème siècle. Le commerce bilatéral a grandi de petits 5 milliards de dollars dans 2001-02 à environ 30 milliards de dollars à présent, une croissance sextuple. Les niveaux d'investissement ont aussi augmenté à travers une large gamme de secteurs comme l'agriculture, la petite industrie d'échelle, l'exploitation minière, les Renseignements et la technologie de communication, les oléoducs, les usines automotrices, l'industrie chimique, la génération de pouvoir et la transmission et cetera.. Vous conviendrez, pourtant, que ces niveaux existants commerciaux et d'investissement ne reflètent pas le vrai potentiel. Moins de 8.0 pour cent des exportations de l'Inde sont destinés pour l'Afrique. Nos importations de l'Afrique sont aussi autour de la même proportion de nos importations globales. Après l'Asie, l'Afrique est la deuxième région de croissance la plus rapide. Nous avons signé des

accords commerciaux avec presque 30 pays en Afrique.

Je, donc, demande aux associés indiens et africains à augmenter leurs engagements d'affaires. Les compagnies indiennes devraient accélérer leurs investissements et lien-ups technique avec les partenaires africains. Les technologies indiennes efficaces prix et intermédiaires et notre grande base de capitale humaine nous donnent un avantage unique.

## Besoins d'Infrastructure africains

Les besoins d'infrastructure de l'Afrique sont énormes. Ceux-ci présentent aussi de bonnes opportunités pour les entreprises indiennes, aussi bien que les demandes grandissantes en Afrique pour de nouvelles technologies, des services de construction mécanique et des capacités industrielles de l'adjonction de valeur locale. Il y a des millions de jeunes gens en Afrique qui peuvent être employés dans les secteurs de services et la fabrication. Les communautés d'origine indienne dans beaucoup de parties de l'Afrique sont aussi un avantage ajouté.

## Agriculture et Sécurité d'Aliments

Une région importante de coopération entre l'Inde et l'Afrique a été la sécurité d'aliments et l'agriculture. L'Inde le Sommet de Forum d'Afrique a posé une accentuation spéciale sur ce secteur. La Déclaration du Cadre d'Inde-Afrique pour la Coopération implique des programmes pour l'agriculture. Ceux-ci incluent des projets d'irrigation, en ouvrant de nouveaux terrains pour la culture, l'échange de graines, technologie, traitement d'aliments, développement de stock vivant, administration d'eau, les mesures pour affronter la menace grandissante de changement climatique, bâtiment de capacité et pêcheries. Quelques compagnies indiennes ont déjà commencé à explorer des opportunités en Afrique dans la production de pouls, céréales et graines oléagineuses. Je suis confiant ce qui plus fera ainsi dans la collaboration avec les entreprises



africaines et les Gouvernements. Un certain nombre de Lignes de Crédit ont déjà été prolongées par nous pour le secteur d'agriculture. Ceux-ci devraient fournir des opportunités aux partenaires indiens et africains pour entreprendre des projets qui seront à l'avantage direct des communautés étant fermières.

Nous explorons aussi des possibilités d'accords de coopération économiques complets avec le Marché commun de l'Afrique du Sud et la Communauté de l'Afrique de l'est. Nous sommes, donc, spécialement ravis et honorés pour avoir parmi nous aujourd'hui, le Président Paul Kagame du Rwanda, qui est aussi le Président actuel de la Communauté de l'Afrique de l'est.

Un accord de cadre de brouillon a été récemment parafé à Delhi pour un Arrangement Commercial de Faveur avec l'Union douanière sud-africaine. Avec la Communauté de Développement sud-africaine, nous développons des projets dans un certain nombre de secteurs.

## Reculer l'Économie Globale

Ceux-ci changent vite des temps. Dans moins de six mois, une crise financière globale sévère a morphed dans la fusion du cœur d'un réacteur économique globale qui peut ne pas avoir complètement défait jusqu'à présent. Les répercussions sont sans doute sévères. Pendant que la crise a commencé à l'Ouest, les pays en développement ne peuvent pas rester sains et saufs. Les estimations sont que la croissance globale et le commerce peuvent grandir au plus lent dans plus de deux décades. Le cadre financier de contrôle dans beaucoup de pays changera comme ira faire des attentes économiques. Ce n'est aucune surprise que le modèle de - le gouvernement financier international est aussi entré de la question.

La crise actuelle révèle le fait d'être raccordé global. L'Inde a pendant quelques années dernières cultivées à environ 9.0 pour cent par an qui nous ont donné la distinction d'être la deuxième économie importante grandissante la plus rapide du monde du monde. Notre économie est aussi exposée au marché global et va faire donc, pas échappent à un ralentissement.

Nous sommes, pourtant, mieux placés pour résister au pire. Notre fondement économique est la demande principalement domestique, les économies domestiques et les investissements. Effectivement, l'Inde est un des marchés les plus sûrs du monde. Nous sommes confiants qu'une croissance de 7.0 pour cent n'est pas au-delà de nous cette année et qu'il ne sera pas longtemps avant que nous ne récupérions complètement notre vitesse de

croissance. Nous voyons notre croissance et développement comme une opportunité ouverte pour les augmentations réciproques avec nos associés africains.

Mes amis, les relations d'Inde-Afrique étaient toujours multiconcentrées, en oubliant beaucoup d'éditions internationales et défis. C'est notre désir que sur les inquiétudes globales cruciales comme le changement climatique, les aliments et la sécurité d'énergie, la santé, jihadist le terrorisme, le piratage marin et la démocratisation d'institutions internationales nous continuons à améliorer notre coopération et dialogue.

En livrant l'adresse de Tonique, le Président du Rwanda et le Président de la Communauté de l'Afrique de l'est Paul Kagame, dans sa présentation, a souligné trois points



principaux qui mettent dans le contexte les défis de développement de l'Afrique et le cadre pour les adresser sustainably, qui incluent des associations surtout d'affaires, le sujet du Sommet.

La chose suivante est des extraits de l'adresse du Président Kagame.

La première édition que j'effleure brièvement est comment nous en Afrique affrontons des facteurs qui ont historiquement obstrué la transformation et l'utilisation de l'énorme humain de notre continent et des ressources minérales pour créer la prospérité.

Le deuxième point tourne autour des réalités globales changeantes particulièrement l'augmentation de pays économiquement réussis à l'extérieur du bloc de pouvoir traditionnel de l'Ouest, comme l'Inde, qui élargit le champ pour former des associations de qualité avec l'Afrique pour la plus grande création de richesse.

Mon troisième point est de l'importance de ce Sommet





du point de vue des pas pratiques pour former des associations d'affaires.

## Défis d'Esprit de compétition

Nous en Afrique, en particulier à Afrique de l'est, l'éventaire défié de bouger vers les économies productives et compétitives qui produisent la richesse significative quant à nos défis de développement.

À cet égard, la plus grande partie de la chaîne de valeur de n'importe quelle activité économique, être cela dans l'agriculture, l'exploitation minière, le pétrole ou la fabrication, ne devrait plus être la confiture "d'autres" sociétés. L'Afrique doit domestiquer ces processus parce que c'est comme ça que la richesse est vraiment créée.

Ni l'aide de développement, ni la dépendance aux articles primaires ne transformera nos pays effectivement. C'est ce qui représente grandement notre sous-développement.

La décade passée, pourtant, a vu qu'Afrique de l'est et l'Afrique font en général le progrès considérable dans la transcendance de ce façon de penser et de pratique, en commençant par la sécurité améliorée, la paix et la stabilité.

En ce qui concerne le commerce et l'investissement, de plus en plus il y a un plus large consensus en accélération de l'intégration régionale, en améliorant le climat d'affaires et la modernisation d'infrastructure régionale.

Par exemple, le processus de créer une région de libre-échange qui incorpore la Communauté de l'Afrique de l'est, le Marché commun pour l'Afrique de l'est et du Sud et la Communauté de Développement africaine du Sud est en route. La réunion de presque 600 millions de personnes dans un marché simple.

Il y a des développement aussi importants dans les marchés régionaux existants. À Afrique de l'est, nous travaillons l'élimination des barrières non-tarifaires et du fait de moderniser l'infrastructure, le fait d'intégrer nos marchés de capitale et le fait d'harmoniser généralement des politiques clé et des règlements pour réduire les prix de faire des affaires dans notre marché de presque 130 millions de personnes.

Dans le cas du Rwanda, l'intégration régionale est synonyme avec le développement. Le commerce, le mouvement libre d'investissement de capitale humaine et financière forme le cœur de notre vision de développement.

C'est pourquoi nous demandons toujours aux investisseurs de considérer notre pays pas seulement dans son propre droit, mais aussi comme une intersection stratégique de marchés régionaux existants.

L'économie politique globale d'aujourd'hui reflète le déplaçant des réalités avec de nouveaux acteurs robustes jouant des rôles plus actifs, comme l'Inde dont les actions réciproques avec l'Afrique continuent à augmenter.

Pendant que par exemple le commerce total entre l'Inde et l'Afrique était \$6.5 milliards dans 2002-03, il a augmenté aux presque 35 milliards l'année dernière (2008).

Les tendances semblables s'appliquent aux investissements indiens en Afrique qui s'est levée à \$3.7 milliards dans 2006-07 et a presque doublé dans une année simple à \$6.8 milliards dans 2007-08.

## Connexion Historique

Les rapports riches et multidimensionnels entre l'Inde et l'Afrique ne sont pas nouveaux. À Afrique de l'est, les descendants d'immigrants indiens pendant la phase coloniale sont devenus la colonne vertébrale de commerce et d'industrie. Je suis content de noter qu'actuellement, parmi de principaux entrepreneurs et des industriels dans notre région il y a ceux qui grèlent de cette histoire. Pendant ce temps, l'Inde lui-même était un avocat dévoué d'indépendance africaine et reste un ami conséquent de notre continent.



Le but commun Indo-africain et les principes dans la sphère internationale sont largement sus, par exemple, notre vue partagée que l'agriculture devrait rester clé au Doha les négociations commerciales Rondes, ensemble avec la nécessité pour réduire des subventions agricoles dénaturantes commerce dans les pays développés.

De plus, nous sommes entièrement d'accord sur le besoin de réformer des institutions multilatérales internationales pour refléter des réalités changées il est absurde qu'avec une population combinée d'environ deux milliards de personnes, ni l'Inde ni l'Afrique n'est représenté dans les Nations Unies le Conseil de sécurité.

Nous nous rassemblons ici à ce Sommet pour faire des pas de plus dans la construction de forts rapports, au coeur étant des associations d'affaires effectivement le stade est mis pour intensifier nos actions réciproques d'investissement surtout dans les secteurs de priorité identifiés de santé, CELA, énergie, infrastructure, construction, exploitation minière, agriculture et services financiers.

Le marché de l'Afrique de l'est offre d'énormes opportunités d'investissement dans chacun de ces secteurs pas seulement dans les pays individuels, mais aussi à travers la région, surtout dans le développement de projets d'infrastructure régionaux stratégiques, comme les chemins de fer.

Nous apprécions très beaucoup ces compagnies indiennes qui sont déjà actives à Afrique de l'est et sur notre continent en général et espèrent que plus d'entre vous nous rejoindront, particulièrement après ce Sommet d'association important.

Permettez-nous de nous défier à ce New Delhi vous rencontrant de vous livrer aux tables rondes bilatérales aussi bien que trilatérales orientées de résultats pour chaque secteur identifié pour la collaboration; formulez des ordres du jour réalistes pour la suite; et adoptez des horaires pour exécuter des projets collectifs.

Réfléchissez comment nous, comme les chefs indiens et africains gouvernementaux et d'affaires peuvent vite utiliser le cadre, le soutien financier, aussi bien que l'approche plus facile aux marchés indiens avons rendu possible selon l'offre généreuse du Gouvernement de l'Inde au Sommet d'Inde-Afrique 2008

Ce Sommet, a sans doute pris le rapport d'Inde-Afrique à un même niveau supérieur pour lequel nous exprimons notre appréciation sincère au Gouvernement et aux Gens de ce pays.

Ce Sommet, a sans doute pris le rapport d'Inde-Afrique à un même niveau supérieur pour lequel nous exprimons

notre appréciation sincère au Gouvernement et aux Gens de ce pays.

J'attends un dialogue fécond impatientement basé sur les présentations de pays indiquant des opportunités d'investissement dans les différents pays africains et les régions.

Permettez-nous d'avoir, à la fin du Sommet, un béton roadmap de l'entreprise d'une Inde-Afrique le voyage en collaboration, dont le prix ultime n'est pas moins que les vies très améliorées de nos citoyens et retours en bonne santé d'investissement pour les investisseurs indiens et africains.

## Secteurs Importants

- Soins médicaux et les Produits pharmaceutiques
- Informations et la Technologie de Communication (ITC)
- Puissance
- Aliments Agricoles et les Services Alliés
- Services Financiers
- Exploitation minière
- Routes et les Chemins de fer
- Habitation et la Construction
- Ministres / les décideurs officiels/clédu  
Gouvernement principal des secteurs identifiés
- Conduite des compagnies de secteur public et privé
- Investisseurs
- Agences d'Obtention et les Régulateurs
- Corps Régionaux
- Agences de Financement Multilatérales
- Institutions Financières
- Fabricants et les Pourvoyeurs de Service
- Importateurs et les Exportateurs
- Technologie et les Pourvoyeurs d'Équipement
- Institutions et les Conseillers

## Résumé de Sommet

- Deux jour la conférence internationale pour gagner les pénétrations dans les marchés africains et indiens
- Deux jour l'exposition internationale pour servir de tremplin aux principaux joueurs de l'Inde et de l'Afrique dans les secteurs identifiés
- Les Tables rondes et les réunions affaires à affaires avec les chefs d'industrie pour inviter les investissements et les sociétés en participation. ■

# La Ligne de Crédits de Banque d'Exim en Afrique

## Ajoute jusqu'à \$3,68 milliards

La Ligne de Crédit (LOC) est un mécanisme de financement spécial par lequel la Banque d'Importation d'exportation de l'Inde (la Banque d'Exim) étend la finance pour soutenir l'exportation de projets, marchandises et services de l'Inde sur les termes de paiement différé. La Banque d'Exim étend des Lignes de Crédit aux institutions financières d'outre-mer, les banques de développement régionales, les gouvernements souverains et d'autres entités à l'étranger. Les exportateurs indiens peuvent obtenir le paiement pour la valeur éligible de la Banque Exim, sans recours à eux, contre la négociation d'expédier des documents. La Banque d'Exim étend aussi LOCs à l'ordre de Gouvernement de l'Inde.

Pour améliorer des relations bilatérales commerciales et

d'investissement, la Banque d'Exim de l'Inde met en place plusieurs Lignes de Crédit (LOCs) prolongé à un certain nombre d'institutions/agences en Afrique. Ces LOCs complètent le "Foyer" programme Africain du Gouvernement de l'Inde. Actuellement, 66 LOCs sont dans l'opération s'élevant à US\$ 2,25 milliards de couverture de 47 pays dans la région africaine. Ces LOCs facilitent l'importation d'équipements concernant le projet et de services de l'Inde sur les termes de crédit reportés. En même temps, beaucoup de ces LOCs sont désignés pour l'infrastructure et ont rattaché des projets.

**En janvier de 2009, la Banque d'Exim a étendu LOCs suivant à la région africaine:**

- Lignes de Crédit d'US\$ les 25 millions au





Gouvernement du Soudan;

- Lignes de Crédit d'US\$ 166,23 millions à Gouvernement de l'Éthiopie.

La Ligne de Crédit (LOC) d'US\$ les 25 millions au Gouvernement du Soudan est la première tranche de l'engagement de crédit total d'US\$ les 150 millions pour financer le Projet Elduem de Sucre dans l'État Blanc de Nil au Soudan. L'Accord LOC à cet effet a été signé à Khartoum, Soudan le 26 janvier 2009, par S. R. Rao, Directeur exécutif, de la part de la Banque Exim et de Mohamed Abdelatti Abdella El Maki, Projet le Directeur, le Projet de Sucre de Mashkour, le Soudan, en présence de l'Ambassadeur de l'Inde au Soudan Deepak Vohra, Sam Pitroda, le Président, la Commission de Connaissance nationale et Awad Ahmed El le Jazz, le Ministre de la Finance et l'Économie nationale, le Gouvernement du Soudan.

Le LOC d'US\$ 166,23 millions au Gouvernement de l'Éthiopie est la deuxième tranche de l'engagement de crédit total d'US\$ 640 millions pour financer la réhabilitation d'industrie de sucre en Éthiopie. L'accord LOC à cet effet a été signé à Addis Abeba, Éthiopie,

mardi, le 27 janvier 2009, par S.R. Rao, le Directeur exécutif de la part de la Banque Exim et Sufian Ahmed, le Ministre de la Finance et le Développement Économique, de la part du Gouvernement de l'Éthiopie, en présence de Gurjit Singh, l'Ambassadeur de l'Inde en Éthiopie. La Banque d'Exim a plus tôt étendu un LOC d'US\$ 122 millions comme la première tranche pour financer la réhabilitation d'industrie de sucre en Éthiopie.

La Banque d'Exim a maintenant dans l'endroit 110 Lignes de Crédit, en couvrant 94 pays en Afrique, Asie, Amérique latine, Europe et CEI, avec les engagements de crédit de sur US\$ les 3,68 milliards, disponibles pour financer des exportations de l'Inde. LOCs de Banque d'Exim se permet un sans risque, l'exportation de non-recours le financement de l'option aux exportateurs indiens. En plus de la promotion des exportations de l'Inde, LOCs de Banque d'Exim permettent la démonstration d'expertise indienne et projettent des capacités d'exécution dans les marchés émergeant. ■

