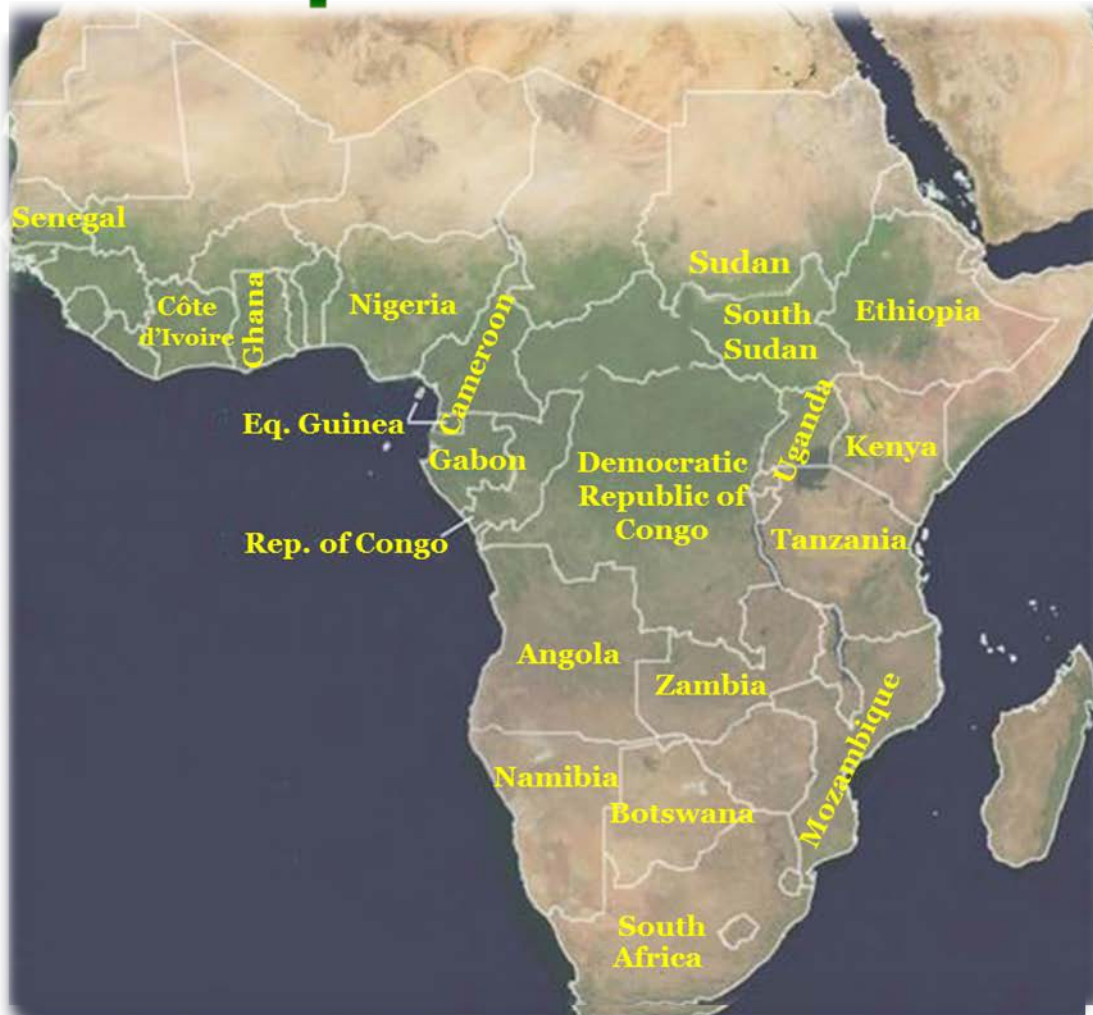


Sub-Saharan Africa Business Environment Report: 2012-2013



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Preface

Welcome to this issue of ***Sub-Saharan Business Environment Report 2012-2013***. This is the second SABER volume that provides "Business information at a ready glance." The most current data at 'press time' are presented here. The diverse audiences for the SABER reports range from academics (faculty and students), to policy makers and business persons (owners, managers, and consultants). *SABER 2011* has also been used in colleges and business schools in Africa and elsewhere.

We ask that any parts of SABER used be credited and referenced correctly.

Data for all 47 countries in Sub-Saharan Africa (SSA) would be useful, but the text and tables would be too large for a portable report. Hence *SABER 2012-2013* focuses on the 20 countries with the highest GDP, even omitting some countries in which the authors have resided and worked in for many years. *SABER 2012-2013* features regional and countries reports with information and statistical data from the major print sources and websites that are illustrative of the main political events, business deals (imports, exports, government and foreign investments), and social aspects. Each Regional Summary and Country Report highlight current features using six topics: Political Stability, Economic Growth, Trade and Agriculture, Foreign Direct Investment (FDI), Doing Business, Business Culture and Stock Markets, Infrastructure (Construction, Energy, Telecommunications, etc.), and Health and Social Aspects. The bullet points aim to be descriptive and illustrative rather than all inclusive. Appendix A: Tables of Data and Indicators have been specially constructed for SABER 2012, using the most current data from online data banks sources. Appendix B contains Sources Monitored; Appendix on Business Culture makes its debut in this edition. Appendix D References Country Report is only on the website.

SABER 2012-13 is online. Also online is Appendix D: References for each Country Report.
<http://warrington.ufl.edu/ciber/publications/saber.asp>

Many businesspeople are concerned about African business parameters in terms of management and business practices, as well as the influences of domestic political and social factors. Many African companies and businesspeople are working to correct stereotypic images and improve the business environment. African business endeavors are vibrant and dynamic in many countries and sectors, and we aim to distinguish attractive from problematic conditions. African entrepreneurship ranges from local, to regional, and to global, and from local to multinational. FDI and business deals span the globe, as do African exports and imports. We emphasize African links, deals, exports and imports in this era of globalization within Africa, and with the United States, China, and Europe. *SABER 2012-2013* includes attention to trade and investments with and from China.

With *SABER 2012-2013*, we are focused on producing a set of the most useful country information and indicators pulled from raw data in many publications, databases, and websites. Our extensive research and travel in Africa help in the selection and primacy of the topics and summaries from the many journals and news stories for the current year. Please send us your comments so we can improve future reports.

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Acronyms

ADB	African Development Bank	MFI	Microfinance Institution
AU	African Union	mn	million
BEAC	Banque des Etats de l'Afrique centrale	MoU	Memorandum of Understanding
BEE	Black Economic Empowerment	MT	Metric tons
bn	billion	MW	megawatt
bpd	barrels per day	NEPAD	New Partnership for Africa's Development
DRC	Democratic Republic of the Congo	PLWA	People Living with AIDS
DRC	Democratic Republic of the Congo	popn	population
ECB	European Central Bank	Rep. of Congo	Repulic of the Congo
ECOWAS	Economic Community of West African States	RIA	Regional Investment Agreement
EITI	Extractive Industries Transparency Initiative	RTA	Regional Trade Agreement
EIU	Economist Intelligence Unit	SACU	Southern African Customs Union(SACU)
EPA	Economic Partnership Agreement	SADC	The Southern African Development Community
EU	European Union	SEZ	Special Economic Zone
FAO	Food and Agriculture Orgaization of the United Nations	SIAT	Investment Company for Tropical Agriculture
FDI	Foreign Direct Investment	SSA	Sub-Saharan Africa (SSA)
FOCAC	Forum on China–Africa Cooperation	U.K.	United Kingdom
GAVI	Global Alliance for Vaccines and Immunization	U.S.	United States
GDP	Gross Domestic Product	UN	United Nations
GW	GigaWatt	UNCTAD	United Nation Conference on Trade and Development
HDI	Human Development Index	UNDP	United Nations Development Program
HIPC	Heavily Indebted Poor Country	US\$	United States dollars
ICC	International Criminal Court	USAID	United States Agency for International Development
ICT	Information and Communications Technology	VAT	value-added tax
IFC	International Finance Corporation of the World Bank	VPA	Voluntary Partnership Agreement
IMF	International Monetary Fund	WAEMU	West African Economic and Monetary Union
kg	kilogram	WB	World Bank
km	kilometer	WHO	World Health Organization
LNG	liquefied natural gas		

SABER: Introduction and Methods

Structure of the Report: Models and Materials

SABER 2012-2013 aims to provide business environment information at a ready glance at regional and country levels for the 19 largest (based on GDP) Sub-Saharan African (SSA) economies. The report's print and electronic versions aim to assist business people, policy makers, researchers, and students in understanding the SSA business environment. SABER 2012-2013 presents information on business conditions and investments, as well as statistical data on major economic, business, political, and social indicators.

SABER 2012-2013 uses a decade of time on gross domestic product (GDP) for all Sub-Saharan countries to find the 19 largest economies on Sub-Saharan Africa (SSA). Countries are grouped by region: West Africa, Central Africa, East Africa and the Horn, and Southern Africa, based on geography, regional trade agreements (RTAs), and regional integration agreements (RTIs). Maps of fifteen African Multi-State Regional Trade Agreements (RTAs) are shown in Figure 1. Figure 2 displays the membership in these 15 RTAs for each of the SABER countries. Two models were developed to guide SABER's content. The guiding models allow for country, regional, and sub-regional summary and business assessments for business initiative and investments. Individual country studies focus on current business trends, deals, and restrictions, while detailed quantitative and ranking indicators contribute the data for these assessments.

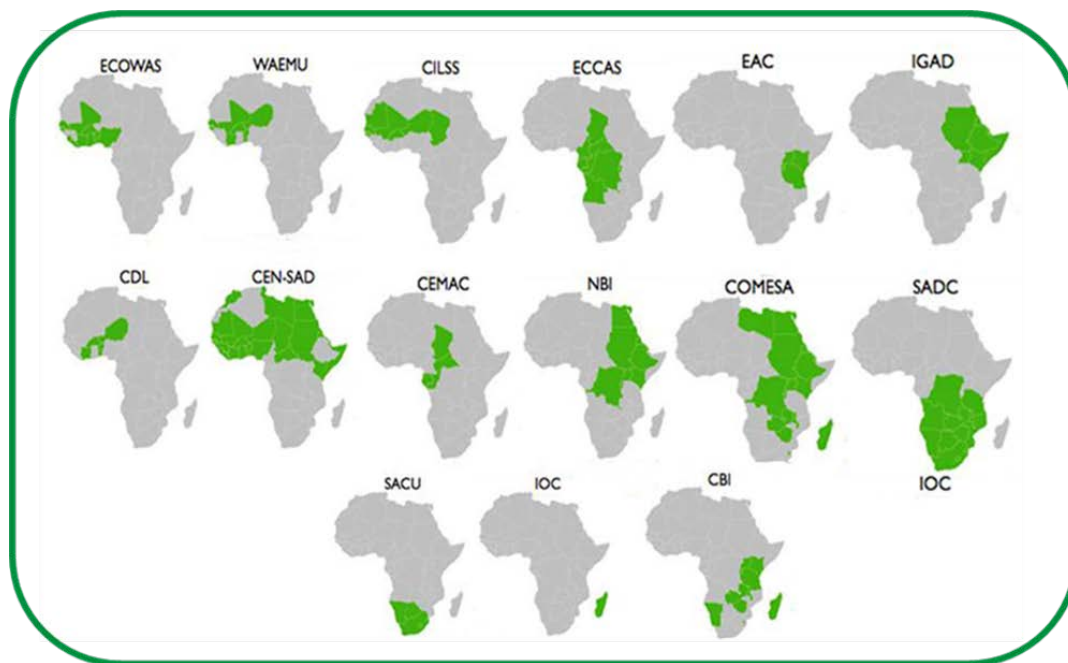


Figure 1: Map of Fifteen African Multi-State Regional Trade Agreements

Source: SABER 2012-2013

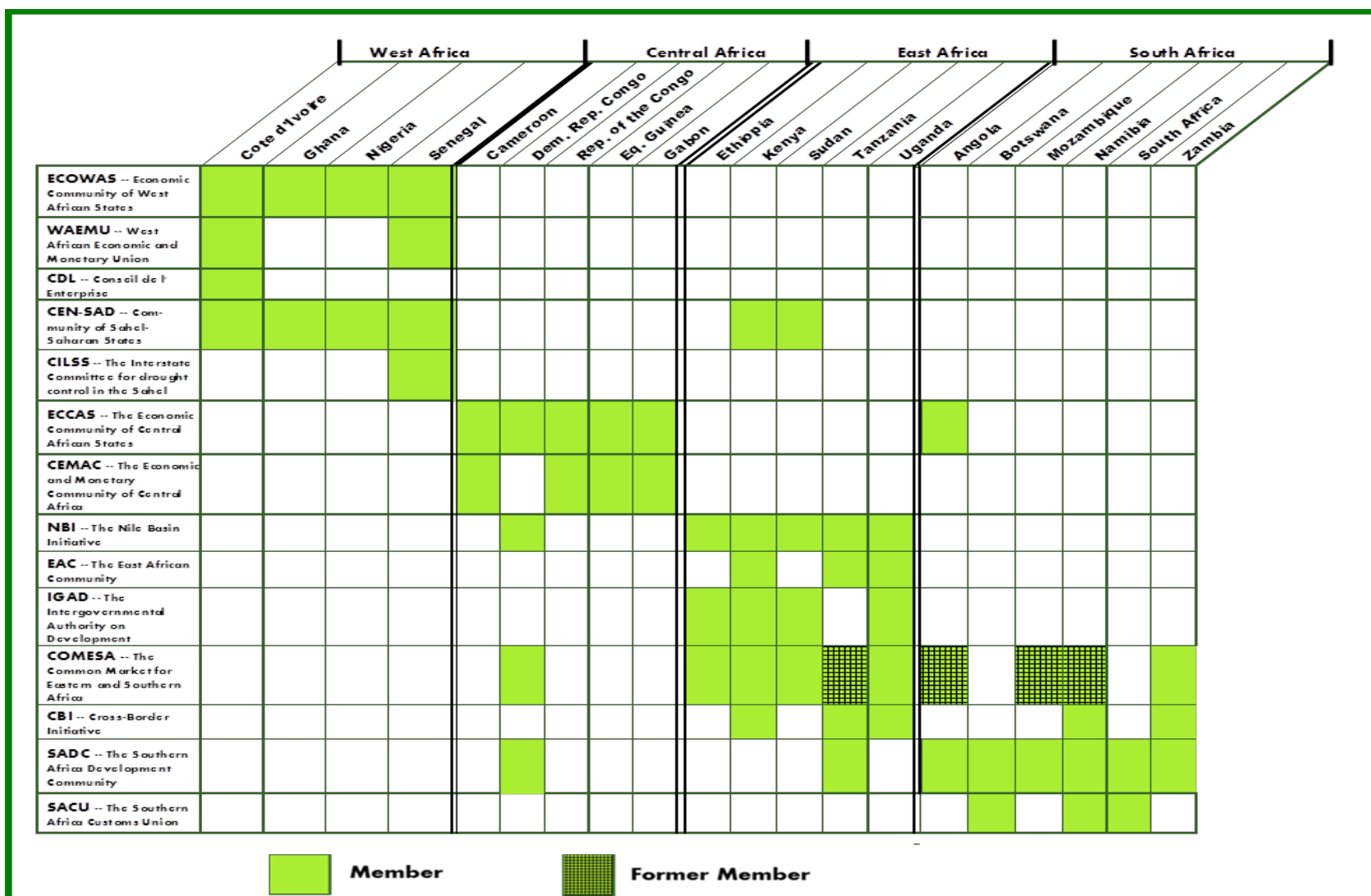


Figure 2: Membership in Regional Trade Agreements for 20 SABER Countries
(Source: SABER 2012-2013)

Components of the SSA Business Environment

The first model, shown in Figure 3, entitled Components of the SSA Business Environment depicts four concentric spheres that diagram: (1) the internal domestic aspects of a country that affect the business environment; (2) the Regional Trade Organizations (RTAs) and Regional Integration Agreements (RTIs); (3) Pan-African and Regional entities; (4a) global FDI (Foreign Direct Investment) from governments and the private sector; and (4b) studies and databases of multilateral United Nations and other agencies, as well as bilateral and NGO agencies that provide data for economic and political endeavors.

The **first sphere** models the internal political, economic, and social aspects of the country that are the main business drivers; the connections are elaborated in the Model 2 below.

The **second sphere** represents the RTAs and RTIs. Memberships for SABER countries are shown in Figures 1 and 2 and were used to develop this report's groupings and regions. The RTA and RTI memberships by region are: West Africa (ECOWAS, WAEMU, CDL, CEN-SAD, CILSS); Central Africa (ECCAS, CEMAC, NBI); East Africa (EAC, IGAD, COMESA); and Southern Africa (SADC, SACU, IOC, CBI).

The **third sphere** represents Pan-African and Regional economic and political entities in SSA such as the African Development Bank, the African Union, and NEPAD. Political entities (the African Union and NEPAD) influence trade and business, as do economic entities (e.g., the African Development Bank), some working along with the multinationals to lend/fund projects and affect monetary configurations.

The **fourth sphere** shows development assistance, FDI, and data collecting entities. These include the United Nations multilateral organizations (the World Bank, IMF, WTO, UNTAD, FAO, WHO, etc.) involved with SSA countries in terms monetary regulations, program assistance, statistical data collection, and comparative economic and social rankings. As well, individual countries, the bilateral actors (China, E.U., India, Japan, U.S., and other countries), carry out humanitarian and development assistance, while businesses in these countries trade and invest in SSA. They are involved with import deals (Africa's exports) for oil, minerals, natural resources, land, and agricultural commodities, while exporting to Africa their machinery, manufactured goods, and technical expertise (Africa's imports). Also included are import/exports between Sub-Saharan African countries.

Model of a Country Report

The second model was used to develop the structure of SABER's individual Country Reports that form the basis for the Regional and SSA Summaries. The topics considered here are: (1) political aspects (stability, elections and major parties, electoral processes, corruption, and civil and press freedoms); (2) economic aspects (trade partners, imports/exports, agricultural development; (3) foreign direct investment (FDI) and joint ventures; (4) infrastructure (construction, energy, telecommunications, and transportation); (5) ease of doing business, business culture, and business regulations; and (6) health and social aspects (morbidity and mortality, life expectancy; quality of life, education, gender, and income inequality). Exogenous factors impinge on countries, while the internal configurations (the six subject topics) link together and produce the economic and business configurations of the country.

General sources for the Country Reports are given in Appendix B. Specific references used for each country (arranged alphabetically) are given in Appendix D on the SABER website that can be found at:

<http://warrington.ufl.edu/ciber/publications/saber.asp>

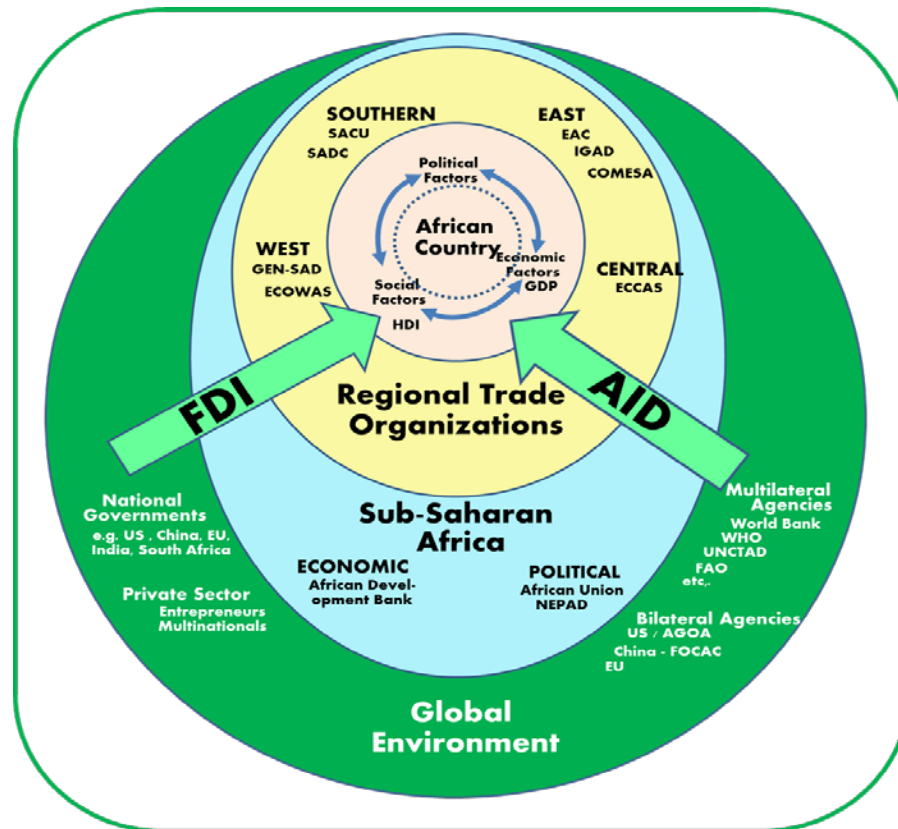


Figure 3: Components of the SSA Business Environment (Source: 2012-2013)

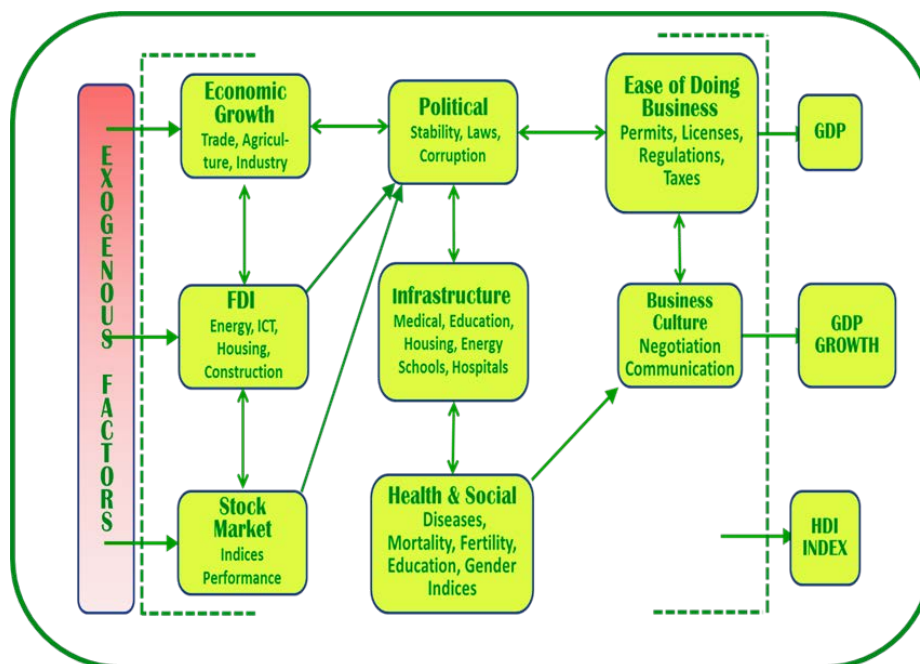


Figure 4: The SABER Country Report Model (Source: 2012-2013)

Statistical Data and Indicators

Appendix A provides SABER's tables of quantitative and qualitative indicators and rankings of business and trade: politics and legal aspects; and social and health variables. These data allow for estimating the implications for economic growth, FDI, and trade that are useful to readers doing business already, and/or contemplating the prospects, and for those studying the business environment and country situation. The tables are based on the world's databases, but are specifically constructed for this report and updated as the data change. The IMF's World Economic Database and the World Bank's World databank were consulted regularly, along with the FAO's Production Yearbook and Data Files, the IMF's Direction of Trade Statistics, the World Bank's Health Nutrition and Population Database, World Economic Forum, UNCTADstat, UNDP's HDI indices, and WHO's Health Observatory Database. A series of political indices from Transparency International, Freedom House, Heritage Foundation, Central Intelligence Agency, and the Ibrahim Governance Index were used.

Many tables also include SABER's calculations of change through time, such as: trade balance; crude birth rate, fertility rate, life expectancy, as well as agricultural changes in land under production, value added per worker, crop, livestock and cereal production; and changes in total food production. Each variable must be located to construct these unique tables and each indicator was extracted to construct each cell of the SABER tables. Where available, tables provide the data for Africa and SSA. (Note that Sudan is classified as a North African country by most databases, and so the aggregated SSA regional data do not include Sudan. Data for Sudan is given in the tables for comparison with the SABER 2011 report. However, they tend to predate the independence of South Sudan on July 9, 2011, and in some cases are aggregated data from 2009 or earlier. Hence, there is no country report for Sudan or South Sudan in this volume.)

Indicators on Economic, Trade, Imports/Exports, and FDI include GDP, GDP growth, GDP per capita, GDP per capita and per capita growth, External Debt and as a percent of Exports, Annual inflation (% of consumer prices), FDI, Exports, Imports and Trade Balance; Currency, Exchange rates, and Exchange rate regime, etc. Data for each country on exports and imports to/from other African countries, China, the EU, and the United States are given. Imports and exports to/from India are noted for the appropriate countries in the country reports. The percent contribution to GDP by sector is disaggregated into agriculture, industry, manufacturing and services, as are the agricultural indicators: value added per worker land area; commodity productivity, etc. Specific agricultural commodities exported are noted in the country reports. Data on infrastructure cover transportation (roads, railways, ports, and airports), electricity, and telecommunications (land lines, cell phones, Internet, and bandwidth).

Indicators on Political Aspects include stability, freedom, and governance indices including: rule of law, Press Freedom Index, political rights, civil liberties, freedom status, head of state (year assumed office or power), ruling and opposition parties, corruption index score, economic freedom, and property rights rank).

Indicators on Health and Social Aspects include population and growth rates, literacy rates, health expenditures per capita, Income inequality, Human Development Index (HDI), population in poverty, and gender equalities. Health indicators include maternal fertility and mortality rates, infant mortality rates, life expectancy, HIV/AIDs and malaria rates, and undernourishment data.

Data and indicators are disaggregated by gender wherever possible. The World Economic Forum's Gender Gap report 2012 has linked gender ratings and indices to GDP and World Competitiveness. Some African countries rank high on gender equality in world perspective, while others are low. The indicators and indices on gender include literacy, births and fertility in the social environment found in the health tables, while a separate table gives the gender gap total indices and ranks (plus sub-indices for educational attainment, and political empowerment), labor force participation, income earned, and percent of women in parliament.

The Ease of Doing Business indicators, drawn from World Bank data show both the country's world rank (out of 183 countries) and the rank within the 47 SSA countries (48 counting Mauritius). Sub-index ranks

Introduction

are given for starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, enforcing contracts, and closing a business. More specific indicators rank the time (number of days or years) to: start a business, connect to electricity, enforce a contract, register property, and close a business. Also considered are the costs and time to import and export commodities.

What is new in SABER 2012-2013?

Tables and added data

SABER 2012-2013 has several improved aspects over SABER 2011.

(a) All tables in Appendix A have been redesigned for ease of reading, and are streamlined in their presentation. For ease of comparing data through time, table numbering in SABER 2012-2013 match those of SABER 2011. Tables 7 and 8 tables (sub-numbered a, b, and c) have been added to give the reader more information about exports and imports between the United States, China, and the SABER countries.

(b) Additional data have been added to the following tables.

- Table 7: Total value of imports and exports with U. S. and China
- Table 8b: Value of main commodity imports from the US to SABER countries
- Table 8C: Value of main commodity imports from China to SABER countries
- Table 10: US\$ exchange rates and Total Reserves
- Table 11: Share of Legislative Seats and Status of Democracy indices
- Table 15: Health: malaria cases and deaths
- Table 16: Telecommunications: Internet bandwidth
- Table 19: Stock Exchanges: stock exchanges indices

(c) All graphs and charts in the summary sections now include a longer timeline of data, and their presentation formats have been clarified.

Appendix C: Summary of Business Culture

In response to outside reviewers, **Appendix C Summary of Business Practices** has been added. It covers greetings, business meetings, titles and business cards, time, communication, bargaining and negotiation, gift giving, women and gender issues, tipping, personal space, eye contact, business dress code, and practices to avoid. A series of tables have been developed using the websites, literature, and personal experiences of SABER's authors and colleagues. The tables will be put on the website subsequently so that readers can provide data for some of these aspects for countries they are knowledgeable about.

Additional Information on China and Chinese Companies

Although SABER 2011 contained information on China's FDI, SABER 2012-2013 has examined the subject in greater depth. Considered here are: exports and imports to African countries; infrastructure contracts for construction (housing, stadiums, government buildings, offices, schools, hospitals); energy development (electricity and wind power); mining (oil and minerals); telecommunications; and transportation (roads, railways, ports, and airports), and joint ventures (e.g., airlines, agriculture, manufacturing). China is the first- or second-largest trading partner for most SABER countries.

The SSA Business Environment

Political Stability

While political stability improved in seven of the SABER countries (Ghana, Republic of Congo, Equatorial Guinea, Gabon, Mozambique, and Namibia) it continues to elude many countries in Sub-Saharan Africa, particularly the largest economies or countries (South Africa, Nigeria, the Democratic Republic of Congo, and Kenya) in each of SABER's regions. In Southern Africa, South Africa's President, Jacob Zuma, easily defeated his challenger, Kgalema Motlanthe, for the party's presidency, paving way for his almost certain reelection in 2014. However, the country continues to be plagued with corruption scandals and was rocked in 2012 with the killing of 34 protestors at platinum mine, the worst police violence since the end of Apartheid. The African National Congress still dominates South African politics but is struggling to devise solutions to the country's challenges. The ruling parties in Zambia, Mozambique, and Angola were under less pressure in 2012 and enhanced their dominant political positions.

In West Africa, the apparent desire of Nigeria's President Goodluck Jonathan to seek reelection in 2015 has fractured the ruling People's Democratic Party. Northern Nigerians believe that he is going back on an agreement to alternate the presidency between the northern and southern parts of the country. Jonathan also is confronting a brutal terrorist organization in the north of the country and unrest in the oil-producing Niger Delta. The other SABER countries in the region, Ghana, Côte d'Ivoire, and Senegal, are transitioning to new presidents.

In East Africa, contrary to Kenya's violent elections of 2007, the election of March 2013 was peaceful. Uhuru Kenyatta was elected President, and his primary opponent, Raila Odinga, conceded after the Supreme Court ruled that the election was fair and free. Uncertainty still hangs over the presidency as Kenyatta and his vice president are facing trial in the International Criminal Court for violence and deaths linked to the previous election.

The failed state of Somalia continues to cast a pall over East Africa. The Somali terrorist organization, al Shabaab, launched terrorist attacks in Kenya and Uganda culminating in Nairobi's Westgate Mall on September 21, 2013 in which at least 72 people were killed. All the governments in the region struggle with improving security. The United States is working with many governments to help accomplish this.

The ruling parties in East Africa continue to dominate. Ethiopia's Prime Minister Meles Zenawi died in August after winning the reelection in 2010, and ruling the country for 21 years. Deputy Prime Minister of Ethiopia, Hailemariam Desalegn, took over through constitutional succession. President Kikwete was reelected in Tanzania but faces challenges with a separatist movement in Zanzibar. Uganda President Yoweri Museveni is becoming increasingly authoritarian and is considering running for reelection in 2014.

In Central Africa, the presidents of Equatorial Guinea and the Republic of Congo are grooming their respective sons for the presidency. Political violence continues to create uncertainty in the Democratic Republic of

Congo. The government is very weak and corrupt and is facing rebel movements in the southern and eastern parts of the country. In Katanga, 35 people were killed when a separatist militia attacked Lumbashi. In April 2012, Tutsi soldiers in the Congolese army rebelled and formed the rebel group M23 which has unleashed further instability in eastern Congo. In November 2012, they briefly occupied Goma, the capital of North Kivu province, and only starting in 2013 have government forces been strong enough to push them to peace talks that started in October 2013.

Economic Growth and Trade

Fourteen of the SABER countries (West: Cote d'Ivoire and Nigeria; Central: Cameroon, Democratic Republic of Congo, Gabon; East: Ethiopia, Kenya, Tanzania, and Uganda; and Southern: Angola, Mozambique, Namibia, South Africa and Zambia) enjoyed faster economic growth rates in 2012, with many exceeding 7%. Most of these fast-growing countries were economies dominated by oil and other minerals. Ghana, with its new oil production, grew at 8.2% in 2013, and is projected to grow at 7.8% in 2013. Similarly, Nigeria grew at 7.1% while the Côte d'Ivoire enjoyed a peace dividend with growth of 8.1%. Increased mining production has also helped the Central African countries to grow faster than the average African growth rate of 5%.

However, labor unrest in the traditional mining powerhouse of South Africa and Zambia negatively affecting their economic growth. Strikes following police violence at a platinum mine crippled production in South Africa before a labor agreement was reached. This is one reason why the South Africa's GDP grew at only 2.5% in 2012, which is half the rate achieved by other countries in the region.

Agriculture has been marginalized in many African countries, particularly in the oil producing states in Central Africa and in Nigeria. In contrast, Ethiopia emphasized agriculture in its economic development strategy and at 7%, has the fastest-growing non-oil economy in all of Africa. Agribusiness represents 40% of the Ethiopia's economy and 60% of exports. Both agriculture and agro-industry are benefiting from subsistence farmers moving into the commercial economy, helped by roads, electricity, and market network expansions, as well as recovery from the 2011 drought. Production of major grain staples is set to rise in 2013.

Increased demand for natural resources in China helped generate positive trade balances for eight SABER countries. Six are oil producers, Cote d'Ivoire, Nigeria, Equatorial Guinea, Gabon, Republic of Congo, and Angola, while the exports of the other two, Namibia and Zambia, are dominated by minerals. Countries without large mining or oil sectors, such as the East African countries, had negative trade balances.

China is now the largest trading partner with Sub-Saharan Africa, surpassing the United States and the former European colonial powers. Natural resources dominate China's imports from Africa, while equipment and consumer goods constitute some of its largest exports. In many countries, Chinese traders are aggressively expanding their markets, often at the expense of local retailers. There is a backlash against Chinese traders in some African countries. Kenya's Ministry of Trade issued a directive to arrest, prosecute, and deport Chinese citizens operating businesses without valid work permits as a result of complaints that Chinese retailers sold substandard and subsidized goods.

In 2012, Chinese leaders visited ten African countries, and thirteen heads of states from Africa paid visits to China. FOCAC held the 5th ministerial conference in Beijing. Chinese president Hu Jintao announced areas to enhance China-Africa cooperation: expanding financial cooperation, increasing aid and assistance, and supporting continental integration in Africa. China set up joint commissions on commerce and trade with African countries in 2012 as a coordination mechanism. China also formed a joint commission with ECO-WAS. It is the second one of its kind with African regional economic communities following the first one with EAC in 2011. The second Trade Forum held in Ghana on 20-21 March 2012 aimed to maximize foreign direct investment inflows from China and attract long-term concessionary funding for development. Attending West African leaders encouraged Chinese investors to take advantage of existing fair trade policies in West African states to expand their investments. In 2013, China's new president, Xi Jinping, visited Rep. of Congo, South Africa, and Tanzania.

Infrastructure and Foreign Investment

Foreign direct investment increased in 14 of the SABER countries (West: Ghana, Nigeria, Senegal; Central: Cameroon, Republic of Congo, Gabon; East: Kenya, Tanzania, Uganda; and Southern: Botswana, Mozambique, Namibia, South Africa, and Zambia). Much of this investment is natural resource based. New discoveries of oil and gas deposits have stimulated foreign direct investment (FDI) into historically energy-importing countries in East and Southern Africa. Mining is getting increased attention in most SABER countries. There is increased investment from African multinationals, particularly from South Africa. South African companies accounted for 4.1% of all FDI projects in Africa between 2004 and 2011. They have been particularly active in the mining, beverages, banking, and retail sectors.

Diversification away from primary production has been an elusive goal for most African countries. Botswana, the world's largest producer of diamonds, struggled with this for years but recently convinced DeBeers to move its sorting operations from London to Botswana in order to add more value in the country of production. The government of the DRC is working with South Africa and other countries to harness the power of the Congo River with the expansion and modernization of the Inga Dam. When completed, this project has the potential to provide electric power to all of the African countries south of the equator. Ethiopia plans to quadruple its electric capacity by 2015 through investing in extensive wind power generation. ICT continues to be a growing area in Africa.

Infrastructure, a major bottleneck to business and development in many countries, is now being viewed as a business opportunity by some companies. Nigeria is attempting to attract independent power producers to help revitalize its decrepit electricity system. General Electric, a U. S. company, signed a US\$10bn MoU with the Nigerian government for energy development. Chinese contractors are building roads in the Republic of Congo, the DRC, Cameroon, and Equatorial Guinea. Bechtel, a U.S. engineering company, has been awarded a multi-billion dollar contract to build roads, railways, schools, and faster Internet service in Gabon.

The Chinese government has invested heavily in infrastructure projects in Africa, particularly in resource rich countries like Zambia and Angola. While large state-owned companies get much of the attention, smaller private investors are also investing in Africa. Chinese companies are not only focusing on oil and mineral extraction in most countries. Some are also building export processing zones in countries like Zambia and Nigeria to set up manufacturing operations to produce for local markets. Many of the road, bridge, and rail construction contracts have been given to Chinese companies; some obtain credits for natural resources.

The Chinese government introduced a series of programs to facilitate such growth, such as China-Africa Development Fund (CADF) investing in over 50 projects in thirty African countries, Special Economic Zones (SEZ) supporting over 20 projects, and Small and Medium Enterprise (SME) special loans. Also two China-sponsored Special Economic Zones (SEZs) are under construction In Nigeria within ECOWAS: the Lekki Free Trade Zone and Ogun Guangdong Free Trade Zone due to be completed in 2014-2015.

Business Climate

Africa still has the most challenging regulatory environment for business. According to the World Bank, 16 of the 20 most difficult countries in which do to business are African. Six of these are SABER countries: Republic of Congo, Democratic Republic of Congo, Cote d'Ivoire, Angola, Gabon, and Senegal. Unfortunately, only four 16 SABER counties, Nigeria, Sudan, Ghana, and Uganda improved their rankings in the latest *Doing Business Report*. Contract enforcement and starting a business are difficult in many of the countries. A few countries improved. Ghana's ranking increased by 3 positions to 64 out of 185. Nigeria's ranking increased by 6 positions to 131. Its rank improved in getting credit and trading across borders. Uganda is now East Africa's second easiest country to business, after Rwanda. Corruption is also a major obstacle and charges of cronyism and corruption were levied against most SABER governments. One of the worst is the DRC, where corruption is endemic. Transparency International ranked it 160 out of 176 countries, stating that its budget openness was "scant or none."

The SSA Business Environment

African stock exchanges typically did very well in 2012. The Nigerian Stock Exchange posted in a 63% return with its All-Share Index returning 46%, while the Ghana Stock Exchange returns were 17%. On the Uganda stock exchange, the all shares USE ALSI index in June 2013 was 1673 compared to 1188 in 2010. The Johannesburg Stock Exchange (JSE) is the world's 17th largest stock exchange, and the largest stock market in Africa in terms of market capitalization, volume of trade and number of companies listed as of December 31, 2012. The JSE Index reached an all-time record high in March 2013. The much smaller by comparison, Zambia's Lusaka Stock Exchange, had a one-year return for March 31, 2013 of 4.1% but the three-year return was 27.9%.

Health and Social Aspects

While there is increasing optimism about Africa's economic growth and potential for foreign investment, there is also concern that most Africans are not benefiting. A recent survey of almost 52,000 Africans by Afrobarometer in 34 countries revealed that over 40% did not have a cash income sufficient to meet basic needs. Twenty percent lacked food, clean water, and medical care. Three-fourths of the participants went without money at least once in the past year.

This pessimism is reflected in the data on health care and poverty, even in oil rich countries. Maternal mortality in oil-rich Angola has declined since 2008, but it is still an appalling 450 deaths per 100,000 births. Nigeria's very high rate of 840 in 2008 declined to a still high rate of 630 in 2010. Ghana's maternal mortality rate held at 350 and Senegal's declined from 410 to 370 in 2010. The HIV/AIDS pandemic has strained the meager health resources of the African countries. South Africa has the largest population living with HIV/AIDS in the world with 17.3% of the population infected. Only 66% receive antiretroviral therapy. While Equatorial Guinea and Gabon spend relatively high amounts per capita on health care (US\$896 and US\$302 respectively), their health care systems still do not provide adequate treatment for their populations. Things are even worse in the DRC, where health care spending is a paltry US\$20 a person.

Figure 5: SABER Business Environment Evaluation

GDP Rank 2012	Country	Political Stability	GDP Growth	FDI	Trade Balance (2011)	Business Climate
1	South Africa	↑	↑	↑	-	↓
2	Nigeria	↔	↑	↑	+	↑
3	Angola	↔	↑	↓	+	↓
4	Sudan	↔	↓	↓	+	↑
5	Ethiopia	↔	↑	↓	-	↓
6	Kenya	↓	↑	↑	-	↓
7	Ghana	↑	↓	↑	-	↑
8	Tanzania	↓	↑	↑	-	↓
9	Cameroon	↓	↑	↑	-	↓
10	Cote d'Ivoire	↔	↑	↓	+	↓
11	Uganda	↔	↑	↑	-	↑
12	Zambia	↓	↑	↑	+	↓
13	Gabon	↑	↑	↑	+	↓
14	Congo, DR	↓	↑	↑	-	↓
15	Botswana	↑	↑	↑	-	↓
16	Eq. Guinea	↑	↓	↓	+	↓
17	Mozambique	↓	↑	↑	-	↓
18	Senegal	↔	↓	↑	-	↓
19	Congo, Rep.	↑	↓	↑	+	↓
20	Namibia	↑	↑	↑	+	↓

Source: SABER 2012-2013

1. ↑ means up, increasing; ↔ means same or mixed results; ↓ means down or problematic
2. Trade balance: + means exports > imports; - means imports > exports

Figure 6: SSA GDP growth (annual %)

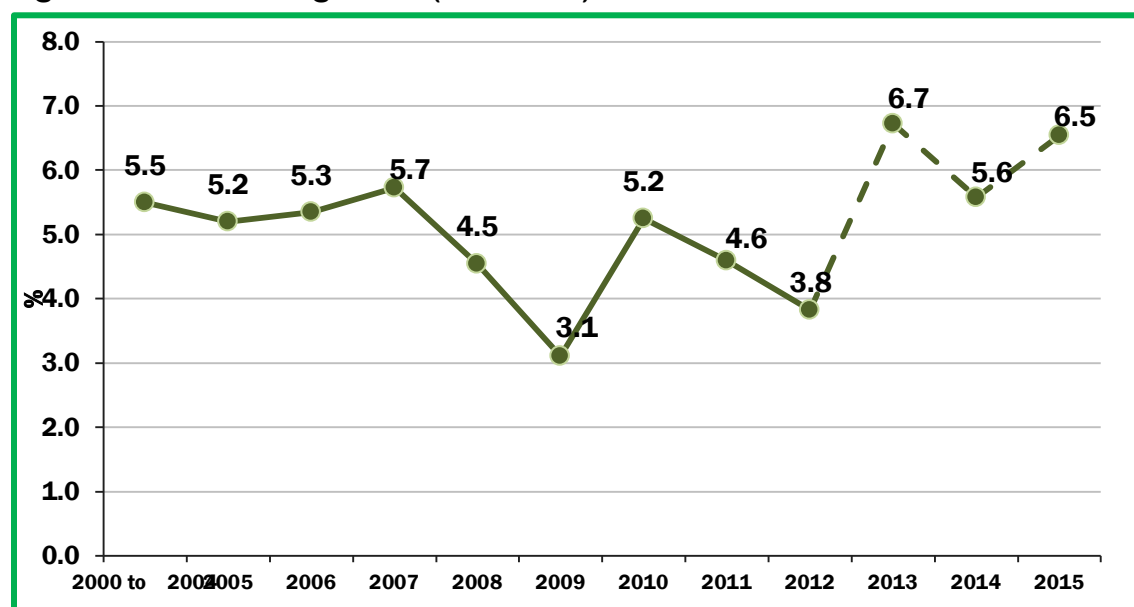
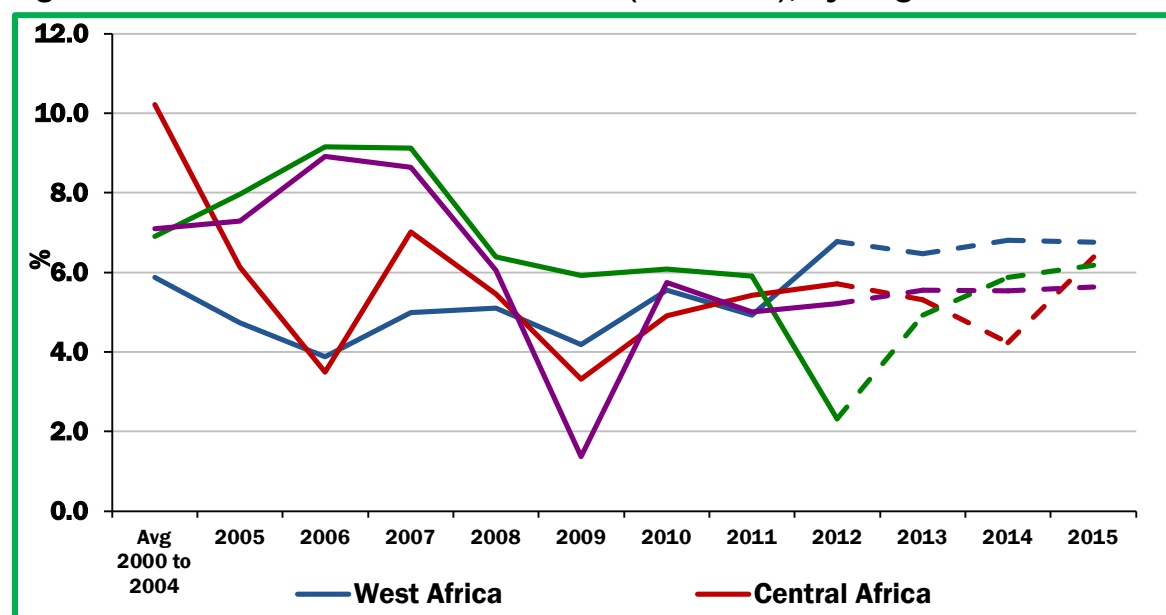


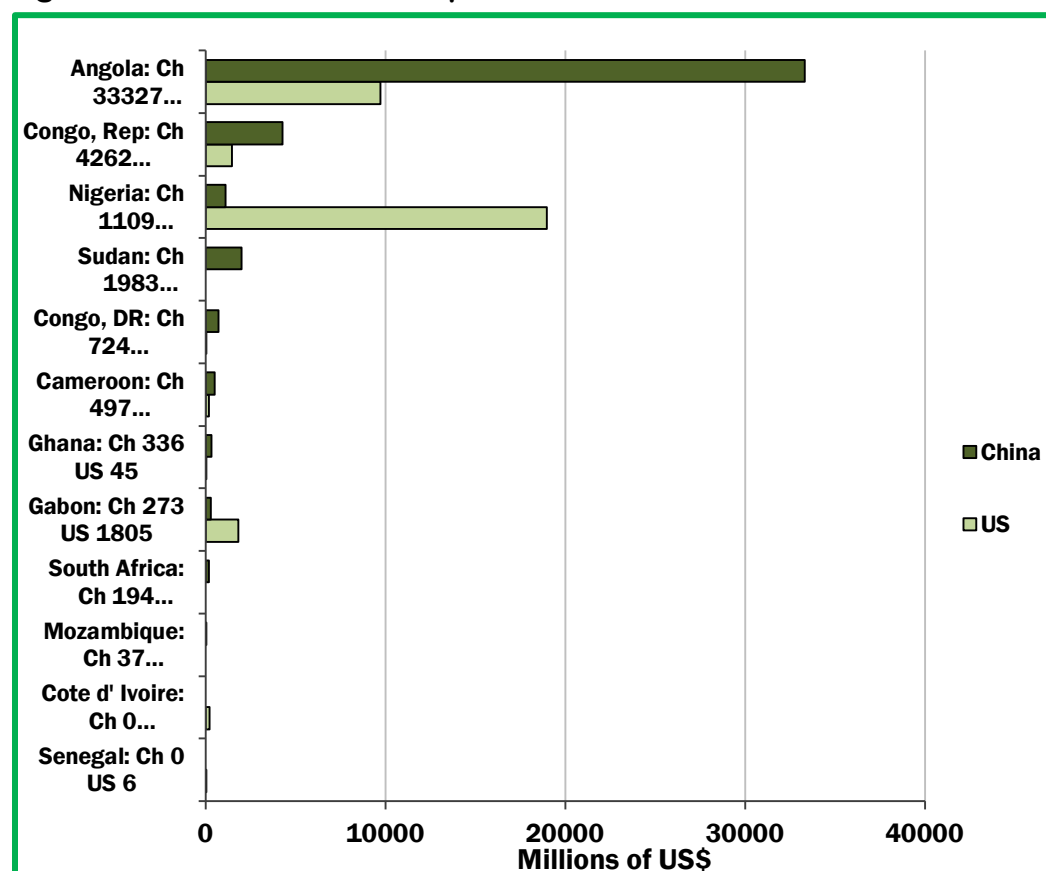
Figure 7: SABER Countries GDP Growth (annual %), by Region



Source: International Monetary Fund, Balance of Payments Database

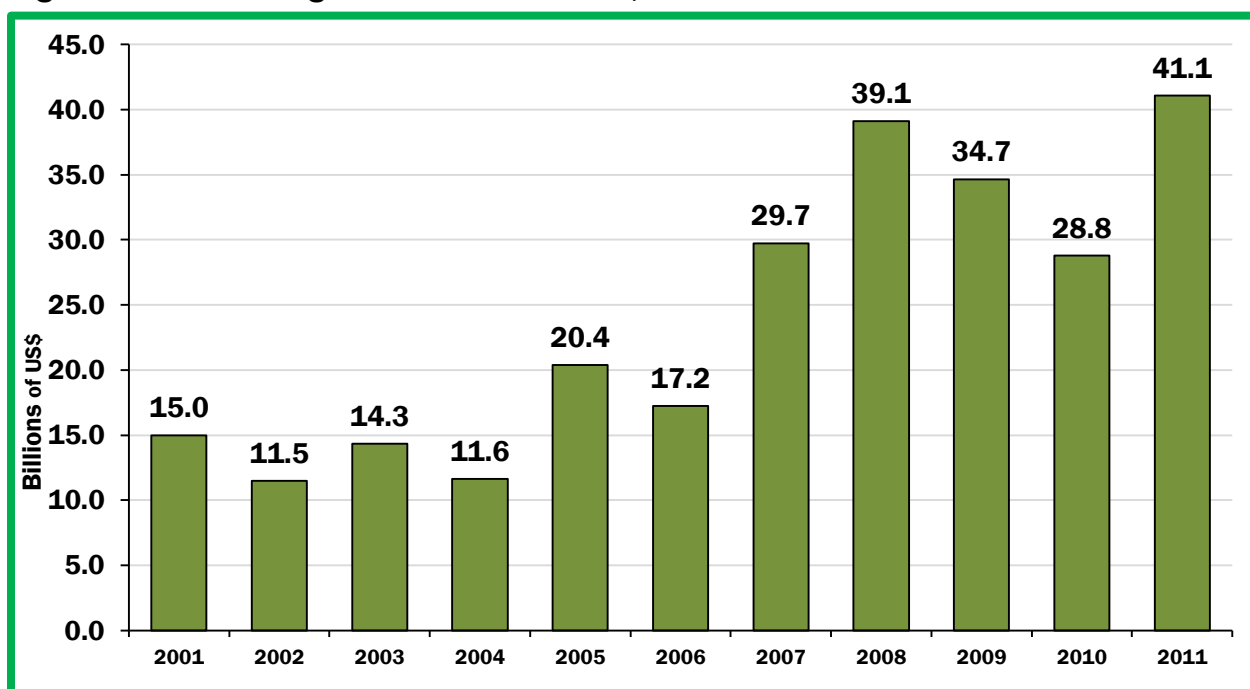
Note: The value for 2000 to 2004 is an average of the GDP growth during the four year period.

Figure 8: Mineral Fuel/Oil Exports to the USA and China



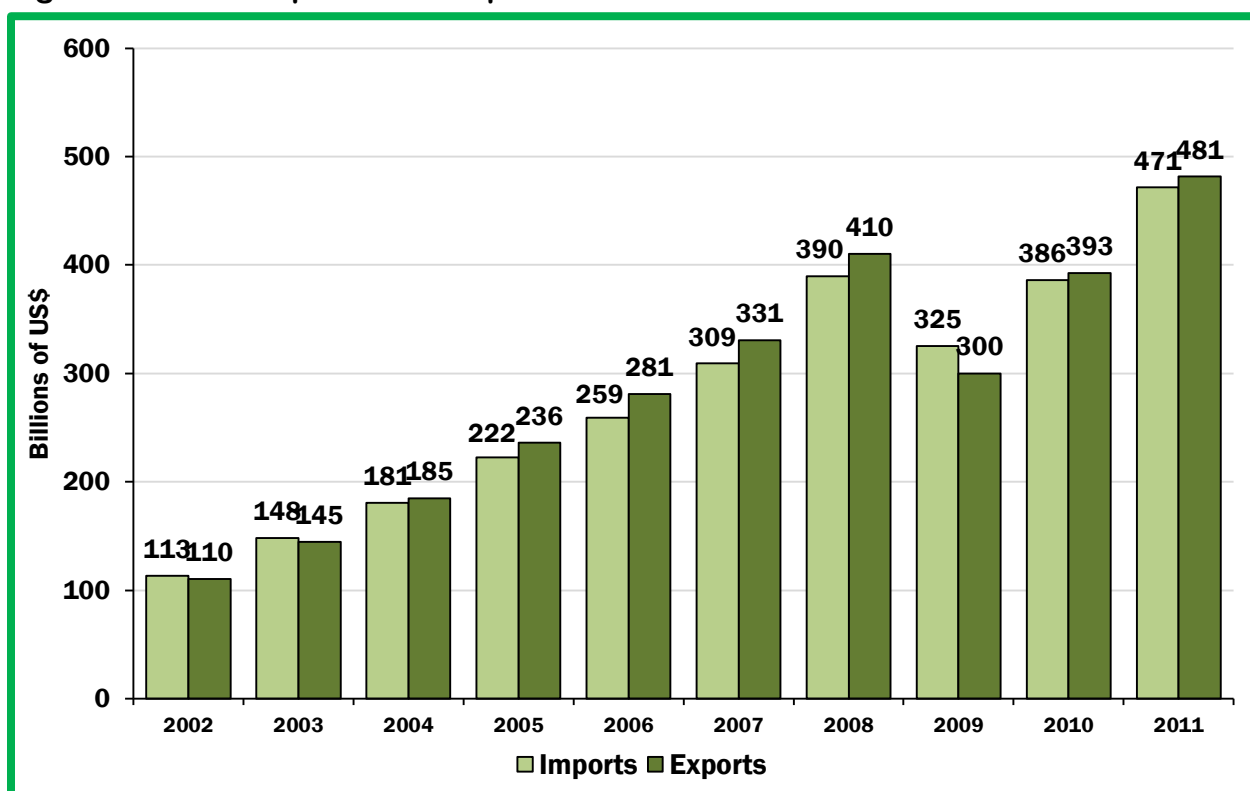
Source: SABER 2012-2013 (Table 8a)

Figure 9: SSA Foreign Direct Investment, Net Inflows



Source: SABER 2012-2013 (Table 6). Data for 2012 are not available.

Figure 10: SSA Exports and Imports of Goods and Services



Source: World Bank National Accounts Data, and OECD National Accounts Data Files. Data for 2012 not available.

Summary of SABER West African Countries

Countries: Côte d'Ivoire, Ghana, Nigeria, Senegal

Political Stability

Côte d'Ivoire was largely peaceful in 2012, coming to terms with President's Ouattara's authority. Violence in the first quarter of 2013 showed the difficulty in demobilizing and reintegrating former government, rebel, and militia forces. Public administration and education and health sectors stabilized in the North and Central-Northwest regions. The embattled areas of Abidjan, the de facto seat of government, were repaired. China plans military cooperation with Côte d'Ivoire in terms of security and training of soldiers. A Chinese delegation discussed the partnership between the two armies in terms of reinforcing military capacity.

In **Ghana**, President John Atta Mills passed away unexpectedly in July 2012. John Dramani Mahama, the vice-president, was sworn in to complete the presidential term in accordance with the constitution. He went on to win the December 2012 elections with 50.7% of the vote. Similarly, **Nigeria's** President Umaru Yar'Adua passed away in May 2010 and was succeeded by Goodluck Jonathan, who subsequently won the 2011 election. Jonathan plans to seek another term in office in 2015 which will almost certainly provoke the northern caucus and that could lead to splits in the ruling party. **Senegal** continued the peaceful transfer of power when Macky Sall won, and former President Abdoulaye Wade conceded defeat. There had been widespread anti-Wade protests, but Wade's swift concession and decision not to challenge the result averted further unrest. Sall faces major challenges in jobs and infrastructure.

In **Nigeria**, security agencies accounted for one-fifth of the country's annual budget, used in part for combating the Boko Haram terrorist group that killed over 1,000 people (including police officers and Muslim clerics). The country ranked high on the Global Terrorism Index of 2012 at 7th worldwide.

Economic Growth, Trade and Agriculture

Côte d'Ivoire's economy rebounded in 2012 in general, and especially in its cocoa (the country is the world's largest producer) and cotton industries. GDP growth in 2012 was 8.1%, and estimates of 8.6% growth in 2013 are predicted; donors also scrapped US\$10bn of debt. The African Development Bank may move its headquarters back to Abidjan. Trade increased with China (third-largest import partner behind Nigeria and France) and the U.S. **Ghana** is newly flush with oil. The Ghana Revenue Management Act, passed a year after the first oil was pumped from the country, establishes mechanisms for collecting and distributing petroleum revenues. The GDP growth in 2012 was 8.2%; projections for 2013 are 7.8%. Ghana aims not to be classified as a Heavily Indebted Poor Countries.

Nigeria and the U.K. plan to double trade and the level of trade between Nigeria and Canada rose significantly in 2012. Nigeria was Canada's largest trading partner in Africa. **Nigeria's** huge oil exports give it a positive trade balance. **Nigeria's** GDP growth in 2012 was 7.1%, and is predicted to be 6.7% in 2013. The government may ban rice importation due to good yields, and will distribute 10 million cell phones (half to men & half to women) to boost agricultural production.

Foreign Direct Investment

There was increased Chinese FDI for oil exploration and extraction, transportation (large contracts to build major road, railways, and ports) and building construction in all countries. China is also developing two export zones in major cities for manufacturing & industrial processing for natural resource extraction. With the civil war over in **Côte d'Ivoire**, agriculture and mining offer FDI investment opportunities. Fourteen new

production-sharing agreements were signed with oil multinationals, including the French company Total and the American company Anadarko. In **Nigeria**, General Electric, a U. S. company, signed a US\$10bn Memorandum of Understanding (MoU) for energy development. The second ECOWAS-China Business Forum was held in Accra, **Ghana** in March 2013 and focused on maximizing FDI from China, attracting long-term funds for infrastructure, and promoting ECOWAS-China trade.

Telecommunications

There was significant increase in **Ghana** and **Nigeria** in cellular subscribers and Internet users. In **Côte d'Ivoire**, Chinese ICT company Huawei launched a data center dubbed “Cote d'Ivoire's e-government project” with a US\$30mn loan through the Export-Import Bank of China, to help ICT in government ministries including connections to 52 ministerial websites to help manage employees. Several parts of the capital will be connected to the fiber optic cable to allow rapid Internet connections. In December 2012, **Ghana** embarked on the African Monitoring of Environment for Sustainable Development project to use satellite observations to monitor environmental hazards that harm agriculture, cause food insecurity, and impact water resources. Ghana also has a Digital Seismic Network to monitor earthquakes and seismic activities and is set to embrace space science, with the inauguration the Ghana Space Science and Technology Center.

Doing Business, Business Culture, Stock Exchange

In terms of doing business, the New York Times listed Accra, **Ghana**, as one of the best places in the world for business and pleasure in January 2013. Accra placed fourth out of the 46 places it recommended its readers to visit in 2013. In 2012, the Ease of Doing Business rank for **Ghana** increased by 3 positions to 64 out of 185. By contrast, doing business was difficult in the other three countries. **Côte d'Ivoire's** rank was 177 and **Senegal's** was 166. With the election of President Sall in **Senegal**, the government will begin to restore control over public spending reducing the deficit, increasing transparency, and encouraging the private sector which should improve the business environment and begin to move the very low ease of doing business rank (166 of 185) to a higher position. **Nigeria's** ranking increased by 6 positions to 131. Its rank improved in getting credit and trading across borders. The **Nigerian** banking sector increased the amount of credit extended to the private sector to US\$1.5bn, an increase of 49.2% over 2011. Despite the lack of reform, **Nigeria's** strengths are its large market (rank 33) that provides companies with economies of scale, as well as its sophisticated regional standards (rank 66) such as hiring professional managers who can delegate decision-making within organizations.

In 2012, the **Nigerian** Stock Exchange posted a 63% return with its All–Share Index returning 46%, while the Ghana Stock Exchange returns were 17%. The crisis in **Côte d'Ivoire** severely decreased values in 2008 and 2009 of the BRVM stock exchange (Côte d'Ivoire is one of 8 members). Values for October 2012 showed an upward bounce back, although the market was still 11% down from its 2008 value.

Health and Social Aspects

Health care in West Africa remains problematic. In terms of maternal mortality, Côte d'Ivoire's rate of 470 deaths per 100,000 in 2008 was reduced to 400 in 2010. Nigeria's very high rate of 840 in 2008 declined to a still high rate of 630 in 2010. Ghana's maternal mortality rate held at 350 and Senegal's declined from 410 to 370 in 2010. Ghana had only 25% of the population below the national poverty line compared to over 42% for Côte d'Ivoire, 58% for Nigeria, and 51 % for Senegal. Various countries sent medical aid and built hospitals. USAID signed a US\$60mn agreement to transfer funds for a Resiliency program in Northern Ghana to improve the livelihoods and nutritional status of those most in need, particularly women of child-bearing age and children under five years.

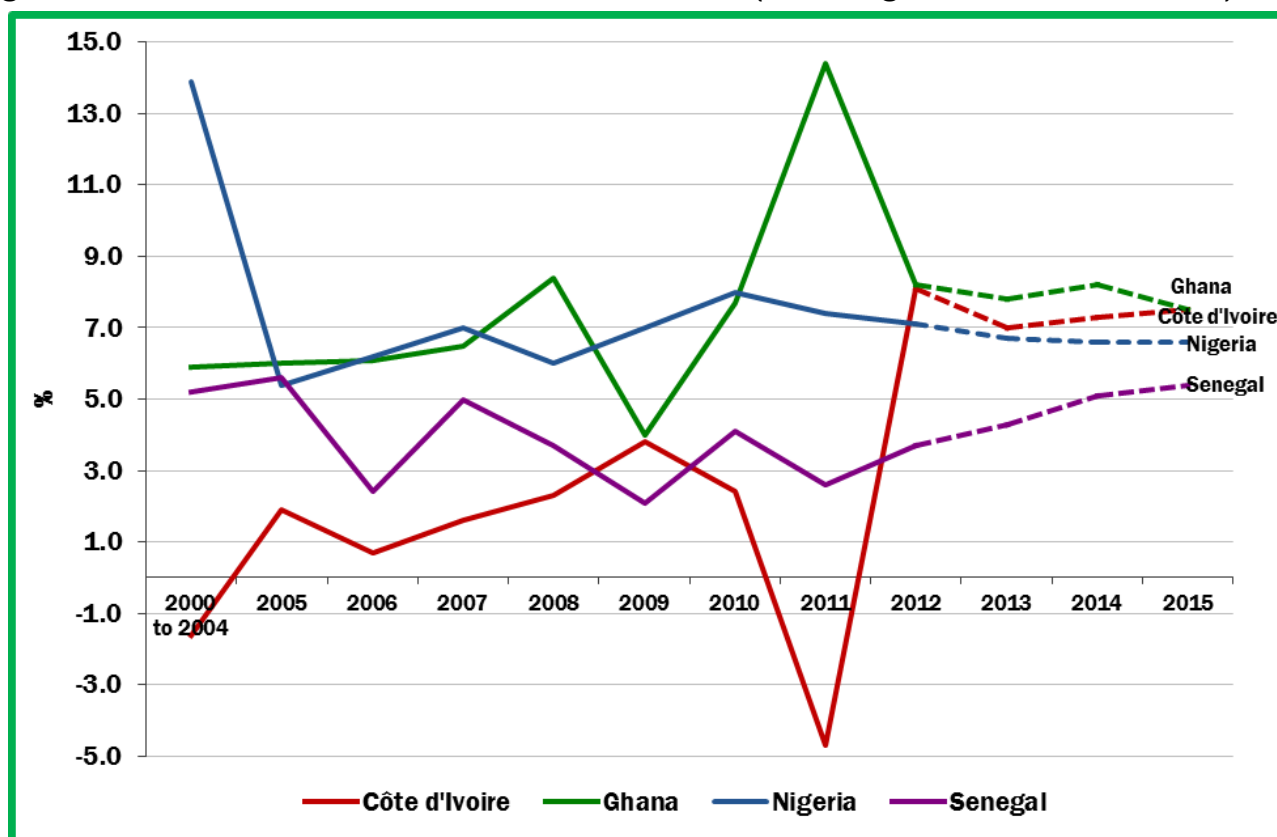
Figure 11: West African Business Environment Evaluation

	Côte d'Ivoire	Ghana	Nigeria	Senegal
Political Stability	↔	↑	↔	↔
-DP growth	↑	↓	↑	↓
FDI	↓	↑	↑	↑
Trade Balance (2011)²	+	-	+	-
Business Climate	↓	↑	↑	↓

Source: SABER 2012-2013

1. ↑ means up, increasing; ↔ means same or mixed results; ↓ means down or problematic

2. Trade balance: + means exports > imports; - means imports > exports

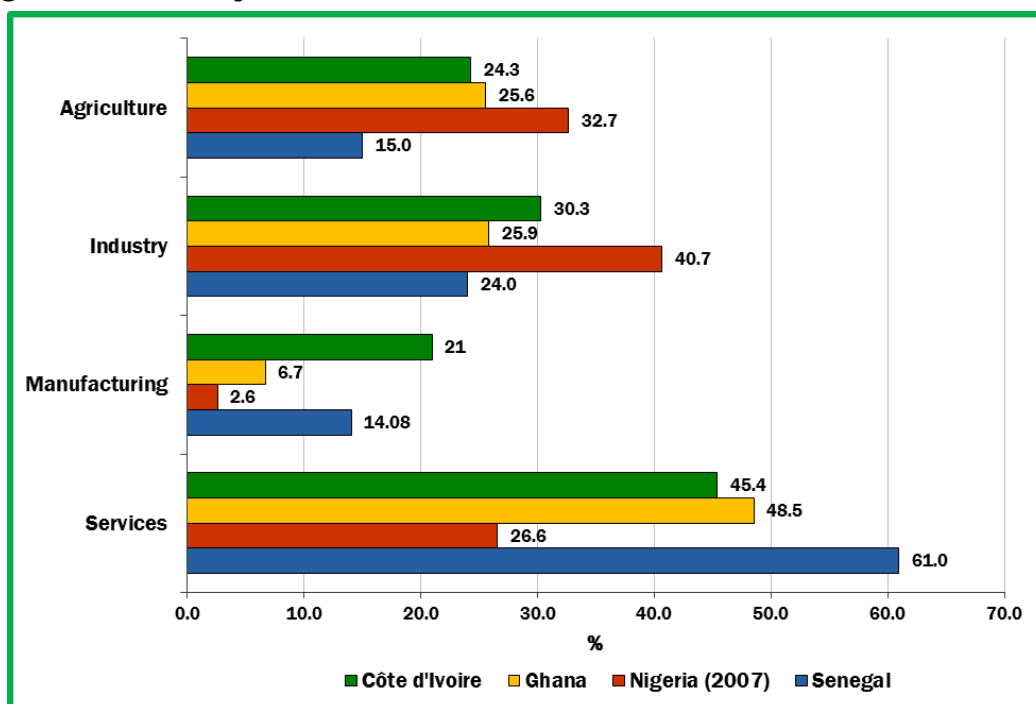
Figure 12: GDP Growth of West African Countries (% Change from Previous Year)

Source: International Monetary Fund, Balance of Payments Database

Note: The value for 2000 to 2004 is an average of the GDP growth during the four year period.

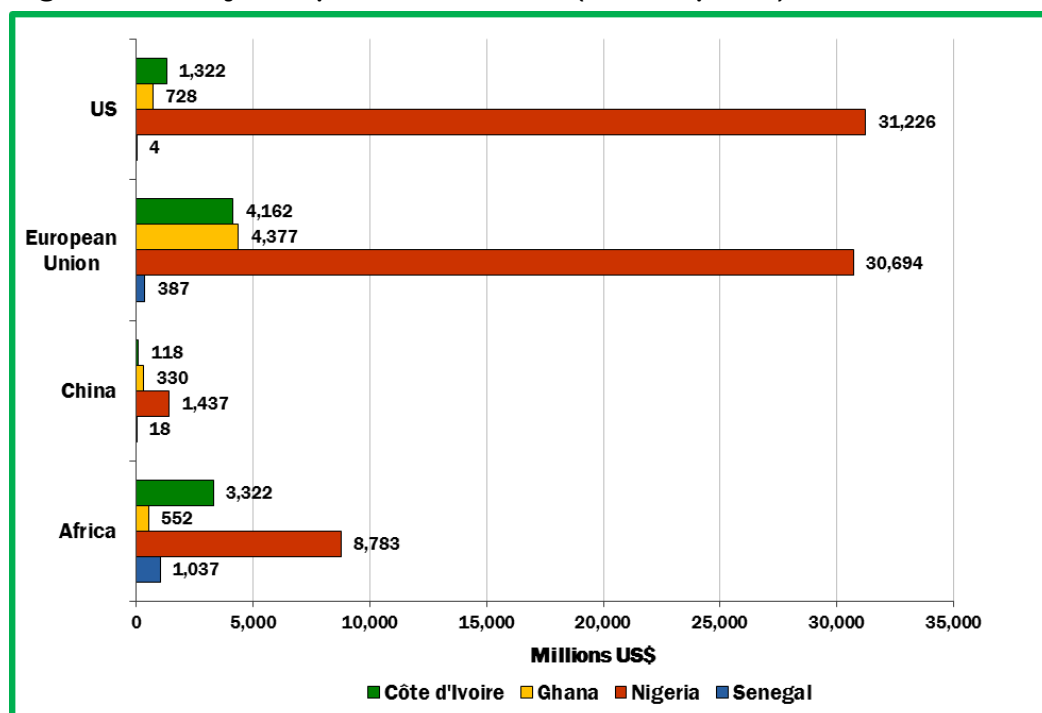
Dotted lines are estimates

Figure 13: GDP by Economic Sector of West African Countries



Source: SABER 2012-13 (Table 3)

Figure 14: Major Export Destination (% of Exports) West African Countries



Source: SABER 2012-2013 (Table 6)

Côte d'Ivoire

GDP US\$ 24.7 billion
GDP Growth, 2012: 8.1%
GNI per Capita, PPP US\$ 1,090

Capital: Yamoussoukro
Doing Business World (SSA) Rank: 177 (37)
Inflation Rate, 2012: 2%
Currency: Franc BCEAO

Population: 20.6 mill
Main Trading Partner: EU
HDI Rank: 168
Gender Inequality: 0.58

Côte d'Ivoire gained independence from France in 1960. The official language is French, and the main African languages spoken are Baoulé, Dioula, Dan, Anyin and Cebaara Senufo.



Political Stability

- Former president Laurent Gbagbo of the Front Populaire Ivoirien (FPI) refused to cede power after losing the November 2010 election. This brought civil war and six months of violence claiming over 3,000 lives. French and U.N. helicopter troops helped capture Gbagbo and ended his defiance of the elections and international recognition.
- Alassane Ouattara of the Rassemblement des Républicains (RDR) party won 54.1% of the vote and was inaugurated May 21, 2011. The conflict often pitted Christian southerners against Muslim northerners. The country was largely peaceful in 2012, coming to terms with Ouattara's authority. President Ouattara named Daniel Kablan Duncan as the country's Prime Minister in November 2012.
- Gbagbo boycotted the election in 2011 and has been handed over to the International Criminal Court (ICC) in The Hague. Simone Gbagbo, his wife, could be tried in Côte d'Ivoire rather than by the ICC.
- Violence in the first quarter of 2013 showed the difficulty in demobilizing and reintegrating former government, rebel, and militia forces. UN peacekeepers will remain until stability is restored, but international relations could be damaged if investigations into the atrocities implicate members of Ouattara's new government, as well as those connected to former president Gbagbo who have launched cross-border raids from Liberia and Ghana.
- Public administration, education, and health sectors stabilized in the North and Central-Northwest regions. Embattled areas of Abidjan, the commercial capital and de facto seat of government, were repaired and garbage collections were restarted.
- After the end of the civil war, President Ouattara set up a Truth and Reconciliation Commission to investigate and punish perpetrators. Gbagbo and 120 others were implicated. A military tribunal was set up to investigate the March 2011 killing of a colonel stemming from post-election violence. The five suspects charged with kidnapping and murder included Bruno Dogbo Ble, the feared head of former President Gbagbo's Republican Guard.
- The political stability percentile rank was 8 in 2012, same as in 2011. The corruption perception index score was 29 (30 out of the 48 SSA countries) (Table 12). Cote d'Ivoire was rated as "a partly free democracy," and ranked at 158 out of 192 countries in press freedom globally (Table 11).
- In Sept. 2012, China and the then Foreign Minister Daniel Kablan Duncan (now Vice President) signed an assistance agreement that included interest-free loans and non-reimbursable (amount undisclosed).
- China plans military cooperation with Côte d'Ivoire in terms of security and training of soldiers. A Chinese delegation headed discussed the partnership between the two armies in terms of training and reinforcing military capacity.
- In August 2012, a delegation of 120 Chinese CEOs and managers representing 41 Chinese companies visited the country. Eleven Ivoirian ministers presented their priority economic sectors for FDI to the delegation.

Economic Growth, Agriculture, and Trade

- The economy of Côte d'Ivoire has been rebounding. GDP growth in 2012 was 8.1%, and the IMF projects the economy to grow in 2013 at a 7% rate (Table 2), with an annual inflation rate of 2% in 2012 and 2.5% in 2013 (Table 9). GDP was US\$24bn in 2012 and projected to be US\$26bn in 2013 (Table 1).

West Africa

- In 2011, Industry contributed 30% to GDP, the manufacturing sub-sector contributed 21%, agriculture contributed 24%, and services contributed the highest at 45% (Table 3).
- The IMF raised growth estimates to 8.6% growth in 2013, and donors scrapped US\$10bn of debt. The country and the E.U. signed the International Cocoa Agreement to promote transparency and open trade in the sector.
- In December 2012, the Parliament approved a new tax on gold profits, to be levied on profits above the government-fixed estimated production cost of US\$615/oz. The rate is dependent on world prices of gold (US\$1,600/oz and US\$1,800/oz). Miners obliged to pay corporate taxes will pay a lower rate.

Trade

- Bilateral trade with China amounted to US\$946mn in 2012 an increase of 34.6% from 2011 (US\$703mn). China is the country's third-largest import partner behind Nigeria and France.
- Total imports in 2011 were US\$9.8bn (18% change from 2010) and total exports were US\$10.5bn (a 13% change from 2010). Exports to Africa were US\$3.3bn, US\$0.1bn to China, US\$4.2bn to the E.U., and US\$1.3bn to the U.S. China had the lowest percent of exports, but the highest percent change from 2010 (48%), compared to 24% change to U.S. (24%), E.U. (-4%), and Africa (11%) (Table 6).
- Imports from the U.S. totaled US\$188mn and imports from China totaled US\$804mn in 2012. Exports to the U.S. totaled US\$1.09bn and US\$142mn to China (Table 7).
- The main export to the U.S. in 2012 was cocoa, with a total value of US\$732mn (67% of total exports) followed by mineral fuel, oil, bitumen, and mineral wax at US\$225 (20% of total exports). Main exports to China (Table 8a) were cotton, yarn, and fabric, with a total value of US\$81mn (57% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were aircraft, spacecraft, and their parts (US\$1mn); nuclear reactors, boilers, and machinery (US\$43mn); agriculture, food, and beverages (US\$25mn); plastic and its articles (US\$36mn); electric machinery, and sound and TV equipment (US\$8mn); and vehicles, excluding railway (US\$16mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$130mn); nuclear reactors, boilers, and machinery (US\$63mn); vehicles, excluding railway (US\$48mn); agriculture, food, and beverages (US\$71mn); footwear, gaiters, and apparel (US\$41mn); furniture, bedding, lamps, and prefab beds (US\$164mn); and cotton, yarn, and fabric (US\$49mn).

Agriculture

- 38% of the population was economically active in agriculture in 2010. The agriculture value added per worker was US\$1,056, a change of 48% from 2009 (Table 4).
- The cotton industry regained momentum after a decade of political chaos. Estimates from the country's central regions for 2012-2013 are 35,000 tons, up from 15,000 tons; land used for cotton production in northern regions now amounts to 115,000 hectares.
- As the world's largest cocoa producer, farmers in Côte d'Ivoire had a 725 CFA (US\$1.41) per km minimum price guaranteed by the government for the 2012-2013 season, a 9% increase over 2011-2012. Cocoa producers are no longer exporting to neighboring countries (e.g., to Ghana as noted in SABER 2011).

Foreign Direct Investment

- FDI inflows in 2011 were \$334mn (Table 6).
- With the civil war over, agriculture and mining offer FDI investment opportunities. In May 2013, the African Development Bank may announce the move of its headquarters back to Abidjan from Tunisia.
- The civil war decimated public infrastructure, so the government will look for FDI to finance sizeable investments. The President hopes that private-sector spending will help trigger a construction boom, as well as propel gold and diamond mining and agribusiness (palm oil and cashew nuts).
- Donors pledged US\$8.6bn in December 2012 to help fund the government's ambitious National Development Plan (2012–15). China may become an ever more important lender, offering interest rates cheaper than other international capital markets.

Petroleum

- Fourteen new production-sharing agreements were signed with oil multinationals, including the French company Total and the American company Anadarko.
- An oil tanker was hijacked off Abidjan on January 21. Piracy has been increasing in the Gulf of Guinea, which experienced 58 pirate-related incidents in 2012.

Infrastructure

- In January, 2013, China signed aid agreements for the 3rd phase of the Parliament Complex; post-war emergency supplies; schools and solar lighting projects; agricultural technical assistance to the country; and a Chinese-aided anti-malaria medical center.

Energy

- China's Export-Import Bank is to finance a project to construct a 275MW hydro power station with a 20-year loan of US\$654.3mn to increase electric production capacity by 150MW per year over the next decade.

Telecommunications

- 17.4 million people have cellular subscriptions (86.4 subscriptions per 100 inhabitants). 2.2% are Internet users. Internet bandwidth is 18,044 bits per second, ranked at 63 out of 140 countries (Table 16).
- In November, 2012, China International Telecommunication Construction Corporation won a bid to construct part of the national fiber optic backbone that connects Abidjan and Bouna.
- In November, 2012, the Chinese telecommunication company Huawei launched a data center dubbed "Cote d'Ivoire's e-government project" in Grand-Bassam. Funded with a loan of US\$30mn through the Export-Import Bank of China, the center will help government ministries in terms of information and computer technologies including connections to 52 ministerial websites to help manage employees. Several parts of the capital will be connected to the fiber optic cable to allow rapid Internet connections.
- China's Haier, a leader in household appliances, seeks to position itself as an ICT market leader in Africa. In December, 2012, it donated nine e-classrooms and training to nine schools in Abidjan. Its goal to have computers in 500,000 of the country's households by 2015.

Transportation

- A project to construct a highway from Abidjan to Grand Bassam (for potential biotechnology, ICT, and beach tourism) began in August of 2012. Financed by the Chinese Government's Export Buyer's Credit of US\$115mn through the Export-Import Bank of China, it was contracted to China Machinery Import & Export Corp.

Water

- In August 2012, a project to supply drinking water to Abidjan was initiated, financed by a Chinese Government Concessional Loan of US\$100mn through the Export-Import Bank of China, and contracted to the China Geo-Engineering Corporation. It will deliver 90,000 cubic meters of water through pipes after 18 months.

Doing Business, Business Culture, Stock Exchange

- The ease of doing business rank dropped by 11 positions in 2012 to 177 out of 185. Areas that significantly declined in rank are days required to start a business, ease of getting credit, and paying taxes. It improved in procedures for registering property and protecting investors (Table 17).
- Côte d'Ivoire is one of 8 members of the BRVM exchange (Table 19) having two indices: BRVM 10 and BRVM Composite. Between 2007 and 2009 due to the crisis in this country, they showed a -36% and -33% loss respectively, recovering from 2010 to 2011 to show only a -10% and -12% loss. Values of 148.36 and 161.76 respectively for October 2012, show an upward bounce back.
- In October, 2012, the Exchange moved from 13th to 7th place among 18 African Exchanges (that included Casablanca, Egypt, Tunisia, and Mauritius).
- By May 31, 2013, BRVM's capitalization value jumped 24%, leading the exchange to state that this level of capitalization, confirms its role in accelerating economic growth of the West African Economic and Monetary Union (WAEMU).

Health and Social Aspects

- Cote d'Ivoire spent about US\$60 on health per person in 2010, a decrease from US\$59 in 2009. Public health expenditure constituted 22% of the total health expenditure in 2010, an increase of 1% from 2009 (Table 15). Life expectancy at birth in 2011 was 55 years (Table 15).
- 42.7% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 470 in 2008 to 400 in 2010, and total fertility was 4.3 births per woman in 2010 (Table 15).
- Reported malaria cases were 30,000, a 52% decrease from 2010, while deaths increased from 1,023 in 2010 to 1,389 in 2011, a 36% increase from 2010 (Table 15).
- The Literacy Rate for 15 years and older was 65% for men and 47% for women in 2011. The mean years of schooling in 2010 was 4 years for people ages 25 and older (Table 13).
- 3% of the population was living with HIV/AIDS in 2011. 41% will receive antiretroviral therapy (Table 15).
- By the end of 2012, Cote d'Ivoire received over US\$47mn from the GAVI Alliance (the Global Alliance for Vaccines and Immunization), a public-private global health partnership committed to saving children's lives and protecting people's health by increasing access to immunization in poor county.

Ghana

GDP US\$ 38.9 billion

GDP Growth, 2012: 8.2%

GNI per Capita, PPP US\$ 1,410

Capital: Accra

Doing Business World (SSA) Rank: 64 (5)

Inflation Rate, 2012: 9.6%

Currency: New Cedi

Population: 25.5 mill

Main Trading Partner: EU

HDI Rank: 135

Gender Inequality: 0.68

Ghana gained independence from the U.K. in 1957, the first country to do so in SSA. English is the official language and there are nine government-sponsored languages: Akan, Dagaare, Dagbani, Dangme, Ewe, Ga, Gonja, Kasem, and Nzema.



Political Stability

- President John Atta Mills passed away unexpectedly on July 23, 2012. Vice-president John Dramani Mahama was sworn in to complete the presidential term in accordance with the constitution.
- On December 10, 2012, John Dramani Mahama of the National Democratic Congress (NDC) was elected President for a four-year term with 50.7% of the vote, compared to 47.7% for Nana Addo Dankwa Akufo-Addo, the candidate for the New Patriotic Party (NPP), a margin of 325,863 votes.
- Ghana's Revenue Management Act—passed over a year after the first oil was pumped from the country's Jubilee Field. The law outlines mechanisms for collecting and distributing petroleum revenues, specifying percentages to help fund the annual budget, and amounts to be set aside for future generations and to be invested for contingency funds.
- Civil society groups lobbied vigorously for the 13-member Ghana's Public Interest and Accountability Committee to oversee how natural resource revenues, especially from petroleum, will be managed.
- Ghana is one of three countries noted by Amnesty International as potentially leaving its doors open to those suspected of crimes under international law, since its domestic legislation does not enable the authorities, using the rule of universal jurisdiction, to investigate and prosecute persons suspected of committing crimes under international law abroad.
- The political stability percentile rank was 55 in 2012, slightly higher than 50 in 2011. The corruption perception index score was 45 (7 out of the 48 SSA countries) (Table 12). Ghana was rated as “free democracy,” and ranked at 58 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Agriculture and Trade

- The GDP growth in 2012 was 8.2%, and the IMF projects the economy to grow in 2013 at a 7.8% rate (Table 2), with an annual inflation rate of 9.6% in 2012 and 10.9% in 2013 (Table 9). GDP was US\$40bn in 2012 and projected to be US\$43bn in 2013 (Table 1).
- In 2011, industry contributed 26% to GDP, the manufacturing sub-sector contributed 7%, agriculture contributed 26%, and services contributing the highest at 49% (Table 3).
- Ghana's economy, the second-largest in the region, was forecasted to grow 8.2% in 2012 and 7.8% in 2013, according to the IMF.
- Ghana and the African Development Bank signed two agreements in November 2012 for US\$135mn to enhance private sector institutions and to promote technical skills development. Of this amount, US\$120mn will be allocated to training of technical skills; and the remainder will go to institutional support.
- The E.U. is disbursing US\$20.8mn to the government under Ghana's Multi-Donor Budget Support framework with US\$13mn to go to the Ministry of Health for implementation of the Millennium Development Goals (MDGs); and US\$8.5mn for General Budget Support, starting in 2013.
- Ghana aims to remove the classification -- Heavily Indebted Poor Country (HIPC). The country has borrowed and pushed public debt to US\$18.8bn (49.4% of GDP) by the end of 2012, compared to a debt of US\$15.3bn (40.8% of GDP) in December 2011.

Trade

- Total imports in 2011 were US\$20.1bn (51% change from 2010) and total exports were US\$14.9bn (58% change from 2010). Exports to Africa were US\$0.6bn, US\$0.3bn to China, US\$4.4bn to the E.U., and US\$0.7bn to the U.S. China had the lowest percent of exports, but the highest percent change from 2010 (195%), compared to U.S. (183%), E.U. (151%), and Africa (20%) (Table 6).
- Imports from the U.S. totaled US\$1,309mn and imports from China totaled US\$4,790mn in 2012. Exports to the U.S. totaled US\$291mn and exports from China totaled US\$643mn (Table 7).
- The main export to the U.S. in 2012 was cocoa, with a total value of US\$176mn (67% of total exports). Mineral fuel, oil, bitumen, and mineral wax exports were also high at US\$45mn (15% of total exports). Main exports to China (Table 8a) were ores, slag, and ash, with a total value of US\$177mn (28% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$28mn); nuclear reactors, boilers, and machinery (US\$313mn); vehicles, excluding railway (US\$259mn); aircraft, spacecraft, and their parts (US\$20mn); agriculture, food, and beverages (US\$179mn), and mineral fuel, oil, and bitumen (US\$99mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$529mn); nuclear reactors, boilers, and machinery (US\$511mn); vehicles, excluding railway (US\$198mn); agriculture, food, and beverages (US\$186mn); footwear, gaiters, and apparel (US\$406mn); furniture, bedding, lamps, and prefab beds (US\$405mn), and plastic and its articles (US\$359mn).
- China was Ghana's first import partner in 2010 and 2011. Bilateral trade volume between China and Ghana was US\$5.4bn in 2012, increased by 56.48% from 2011. Completed projects were worth US\$1.3bn in 2012.
- The Ministry of Trade and Industry shut down over 40 shops belonging to Nigerians in Akanshie, about 200 meters away from Makola International Market.

Agriculture

- 57% of the population was employed in agriculture in 2010 (Table 4).
- Five to ten percent of the population (1.2 million Ghanaians) has limited access to sufficient food, while another two million are food insecure during the lean season or droughts, mostly in Northern, Upper East, and Upper West Regions. An affordable high-yielding, drought-tolerant maize was introduced to help food security.
- In December 2012, the country embarked on measures to monitor and control environmental hazards that harm agriculture, cause food security, and impact water resources management for agriculture and animal

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husbandry. The African Monitoring of Environment for Sustainable Development project, funded by the European Commission, uses satellite observations for monitoring.

- In October 2012, the government announced that it reduced rice imports by 30% and improved local production by 59%. To reduce rice imports further, the aim is to produce 20,000 metric tons of highest-grade rice locally by 2012. Interventions include better farm machinery and promotion of private-public partnerships.

Foreign Direct Investment

- FDI inflows in 2011 were \$3.2bn (Table 6).
- The London-based Duet Group plans to make about US\$100mn in private equity investments in 2013 by buying into about four Ghanaian companies.
- The Second ECOWAS-China Business Forum was held in Accra in March 2013, and focused on attracting additional Chinese investment and development to the region in healthcare and pharmaceuticals, agro-food and allied services, mining, and ICT. The conference aims were to maximize FDI from China; attract long-term funds for infrastructure; promote ECOWAS-China trade; and extend the global reach of financial institutions.
- China's direct investment in non-financial sectors in Ghana reached US\$42.8mn in 2012.
- Chinese construction companies increased to 35 and new contracts were worth US\$1.8bn.
- In May 2013, Ghana launched a crackdown on illegal alluvial gold mining activities by foreigners, detaining more than 170 Chinese nationals from Guangxi province.

Infrastructure and Telecommunications

- 21.2mn people have cellular subscriptions (84.8 subscriptions per 100 inhabitants). 14.1% are Internet users. Internet bandwidth is 225 bits per second, ranked at 139 out of 140 countries (Table 16).
- Ghana's Digital Seismic Network comprises six new seismic sub-stations to monitor earthquakes and other forms of seismic activities in Ghana. At the Central Observatory in Accra, President Mahama commissioned the facility funded entirely by the government at a total cost of US\$7.1mn to monitor earthquakes and other forms of seismic activities in the country.
- Ghana is set to embrace space science, with the inauguration the Ghana Space Science and Technology Centre, which opened in May 2012. Ghana is seeking financial support of US\$5bn to develop infrastructure and human capacity in space science, from a global consortium of multinational institutions.
- Ghana's parliament has approved a US\$3bn loan from the China Development Bank to finance infrastructure projects under the Ghana Shared Growth and Development Agenda.
- China Jiangxi Corporation for International, Economic and Technical Co-operation will build an ultra-modern sports stadium in Cape Coast. The China Fund will fund US\$30mn and Government of Ghana fund US\$3.4mn.
- China's Huawei Technologies (Ghana branch) provided US\$1.2mn to the Accra Metropolitan Assembly for 275 solar-powered street lights and 80 watt lamps in Accra.

Energy

- British Gasol says the State Oil Company of Azerbaijan Republic will export liquefied natural gas to Ghana (plus Benin and Togo) to power industrial customers. The gas will be supplied to Ghana through a re-gasification vessel to be stationed at Benin's Cotonou harbor.
- Hess Corp. announced that it found 245 'net feet of oil pay' (thick reservoir rock that contains hydrocarbons that contribute to oil production rates) in the Pecan-1 exploration well offshore Ghana.
- British Tullow Oil started producing 16,500 barrels of oil per day (bpd) from Phase 1A of the offshore Jubilee field³ which has now increased to producing in excess of 105,000 bpd.

Transportation

- US\$500mn of a US\$3bn Chinese loan will be used to rehabilitate the Takoradi-Kumasi railway line.
- China Railway Wujia Corporation completed Lot 1 of the Ghana Super-highway N1 funded by the Millennium Challenge Corporation costing US\$42.1mn.
- Airline Ghana's Africa World Airlines and Ghana SAS Financial Group formed a joint venture with China's Hainan Airlines (HU) and China-Africa Development Fund for local and regional routes. HU is the controlling stakeholder with a management team from the others.

Doing Business, Business Culture, and Stock Exchange

- The ease of doing business rank increased by 3 positions in 2012 to 64 out of 185. Areas that significantly improved in rank are registration of property and getting credit. Ranks declined in in days required to start a business and dealing with construction permits (Table 17).
- The Ghana Stock Exchange (GSE) begins a parallel market in March 2013 for small companies to use the capital raised by selling shares for growth. Businesses with a minimum capital of 250,000 cedis (\$132,000) can qualify. The GSE will start a revolving fund to cover listing costs of companies on the alternative market.
- Ghana's Composite Index (GGSECI) expanded 23% by the end of 2012, outpacing a 4.9% gain in Morgan Stanley's frontier markets measure.
- Ghana was rated B1 by Moody's Investors Service, four levels below investment grade, as the rating company initiated coverage of the African country that plans to sell bonds abroad next year. Moody's B1 rating puts Ghana in line with Zambia, Kenya, and Lebanon.
- Starting in 2012, Ghana, which issued the first Eurobonds in SSA outside of South Africa in 2007, may sell a further US\$750 million.
- The New York Times listed Accra as one of the best places in the world for business and pleasure this year in January 2013. Accra placed fourth out of 46 countries.

Health and Social Aspects

- Ghana spent US\$67 on health per person in 2010, a decrease of \$13 from 2009. Public health expenditure constituted 60% of the total health expenditure in 2010, an increase of 3% from 2009 (Table 15). Life expectancy at birth in 2011 was 64 years (Table 15).
- Ghana might not achieve the Millennium Development Goal of reducing its maternal mortality rate by 2015 because the rate only declined from 170 per 1,000 live births in 2009 to 164 per 1,000 in 2010.
- WHO's Option B Plus for accelerated achievement of 50% reduction of new HIV infections is the goal by the 2015. HIV pregnant women would be placed on antiretroviral therapy for life compared to the previous Option B that only extended the therapy from 14 weeks to 12 months.
- In Ghana 28.5% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 was 350 in 2010, the same as in 2008. Total fertility (births per woman) was 4.1 in 2010 (Table 15).
- Reported malaria cases were about 1 million, a -3% decrease from 2010. Reported malaria deaths decreased from 3,859 in 2010 to 3,259 in 2011, a -16% decrease from 2010 (Table 15).
- The Literacy Rate for 15 years and older was 73% for men and 61% for women in 2011. The mean years of schooling in 2010 was 7 years for people ages 25 and older (Table 13).
- 1.5% of the population was living with HIV/AIDS in 2011. 47% of this population receives antiretroviral therapy (Table 15).
- Ghana (as well as Kenya, Nigeria, and Tanzania) will benefit from a US\$10mn public-private financing from the Medical Credit Fund (MCF) for the health. The MCF will enable small and mid-sized health care providers (clinics, laboratories, doctors and midwives) to receive funds to improve their quality.
- USAID signed a US\$60mn agreement with the Northern Regional Coordinating Council and the Saboba and Chereponi District Assemblies to transfer funds for the Resiliency in Northern Ghana program to improve the livelihoods and nutritional status of those most in needs, particularly women of child-bearing age and children under five years.

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- The Export-Import Bank of the U.S. authorized a US\$155.4mn direct loan to finance to construct the Ridge Hospital Complex expansion in Accra that will be among the most advanced medical facilities in West Africa and include a 420-bed comprehensive diagnostic and treatment block and a state-of-the-art maternity ward.
- The Chinese government sent its second medical team of 11 professionals to spend two years at Korle Bu Teaching Hospital. The team donated US\$300,000 in medical equipment.
- China's Red Cross Society donated US\$182,000 in equipment to Ghana Red Cross Society, as well as funding education projects such as the Vocational Training Center Okpoti at Dansoman in Accra for US\$6.7mn.

Nigeria

GDP US\$ 268.7 billion

GDP Growth, 2012: 7.1%

GNI per Capita, PPP US\$ 1,280

Capital: Abuja

Doing Business World (SSA) Rank: 131 (14)

Inflation Rate, 2012: 11.2%

Currency: Naira

Population: 170.1 mill

Main Trading Partner: USA

HDI Rank: 153

Gender Inequality: 0.63

Nigeria received independence in 1960 from Britain. English is the official language, with Yoruba, Igbo, Hausa, and Kanuri being the main African languages spoken.



Political Stability

- In May 2010, President Umaru Yar'Adua passed away and was succeeded by Goodluck Jonathan, who subsequently won the 2011 election. Jonathan plans to seek another term in office in 2015 which almost certainly provoke the northern caucus and that could lead to splits in the ruling party.
- In December 2012, the Nigerian National Assembly suppressed agitation against non-implementation of the 2012 budget by the executive branch and passed the 2013 budget for the Federal Government. This 2013 budget includes a US\$630mn increase over the US\$49bn budget proposal submitted by President Jonathan.
- Nigeria dropped in several categories assessing good governance in Africa: safety and rule of law, human rights, economic opportunity, and human development. The country was ranked 14 out of 16 countries in West Africa, and 43 out of the 52 countries overall. In the 2012 index, Nigeria received only 11 points out of 100 in personal safety and infrastructure. Nigeria's highest score was a 73, in the area of national security.
- In Sept. 2012, an investigative panel set up by the government to audit financial activities of the Power Holding Company for Nigeria's Superannuation Pension Fund reported that it had uncovered over US\$3.3mn in pension funds stashed away in a bank in the U.K.
- The government is planning to spend US\$10bn in 2013 on security, an increase of US\$1.4bn over 2012. Security agencies will account for more than one-fifth of the nation's US\$49bn annual budget.
- Since June 2010, the Boko Haram movement has killed over 1,000 people, mostly in central and northeastern Nigeria. Police and security forces, as well as Muslim clerics and scholars, politicians, government workers, and traditional leaders were killed as terrorists forced religious conversions at gunpoint, destroyed government buildings, and burned schools
- Nigeria was 16th in the Global Terrorism Index in 2008, but by December of 2012 it was ranked 7th worldwide. The score indicates the impact of a terrorist attack on a country in terms of fear and its security response.
- The political stability percentile rank was 4 in 2012, same as in 2011. The corruption perception index score was 27 (33 out of the 48 SSA countries) (Table 12). Nigeria was rated as "a partly free democracy," and ranked at 104 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade and Agriculture

- The GDP growth in 2012 was 7.1%, and the IMF projects the economy to grow in 2013 at a 6.7% rate (Table 2), with an annual inflation rate of 11.2% in 2012 and 9.5% in 2013 (Table 9). GDP was US\$273bn in 2012 and projected to be US\$293bn in 2013 (Table 1).
- Nigeria's debt/GDP ratio was 18% in January 2013, which compares favorably with South Africa's 41%, United States' 101%, Japan's 204% (2011 estimate), and Germany's 85%.

Trade

- Total imports in 2011 amounted to US\$86.9bn (27% change from 2010) and total exports were US\$96.7bn (20% change from 2010). Exports to Africa were US\$8.8bn, US\$1.4bn to China, US\$30.7bn to the E.U., and US\$31.2bn to the U.S. The highest percent change was to the E.U. at 77%, compared U.S. (10%), China (48%), and Africa (13%) (Table 6).
- Imports from the U.S. totaled US\$5.1bn and those from China totaled US\$9.3bn in 2012. Exports to the U.S. had a value of US\$19.1bn, and those to China US\$1.3bn (Table 7). The main exports to the U.S. in 2012 were mineral fuel, oil, bitumin and mineral wax, and totaled US\$18.9bn (99% of total exports). Main exports to China (Table 8a) were the same, and totaled US\$1.1bn (88% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$133mn); nuclear reactors, boilers, and machinery (US\$743mn); vehicles, excluding railway (US\$1.3bn); aircraft, spacecraft, and their parts (US\$20mn); agriculture, food, and beverages (US\$1.1bn), and mineral fuel, oil and bitumin (US\$972mn).
- Main commodity imports from China in 2012 were electric machines, sound, and TV equipment (US\$1.6bn); nuclear reactors, boilers, and machinery (US\$1.1bn); vehicles, excluding railway (US\$889mn); agriculture, food, and beverages (US\$364mn); footwear, gaiters, and apparel (US\$450mn); furniture, bedding, lamps, and prefab beds (US\$158mn), and aluminum and its articles (US\$513mn) (Table 8c).
- External reserves have risen due to high oil prices and stability in the foreign exchange market to close at US\$45.68bn in November 2012.
- In October 2012, Nigeria and the U.K. announced plans to double trade (from US\$6bn to US\$12bn) by 2014. The level of trade between Nigeria and Canada rose from US\$700mn in 2007 up to US\$3bn in 2012. Nigeria was Canada's largest trading partner in Africa.
- Commercial activities in the northern trade hub of Kano are down by half since 2010 because of Boko Haram. Kano's few remaining factories that process food and beverages, animal hides and plastic goods, dropped shifts from two per day to one, lowering production about 30%.

Agriculture

- 45% of the population was employed in agriculture in 2010 (Table 4).
- In December 2012, the Africa Development Bank announced plans to lend Nigeria US\$650mn for small-and medium-scale enterprises in the agriculture. The bank will loan US\$500mn to the Nigerian Bank of Industry and US\$150mn to the Nigeria Export and Import Bank.
- In December 2012, the Ministry of Agriculture predicted that the Government would ban rice importation for the next four years because farmers produced more enough rice to meet needs.
- The government announced in January 2013 that 10 million cell phones, half going to women, would be distributed to farmers to boost agricultural production and scale-up access to improved seeds and fertilizers in line with the government's agricultural modernization drive to connect farmers to information, loans, and markets and help them adapt to climate change.
- In September 2012, investors from the U.S. agreed to invest US\$6bn in the agricultural sector to raw sugar cane on 100,000 hectares of land and build two processing plants in the North.

Foreign Direct Investment

- FDI inflows in 2011 were \$8915mn (Table 6).
- In August 2012, the Export-Import Bank of the U.S. provided US\$1.5bn as loans for American business group interested in investing in Nigeria.

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- Chinese investments reached US\$8.7bn by the end of first half of 2012, covering petroleum, iron and steel, manufacturing, agriculture, fisheries and pharmacy. Chinese companies were hiring over 50,000 Nigerians, some of whom had become senior staff and managers.
- SINOMA International Engineering constructed the Dangote Cement factory (funding US\$1bn by the Dangote Group, the largest industrial conglomerate in West Africa and one of the largest in Africa) generating revenues in excess of US\$1.25bn.
- Building primary schools in rural areas is one of the eight key features of aid outlined in the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). In February 2012, four rural primary schools accommodating 1200 students were built with Chinese aid.

Petroleum

- In August 2012, the Nigerian National Petroleum Corporation reported that China had become the largest importer of Nigeria's crude oil, following a decline of exports to the U.S. Nigeria's crude oil exports to the U.S. had dropped by about 70% since December 2009.
- In November 2012, Nigeria reported it was losing about US\$1bn to pipeline vandalism annually.
- In 2012, the Chinese National Offshore Oil Corporation, one of China's largest state-run oil and gas producers, bought a 45% stake in the license covering the Oil Mining Lease of field 13, that is owned by South Atlantic Petroleum.
- The Central Bank of Nigeria noted that the country pumped 2.12 million bpd of crude oil in the second quarter of 2012. This volume fell below the 2.48 million bpd which the Federal Ministry of Finance had projected in this year's budget, and may affect the government's revenue projections for 2013.
- The government plans to spend US\$2.5bn on the maintenance of the Port Harcourt, Warri and Kaduna refineries to be completed in 2014, at which time the three refineries would produce 370,000 barrel per day (bpd), about 90% of the 445,000 bpd in Nigeria.
- Some oil companies are not paying their fines. Shell, for example, owed Nigeria US\$1.4bn for gas sold from its Bonga deep offshore field, while other major oil companies owed US\$58mn for gas flaring penalties.
- Shell Petroleum Development Company of Nigeria in November 2012 shut down the Imo River Trunkline (part of the Trans Niger Pipeline) due to crude oil thefts that lowered production by 25,000 bpd.
- The French oil company Total in November 2012 said it would sell a 20% stake (US\$2.5bn) in a Nigerian offshore oilfield to the Chinese state-owned company Sinopec for its stake in the OML 138 oil block.
- In December 2012, Nigeria signed a pact with China's Sinohydro and China National Electrical Equipment Corporation to build a US\$1bn, 700MW hydro power station in Niger state. The Export-Import Bank of China will bear 75% of the cost of the project.

Infrastructure

Electricity

- In December 2012, the government announced it intended to ensure an adequate electricity supply by increasing electric generation capacity from 4,400MW to 5,400MW.
- SEPCOIII and Pacific Electric Power, in Ogun State will build a US\$4bn coal power plant that will be able to generate 120MW.
- General Electric (GE), a U.S. company, will establish a power plant and energy-training institute in Cross River. A US\$10bn MOU was also signed with GE to build a series of power plants (10,000MWs) with GE having a stake of 10% to 15%.
- In 2012, the power sector based on the Electric Power Sector Reform Act completed 80% of the privatization process, after the Bureau of Public Enterprises received bank guarantees worth US\$336mn from preferred bidders for generation and distribution.

Telecommunications

- 95.2mn people have cellular subscriptions (58.6 subscriptions per 100 inhabitants). 28.4% are Internet users. Internet bandwidth is 368 bits per second, ranked at 136 out of 140 countries (Table 16).
- Nigeria's quest to become an ICT-capable country has started yielding results. The Nigerian government wants to invest US\$15mn in software incubator centers in Lagos and Calabar.
- Airtel completed the Long Term Evolution trial in Lagos for 4G wireless communication of high-speed data for mobile phones and data terminals. The company aims to expand to major cities, including Abuja and Port Harcourt.
- The African Development Bank in 2012 established ITC research centers costing US\$11mn to enhance science and technology education for students.
- In March 2012, the communications satellite 1R, rebuilt by China's Great Wall Industry Corporation, was officially handed over to Nigeria. It is estimated to have provided more than 150,000 Nigerian employment opportunities.

Transportation

- In September 2012, Nigeria secured a US\$600mn loan from China's Export-Import Bank to build a new railway in Abuja by the China Civil Engineering Construction Corporation (CCECC). It is scheduled to be completed by 2015. In July 2012, the government signed a US\$1.5bn contract with CCECC to build a railway between Lagos and Ibadan.
- General Electric announced it will start assembling locomotives in Nigeria in 2013. The government agreed to buy at least 200 over the next 10 years.
- In September 2012, China offered Nigeria US\$1.1bn in loans to help build airport terminals, a light rail line for its capital city, and communication system improvements.
- The rehabilitation and expansion of the Outer Northern expressway (a 10-lane superhighway with 3 bridges) was contracted to China Geo-Engineering Corporation Nigeria Ltd in 2009, and is now near completion.
- In 2010, China Merchants Holdings International formed a joint venture with the China Africa Development Fund and acquired a 47.5% share in the Tin-Can Island Container Terminal. The other shareholder is Bolloré Africa Logistics, a subsidiary of the Bolloré Group of France.

Doing Business, Business Culture, and Stock Exchange

- The ease of doing business rank increased by 6 positions in 2012 to 131 out of 185. However, areas that significantly declined in rank were dealing with construction permits, protecting investors, and paying taxes. Nigeria's rank improved in getting credit and trading across borders (Table 17).
- In 2012, the banking sector increased the amount of credit extended to the private sector to US\$1.5bn, an increase of 49.2% over 2011.
- In December 2012, the Nigerian Stock Exchange (NSE) reacted positively to tax relief packages for market operators by the government. Overall market capitalization rose by US\$6mn to close at US\$4.3bn, while the All Share Index added 1.86 basis points to close at 26,382.54, up from 26,380.68. The government announced a US\$226mn debt relief for 84 stockbrokers and a 12% tax exemption on stock trading activities.
- Despite the investor apathy suffered by the NSE in the near crash in 2008-2009, the equities market in October 2012 remained attractive to foreign investors, accounting for 78% of capital investment with capital imported into Nigeria of US\$12.64bn and with investment equities accounting for US\$10.3bn.
- The Nigerian equities market is leading other African markets by posting a return of 63% in US dollars during the last 12 months (reported in February 2013). By comparison, Kenya's Nairobi All-Share index returned 46%, while Ghana's market was 17%. From the start of 2013 to the middle of February, the NSE All-Share Index climbed 18.6%, to close at 33,313.48.
- Banks recorded 2,352 fraud cases involving US\$284mn in 2011. Fraud was expected to cause a loss of US\$40mn in the banking sector, showing an increase of 53.5% over the 1,532 cases reported in 2010. The amount of frauds and forgeries increased by 33% from US\$213mn in 2010 to US\$284mn in 2011.

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- Nigeria trails in global competitiveness despite reforms. The World Economic Forum's Global Competitiveness Report Index for 2012-2013 ranked Nigeria 115th out of 144 countries. Nigeria's strengths included its large market (33) that provides companies for economies of scale and sophisticated regional standards (66) such as hiring professional managers and being willing to delegate decision-making within organizations.

Health and Social Aspects

- Nigeria spent US\$63 on health per person in 2010, a decrease of \$4 from 2009. Public health expenditure constituted 38% of the total health expenditure in 2010, an increase of 3% from 2009 (Table 15). Life expectancy at birth in 2011 was 52 years, an increase of 1 year from 2010.
- In Nigeria, 54.7% of the population live below the poverty line (Table 13). Maternal mortality per 100,000 declined from 840 in 2008 to 630 in 2010, and total fertility (births per woman) was 5.5 in 2010 (Table 15). Reported malaria deaths decreased from 4,238 in 2010 to 3,353 in 2011, a -21% decrease from 2010 (Table 15).
- The Literacy Rate for 15 years and older was 72% for men and 50% for women in 2011. The mean years of schooling in 2010 was 5 years for people ages 25 and older (Table 13).
- 3.7% of the population was living with HIV/AIDS in 2011. It has the 2nd largest population living with HIV/AIDS in the world. 30% of this population are receiving antiretroviral therapy (Table 15). Nigeria and the Global Fund to Fight AIDS, Tuberculosis, and Malaria signed five grant agreements (US\$335mn) in December 2012 to support prevention and treatment of HIV and tuberculosis.
- Lagos State Government is constructing a cardiac and renal center, the first comprehensive renal and cardiac facility in the country, costing US\$70mn, to treat heart and kidney patients locally.
- Six million Nigerians are estimated to be living with diabetes, with deaths projected to increase by 52% by 2015, according to a WHO's 2012 report in which risk is related to lifestyle, eating habits, and a nonchalant attitude to comprehensive and routine medical checkups.
- Nigeria remains the only country in Africa with endemic polio, and bears the main global burden of the disease. In 2011, 62 cases were reported, a two-thirds increase compared to 2010. By October 2012 an additional 97 cases had been reported.
- A US\$10mn grant starting in 2012 from the Medical Credit Fund, U.S. Overseas Private Investment Corporation, Calvert Foundation, Bill & Melinda Gates Foundation, Soros Economic Development Fund, Deutsche Bank Americas Foundation, Dutch investors, and USAID will enable small- and mid-sized healthcare providers (clinics, laboratories, doctors, and midwives) to receive funds to improve their quality of service.
- WHO contributed over five million de-worming tablets to protect three million people from schistosomiasis, part of a consignment of over 23 million tablets donated by Merck to boost treatments and combat neglected tropical diseases in Nigeria.
- Construction will start in 2013 for Abuja Medical City, a US\$650mn multi-hospital complex with 1,687 beds on 30 acres.
- In January 2013, WHO and UNICEF ranked Nigeria third globally of countries with inadequate water supply and sanitation coverage.
- The World Bank is planning to launch a US\$300mn Youth Employment and Social Support Operation project in 20 states of Nigeria that aims to create job opportunities and enhance the skills of youths.

Senegal

GDP US\$ 13.9 billion
GDP Growth, 2012: 3.7%
GNI per Capita, PPP US\$ 1,070

Capital: Dakar
Doing Business World (SSA) Rank: 166 (30)
Inflation Rate, 2012: 2.3%
Currency: Franc BCEAO

Population: 13.1 mill
Main Trading Partner: Africa
HDI Rank: 154
Gender Inequality: 0.66

Senegal gained independence from France in 1960. French is the official language, and Wolof and Pulaar are the main African languages spoken.



Political Stability

- Senegal has had a consistent series of elections since independence, and is one of only a few nations in Africa that has never experienced a military coup. The army is considered strongly supportive of democracy.
- Senegal's record was reaffirmed by the peaceful transfer of power to a new president, Macky Sall, after the former incumbent, Abdoulaye Wade, conceded defeat. There had been widespread anti-Wade protests, but Wade's swift concession and decision not to challenge the result averted the possibility of greater unrest.
- Sall won 65.8% of the vote, compared to Wade's 34.2%. The election was Senegal's third presidential transition, and the second time going from one political party to another. Sall's Benno Bokk Yakaar coalition received 119 of the 150 seats in the National Assembly.
- Sall was sworn in on April 2, 2012, and faces major challenges in creating jobs and reducing the cost of living, power shortages, unemployment, and poor social welfare provisions. Sall received wide international support and is expected to focus on domestic issues. Both Senegal's main trading partner France and the United States supported the peaceful transfer of power.
- Sall has promised a more restrained style of governing; restoration of the independence of the judiciary and parliament; less spending on prestigious projects of limited value; a strict two term limit of 5 and not 7 years for the presidency; and greater attention to agriculture.
- Karim Wade, the son of ex-President Wade, and a former minister, faces multiple fraud investigations. Other former ministers have also been accused. President Sall began to demolish the corrupt patronage networks of Wade and to restore investor confidence.
- Separatist violence in the Casamance region has calmed down, with both President Sall and rebel groups led by the separatist Mouvement des Forces Démocratiques de Casamance having shown willingness to negotiate an end the 30-year insurgency.
- The political stability percentile rank was 36 in 2012, slightly lower than 39 in 2011. The corruption perception index score was 36 (16 out of the 48 SSA countries) (Table 12). Senegal was rated as "free democracy," and ranked at 117 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 3.7%, and the IMF projects the economy to grow in 2013 at a 4.3% rate (Table 2), with an annual inflation rate of 2.3% in 2012 and 2.2% in 2013 (Table 9). GDP was US\$14bn in 2012 and projected to be US\$15bn in 2013 (Table 1).
- In 2011 Industry contributed 24% to GDP, the manufacturing sub-sector contributed 14%, agriculture contributed 15%, and services contributed the highest at 61% (Table 3).
- With FDI inflows robust, industrial and agricultural output growing and public works picking up, EIU has forecast that real GDP growth in Senegal will accelerate to 5.1% in 2017. An unreliable power supply, however, will remain an impediment to economic growth, according to EIU.

Trade

- Total imports in 2011 amounted to US\$6.3bn (14% change from 2010) and total exports amounted to US\$3.5bn (10% change from 2010). Exports to Africa were US\$1bn, US\$0.02bn to China, US\$0.4bn to the

West Africa

E.U., and US\$4mn to the U.S. The highest percent change in exports from 2010 were to the E.U. at 335%, compared to the U.S. (0%), China (20%), and Africa (4%) (Table 6).

- Imports from the U.S. totaled US\$150mn and imports from China totaled US\$795mn in 2012. Exports to the U.S. had a value of US\$17mn and US\$51mn to China (Table 7).
- The main exports to the U.S. in 2012 were mineral fuel, oil, bitumen, and mineral wax, with a total value of US\$6mn (33% of total exports). Main exports to China (Table 8a) were the same commodities, with a total value of US\$1109mn (88% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$23mn); nuclear reactors, boilers, and machinery (US\$29mn); vehicles, excluding railway (US\$26mn); aircraft, spacecraft, and their parts (US\$20mn); agriculture, food, and beverages (US\$3mn), and plastic and its articles (US\$13mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$97mn); nuclear reactors, boilers, and machinery (US\$49mn); vehicles, excluding railway (US\$72mn); agriculture, food, and beverages (US\$52mn); footwear, gaiters, and apparel (US\$64mn); furniture, bedding, lamps, and prefab beds (US\$34mn), Cotton, yarn, and fabric (US\$65mn).

Agriculture

- 34% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$271, a change of 5% from 2009 (Table 4).
- Some rural areas in Senegal have been hit by drought, and hundreds of thousands of people may now be at risk of malnutrition and economic ruin.

Foreign Direct Investment

- FDI inflows in 2011 were US\$286mn (Table 6).

Infrastructure

- China provided Senegal with a series of small projects and donations: (1) tents, mosquito nets, blankets, generators, and water pumps to the Senegalese Red Cross; (2) generator sets for the regions of Kaolack and Tambacounda; (3) wells in Diourbel and Thiès to provide water for the 37 villages and 13,500 people and their livestock; and (4) a mobile X-ray Container/Vehicle Inspection System, 25 SUVs and a diesel generator set for Senegalese customs.
- China has agreed to build two more sports stadiums, one in Fatick and the other in M'Bour. The stadium in Kaolack that was aided by China, was completed in January 2013

Telecommunications

- In Senegal 9.4 million people have cellular subscriptions (73.3 subscriptions per 100 inhabitants); and 17.5% are Internet users. Internet bandwidth is 2,909 bits per second, ranked at 116 out of 140 countries (Table 16).

Transportation

- In February 2012, Senegal signed a US\$347mn agreement with the China International Water & Electric Corporation to construct a 66-kilometer highway connecting Blaise Diagne International Airport with the M'Bour and Thiès regions.

Doing Business, Business Culture, and Stock Exchange

- The ease of doing business rank dropped by 14 positions in 2012 to 166 out of 185. Areas that significantly declined in rank are dealing with construction permits and protecting investors. It improved in ease of getting credit and paying taxes (Table 17).
- With the election of President Sall, the government will begin to restore control over public spending reducing the deficit, increasing transparency, and encouraging the private sector. A review of customs and tax codes, as well as plans to reduce bureaucratic delays, should improve the business environment.
- Senegal is one of 8 members of the BRVM Exchange (Table 19) having two indices: BRVM 10 and BRVM Composite. Between 2007 and 2009 due to the crisis in Côte d'Ivoire, they showed a -36% and -33% loss respectively, recovering from 2010 to 2011 to show -10% and -12%. Values of 148.36 and 161.76 respectively for October 2012, show an upward bounce back.

West Africa

- In October, 2012, the Exchange moved from 13th to 7th place among 18 African Exchanges (that include Casablanca, Egypt, Tunisia, and Mauritius).
- By May 31, 2013, BRVM's capitalization value jumped 24%, leading the exchange to state that this level of capitalization, confirms its role in accelerating economic growth of the West African Economic and Monetary Union (WAEMU).

Health and Social Aspects

- Senegal spent US\$59 on health per person in 2010. Public health expenditure constituted 56% of the total health expenditure, an increase of 1% from 2009 (Table 15). Life expectancy at birth in 2011 was 59 years (Table 15).
- 50.8% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 410 in 2008 to 370 in 2010, and total fertility was 4.7 births per woman in 2010 (Table 15).
- 0.7% of the population was living with HIV/AIDS in 2011. 56% receive antiretroviral therapy (Table 15).
- The Literacy Rate for 15 years and older was 62% for men and 39% for women in 2011. The mean years of schooling in 2010 was 4 years for people ages 25 and older (Table 13).
- China Railway Seventh Group will build a US\$10mn children's hospital in Senegal. China signed its 15th medical assistance agreement with the Ministry of Health and Social Action for malarial treatment. China has been sending medical assistance since 1975.
- The drug-trafficking that affects Guinea, Guinea-Bissau, and Mauritania is becoming increasingly problematic, fostering criminality in Senegal, with narcotics seizures increasing in size and frequency.

Summary of SABER Central African Countries

Countries: Cameroon, Dem. Rep. of Congo, Equatorial Guinea, Gabon, Rep. of Congo

Political Stability

Political dynasties seem to dominate in the SABER countries in the region. The presidents of Gabon and the Democratic Republic of Congo (DRC) became president on the death of their fathers. Also, the presidents of the Republic of Congo and Equatorial Guinea appear to be grooming their sons as successors. In contrast, Paul Biya, the president of Cameroon, does not appear to be creating a dynasty by grooming his son, Franck, for the presidency.

While the SABER countries in Central Africa all have recently held elections, they have all been criticized by international observers as being flawed. The ruling parties in the Republic of Congo and Equatorial Guinea continue to win elections with over 99% of the vote. Defeated candidates in recent elections in Gabon and the DRC claimed victory and attempted to be sworn in as the legitimate president. Neither was successful in maintaining pressure against the victorious incumbent.

Despite its abundant natural resources, continued political instability in many Central African countries is limiting economic growth and development. The eastern region of the DRC has been particularly unstable, because of the rise of the rebel group M23. However by late fall of 2013, government forces succeeded in forcing peace talks and disarmament. However, if the violence expands in the southern province of Katanga, the economic heart of the DRC, the country's mineral production could be severely disrupted, which would wreak havoc on an already fragile economy. The overthrow of the government of the Central African Republic in March 2013 adds future uncertainty in the region.

Economic Growth

The Central African countries have all been growing faster than the average African growth rate of 5%. Much of the growth has been due to increased mining production. Even countries that have traditionally relied on petroleum (Cameroon, Gabon, and the Republic of Congo) have taken measures to reduce this reliance by developing their mining and other sectors. Little of the economic growth has benefited the majority of the population which is mostly involved in farming. Agriculture continues to receive little attention and remains undeveloped. Even though Equatorial Guinea's per capita GDP of US\$25,620 is higher than Portugal's, most of the wealth is concentrated in the hands of the ruling elite.

Business Climate

As a region, Central Africa ranks at the bottom of the World Bank's Doing Business ranking. It is extremely difficult for someone to start a business, collect debts, trade internationally, or register property. Not surprisingly, manufacturing has not attracted much foreign direct investment (FDI), and FDI has instead concentrated on petroleum and mining. Agriculture has received some investment, particularly in palm oil plantations in Cameroon and the Republic of Congo. Chinese investors have been particularly interested in the region, with multiple projects in every country. However, some of their projects have failed. China's CMEC had been awarded rights to Gabon's massive Belinga iron ore mine in 2007 (that the country was hoping would

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increase diversification of its mining sector), but lost the concession in 2012 because of delays and concerns about delivery.

Infrastructure bottlenecks have hampered economic growth. The quality of transportation and power infrastructure is improving, mostly under contracts to Chinese companies, but is still at a low level. Chinese contractors are building roads in the Republic of Congo, DRC, Cameroon, and Equatorial Guinea. Bechtel, a U.S. engineering company, has been awarded a multi-billion dollar contract to build roads, railways, schools, and faster Internet service in Gabon. The government of the DRC is working with South Africa and other countries to harness the power of the Congo River with the expansion and modernization of the Inga Dam. When completed, this project has the potential to provide electric power to all of the African countries south of the equator. Cell phone usage continues to expand throughout the region.

Health and Social Aspects

While Equatorial Guinea and Gabon spend relatively high amounts per capita on health care (US\$896 and US\$302 respectively), their health care systems still do not provide adequate treatment for their populations. Things are even worse in the DRC, where health care spending is a paltry US\$20 a person. While the incidence of HIV/AIDS is not as high in Central Africa as it is in Southern Africa, the countries are still ill prepared to confront the epidemic. Political turmoil in the region tragically has triggered a shocking incidence of rape, particularly in the eastern region of the DRC.

Figure 15: Central African Business Environment Evaluation 2012

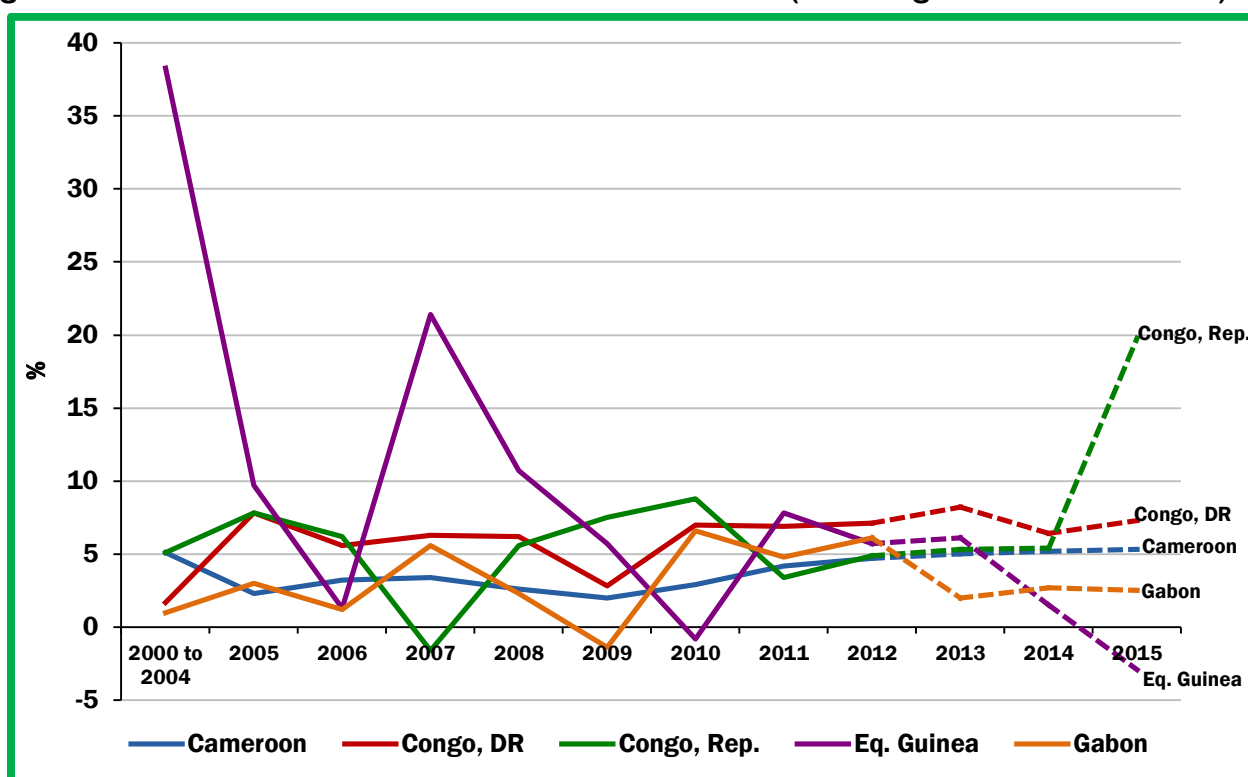
	Cameroon	DR Congo	Rep of Congo.	Eq. Guinea	Gabon
Political Stability	↔	↓	↑	↑	↑
GDP growth	↑	↑	↓	↓	↓
FDI	↑	↓	↑	↓	↑
Trade Balance (2011)²	-	-	+	+	+
Business Climate	↓	↓	↓	↓	↓

Source: SABER 2012

↑ means up, increasing; ↔ means same or mixed results; ↓ means down or problematic

1. Trade balance: + means exports > imports; – means imports > exports

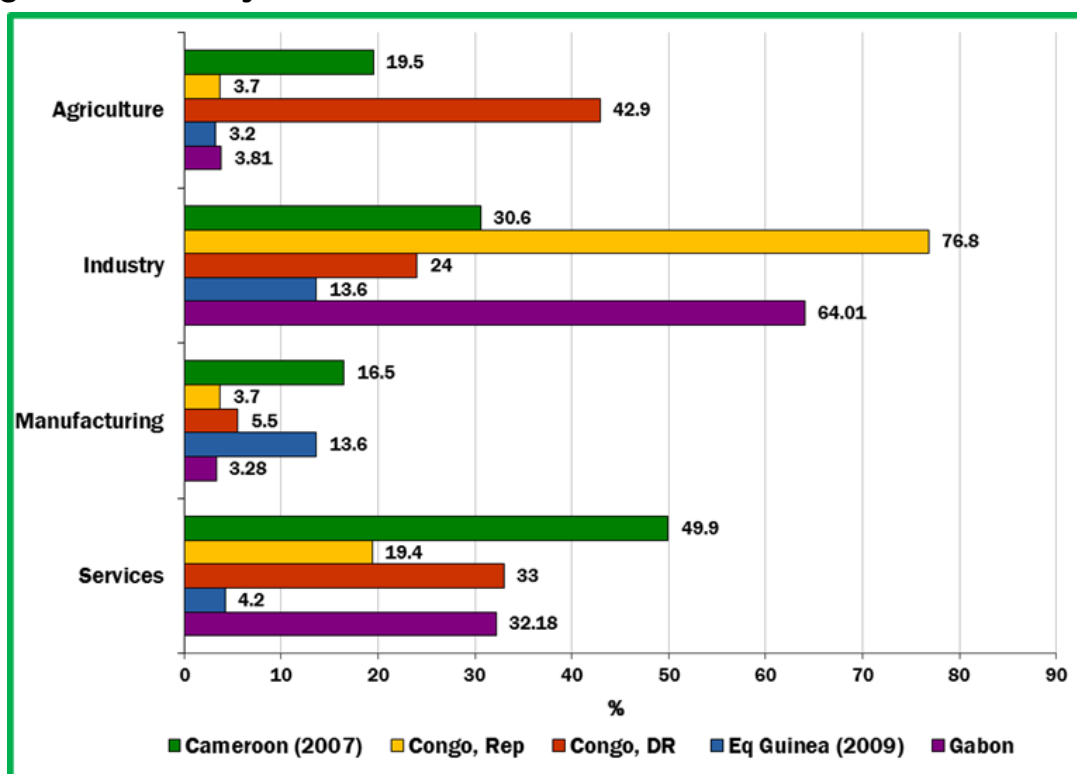
Figure 16: GDP Growth of Central African Countries (% change from Previous Yr)



Source: International Monetary Fund, Balance of Payments Database

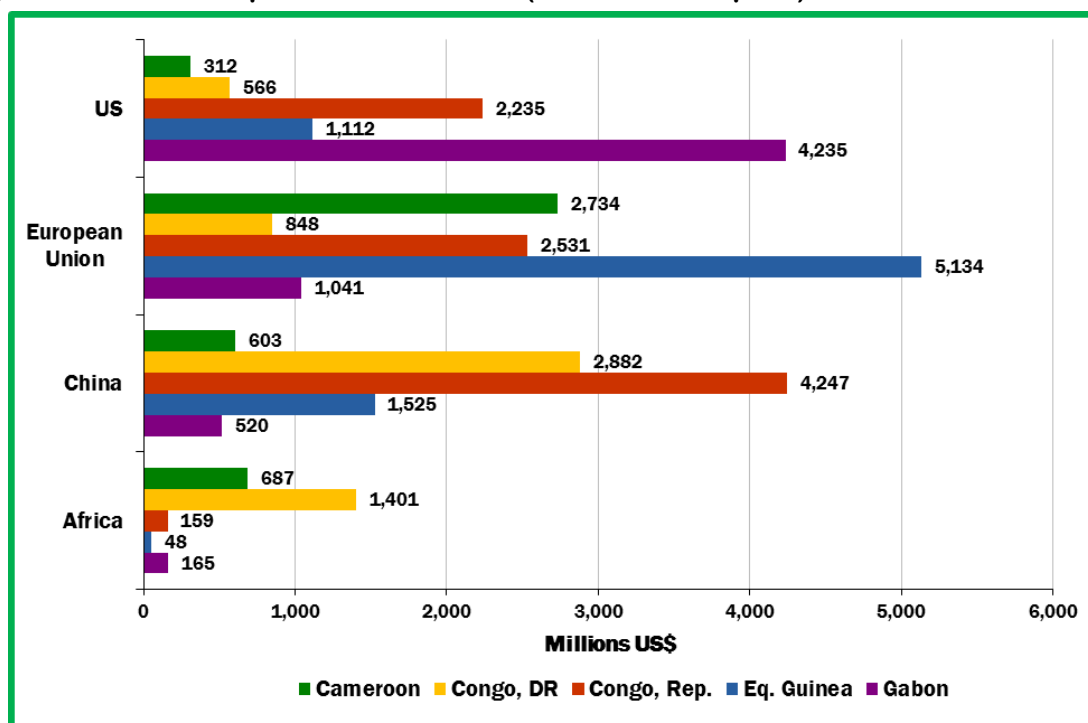
Note: The value for 2000 to 2004 is an average of the GDP growth during the four year period.

Figure 17: GDP by Economic Sector of Central African Countries



Source: SABER 2012-2013 (Table 6).

Figure 18: Main Export Destinations (% of Total Export) of Cent. African Countries



Source: SABER 2012-2013 (Table 6)

Cameroon

GDP US\$ 25 billion
GDP Growth, 2012: 4.7%
GNI per Capita, PPP US\$ 1,210

Capital: Yaoundé
Doing Business World (SSA) Rank: 161 (28)
Inflation Rate, 2012: 3%
Currency: Franc BEAC

Population: 20.9 mill
Main Trading Partner: EU
HDI Rank: 150
Gender Inequality: 0.63

Cameroon was a German colony until World War I when it was divided between the U.K. and France to be administered as a League of Nations Mandate. The French-ruled portion gained independence in 1960, and the British part was incorporated in 1961. French and English (mostly spoken in the northwest) are the official languages; there are 24 African languages.



Political Stability

- In office since 1982, Paul Biya was re-elected for another seven-year term in October 2011 with charges of widespread irregularities in the voting. There is no clear successor, and opposition parties and the international community have called for clarification on the rules of presidential succession.
- Biya's party, the Rassemblement Démocratique du Peuple Camerounais (RDPC), is expected to win in the 2013 legislative and municipal elections, but discontent and factionalism within the general population and military could pose serious threats to political stability.
- Biya has shuffled his cabinet frequently and manipulated an anti-corruption campaign resulting in imprisoning some high-profile rivals, leading to popular frustration with the lack of economic and social development.
- There are growing concerns about the incursion of the militant Islamist group, Boko Haram, into Cameroon from Nigeria. In 2013, French tourists in the national park were kidnapped and taken to Nigeria but freed after two months of negotiations.
- The political stability percentile rank was 27 in 2012, slightly lower than 31 in 2011. The corruption perception index score was 26 (35 of the 48 SSA countries) (Table 12). Cameroon's democracy status was rated as "not free," and ranked at 153 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade and Agriculture

- The GDP growth in 2012 was 4.7%, and the IMF projects the economy to grow in 2013 at a 5% rate (Table 2), with an annual inflation rate of 3% in 2012 and 2013 (Table 9). GDP was US\$25bn in 2012 and is projected to be US\$26bn in 2013 (Table 1). Growth is fueled by increased oil production, higher oil prices, large investment projects, and improved agricultural productivity.
- The fiscal deficit will widen from 3.7% of GDP in 2013 to 4.1% of GDP in 2017, as revenue gains from high oil output and prices will be offset by the rising cost of the fuel subsidy and increased capital expenditure.
- The current-account deficit will widen in 2013-14 and reach 6.5% of GDP in 2014, before declining to 4.9% of GDP in 2017 as a result of a steady increase in both oil export volumes and international oil prices.
- Cameroon's oil production averaged 62,000 barrels per day (bpd) in the first nine months of 2012, which is higher than the 2011 average of 59,200 b/d, but below the budgeted target of 68,000 b/d.
- Cameroon has the Mbalam reserves rich in iron-ore on its shared border region with Republic of Congo. Cancellation of mine licenses by the government is affecting economic growth due to loss of interest by China that now views iron ore as a less profitable industry due to large world supplies.

Trade

- Bilateral trade between China and Cameroon is US\$1.9bn in 2012, which increased 27.2% over 2011. Chinese enterprises signed contracts worth US\$792.5mn in 2012.
- Total imports in 2011 amounted to US\$8.8bn (a 36% increase from 2010) and total exports amounted to US\$7.7bn (a 35% change from 2010). Exports to Africa were US\$0.7bn, US\$0.6bn to China, US\$2.7bn to the E.U., and US\$0.3bn to the U.S. China had the highest percent change of exports from 2010 (44%), compared to the U.S. (10%), European Union (13%), and African (14%) (Table 6).

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- Imports from the U.S. totaled US\$249mn and imports from China totaled US\$1066mn in 2012. Exports to the U.S. totaled US\$308mn (Table 7).
- The main export to the U.S. in 2012 were mineral fuel, oil, bitumen, and mineral wax, with a total value of US\$187mn (61% of total exports to U.S.) followed by cocoa at US\$34mn (11% of total exports). Main exports to China (Table 8a) were also mineral fuel, oil, bitumen, and mineral wax, with a total value of US\$497mn (56% of total exports to China).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$7mn); nuclear reactors, boilers, and machinery (US\$124mn); vehicles, excluding railway (US\$14mn); aircraft, spacecraft, and their parts (US\$0.4mn); agriculture, food, and beverages (US\$18mn), and pharmaceutical products (US\$17mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$121mn); nuclear reactors, boilers, and machinery (US\$117mn); vehicles, excluding railway (US\$72mn); agriculture, food, and beverages (US\$47mn); footwear and apparel (US\$140mn); furniture, bedding, lamps, and prefab beds (US\$24mn), and iron and steel articles (US\$80mn).

Agriculture

- 61% of the population was employed in agriculture in 2010 (Table 4).
- A cotton mill to be constructed in Douala will increase the proportion of the country's cotton processed domestically to 40% from 5%. In addition, greater first-stage wood processing is also planned.
- The country missed an opportunity for its timber exports to the E.U. to be approved and legalized because of its slow political will in fulfilling regulatory and administrative requirements. The idea is to help to reduce illegal logging by reinforcing regulations and controls. China has become the leading importer of illegal wood from African countries in recent years.
- Shanxi Nongken Corporation built and manages the Agricultural Technology Demonstration Center in Cameroon that was completed in 2012.

Foreign Direct Investment

- FDI inflows in 2011 were \$360mn (Table 6).
- Cameroon obtained its first diamond export certification under the Kimberley Process, an international initiative aimed at stopping the trade in "conflict diamonds," and as encouragement for attracting FDI.
- The U.S. is helping Cameroon's military to improve maritime security in the Gulf of Guinea. The U.S. is the largest foreign investor due to the Chad-Cameroon pipeline and an electricity company, AES-Sonel, intends to invest more.
- Onshore development in Logbaba for oil exploration by Rodeo, a local subsidiary of U.K.-based Victoria Oil and Gas, commenced in the second half of 2012.

Infrastructure

- Shanxi Construction Engineering (Group) Corporation was contracted (US\$31mn) to renovate the Cameroonian Government's No.1 Office Building.

Energy

- In April 2012, Sinohydro received a contract (US\$637mn) to build the 200 MW Memve'ele dam on the Ntem river. The Export-Import Bank of China provides an Export Buyer's Credit of US\$541mn and the Cameroonian government provides the rest.
- China National Electric Engineering Co., Ltd (CNEEC) completed 40% of the 15 MW Mekin hydropower station (US\$58mn).
- China International Water & Electric Corporation (CWE) will build the first lot of the 30 MW Lom Pangar Hydropower Project (US\$196mn) funded by multiple donors including the African Development Bank, the Agence France de Développement, the Central African States Development Bank, the European Investment Bank, and the World Bank.

Central African Countries

- In November 2012, CWE received the take-over certificate from Yaoundé Municipal Government for the Yaoundé Pollution Discharging Project after completing it in November 2011. The project was financed by the Africa Development Fund for US\$42mn.

Telecommunications

- 17.4 million people have cellular subscriptions (86.4 subscriptions per 100 inhabitants). 2.2% are Internet users. Internet bandwidth is 18,044 bits per second, ranked at 63 out of 140 countries (Table 16).
- China's Huawei Telecommunications was contracted to build data centers and telecommunication networks for CAMPOST's 234 national offices in 2011 financed by a Chinese government concessional loan of a non-disclosed figure through the Export-Import Bank of China.
- In December 2012, authorities awarded the long-awaited third mobile-phone license to Viettel, a state-owned telecommunications firm from Vietnam. Viettel pledged to invest US\$400m.
- Investigations into government-owned Cameroon Telecommunications (Camtel) has uncovered over 150 km of illegally planted fiber optic cables and revealed that some Camtel officials may be involved, since the cables have Camtel's inscription on them.

Transportation

- Jiangsu Provincial Transportation Engineering Group renovated the Maroua-Kousséri road in the Far North region with costs of about US\$63.8mn funded by the World Bank.
- In November, 2012, the China Harbor Engineering Company (CHEC) completed 30% of the Phase I of the Kribi Deepwater Port project contracted in 2011 (US\$489mn, 85% provided by the Export-Import Bank of China) by granting preferential buyer's credit and 15% of from the Government of Cameroon.

Doing Business, Business Culture, and Stock Exchange

- The ease of doing business rank dropped by 7 positions in 2012 to 161 out of 185. Areas that significantly declined in rank are dealing with construction permits and protecting investors. It improved in days required to start a business and ease of getting credit (Table 17).
- Investors are discouraged by Cameroon's burdensome administration, slow judicial system, and widespread corruption.
- The government has announced its intention to create a state-owned mining enterprise and to raise taxes on mining firms.

Health and Social Aspects

- Cameroon spent US\$61 on health per person in 2010, an increase of \$1 from 2009. Public health expenditure constituted 30% of the total health expenditure in 2010, an increase of 4% from 2009 (Table 15).
- 39.9% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 increased from 600 in 2008 to 690 in 2010, and total fertility (births per woman) was 4.4 in 2010 (Table 15).
- Reported malaria deaths decreased from 4,536 in 2010 to 3,808 in 2011, a 16% decrease (Table 15).
- The Literacy Rate of Cameroon for 15 years and older was 79% for men and 63% for women in 2011. The mean years of schooling in 2010 was 6 years for people ages 25 and older (Table 13).
- Life expectancy at birth in 2011 was 52 years, and increase of 1 year from 2010 (Table 15).
- 4.6% of the population was living with HIV/AIDS in 2011. 41% of this population receives antiretroviral therapy (Table 15).
- Shanxi Construction Engineering Corporation completed the Douala Women and Children's hospital in May 2012. This aid project was funded by the Chinese government and cost US\$22mn.

Dem. Rep. of the Congo

GDP US\$ 17.7 billion
GDP Growth, 2012: 7.1%
GNI per Capita, PPP US\$ 190

Capital: Kinshasa
Doing Business World (SSA) Rank: 181 (40)
Inflation Rate, 2012: 10.4%
Currency: Congolese Franc

Population: 69.1 mm
Main Trading Partner: China
HDI Rank: 186
Gender Inequality: n/a

The Democratic Republic of the Congo gained independence from Belgium in 1960. The official language is French with Lingala, Kiswahili, Kikongo, and Tshiluba widely spoken.



Political Stability

- President Joseph Kabila was re-elected in November 2011. Official results gave him 48.95%, with his challenger Etienne Tshisekedi receiving 32.33% of the votes. International observers, including the Carter Center, believed results were “too flawed to be credible.” Tshisekedi claimed he won, and had himself sworn in at a private ceremony to no avail.
- Kabila is centralizing power and may attempt to change the constitution to allow him to run for a third term.
- Human Rights Watch released a report charging that the Presidential and legislative elections in November 2011 were characterized by targeted attacks by state security forces on opposition party members and supporters; the use of force to quell political demonstrations; and threats and attacks on journalists and human rights activists.
- In July 2012, Thomas Lubanga was convicted by the International Criminal Court (ICC) for using child soldiers in his rebel army during the Congolese Civil War. He was the first person convicted by the ICC. Five others (Jean-Pierre Bemba, Germain Katanga, Callixte Mbarushimana, Sylvestre Mudacumura, and Bosco Ntaganda) await trial in The Hague.
- In April 2012, Tutsi soldiers in the Congolese army rebelled and formed the rebel group M23 which has unleashed further instability in eastern Congo. In parts of North and South Kivu Provinces, there are over 40 different armed groups. A United Nations report concluded that Rwanda and Uganda are supplying M23 with weapons and support, which both countries deny. Rwanda accused the government of the DRC of supporting the Democratic Forces for the Liberation of Rwanda (FDLR), a rebel group of ethnic Hutus who were involved in the 1994 genocide.
- In November 2012, M23 troops briefly occupied Goma, the capital of North Kivu province. They withdrew after the government promised to release some supporters.
- A better-armed Congolese Army has pushed M23 further east starting in August, 2013, and peace talks were delayed in October.
- Political violence is not limited to the eastern part. At least 35 people were killed in early 2013 when a separatist militia attacked the capital of Katanga province. The area is antagonistic toward the central government and attempted to secede in 1969.
- In March 2013, the founder of M23, Bosco Ntaganda, surrendered at the U.S. Embassy in Rwanda and was transferred to the ICC to stand trial for war crimes.
- Corruption is endemic in DRC. Transparency International ranked it 160 out of 176 countries, stating that its budget openness was “scant or none.”
- The political stability percentile rank was 2 in 2012, slightly lower than 3 in 2011. The corruption perception index score was 21 (42 out of the 48 SSA countries) (Table 12). The democracy status was rated as “not free,” and ranked at 179 of 192 countries in press freedom globally (Table 11).
- The country was suspended from the Extractive Industries Initiative for lack of proper disclosure.

Economic Growth, Agriculture, and Trade

- The GDP growth in 2012 was 7.1%, and the IMF projects the economy to grow in 2013 at a 8.2% rate (Table 2), with an annual inflation rate of 10.4% in 2012 and 9.5% in 2013 (Table 9). GDP was US\$18bn in 2012 and projected to be US\$19bn in 2013 (Table 1). Mining, particularly of copper is driving much of the economic growth.
- Despite mineral riches, per capita GDP is below \$200, and almost 60% of the population live below the poverty line.

Trade

- Total imports in 2011 were US\$12.2bn (a 20% change from 2010) and total exports were US\$10.7bn (a 19% change from 2010). Exports to Africa were US\$1.4bn; US\$2.9bn to China; US\$0.8bn to the E.U., and US\$0.6bn to the U.S. The E.U. had the highest change of exports from 2010 (54%), compared to U.S. (14%), China (29%), and Africa (14%) (Table 6).
- Imports from U.S. totaled US\$199mn, while China's totaled US\$838mn in 2012. Exports to the U.S. totaled US\$41mn, and China's exports to DRC totaled US\$3509mn (Table 7).
- The main exports to the U.S. in 2012 were pearls, precious stones, and metals (US\$21mn -- 52% of exports) followed by mineral fuel, oil, bitumen, and mineral wax (US\$6mn -- 5% of exports). Main exports to China (Table 8a) were copper (US\$1,93bn -- 55% of exports), followed by mineral fuel, oil, bitumen, and mineral wax (US\$724mn -- 21% of exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$5mn); nuclear reactors, boilers, and machinery (US\$20mn); vehicles, excluding railway (US\$10mn); aircraft, spacecraft, and their parts (US\$2mn); agriculture, food, and beverages (US\$78mn), and textile and needlecraft (US\$12mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$154mn); nuclear reactors, boilers, and machinery (US\$106mn); vehicles, excluding railway (US\$68mn); agriculture, food, and beverages (US\$47mn); footwear, gaiters, and apparel (US\$46mn); furniture, bedding, lamps, and prefab beds (US\$16mn), and cotton, yarn, and fabric (US\$60mn).
- In spite of the political tensions along the Rwanda-DRC border, trade between the two countries has been booming.

Agriculture

- Agriculture was the largest contributor to GDP at 46%, the manufacturing sub-sector contributed 5%, industry contributed 22%, and services contributed 33% (Table 3, 2011 data).
- Agriculture employs 56.7% of the workforce but accounts for only 45% of GDP. It is growing at 3% a year, which is slightly above the population growth rate of 2.8%. Maize and cassava are the primary staple crops (Table 4).
- The government does not appear to view the agricultural sector as a priority. Only 1.8% of the DRC's national budget for 2012 was spent on agriculture.
- Coffee is the third largest export, after copper and oil. Years of neglect, war, and corruption have decimated production to only 10% of its level at independence. There are about half a million coffee farmers in the country.

Foreign Direct Investment

- FDI inflows in 2011 were \$1.7bn, declining from US\$2.9bn in 2010 (Table 6).
- The retail sector has attracted the interest of foreign investors, particularly South Africans and Chinese. Shoprite, the South African supermarket company, has invested in the DRC.
- Thousands of Chinese traders have come to the DRC to sell consumer goods. Even though Article 35 of the Constitution states that retail trade can be only conducted by Congolese nationals, there are over 1,000 Chinese merchants in Kinshasa alone.

Mining

- The government imposed a six-month ban on mining in eastern Congo in 2010 attempting to stop rebel militias' funds from illegal mining. The main impact was the reduction of income in mining communities.
- The U.S.'s Dodd-Frank Act of 2010 requires companies with operations in DRC to report if they received minerals from conflict regions.
- U.S. company, Shamika2Gold, reached agreement to acquire five gold exploration permits in the country.
- The mining giant GHP Billiton, wants to improve its aluminum mining and plans to build a US\$3.5bn hydropower plant on the Congo River in 2014.
- The government cancelled the mining concession of First Quantum Minerals of Canada, claiming that it had broken the law. First Quantum received a settlement of US\$1.25bn for this confiscation.
- Randgold Resources, a U.K. mining company, began US\$1bn a joint venture with AngloGold Ashanti in 2011; production will begin in 2013.
- Fametal Limited, a Chinese gold mining company operating in the Ituri District, was banned in October 2012 for failure to supply the necessary documents.
- A U.K. parliamentary investigation concluded that the government sold mining contracts to Israeli businessman Dan Gertler for US\$5.5bn below fair market value.

Petroleum

- Large oil deposits have been found under Lake Albert, the border between the DRC and Uganda. Fighting broke out between the countries. While the Ngurdoto Accords were designed to alleviate tensions between the two countries and regulate border problems, the dialogue has collapsed.
- Khulubuse Zuma, the nephew of South African President Jacob Zuma, has transferred exploration rights in part of Lake Albert to Tullow Oil of Ireland.
- The government has designated oil production blocks in the Virunga National Park, home to the endangered mountain gorillas.

Infrastructure

Electricity

- Only 6% of the country has access to electricity. Charcoal is the most popular form of fuel, putting pressure on DRC's forests.
- The government is attempting to harness the power of the Congo River with the expansion and modernization of the Inga Dam. This dam is expected to deliver 5,000 MW of electricity. In March 2013, South Africa signed an agreement to purchase half of the anticipated output which should help the DRC secure the financing of the US\$10bn required for the project.

Telecommunications

- In December 2012, the French telecom giant Orange invested US\$95mn to improve infrastructure (implementing the first 3G network) and opened its retail stores in Kinshasa.
- 15.7mn people have cellular subscriptions (23.1 subscriptions per 100 inhabitants). 1.2% are Internet users (Table 16).

Transportation

- The country has only 2,500 miles of paved roads.
- Chinese contractors continue to work on building 2,000 miles of road and railway, 32 hospitals, 145 health centers, and two universities in exchange for 11 million tons of copper and 620,000 tons of cobalt.

Doing Business and Business Culture

- The DRC ranked 181st out of 185 for ease of doing business. Areas that significantly declined in rank are dealing with construction permits and paying taxes. It improved in days required to start a business and trading across borders (Table 17).

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- The enforcement of business contracts is a costly and inefficient process. Resolving a business dispute through the Congolese court system takes 610 days and costs 147% of the original claim. Ease of starting a business has 10 procedures taking 58 days. This is an improvement over 2009, when it involved 14 procedures took 133 days.
- Congo ranked 176th in terms of getting credit, 67 spots below the SSA average of 109.

Health and Social Aspects

- DRC spent US\$16 on health per person in 2010, a decrease of \$1 from 2009. Public health expenditure constituted 43% of the total health expenditure, an increase of 2% from 2009 (Table 15). Life expectancy at birth in 2011 is 48 years (Table 15).
- 71.3% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 670 in 2008 to 540 in 2010, and total fertility (births per woman) was 5.7 in 2010 (Table 15).
- Reported malaria cases were 4.5 million, an 89% increase from 2010. Reported malaria deaths slightly decreased 1% from 23,476 in 2010 to 23,748 in 2011 (Table 15).
- The Literacy Rate for 15 years and older was 77% for men and 57% for women in 2011. The mean years of schooling in 2010 was 3.5 years for people ages 25 and up (Table 13).
- The U.N. office for the Coordination of Humanitarian Affairs reported in February 2013 that over two million children suffered from acute malnutrition and has launched an appeal for almost US\$900mn of humanitarian aid for the country. 28.2% of children under the age of five are underweight.
- Girls are often married by age 15, and sometimes as young as 13 (the legal minimum age for marriage is 15), and about 74% of women were married between the ages of 15 and 19, especially in the rural areas.

Equatorial Guinea

GDP US\$ 17.2 billion
GDP Growth, 2012: 5.7%
GNI per Capita, PPP US\$ 15,670

Capital: Malabo
Doing Business World (SSA) Rank: 162 (29)
Inflation Rate, 2012: 5.4%
Currency: Franc BEAC

Population: 0.7 mill
Main Trading Partner: China
HDI Rank: 136
Gender Inequality: n/a

Equatorial Guinea, one of two former Spanish colonies in Africa, received independence from Spain in 1968. Spanish and French are the official languages and the main African languages are Bubi, Fang, and Ibo.



Political Stability

- Teodoro Obiang Nguema Mbasogo has been president since 1979. The constitution was changed to limit the president to only two terms in November of 2011. An additional amendment created the post of vice-president. Over 99% of the voters approved these changes in a referendum.
- There are two vice presidential positions. Ignacio Milam Tang, former Prime Minister, has been Second Vice President since May 2012.
- Teodoro Obiang Mangué, the president's oldest son, was appointed to second vice-president for defense and security. It appears he is being groomed as a successor to his father. Previously, he had been minister of state, with portfolios in agriculture and forests. Teodoro Jr. is dating the oldest daughter of Swaziland's King Mswati III. The King of Swaziland is attempting to foster closer ties to Equatorial Guinea.
- Even though Teodoro's star is rising in Equatorial Guinea, he faces corruption charges in France, as well as court actions in the U.S. (over ill-gotten assets of US\$71mn, including almost US\$2mn in Michael Jackson memorabilia). In June 2012, Equatorial Guinea's Department of Justice filed a complaint against Obiang that he spent US\$315mn on properties and luxury goods between 2004 and 2011 while Minister of

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Forestry. He had levied personal “taxes” against local and foreign timber companies for licenses to operate and export.

- Politics within the country are dominated by tensions (rooted in power shifts due to dramatic increases in oil production since 1997) between Teodoro and his close relatives who have powerful positions in the security forces.
- Equatorial Guinea's lack of transparency has prevented it from being a candidate country within the Extractive Industries Transparency Initiative (EITI).
- The political stability percentile rank was 44 in 2012, the same as in 2011. The corruption perception index score was 20 (43 of the 48 SSA countries) (Table 12). The democracy status was rated as “not free,” and ranked at 190 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade and Agriculture

- Even though the per capita GDP of US\$25,620 is higher than Portugal's (\$24,440), little of the wealth benefits the majority of the population. The Human Development Index is ranked at 136, while Portugal's is 41.
- The GDP growth in 2012 was 5.7%, and the IMF projects the economy to grow in 2013 at a 6.1% rate (Table 2), with an annual inflation rate of 5.4% in 2012 and 7.0% in 2013 (Table 9). GDP was US\$21bn in 2012 and projected to be US\$22bn in 2013 (Table 1). World Bank anticipates growth will be 6.1% in 2013 and then will plummet to 1.4% in 2014. Continued economic growth will be difficult if new petroleum deposits are not found and the economy is not diversified.
- Production in Zafiro, the country's major oil field, declined by 65% since its peak in 2005. Energy production started to increase when the US\$1.3bn Aseng oilfield began producing in 2012.
- Equatorial Guinea is the fifth-largest supplier of oil to the U.S. in SSA but accounted for only 0.37% of U.S. foreign oil. U.S. oil imports in 2012 were US\$1.59bn, up 50% from 2009. Nuclear reactors, steel, and electric machinery dominated U.S. exports of \$229.8mn to Equatorial Guinea.

Trade

- Total imports in 2011 were US\$9.4bn (a 22% change from 2010) and total exports were US\$14bn (a 39% change from 2010). Exports to Africa were US\$0.05bn, US\$1.5bn to China, US\$5.1bn to the E.U., and US\$1.1bn to the U.S. China had the highest percent change from 2010 (180%), compared to the E.U. (79%), the U.S. (-47%), and Africa (-53%) (Table 6).
- Oil also dominates China's imports from Equatorial Guinea, which were 92.6% oil. Total imports from China rose 8.57% in 2012 to US\$1.81bn. Equatorial Guinea is China's fourth-largest petroleum supplier from SSA. China exported US\$360mn in goods with electrical machinery the largest category (24.8%).
- In 2011, bilateral trade between China and Equatorial Guinea reached US\$1.9bn. China has invested US\$100mn in the country as of 2011. Data for 2012 are not available.

Agriculture

- 76% of the population was employed in agriculture in 2010 (Table 4).
- The mainland portion of the country, Rio Muni, is covered with tropical rainforests. Timber was China's second-largest import (US\$132mn in 2012) from Equatorial Guinea. The U.S. only imported US\$164,000 in wood in 2012.

Foreign Direct Investment

- FDI inflows in 2011 were \$737mn in 2011, up from the US\$531mn in 2010.
- Equatorial Guinea is the fourth-largest exporter of liquefied natural gas (LNG) in Africa. Ophir, a U.K. company, has discovered major gas deposits and plans to build an 87-mile (140 km) pipeline to a plant producing 3.7 million metric tons (mmt/year) of LNG a year.
- A venture between Marathon Oil, state-owned Sociedad Nacional de Gas, Mitsui & Co., and Marubeni Corp. has resulted in a LNG plant with a capacity of 3.4 (mmt/year). The group is examining plans to invest US\$4bn to double capacity.

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- In August 2011, Equatorial Guinea partnered with the Energy Allied International of Houston, Texas to develop its petrochemical industry.

Infrastructure

- The government is building a new capital on the mainland in Oyala, and plans to move the president and government there within ten years. President Obiang likes the remoteness of the site, believing it is much more secure than the current capital of Malabo, where he survived a coup attempt in 2003.
- In December 2012, the China State Construction Engineering Corporation was contracted by the local company ABAYAK to build the presidential residence (value not available).

Energy

- Since October 2012, the Djibloho Hydroelectric Plant near Añisok funded by the government has begun supplying over 220 KWs to the mainland area.
- In October 2012, China's Sinohydro completed the Djiploho Hydropower Station with capacity of 120 MW (cost US\$257mn) funded by the government with assistance from the Export-Import Bank of China.
- In June 2012, the China Machinery Engineering Corporation completed the Malabo 66KW Power Grid.
- Equatorial Guinea, the third-largest crude-oil producer in SSA and China's state-owned Sinochem Group (financed by China's Export-Import Bank) signed an agreement to ship 11,000 barrels a day of crude oil to China in exchange for credits for infrastructure projects to electrify more cities and complete the second phase of an industrial port. China is currently Equatorial Guinea's largest crude oil buyer.

Telecommunications

- 0.4mn people have cellular subscriptions (59.1 subscriptions per 100 inhabitants) (Table 16).

Transportation

- In 2012, China Road and Bridge Corporation (CRBC) completed the following road and bridge projects: Mongomo-Ebebiyin Highway (US\$95.9mn), Ebebiyin road (US\$7.2mn), and Bindun-Rio Campo road (US\$85.8mn).
- In 2012, CRBC completed the following infrastructure projects worth US\$1.2bn: Mbini Municipal Civil Works, Bolondo Road, Mbini Stadium, Sipolo-Nume-Ndote-Bilen Road, and Ndote Bridge.
- In November 2012, the reconstruction and extension project of Beta Port was completed by the Chinese (contract value US\$421mn).

Doing Business

- Already one of the most difficult places to do business, the ease of doing business rank dropped by 2 positions in 2012 to 162 out of 185. Areas that significantly declined in rank are days required to start a business, dealing with construction permits, and registering property. It improved in the ease of getting credit and enforcing contracts (Table 17).
- Starting a Business (182), Paying taxes (173), and Protecting Investors (158) are categories in urgent need of reform. It takes 135 days to start a business, which is the second highest in the SABER countries.

Health and Social Aspects

- Commensurate with its relatively high GDP, health per person in 2010 was US\$896, an increase of \$92 from 2009. Public health expenditure constituted 76% of the total health expenditure (Table 15). Life expectancy at birth in 2011 was 51 years (Table 15).
- Less than 5% of the population (4.7%) is HIV positive (Table 15). Reported malaria cases were 22,500, a 58% decrease from 2010 while reported deaths increased from 30 in 2010 to 52 in 2011, a 73% increase from 2010 (Table 15).
- Maternal mortality per 100,000 declined from 280 in 2008 to 240 in 2010, and total fertility (births per woman) was 5.1 in 2010 (Table 15).
- The Literacy Rate for 15 years and older was 97% for men and 91% for women in 2011. The mean years of schooling in 2010 was 5 years for people ages 25 and older (Table 13).

Gabon

GDP US\$ 18.4 billion
GDP Growth, 2012: 6.1%
GNI per Capita, PPP US\$ 8,080

Capital: Libreville
Doing Business World (SSA) Rank: 170 (32)
Inflation Rate, 2012: 2.3%
Currency: Franc BEAC

Population: 1.6 mill
Main Trading Partner: USA
HDI Rank: 106
Gender Inequality: n/a

Gabon gained independence from France in 1960. French is the official language, but Fang is widely spoken.



Political Stability

- Gabon is still divided over the 2009 presidential elections after the death of President Omar Bongo Ondimba, who was in office for 42 years. His son, Ali Bongo, of the governing Parti Démocratique Gabonais (PDG), won with 41.8% of the vote even after clear indications of fraud. The PDG won 114 of 120 seats in Parliament in December 2011. Most opposition parties boycotted the election.
- President Ali Bongo, who continues to secure his rule over the country and the PDG, shuffled the Cabinet in February 2012. PDG's domination of the National Assembly accelerates legislative efficiency but reduces oversight and scrutiny. He aims to prove himself different from his father by pursuing reforms and breaking from his father's leadership style.
- Bongo saw challenges from André Mba Obame, the runner-up and former leader of the defunct Union Nationale. The new opposition is the Union des Forces du Changement (UFC) established in September 2012, with six more parties joining it in March 2013, making it the largest grouping (14 parties). However, its impact on domestic politics is limited.
- The French government is investigating wealth illegally obtained by the president's family (33 luxury properties and 70 bank accounts) but funded by the Gabonese government. Gabon announced it is considering switching its official language to English as a result of the investigation.
- Gabon hosts France's regional military base and Ali Bongo visits Paris frequently despite the French probe of the Bongos' French assets and French claims of fraudulent elections results.
- Links with China remain strong, and the government appears to have contained the political and commercial fallout from taking away the giant Bélinga iron ore project from a Chinese state-owned company due to lack of progress.
- Links with the U.S., Gabon's primary oil export market, remain favorable given Gabonese support for U.S. policy bolstering Gabon's regional standing, which was formerly dependent on Omar Bongo's relations with other African leaders.
- Gabon's 2012 democracy index, was 126 out of 167 countries, and with a score of 3.56, Gabon is classified as an "authoritarian regime."
- The political stability percentile rank was 60 in 2012, up from 49 in 2011. The corruption perception index score was 35 (19 of 48 SSA countries) (Table 12). Gabon's democracy status was rated as "not free," and ranked 158 of 192 countries in press freedom globally (Table 11).
- Gabon, along with Equatorial Guinea hosted the 2012 African Cup of Nations.

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 6.1%, and the IMF projects the economy to grow in 2013 at a 2% rate (Table 2), with an annual inflation rate of 2.3% in 2012 and 2.6% in 2013 (Table 9). GDP was US\$17bn in 2012 and projected to be US\$16bn in 2013 (Table 1).
- In 2011, Industry contributed the highest to GDP at 64%, the manufacturing sub-sector contributed 3%, agriculture contributed 4%, and services contributed 32% (Table 3).
- It is estimated that growth will fall to 3.5% in 2013 and remain at that level for the subsequent two years.

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- The president of Gabon wants to reduce economic dependency on oil, and has developed an “Emerging Gabon” strategy. The strategy would: process more raw materials locally; have sustainable stewardship of natural heritage; develop higher value jobs and better terms of trade; use international companies to out-source; and set up a new special economic zone for manufacturing, especially of timber.

Trade

- Total imports in 2011 were US\$6.1bn (a 28% change from 2010) and total exports were US\$11bn (a 38% change from 2010). Exports to Africa were US\$0.2bn, US\$0.5bn to China, US\$1bn to the E.U., and US\$4.2bn to the U.S. The U.S. had the largest change from 2010 (105%), compared to the E.U. (2%), and a decline of exports to China (-40%), and Africa (-16%) (Table 6).
- Imports from the U.S. totaled US\$319mn; those from China totaled US\$2.8bn in 2012. Exports to the U.S. were US\$1.9bn and to China were US\$618mn (Table 7).
- The main export to the U.S. (Table 8a) in 2012 was mineral fuel, oil, bitumen, and mineral wax, (US\$1.8bn, 96% of total exports to U.S.). Main exports to China were ores, slag, and ash (US\$213mn, 35% of total exports to China).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$17mn); nuclear reactors, boilers, and machinery (US\$88mn); vehicles (US\$31mn); aircraft, spacecraft, and their parts (US\$57mn); agriculture, food, and beverages (US\$28mn); and mineral fuel, oil and bitumen (US\$10mn).
- Main commodity imports from China in 2012 (Table 8c) were: electric machines, sound, and TV equipment (US\$51mn); nuclear reactors, boilers, and machinery (US\$77mn); vehicles (US\$20mn); agriculture, food, and beverages (US\$10mn); footwear, gaiters, and apparel (US\$19mn); furniture, bedding, lamps, and prefab beds (US\$42mn); and iron and steel articles (US\$56mn). Bilateral trade between China and Gabon is US\$1bn in 2012, which increased 23.3% from 2011.
- Gabon is the 6th-largest producer of oil in SSA, and the 4th-largest supplier to the U.S. Production has declined to 200,500 barrels per day (bpd). Gabon cancelled the award of new licenses for offshore oil blocs in 2010, but plans to begin auctioning them again in 2013. Economic growth in forestry, palm oil, manganese, and gold is the goal to offset losses in oil production.

Agriculture

- 24% of the population was employed in agriculture in 2010. The agricultural value-added per worker was US\$1825, a decline of 122% from 2009 (Table 4).
- Gabon aims to overtake Nigeria and South Africa as Africa's largest palm oil and manganese producer within a decade.

Foreign Direct Investment

- FDI inflows in 2011 were \$728mn (Table 6) higher than the US\$531mn received in 2010, and significantly up from the US\$33mn in 2009. Flows in 2009 were probably reduced by the increased political uncertainty caused by President Omar Bongo's death in June 2009 and the controversial election of Ali Bongo.
- Chinese construction companies signed contracts worth of US\$1.3bn in 2012. Data for 2013 are unavailable.
- The national oil company, Gabon Oil Company, was established in June 2011. The government will use this company to increase its involvement in the industry through joint ventures in new production and to manage revenues and control logistics and infrastructure.
- Olam, a resource group from Singapore, is building a US\$200mn special economic zone (SEZ) 20 kilometers east of Libreville. Investors in this zone receive a 10-year tax holiday.
- In February 2012, the Extractive Industries Transparency Initiative delisted Gabon with a scathing assessment that could deter new investment in the extractive sector, including the long-stalled Belinga iron ore concessions.

Mining

- China's CMEC was awarded rights to the massive Belinga iron ore mine in 2007, but lost the concession in 2012 because of delays and concerns about delivery.
- Gabon is the fourth-largest producer of manganese in the world (2,000 metric tons in 2012). Because of delays in iron-ore mining in Belinga, the Chinese manganese mining rights awarded in 2012 were given to Anglo-Australia's BHP Billiton mining company that already had a large manganese mine. In March 2013, Billiton suspended operations in manganese mines in Mounana and Okondja that could result in impairing economic growth, exports, and revenues.
- In mid-January, the government awarded iron ore and oil exploration licenses to U.K.'s Ferrex and Australia's Pura Vida.

Infrastructure

- The government is under pressure to improve living standards; increase electricity and water supply; rebuild infrastructure; and improve healthcare and education, all in the face of the rise in trade union militancy. The main oil sector union has agreed not to strike for two years in exchange for a pledge by the government to force oil companies to employ more Gabonese workers, despite their lack of skills.
- The government awarded Bechtel, a U.S. engineering company, a multibillion dollar contract to build roads, railways, and schools.
- BGFI Bank agreed to provide funding of US\$200m for the construction of 3,808 homes. The government's goal of 5,000 housing units a year remains unrealistic, despite an increased infrastructure budget.

Energy

- The Chinese company, Sinohydro, has been contracted to build 160MW power plants and dams at Grand Poubara (US\$436mn) and Belinga Dam (US\$754mn). In September 2012, Sinohydro completed three transformer substations (US\$128mn).
- Gabon is building two new hydroelectric plants and is planning a third. An Israeli company, Telemenia, built a 35MW gas-fired power and is currently adding another 35MW plant. It is also building a 105MW plant near the special economic zone built by Olam.

Telecommunications

- 1.8 million people have cellular subscriptions (117.3 subscriptions per 100 inhabitants). 8% are Internet users. Internet bandwidth is 46,187 bits per second, ranked at 34 out of 140 countries (Table 16).
- The government awarded Bechtel, a U.S. engineering company, a large contract to build a faster Internet service.

Transportation

- In October 2012, China Road and Bridge Corporation (CRBC) was contracted (US\$663mn) to build the Port Gentil-Omboué Highway and the Ogooué River and Booué Bridge.

Doing Business, Business Culture, and Stock Exchange

- Gabon is one of the most difficult places in the world to do business. The ease of doing business rank dropped by 4 positions in 2012 to 170 out of 185. It significantly declined in all aspects, the main ones being dealing with construction permits, registering property, and ease of getting credit (Table 17).
- Areas in urgent need of reform are setting up new businesses (157), protecting investors (158), and enforcing contracts (153). It takes 1,070 days to enforce a contract and 104 to register property.
- Gabon is a member of the Central Africa BVMAC (the Bourse des Valeurs Mobilières d'Afrique Centrale) stock exchange. In March 2012, the Investment Company for Tropical Agriculture (Siat Gabon) allowed BVMAC to collect US\$65.4mn to finance development to triple rubber and double palm plantations, and to invest in the livestock sector in Gabon. SIAT is the first company to sell 30% of its capital to the public and to the Economic and Monetary Community of Central Africa through the exchange.

Health and Social Aspects

- Gabon spent US\$302 on health per person in 2010, an increase of \$36 from 2009. Public health expenditure constituted 53% of the total health expenditure in 2010, an increase of 5% from 2009 (Table 15). Life expectancy at birth in 2011 was 63 years, an increase of 1 year from 2010 (Table 15).
- Maternal mortality per 100,000 declined from 260 in 2008 to 230 in 2010, and total fertility (births per woman) was 3.2 in 2010 (Table 15).
- The Literacy Rate for 15 years and older was 92% for men and 85% for women in 2011. The mean years of schooling in 2010 was 7.5 years for people ages 25 and older (Table 13).
- 5% of the population was living with HIV/AIDS in 2011. 53% of this population receive antiretroviral therapy (Table 15).
- In November 2010, the 17th Chinese medical team arrived in Gabon, which consists of 17 medical personnel organized by Tianjin Bureau of Public Health.

Republic of the Congo

GDP US\$ 13.7 billion
GDP Growth, 2012: 4.9%
GNI per Capita, PPP US\$ 2,250

Capital: Brazzaville
Doing Business World (SSA) Rank: 183 (42)
Inflation Rate, 2012: 5.1%
Currency: Franc BEAC

Population: 4.2 mill
Main Trading Partner: China
HDI Rank: 142
Gender Inequality: n/a

The Republic of Congo achieved independence from France in 1960. French is the official language and Lingala and Kikongo are widely spoken.



Political Stability

- Denis Sassou-Nguesso's ruling party, Parti Congolais du Travail (PCT), won 89 of 136 seats in the July 2012 elections. Parties allied to PCT won an additional 28 seats, while the main opposition party dropped from 11 seats to 7. Voter turnout was only 15%.
- The President's son, Denis-Christel, and his daughter both won seats in the National Assembly. Denis-Christel, won 99.9% of the vote in Oye, even though he is being investigated in France for using public funds for personal expenses.
- Under the constitution, the president's current seven-year term is his last, although he has indicated that it could be extended. The successful candidacy of his son is an indication that he is being groomed for a more senior role.
- The PTC dominates the National Assembly, supported by the pro-presidential coalition, the Rassemblement pour la Majorité Présidentielle (RMP). A limited form of multiparty politics imposed by the president is accepted as the price of peace.
- China's new president, Xi Jinping made a state visit in March 2013 to strengthen co-operation. This is the first visit by a Chinese president, and commemorates the 50th anniversary of diplomatic relations in 1964. Xi visited only three African countries: South Africa, Tanzania, and Republic of Congo during his trip.
- In November 2012, Congolese opposition parties published an open letter to Sassou-Nguesso calling for a national conference and denying any intention to overthrow him.
- An arms depot at the military camp in Mpila, Brazzaville, exploded in March killing over 300 people and injuring thousands. Criticism of the government's uncoordinated emergency response led to the defense minister being charged with negligence.

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- The political stability percentile rank was 38 in 2012, an increase from 31 in 2011. The corruption perception index score was 26 (35 of the 48 SSA countries) (Table 12). The democracy status was rated as “not free,” ranking 117 of 192 in press freedom globally (Table 11).

Economic Growth

- GDP growth in 2012 was 4.9%, and the IMF projects the economy to grow in 2013 at a 5.3% rate (Table 2), with an annual inflation rate of 5.1% in 2012 and 4.5% in 2013 (Table 9). GDP was US\$14bn in 2012 and projected to be the same in 2013 (Table 1).
- GDP growth is expected to continue in 2013-14, averaging 5.6%, in part driven by ongoing reconstruction in the wake of the March explosion, and expansion in non-oil sectors, funded by new loans from China.
- The non-oil economy is forecast to grow about 8% in 2013-14, supported by rising public spending and infrastructure investment.
- Industry contributed the most to GDP at 77%, with manufacturing 4%, agriculture 3%, and services 20% (Table 3). The economic growth rate dropped from over 10% in 2010 to 6.9% in 2011 and 6.1% in 2012. The economy is expected to grow by 8.2% in 2013, driven by infrastructure, manufacturing and mining investment to compensate for waning oil production.
- Oil accounted for about 65% of GDP in 2012 but production is expected to dip in 2013 to around 275,000 barrels/day (bpd) from 300,000 bpd in 2012. Production is expected to fall by around 4.8% in 2013.
- The country received debt relief in January 2010 under the heavily indebted poor countries (HIPC) initiative, but this may weaken the government's commitment to the reforms and erratic performance. Debt from China is already building up.

Trade

- Total imports in 2011 were US\$5bn (a -24% change from 2010); total exports were US\$12.6bn (a 23% change). Exports to Africa were US\$159bn, China were US\$4.2bn, to the E.U. were US\$2.5bn, and to the U.S. were US\$2.2bn. China had the largest change from 2010 (48%), compared to U.S. (-28%), E.U. (41%), and Africa (23%) (Table 6).
- Imports from the U.S. totaled US\$237mn and imports from China totaled US\$521mn in 2012. Exports to the U.S. totaled US\$1489mn, and exports to China totaled US\$4.55bn (Table 7).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$18mn); nuclear reactors, boilers, and machinery (US\$83mn); vehicles (US\$12mn); aircraft, spacecraft, and their parts (US\$2mn); agriculture, food, and beverages (US\$59mn); and iron and steel articles (US\$11mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$62mn); nuclear reactors, boilers, and machinery (US\$83mn); vehicles, excluding railway (US\$47mn); agriculture, food, and beverages (US\$19mn); footwear, gaiters, and apparel (US\$28mn); furniture, bedding, lamps, and prefab beds (US\$15mn); and salt, sulfur, and cement (US\$51mn).
- Congo's exports to the U.S. decreased 38.5% in 2012 to US\$1.5 Bn. Oil accounted for 97.7% of all exports to the U.S., with wood, the second-largest item, accounting for US\$13mn. Imports from the U.S. grew 4% in 2012 with nuclear reactors, boilers, and machinery being the largest sector (35%), followed by meat (21.4%).
- The main export to the U.S. in 2012 was mineral fuel, oil, bitumen, and mineral wax, totaling US\$1454mn (98% of total exports). Main exports to China (Table 8a) were also mineral fuel, oil, bitumen, and mineral wax, totaling US\$4262mn (94% of total exports).
- China's imports declined slightly in 2012 to US\$4.6bn. Oil dominated (93.57%), with wood products being the second-largest category (5.9%). China's exports to grew by almost 6% to US\$5.2bn, with electric machinery being the largest category (11.2%).
- Bilateral trade between China and Rep. of Congo in 2011 reached US\$5.2bn, a 47.2% increase from 2010. China was country's largest trade partner in 2011. Data for 2012 are not available yet.

Agriculture

- 35% of the population was employed in agriculture in 2010 (Table 4).
- A group of South African farmers started farms on 80,000 hectares in March 2013, a size equivalent to 50 sq. miles.
- Spain's Biocongo Global Trading will develop palm oil plantations, as well as two processing plants (one for palm oil and the other for biofuel), a US\$201mn investment to employ 20,000. Atama Plantation Ltd. of Malaysia also plans to invest in a large (US\$300mn) palm oil project.
- In March 2013, the Voluntary Partnership Agreement between the E.U. went into effect to implement the Forest Law Enforcement, Governance, and Trade Action Plan to improve the management of natural resources. Any company exporting timber to the E.U. must guarantee the legality of its products.
- Chinese employees of a Chinese fishing company based in Pointe-Noire demonstrated in February 2013 outside the Chinese Embassy in Brazzaville against poor working conditions and low wages, as well as making demands for repatriation.
- Tensions in industrial fishing between local fishermen and large Chinese firms in Pointe-Noire led the government to suspend 69 boats from three Chinese companies for 2 months. Satellite monitoring of the fishing industry has since been introduced.
- Wood is the second-largest revenue source with production reaching 1.2mn cubic meters in 2012. Strict monitoring of the sector keeps deforestation low (0.03% a year). Forests are, however, threatened by the mining sector.

Foreign Direct Investment

- FDI inflows in 2011 were \$2.9.bn (Table 6). FDI flows into increased from US\$2.2bn in 2010 to US\$2.93bn in 2011.
- China has significant investments in construction, infrastructure, forestry, and mining. China gave major support to the country following the explosion in March 2012 with loans totaling US\$1.6bn for reconstruction. In 2011, China's non-financial direct investment was US\$36mn. Chinese construction companies completed contracts worth US\$372mn in 2011. Updated data are not yet available.
- In 2012, China Road and Bridge Cooperation company and Congo's government started a joint-venture cement factory called SONOCC (with US\$5.8mn from the Chinese company and US\$4.6mn from the Congo) through a concessional loan from the China's Export-Import Bank. SONOCC will invest US\$30mn to increase production capacity in 2013.
- The government is attempting to increase oil exploration. Chevron will invest US\$1.9bn in the Lianzi oil field on the Angolan border hoping to produce 70,000 barrels of oil per day by 2014.

Infrastructure

Energy

- The China Gezhouba Group Corporation and China Machinery Engineering Corporation are building the 120MW Imboulou Hydropower Plant, as well as a 19 MW power station at Liouesso and a 74 MW plant at Moukouloulou.
- The ZTE group is building a solar panel factory, COPASOL, in Oyo, for US\$35mn, with 51% from ZTE and 49% from Congo's government.

Telecommunications

- 3.9 million people have cellular subscriptions (93.8 subscriptions per 100 inhabitants). 5.6% are Internet users (Table 16).
- In December 2012, Alcatel Lucent (Shanghai) and China Machinery Engineering Corporation signed a contract (US\$10mn) with Congo's government to build its national telecom backbone network project. The contract is funded by a loan provided by the Export-Import Bank of China.

Mining

- The country has some of the largest iron ore reserves in Central Africa. Production may begin in 2016 with Xstrata's 50% interest in a mine in Zanaga. Deals are on hold or have collapsed for China to mine iron ore due to China's fears of a global oversupply, falling prices, and lower profitability. Hanlong, a Chinese company, was unable to secure financial backing for the deal.
- A US\$1.2bn takeover of Australia's Sundance Resources by the Hanlong Group, has collapsed. Sundance, whose main asset is the Mbalam iron ore project, on the border with Cameroon pulled out of the deal in April 2012.
- The country now complies with the Extractive Industries Transparency Initiative's requirements having developed a disclosure process for all revenues from oil, gas, and mining.

Transportation

- Chinese contractors are completing a 600-mile road (967 km) between Brazzaville and Pointe Noire, as well as extending the paved roads to Ouessou on the Cameroonian border.
- Sinohydro is building the Ketta-Biessi-Ntam road for US\$150mn with 70% of the funding provided by the African Development Bank and 30% given by the Rep. of Congo.
- In 2011, the China Road and Bridge Corporation completed the rehabilitation of Ouésso Airport in Northern Congo for US\$64mn. It signed the contract for OYO inland terminal project for US\$100mn in December 2012.
- In November 2011, the China Machinery Engineering Corporation (CMEC) completed the Obouya-Boundji-Okoyo road (US\$124mn). CMEC started on the Okoyo-Lekety-Frontière du Gabon road that month. In December 2011, CMEC started Phase II of the Congo No.1 National Highway (US\$2.14bn), and in May 2012, completed Phase I (US\$324mn) of the Congo No. 2 National Highway and started Phase II (US\$260mn). Both phases are funded by the Rep. of Congo.

Doing Business and Business Culture

- The country is one of the most difficult places in the world to do business ranking 183 out of 185. The main problems are construction permits, registering property, and getting credit (Table 17). Areas in urgent need of reform are setting up new businesses (180), taxation (182), and cross-border trade (181). Starting a business takes 161 days, compared 34 days, the average for SSA. The total effective tax rate is 62.5%, which is 5.1 percentage points higher than the average in SSA.
- The cost of importing a container is \$7,709 which is \$5,142 more than the average cost for SSA.

Health and Social Aspects

- Health expenditures were US\$72 per person in 2010, an increase of \$5 from 2009. Public health expenditure constituted 47% of the total health expenditure in 2010, a decrease of 1% from 2009 (Table 15). Life expectancy at birth in 2011 was 57 years (Table 15).
- Only 32% of the rural population has access to improved water sources and only 18% has access to improved sanitation facilities.
- Reported malaria cases were 71,000 in 2011. Reported malaria deaths were 892 in 2011 (Table 15).
- 71.3% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 580 in 2008 to 560 in 2010, and total fertility (births per woman) was 4.5 in 2010 (Table 15).
- The mean years of schooling in 2010 was 6 years for people ages 25 and older (Table 13).
- 3.3% of the population was living with HIV/AIDS in 2011. 44% of this population receive antiretroviral therapy (Table 15).

Summary of SABER East African Countries

Countries: Ethiopia, Kenya, Sudan, Tanzania, Uganda

Political Stability

Ethiopia's Prime Minister Meles Zenawi died in August 2012 after winning the reelection in 2010, and ruling the country for 21 years. Deputy Prime Minister Hailemariam Desalegn, deputy Chair of the ruling party, took over through constitutional succession. He was appointed head of the African Union in January 2013. Ethiopia is supplying 4,200 troops to the U.N. peacekeeping operation on the north-south Sudanese border, and may take a more active role in Mali. The ruling party and its coalition allies won 99.6% of the parliamentary seats in 2010.

In **Kenya's** March 2013 election, Uhuru Kenyatta claimed victory, and to discourage postelection violence the runner-up, Prime Minister Raila Odinga, accepted the Supreme Court ruling that the election was fair and free. The election was watched closely by Kenyans, the rest of Africa, and the world and was seen as a test of ethnic divisions and corruption. Kenyatta and his vice president are facing trial in the International Criminal Court for violence and deaths linked to the previous election. In **Tanzania**, President Jakaya Kikwete was re-elected with 62.8% of the vote. The main opposition party, Chama Cha Demokrasia na Maendeleo, won some important by-election victories and is expected to increase its representation in the next election. Recent rallies resulted in violent clashes due to police interference. In **Uganda**, President Yoweri Museveni, in office for 27 years, is considering running again in 2014. He has been accused of imprisoning members of the opposition.

Corruption is a major issue in the region. **Ethiopian** government officials have been accused of corruption in telecommunications and mining. In **Uganda**, it is alleged that officials in the Office of the Prime Minister embezzled up to US\$13mn in funds intended for recovery operations.

Kenya's tourism industry was affected negatively by violence by secessionist groups, ethnic tribal clashes, and Somali pirate kidnappings in its Coastal region. In October 2012, Kenya's Defense Forces attacked and took over the al Qaeda-linked militant Al-Shabab's stronghold in Kismayo, Somalia. The Somali terrorist organization, Al Shabab, launched terrorist attacks in Kenya and Uganda culminating in Nairobi's Westgate Mall on September 21, 2013 in which at least 72 people were killed.

Economic Growth, Agriculture, and Trade

Kenyan exports to Uganda and Tanzania were up 3.4%. Chinese and Indian products flooded markets in all countries. The GDP growth in 2012 was 7%; IMF projects the economy to grow in 2013 at a 6.5% rate (Table 2). The GDP growth rates of the East African countries were generally high. The GDP growth rate of **Ethiopia** in 2012 was 7%, and **Tanzania** is expected to maintain a growth rate of 7.1%. The economy is expected to maintain a steady growth from 6.5% to 7.0% or higher during 2013 due to strong performance in mining, services, and telecommunications. Other countries were more moderate.

Ethiopia has the fastest-growing non-oil economy in all of Africa. **Kenya's** preparedness to manage (with accountability and transparency) its newly discovered oil and other natural resources is rated average by the

East African Countries

World Bank. Trade with China and infrastructure development in transportation, energy, and ICT increased significantly. The Ministry of Trade's directive to arrest, prosecute, and deport Chinese citizens without work permits was due to Nairobi traders protest of market takeovers by Chinese traders and complaints that their businesses were being undermined by Chinese traders "cheap, substandard, and subsidized goods." Inflation has been a serious problem in the region. In **Ethiopia**, the annual inflation rate was 22.9%. In **Tanzania**, the inflation rate is expected to "fall" from 15.6% in 2012 to 9.8% in 2013. In Kenya, the Central Bank Rate was lowered from 11% to 9.5%.

Trade with China grew strongly in the region: between China and **Kenya** it was 66% from 2010 to 2012; China became **Tanzania's** largest trading partner and second-largest foreign investor in 2012. In **Uganda**, China became its second-largest trading partner, after the U.K. China was Ethiopia's number one export destination.

Agriculture

Agriculture dominates employment in the region. In **Kenya**, 61% of the population and in **Tanzania**, 79% of the population were employed in the sector. Airtel Africa partnered with Kenya's Global Systems to provide agricultural information on cell phones to 250,000 small-holder farmers. The **Tanzania** government has limited the size of land foreign investors can lease and set a ceiling for investors wanting to buy agricultural land due to local and international criticism that big investors are grabbing large chunks of land, often displacing small-scale farmers and local communities.

In **Ethiopia**, 46.4% of GDP come from agriculture. Ethiopia will no longer impose export quotas on commercial farm outputs as a result of its commitment to a new G-8 countries partnership facilitating private-sector investment in agriculture (The New Alliance for Food Security and Nutrition partnership led by the U.S. in Ghana and Tanzania are also part of it.)

Foreign Direct Investment

FDI doubled in **Ethiopia**, from 2000 to 2012. FDI in **Kenya** slowed as a result of uncertainty about the elections. In **Tanzania**, half of all FDI came from South Africa, Canada, and the U.K. for natural gas opportunities. Gold mining in **Tanzania** has attracted investment, but production will depend on the price of gold. **Uganda** has overtaken **Kenya** as the preferred destination for foreign investors in the region, particularly relating to oil and gas.

Canada's Africa Oil increased the estimate of potential oil in **Kenya's** first well by a third since the discovery in March. Recent discoveries of oil and natural gas attracted a huge influx of foreign investment from companies such as Tullow Oil, Total, and China National Offshore Oil Corporation. As a result, **Uganda's** FDI increased 152% over 2011 (US\$792mn) to US\$2bn in 2012. In January 2013, British Tullow drilled its first well in Ethiopia in conjunction with Canada's Africa Oil Corporation and U.S.-based Marathon. Off shore oil and natural gas have been discovered in **Kenya**. As well, since oil discoveries in Kenya in 2012, there is speculation that the Kenya-Ethiopia Tertiary Rift (from southern Ethiopia to southwest Kenya) contains 23bn barrels of oil and gas.

Infrastructure

The E.U. and Denmark will spend over US\$1bn on social and economic infrastructure in **Ethiopia**. In **Tanzania**, the Chinese have provided over US\$1.5bn in concessional loans for infrastructure, such as the Zanzibar airport and a gas pipeline. **Ethiopia** plans to quadruple electric power, particularly through the expansive Renaissance Dam on the Nile River. Kenya has a number of hydroelectric projects underway.

Renewable energy sources are receiving considerable attention in East Africa. China presented a Wind Power and Solar Energy Master Plan to **Ethiopia** and has funded a wind energy project there. In **Kenya**, geothermal power and wind power projects are underway, along with a major power grid project. **Uganda** is working with Finland to boost renewable energy. **Tanzania's** Kigoma Solar Project will provide power for

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residences, businesses, and government offices. Kenya's high-tech center Konza Technology City, worth US\$10bn, is underway. **Uganda** plans to launch its first space observation satellite in 2013. **Ethiopia** will allow banks and micro financial institutions to provide transaction-based mobile and agent banking services. China is building a US\$1.5bn railway in Ethiopia.

Doing Business, Business Culture, Stock Exchange

The Ease of Doing Business index in 2012 saw the region declining. **Ethiopia** dropped 23 positions in 2012 to 127 out of 185; **Kenya** fell 23 points to 121 as a result of poor regulatory reform; **Tanzania** dropped 6 positions to 134, but is undertaking major reforms to streamline bureaucratic business registration and licensing procedures; **Uganda** improved by 2 positions in 120 has overtaken Kenya as a preferred destination for foreign investors seeking opportunities in East Africa.

Uganda is now East Africa's second most competitive economy after Rwanda when it comes to the ease of doing business. On the **Uganda** stock exchange, the all shares USE ALSI index in June 2013 was 1673 compared to 1188 in 2010. In **Kenya**, the Nairobi Stock Exchange (NSE) issued the first government bond index to improve investors' portfolio performance measurements. Its new section, the Growth Enterprise Market Segment, will allow small and medium companies to raise capital through the exchange.

Health and Social Aspects

Poverty in the region remains. In **Kenya**, 45.9% of the population live below the poverty line, and the figures are 31.1% for **Uganda**; 33.4% for **Tanzania**, and 38.9% for **Ethiopia**. Maternal mortality per 100,000 declined (between 2008 to 2010) from 470 to 350 in **Ethiopia**; 530 to 360 in **Kenya**; 790 to 460 in Tanzania; and 430 to 310 in Uganda. Kenya suffered 1 million malaria cases, a 12% increase. To reduce maternal deaths and increase antenatal care the "Saving Lives at Birth" program funded by Grand Challenges of Canada, USAID, World Bank, the Bill & Melinda Gates Foundation, and the Government of Kenya will be carried out in Western Province. **Kenya** is the largest market in East Africa for medicines made in China; the China-Africa medicine trade increased 10-fold between 2001 and 2011.

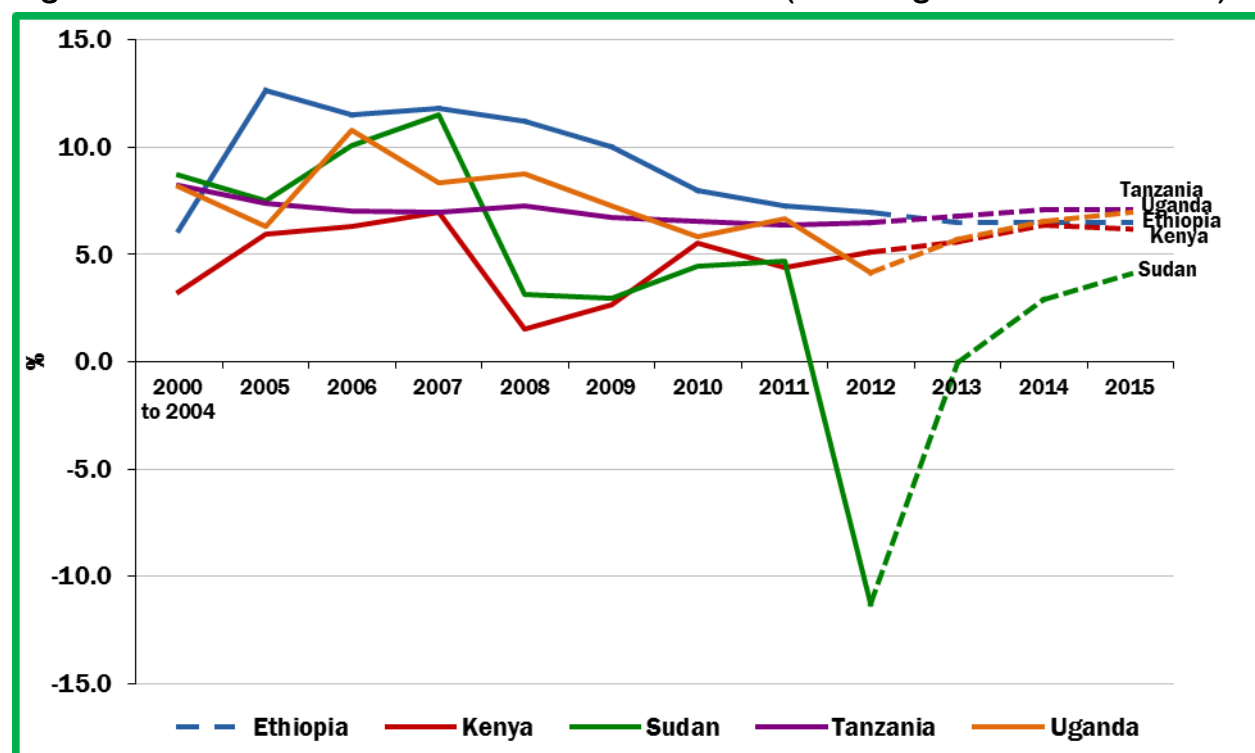
Figure 19: Business Environment Evaluation, East African Countries

	Ethiopia	Kenya	Tanzania	Uganda
Political Stability	↔	↓	↓	↔
GDP growth	↑	↑	↑	↑
FDI	↓	↑	↑	↑
Trade Balance (2011)²	–	–	–	–
Business Climate	↓	↓	↓	↑

Source: SABER 2012-2013

1. ↑ means up, increasing; ↔ means same or mixed results; ↓ means down or problematic
2. Trade balance: + means exports > imports; – means imports > exports

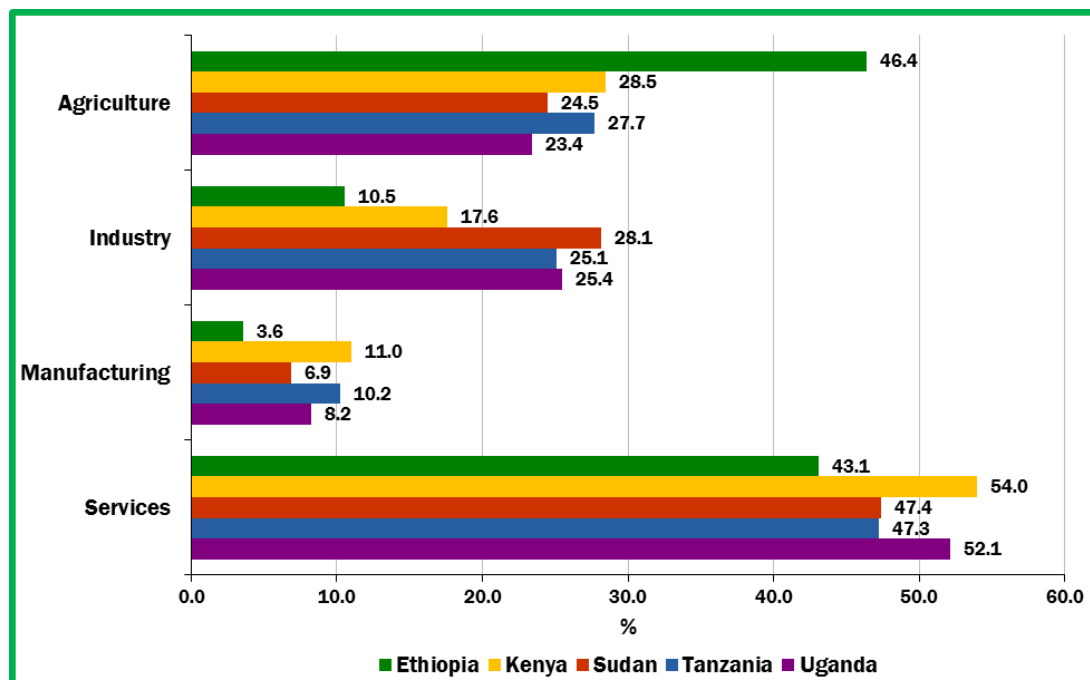
Figure 20: GDP Growth of East African Countries (% Change from Previous Yr)



Source: International Monetary Fund, Balance of Payments Database

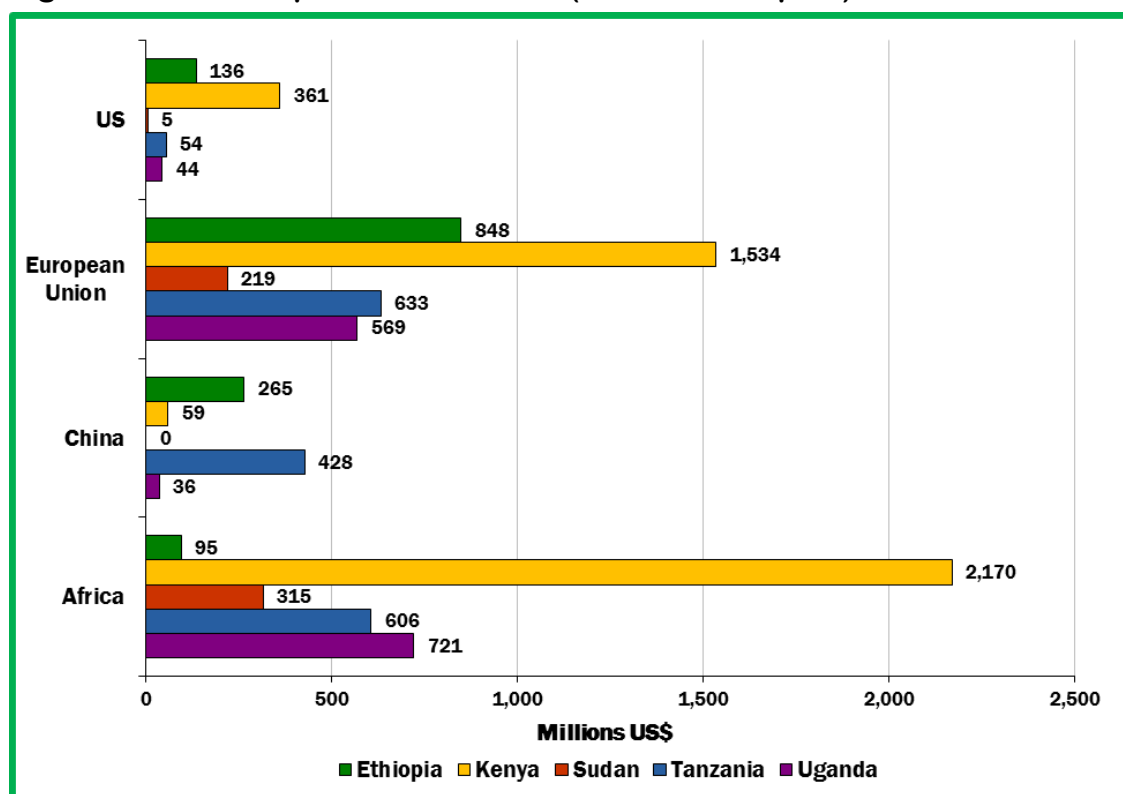
Note: The value for 2000 to 2004 is an average of the GDP growth during the four year period. Dotted lines are estimates.

Figure 21: Main Export Destinations (% of Total Export) of East African Countries



Source: SABER 2012-2013 (Table 3).

Figure 22: Main Export Destinations (% of Total Export) of East African Countries



Source: SABER 2012-2013 (Table 6)

Ethiopia

GDP US\$ 41.9 billion
GDP Growth, 2012: 7%
GNI per Capita, PPP US\$ 370

Capital: Addis Ababa
Doing Business World (SSA) Rank: 127 (13)
Inflation Rate, 2012: 22.9%
Currency: Birr

Population: 87 mill
Main Trading Partner: EU
HDI Rank: 173
Gender Inequality: 0.62

Ethiopia was never colonized. Amharic and English are the official federal working languages. In addition, there are regional official languages such as Tigrigna and Afan Oromo.



Political Stability

- Ethiopia's Prime Minister, Meles Zenawi of the Ethiopian People's Revolutionary Democratic Front (EPRDF) died on August 20, 2012 after ruling the country for 21 years. The Deputy Prime Minister, Hailemariam Desalegn took over as the interim PM through a constitutional succession. Mr. Desalegn was also the Deputy Chairman of the EPRDF.
- The EPRDF Executive Committee endorsed the hand-over to Mr. Desalegn. Future stability is unknown due to internal divisions within the Tigrayan People's Liberation Front (TPLF), a main party in the EPRDF coalition. Three regional parties are: the Oromo People's Democratic Organization (OPDO), the Amhara National Democratic Movement (ANDM), and the Southern Ethiopian People's Democratic Movement (SEPDM). Desalegn comes from the ANDM. The ruling party and its coalition allies hold 99.6% of the parliamentary seats.
- Desalegn, sworn in as the new prime minister and head of the ruling party in September 2012, pledged to implement Meles' policies raising concerns about stifling civil and political liberties. A new country strategy published in September 2012 ignored human rights, democracy, and good governance. The risk of ethnic and religious tensions increased following the death of Meles, who held the EPRDF's multi-ethnic framework together.
- In January 2013, Hailemariam was appointed chair of the African Union replacing Benin's President Thomas Boni Yayi. Ethiopia is supplying 4,200 troops to the U.N. peacekeeping operation in the disputed Abyei region on the north-south Sudanese border, and Ethiopia may take a more active role in the issue of Mali.
- Ethiopia has been listed on a press freedom "risk list". The government remains intolerant of press criticism, but donors are unlikely to withdraw aid given Ethiopia's strategic role in the West's anti-terrorism campaign. In 2009, the Ethiopian government passed anti-terrorism legislation that criminalizes coverage of any group that it deems to be a terrorist organization.
- A World Bank report suggested that corruption is an issue in Ethiopia in high-growth areas such as telecommunications and mining, but generally praised in Ethiopia's overall performance. Standard WTO prescriptions would require the country to ease restrictions on non-state participation in energy and telecommunications, and on the entry of foreign banks. Ethiopia's strategic importance will engender donor support despite concerns about governance, corruption, press freedom and the lack of a functioning political opposition. Problems of instability and terrorist activity in the Horn of Africa help to maintain Ethiopia's position as the key U.S. ally.
- The political stability rank Ethiopia was 6 in 2012, the same as in 2011. The corruption perception index score was 33 (35 out of 48 SSA countries) (Table 12). Ethiopia's democracy was rated as "not free," and ranked at 175 of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 7%; IMF projects the economy to grow in 2013 at a 6.5% rate (Table 2). The annual inflation rate was 22.9% in 2012 and 10.2% in 2013 (Table 9). GDP was US\$42bn in 2012 and projected to be US\$47bn in 2013 (Table 1).
- The government forecasts an annual GDP growth in excess of 11% a year over the period 2013-15.

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- Inflation slowed to 23.3% in 2012, from 33.2% in 2011. A further reduction to an average of 14.2% can be expected in 2013
- Ethiopia's candidacy to join the World Trade Organization is advancing even though the government has a restrictive stance on foreign investment.
- In September 2012, the government launched the Climate Resilient Green Economy Facility, a financing mechanism to support Ethiopia's Climate Resilient Green Economy. The mechanism targets funds from government, private financing, carbon trading schemes, and development institutions. The aim is to maintain low carbon levels as Ethiopia seeks to attain a middle-income economy status by 2025.

Trade

- Total imports in 2011 totaled US\$9.6bn (a 10% change from 2010) and total exports were US\$5.1bn (a 41% change from 2010). Exports to Africa were US\$95bn, US\$265bn to China, US\$848bn to the E. U., and US\$136bn to the U.S. The E.U. had the highest percent change from 2010 (48%), compared to the U.S. (11%), and China (6%); exports to Africa declined (-3%) (Table 6).
- Imports from the U.S. totaled US\$1.3bn and from China totaled US\$1.53bn in 2012. Exports to the U.S. had a value of US\$183mn and to China US\$310mn (Table 7). China was Ethiopia's first export destination (8.4 % of exports) and number one source of imports (15.9 % of imports).
- The main exports to the U.S. in 2012 were coffee, tea, mate, and spices, with a total value of US\$75mn (41% of total exports). The main exports to China (Table 8a) were seeds, grain, and fruit, with a total value of US\$256mn (83% of total exports).
- The main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery; sound and TV equipment (US\$18mn); nuclear reactors, boilers, and machinery (US\$33mn); vehicles, excluding railway (US\$7mn); aircraft, spacecraft, and their parts (US\$1071mn); agriculture, food, and beverages (US\$110mn); and stone art, plaster, cement (US\$3mn).
- The main commodity imports from China in 2012 (Table 8c) were electric machines; sound and TV equipment (US\$286mn); nuclear reactors, boilers, and machinery (US\$312mn); vehicles, excluding railway (US\$265mn); agriculture, food, and beverages (US\$9mn); footwear and apparel (US\$11mn); furniture, bedding, lamps, and prefab beds (US\$13mn); and articles of iron and steel (US\$131mn).
- The country's dependence persists based on donors and private remittances of Ethiopians living outside the country. The current transfers are 70% higher than export earnings.

Agriculture

- In 2011, agriculture contributed the highest to GDP at 46.4%, industry contributed 10.5%, and services contributed 43% (the manufacturing sub-sector contributed 3.6%) (Table 3).
- Agribusiness represents 40% of the Ethiopia's economy and 60% of exports. In 2010, 79% of the population was employed in agriculture and the value added per worker was US\$226, an increase of 7% from 2009 (Table 4).
- Both agriculture and agro-industry are benefiting from subsistence farmers moving into the commercial economy, helped by the expansion of roads, electricity, and market networks, as well as by recovery from the 2011 drought. Production of major grain staples is set to rise in 2013.
- Ethiopia will no longer impose export quotas on commercial farm outputs and processed goods due to its commitment to a new G-8 countries partnership facilitating private-sector investment in agriculture. The New Alliance for Food Security and Nutrition partnership is led by the U.S., Ghana, and Tanzania are also part of the alliance in which private-sector partners, including multinational companies, will invest US\$3bn. By September 2012, 35 private-sector companies had joined the partnership.
- The Ethiopian Sugar Corporation signed loan agreements with the state-owned China Development Bank for US\$500mn to build two new refineries in South Omo Zone and Afar Regional State to improve sugar output ten times by 2025. It plans to configure 10 plantations and factories to be one of the top 10 sugar exporters world-wide by 2025.

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- The Ministry of Agriculture stated that the production of main food crops will increase to 22.5mn tons in 2013 based on increased utilization of improved production techniques and seeds, as well as better management.

Foreign Direct Investment

- FDI inflows in 2011 were US\$206mn (Table 6). FDI doubled from 2000 to 2010.
- In May 2012, Ethiopia's status as the fastest-growing non-oil economy in Africa was boosted by a major American investment firm, Schulze Global Investments, that launched the first private-equity fund of US\$100mn. It will invest in Ethiopian agribusiness, cement, healthcare, natural resources, and other sectors.
- The country's non-oil economy designation may change. In January 2013, British Tullow drilled its first well in Ethiopia in conjunction with Canada's Africa Oil Corporation and U.S.-based Marathon, and plans to follow Sabisa 1 with two wells in 2013. Since oil discoveries in Kenya in 2012, there is speculation that the Kenya-Ethiopia Tertiary Rift (from southern Ethiopia to southwest Kenya) contains 23bn barrels of oil and gas.

Infrastructure

- The E.U. and the Royal Danish Embassy will spend US\$1.1bn to fund 200 social and economic infrastructural projects in line with Vision 2030 objectives. The money will be channeled through the Community Development Trust Fund, an arm of the E.U.
- The U.K. is giving US\$814mn for the third phase of Ethiopia's Protection of Basic Services program. British assistance has been criticized as funding paramilitary training.

Electricity

- Ethiopia plans to quadruple its electric capacity by 2015 through investing in extensive wind power generation. Currently, hydropower represents 90% of the power supply. The government's Growth and Transformation Plan lists seven new projects, totaling 890MW by 2015. The first will have 54 wind turbines costing about US\$300mn. The government aims to increase electricity generation from renewable resources (hydroelectric, geothermal, wind, and sugar by-products) from the current level of 2,000MW to 8,000MW by 2015.
- A Saudi official accused Ethiopia's Grand Ethiopian Renaissance Dam, a 5,200MW project, of threatening the Nile River water rights of Egypt and Sudan. Colonial-era agreements grant Egypt and Sudan access to 90% of the Nile's water. Both countries are concerned that the dam could reduce downstream flows and endanger agricultural productivity.
- China's Poly Group Corporation was contracted to provide training on the use of 25,000 sets of solar lighting equipment. Funding is by a World Bank loan under its "Lighting Africa" project.
- In April 2012, China presented its Wind Power and Solar Energy Master Plan to the Ministry of Water and Energy as part of its development aid.
- The ADAMA wind power project, a joint-venture of HydroChina Corporation and China Geo-engineering Construction Company Group, is the first green-energy aid project China has implemented in Africa, and Phase 1 was completed in December 2012. The technology, standards, management, and equipment come from China.

Telecommunications

- 14.1 million people have cellular subscriptions (16.7 subscribers per 100 inhabitants). Just 1.1% use the Internet. Internet bandwidth is 6,486 bits per second, ranked at 97 out of 140 countries (Table 16).

Transportation

- In 2011, a significant increase of cargo hauled by Ethiopian Airlines led to redesigning and expanding the airline's warehouse. A German company was contracted to construct a warehouse with the capacity to hold 1.2mn tons per year, one of the largest worldwide. The first phase is expected to increase storage capacity by 600,000 tons per year.
- In June 2012, Ethiopian Railways Corporation signed an agreement with China Communications Construction Company to construct the 268.2 km Mekele-Woldiya/Hara Gebeya railway costing US\$1.5bn. It will connect to Tadjourah port in neighboring Djibouti, giving Ethiopia an alternative port for its exports of potash and metals.

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- The first Vela car, a model of the First Automobile Workshop (FAW), China, will be assembled by Belayab Car Assembly, an Ethiopian company based in Adama in collaboration with FAW. The workforce is entirely Ethiopian.
- China's Lifan Industry expects to double its existing automotive capacity in Ethiopia with the construction of a US\$3.5mn plant.

Doing Business and Business Culture

- The ease of doing business ranking was bettered when it dropped by 23 positions in 2012 to 127 out of 185. Areas that significantly declined in rank were: days required to start a business, protecting investors, and paying taxes. Ethiopia improved in ease of getting credit and enforcement of contracts (Table 17).
- In January the Ethiopian government issued a directive that will allow banks and micro financial institutions to provide transaction-based mobile and agent banking services. Ethiopians will now be able to make deposits and withdrawals through their mobile phones. They can also make payments to businesses or transfer money to clients using their mobile phones.

Health and Social Aspects

- Ethiopia spent US\$16 on health per person in 2010. Public health expenditures constituted 54% of total health expenditures (Table 15). Life expectancy at birth in 2011 was 59 years (Table 15).
- 38.9% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 470 in 2008 to 350 in 2010, and total fertility (births per woman) was 4 in 2010 (Table 15).
- Reported malaria cases were 1.4mn, a 28% increase from 2010, while reported malaria deaths decreased from 1,581 in 2010 to 936 in 2011, a 41% decrease (Table 15).
- The Literacy Rate for youths aged 15 and older was 49% for men and 29% for women in 2011. The mean years of schooling in 2010 was only 2 years for people ages 25 and older (Table 13).
- 1.4% of the population was living with HIV/AIDS in 2011. 56% of this population receives antiretroviral therapy (Table 15).
- Ethiopia remains close to the bottom of the Human Development Index (HDI). The index includes measures of life expectancy, income and education. In the 2013 edition, released in March 2013, Ethiopia ranked 173 out of 187 countries. Ethiopia's HDI score increased by 44% between 2000 and 2012.

Kenya

GDP US\$ 41.1 billion
GDP Growth, 2012: 5.1%
GNI per Capita, PPP US\$ 820

Capital: Nairobi
Doing Business World (SSA) Rank: 121 (10)
Inflation Rate, 2012: 10%
Currency: Kenyan Shilling

Population: 43 mill
Main Trading Partner: Africa
HDI Rank: 145
Gender Inequality: 0.68

Kenya gained independence from the U.K. in 1963. Official languages are English and Kiswahili, with almost 70 other languages spoken in the country.



Political Stability

- In the March 2013 election, Uhuru Kenyatta of the Jubilee Coalition claimed victory with just over 50% of the vote. On March 30, to discourage postelection violence the runner-up, Prime Minister Raila Odinga of the CORD coalition, accepted the unanimous Supreme Court ruling that Kenyatta won in a free and fair election. The election was watched closely by the nation, the rest of Africa, and the world and was seen as a test of ethnic divisions and corruption. Videos submitted to the court showed that tallies announced in polling places differed from final votes certified by the Election Commission.

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- Kenyatta was sworn into office April 9 as the fourth President of Kenya. His inauguration creates a political dilemma since he and his vice president are facing trial in the International Criminal Court in the Hague for violence and deaths in 2007 and 2008 related to the previous presidential race. The hearing started in July, but was postponed following the September 2013 Westgate Shopping Mall crisis in which 72 people were killed and many injured by Al-Shabaab terrorists.
- Major financial challenges face Kenya in implementing a system of devolution of central government with 47 newly created counties and their governors. There are tensions with central government over governors' salaries and the transfer of operating funds to the counties.
- Parliament passed the Kenya Climate Change Authority Bill in December 2012 to advise national and regional governing bodies on climate change, punishments for environmental offenders, and implementation of local and international agreements. However, it was vetoed by the former President, Mwai Kibaki, in February 2013.
- Kenya's tourism industry is likely to be negatively affected by violence by secessionist groups, ethnic tribal clashes, and Somali pirate kidnappings in the coastal areas. Security forces brought relative peace, but there have been tourist cancellations and travel warnings.
- In October 2012, Kenya's Defence Forces (KDF) attacked and took over the al Qaeda-linked militant al-Shabaab's stronghold in Kismayo, Somalia. The KDF is now in charge of Sector II of the A.U.'s Mission in Somalia, and hopes to drive Al-Shabaab out and stabilize security.
- Kenya's political stability percentile rank was 10 in 2012 better than the 12 in 2011, and a corruption perception index score of 27, ranking 33 out of the 48 SSA countries (Table 12). The country was rated as a partly free democracy and ranked at 111 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 5.1%, and the IMF projects the economy to grow in 2013 at a 5% rate (Table 2), with an annual inflation rate of 10% in 2012 and 5.8% in 2013 (Table 9). GDP was US\$42bn in 2012 and projected to be US\$50bn in 2013 (Table 1).
- Industry contributes 18% to GDP, the manufacturing sub-sector contributes 11%, agriculture contributes 28%, and services are the highest at 54% (Table 3).
- Kenya's preparedness to manage (with accountability and transparency) its newly discovered oil and other natural resources is rated average by the World Bank.
- The Central Bank Rate was lowered to 9.5% from 11% to set the stage for further reduction in loans and mortgage charges
- In July 2012, the Central Bank of Kenya authorized the Bank of China (BOC) to open an office in Nairobi, expanding BOC's African presence outside South Africa and Zambia.

Trade

- Kenyan exports to Uganda and Tanzania were up 3.4% while Chinese and Indian products flooded market. Bilateral trade between China and Kenya reached US\$2.3bn in 2011. China is Kenya's third largest trade partner and second largest foreign investor. China became the major supplier of textile and general consumer goods, motor vehicles and parts, and batteries through a mass market pricing strategy that has upset among local manufacturers and importers.
- Total imports in 2011 were US\$15.5bn (a 20% change from 2010) and total exports were US\$9.8bn (a 9% change from 2010). Exports to Africa were US\$2.2bn, US\$1.5bn to the E.U., US\$0.4bn to the U.S., and US\$0.06bn to China. Although the smallest amount of exports went to China, it had the highest percent change from 2010 (66% from 2010, compared to the U.S.--22%, E.U.--18%, and Africa--11% change (Table 6).
- Imports from U.S. totaled US\$581mn and from China totaled US\$2.8bn in 2012. Exports to the U.S. had a value of US\$390mn and from China had a value of US\$52mn (Table 7).
- The main export to the U.S. in 2012 was apparel, with a total value of US\$254mn (68% of total). Main exports to China were ores, slag, and ash, with a total value of US\$9mn (18% of total exports). Raw hides and leather exports to China had an equivalent value of US\$9mn (Table 8a).

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- Main commodity imports from the U.S. in 2012 (Table 8b) were aircraft, spacecraft, and their parts (US\$133mn); nuclear reactors, boilers, and machinery (US\$82mn); agriculture, food, and beverages (US\$78mn); fertilizers (US\$48mn); electric machinery, and sound and TV equipment (US\$40mn); vehicles, excluding railway (US\$13mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$367mn); nuclear reactors, boilers, and machinery (US\$331mn); footwear, gaiters, and apparel (US\$248mn); vehicles, excluding railway (US\$177mn); furniture, bedding, lamps, and prefab beds (US\$138mn); plastics and its articles (US\$130mn); agriculture, food, and beverages (US\$21mn).
- Property values increased 3.4 times since 2000 with the average value for a property increasing from US\$83,500 in December 2000 to US\$283,500 in December 2012.
- The Ministry of Trade issued a directive to arrest, prosecute, and deport Chinese citizens operating businesses without valid work permits as a result of protests by local traders. Kenyan traders in Nairobi complained that Chinese hawkers undermined their businesses by selling “cheap, substandard, and subsidized goods.” They also claimed that the Chinese Embassy either delayed or denied them visas to travel to China to source their wares, but helped Chinese traders to import the same wares to Kenya at cheaper rates.
- Japan’s exports to Kenya, mainly comprised of second-hand cars, rose by US\$11.7mn to US\$141.2mn in the first quarter of 2012.

Agriculture

- 61% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$351, a change of 14% from 2009 (Table 4).
- Agriculture spurred economic growth increasing 4.7% in 2012 compared to 4% 2011.
- The government partnered with researchers, processors, and producers to revive the declining cashew industry affecting 60,000 farmers. A new project aims to replace trees, increase credit, and improve market accessibility to quadruple the current 10,000 tons per year by 2015.
- The Coast Development Authority initiated a plan to improve rice production through an irrigation scheme costing US\$47mn to expand production from 150 to 40,000 hectares.
- The E.U. will donate US\$86.7mn towards food security and agricultural productivity programs through the newly launched Kenya Rural Development Program.
- Kenya has temporarily banned imports of genetically modified organisms (GMOs) that do not affect existing biotechnology research and development.

Foreign Direct Investment

- FDI inflows in 2011 were \$335mn (Table 6) and slowed as a result of the uncertainty of the March 2013 elections. A survey by PricewaterhouseCoopers showed Kenyan business executives saw high risks concerning government regulations, economic uncertainty, exchange rates, and rising energy costs.
- China positioned itself for mega-infrastructure projects while continuing its share of the domestic market thereby widening its lead on India.
- London-based Tullow Oil discovered oil in the North-Western region of Turkana County in March 2012 about 200 miles from where China has been drilling exploratory shafts for the past five years. Tullow discovered and has 50% interest in 30 meters of oil in another well that is part is a multi-well drilling project.
- Canada’s Africa Oil increased the estimate of potential oil in Kenya’s first well (Ngamia-1) by a third since the discovery in March 2013. The company found another 43 meters of potential oil in the well operated by Tullow.
- Natural gas offshore (estimated at 2.2 and 5 trillion cubic feet) was struck by Australia’s Pancontinental Oil and Gas Limited.

Infrastructure

- The E.U. and Royal Danish Embassy are funding US\$12.9mn for 200 rural infrastructure projects (health facilities, water systems, roads, and agriculture) throughout the country.

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- China's Shengli Engineering & Consulting, under contract from the Ministry of Youth Affairs and Sports, completed the new Moi International Sports Centre in August 2012.

Energy

- General Electric Company (GE) plans to invest US\$100mn for wind power to connect to the national electric grid in 2013 and boost generation by 150MW. GE plans further investment to produce 1,000MWs over two years if this succeeds.
- An ADF loan of US\$384mn for a high-voltage transmission line will link with Ethiopia's power grid to transfer 2,000MW. In the long term, the Ministry of Energy plans to connect the grid to the Southern Africa Power Pool.
- A World Bank loan of US\$441.2mn for the 5-year construction of the Eastern Electricity Highway Project will import hydroelectric power from Ethiopia. The 1,000 km long power line will start in 2013 and transfer 2,000MW.
- The largest geothermal project in Africa to address electricity demands and reduce dependence on nonrenewable sources began in October 2012. The US\$970.6mn project will generate 280MW boosting output by 18%. Electricity Generating Company KenGen aims for additional projects to increase capacity by 140%. The government aims to increase output from 1,500MW to 15,000MW by 2030.
- KenGen, set up its first solar power station at the end of 2012. Its pilot wind power project produces 2MW of electricity and has funds to expand to 20MW.
- The ADB will extend US\$800mn to fund a wind power project at Lake Turkana, but the World Bank fears that the 300MW plant may be too large for the country's power grid.
- China's Sinohydro Group was contracted for the 20MW Sang'oro hydropower plant funded by the Japan Bank for International Cooperation.
- The government contracted Chinese CAMC Engineering for the Urban Power Grid Reconstruction Phase II Project and the Wu Yi Company to construct the Mwingi-Tseikuru road. The Wu Yi Company received a loan of US\$93mn from the Chinese government for the C93 road project that links Mwingi, Kandwia, Katse, Tana River, and Gaciongo.

Housing

- In February 2013, Mortgage Lender Housing Finance received US\$20mn from the IFC to construct environmentally friendly houses. Loans will have lower interest rates compared to current mortgages but developers must build energy and water efficient houses.
- In January 2013, Konza Technology City (dubbed "Silicon Savannah") was launched by then President Mwai Kibaki to construct a city branded as a global destination for innovations. The US\$10bn project is driven by the Ministry of Information and Communications, and is expected to attract investments to create 20,000 jobs by the end of 2013. There are 4 phases over 20 years with Phase 1 to be completed by 2017 at a cost of US\$2.4bn.
- China Huashi Enterprises Company Housing will build apartment units for Kenya's National Security Council (cost US\$11mn), and also will invest US\$21.27mn in various housing projects.

Telecommunications

- 27 million people have cellular subscriptions (64.8 subscriptions per 100 inhabitants). 28% are Internet users. Kenya's bandwidth is 4,544 bits per second (Table 16).
- Airtel Africa, one of Africa's largest telecommunication companies, partnered with Kenya's Global System for Mobile Communications Association, to provide agricultural information on cell phones to 250,000 small-holder farmers. USAID and the Bill and Melinda Gates Foundation awarded Airtel US\$400,000 to develop an agricultural database.
- In July 2012, China signed a loan agreement of US\$72mn for the National Optic Fibre Backbone Infrastructure Project and E-Government.
- StarTimes Media (Kenya), a Chinese digital Pay Television company, opened in Nairobi. It operates in 10 African countries and has 1.5 million subscribers.

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- In December 2012, China's largest English-language newspaper, *China Daily*, launched *China Daily Africa Weekly* in Nairobi. Earlier in 2012, China Central Television launched CCTV Africa, also headquartered in Kenya. China Radio International and Xinhua are also expanding.

Transportation

- The Urban Transportation Improvement Project funded by the World Bank will renovate roads starting in Nairobi by expanding existing highways, particularly those leading to the airport.
- In January 2013, the Japanese International Cooperation Agency signed an infrastructure grant worth US\$341.2mn for road projects in Mombasa and Nairobi.
- In February 2013, Kenya and South Sudan held talks on construction of a US\$1.1bn road linking the two countries to begin in 2014. The World Bank and African Development Bank are helping the two countries to secure more donors.
- In July, 2012, Prime Minister Odinga attended the 5th Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) in Beijing and signed a Memorandum of Understanding (MoU) with the Corporation for International Economic and Technical Cooperation for road upgrading projects.
- The China Overseas Engineering Group US\$81.5mn for the Arusha-Namanga-Athi River road (A104 road) project was completed February 2012 connecting Kenya with Tanzania. It was co-financed by ADB and the Japan International Cooperation Agency.
- China Road and Bridge Corporation will construct the 30-km Nairobi Southern Bypass road funded by the Export-Import Bank of China through concessional and preferential buyer loan credits of US\$183.6mn (for 85% of the cost).
- The China Road & Bridge Corporation will construct the No. 19 berth and yard project in Mombasa costing US\$66.7mn, which is co-financed by the Kenyan Government and Japan.
- The China Overseas Engineering Group contract of US\$480mn from the World Bank in 2008 for the new Kisumu International Airport upgrade project was completed in February 2012.
- Sinohydro Group received the contract from the World Bank to construct the Nyamasaria-Kisumu Airport-Kisian road. Contract value was not available.

Doing Business and Stock Exchange

- The ease of doing business fell 23 points from last year to 121 out of 185, mostly due to poor implementation of regulatory reform. The other areas with declining ranks are procedures for paying taxes and for registering property. It improved in investor protection and is one of the top countries in the ease of getting credit, where it ranks 12th (Table 17).
- The first government bond index was launched by the Nairobi Stock Exchange (NSE) to improve investors' abilities to measure their portfolio performance. NSE plans to use the index to deepen capital markets and diversify investment markets, which are currently dominated by investments in government bonds.
- Beginning in 2013, a new NSE section, the Growth Enterprise Market Segment (GEMS), allows small and medium companies with a paid up share capital of US\$118,000 in operation for at least one year to raise additional capital, expand their businesses, and raise their profiles.

Health and Social Aspects

- The population in 2011 was 43 million, with a 2.7% rate of increase. 45.9% live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 530 in 2008 to 360 in 2010 (Table 15).
- Reported malaria cases were about 1 million, a 12% increase from 2010. Reported malaria deaths declined from 26,017 in 2010 to 713 in 2011, a 97% reduction (Table 15).
- The Literacy Rate among those 15 years and older was 91% in 2011. The mean years of schooling in 2010 was 7 years.
- The Ministry of Public Health allocated US\$500,000 for a new program to improve the treatment of Tuberculosis.

East African Countries

- The U.S. through PEPFAR provided US\$8.8mn in technical support for a new Central Reference Microbiology, HIV and TB Laboratory and Ministry of Public and Sanitation Administration building to provide improved laboratory services for diagnosing and treating HIV/AIDS, Tuberculosis, and other diseases
- The U.S. gave equipment and drugs for cancer and diabetes patients worth US\$23.5mn.
- Western Province will receive US\$247.1mn to reduce maternal deaths and increase antenatal care under the "Saving Lives at Birth" program funded by Grand Challenges of Canada, USAID, World Bank, the Bill & Melinda Gates Foundation, and the Government of Kenya.
- Kenya is the largest market in East Africa for medicine made by China. The China-Africa Trade and Cooperation on Pharmaceuticals and Medical Devices met in Nairobi in September 2012. China-Africa healthcare trade increased 10-fold from \$US190mn in 2001 to US\$1.84bn in 2011.

Sudan

GDP US\$ 59.9 billion
GDP Growth, 2012: -11.2%
GNI per Capita, PPP US\$ 1,310

Capital: Khartoum
Doing Business World (SSA) Rank: 143 (19)
Inflation Rate, 2012: 28.6%
Currency: Sudanese Pound

Population: 33.5 mill
Main Trading Partner: Africa
HDI Rank: 171
Gender Inequality: n/a

Sudan gained independence from Egypt and the U.K. in 1956. Arabic and English are the official languages with Nubian and other languages spoken. South Sudan became independent on July 9, 2011.



Reviewers have recommended that a country report data for Sudan not be included in this SABER report, since it the World Bank has classified it as belonging in the North Africa region. Also, data for the new country of South Sudan are not yet available, and it cannot be ascertained if it falls within the top 20 GDP economies

However, all the tables in Appendix A include Sudan, although the data may be an aggregate of the two countries and/or of an earlier date, and therefore, not be as current as other countries.

Tanzania

GDP US\$ 28.2 billion
GDP Growth, 2012: 6.5%
GNI per Capita, PPP US\$ 540

Capital: Dodoma
Doing Business World (SSA) Rank: 134 (15)
Inflation Rate, 2012: 15.6%
Currency: Tanzanian Shilling

Population: 47.7 mill
Main Trading Partner: EU
HDI Rank: 152
Gender Inequality: 0.71

The former British Colonies, mainland Tanganyika and the predominantly Muslim islands of Zanzibar, united in 1964 to form Tanzania. Kiswahili and English are the official languages.



Political Stability

- In 2010, President Jakaya Kikwete, of the Chama Cha Mapinduzi (CCM) Party, garnered 62.8% of the vote to serve for the next five years. He and his party can be expected to continue to dominate the political scene. However, the CCM is far from united and divisions are likely to grow as the 2015 elections approach.
- Kikwete cannot run for election again. Edward Lowassa, the foreign minister, is most likely to succeed Kikwete as president in 2015.

East African Countries

- The main opposition party, Chama Cha Demokrasia na Maendeleo (Chadema) won some important by-election victories and is expected to increase its representation. Recent rallies resulted in violent clashes due to police interference.
- The 50th anniversary of the union between mainland Tanzania and the island of Zanzibar will be in 2014, but many political problems of capital and resources and sensitivities remain unresolved.
- The murder of a Catholic priest has highlighted the growing security risks posed by anti-Union forces on Zanzibar. With Tanzania unwilling to cede significant authority to Zanzibar, the situation could become unstable.
- The Tanzanian constitution should be complete in 2014, and the country's general elections in 2015 will be under this new constitution.
- The government is hindered by a lack of civil service capacity in the main ministries and by some ministers still close to Tanzania's socialist past. There have been some recent instances of police clamping down on protests organized by the opposition, and there are questions about the independence of the press.
- The political stability percentile rank for Tanzania was 47 in 2012, the same as in 2011. The corruption perception index score was 35 (19 out of the 48 SSA countries) (Table 12). Tanzania was rated as "a partly free democracy," and ranked at 97 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The economy is expected to maintain a steady growth from 6.5% to 7.0% and higher during 2013, due to strong performance in mining, services, and telecommunications. Large discoveries of natural gas are also expected to give a major boost over the next 10 to 15 years.
- The GDP growth in 2012 was 6.5%, and the IMF projects the economy to grow in 2013 at a 6.8% rate (Table 2), with an annual inflation rate of 15.6% in 2012 and 9.8% in 2013 (Table 9). GDP was US\$28bn in 2012 and projected to be US\$31bn in 2013 (Table 1).
- Real GDP growth is forecast to pick up from an estimated 6.9% in 2012 to 7.1% in 2013, driven by faster investment growth as the government begins to clarify the policy framework for the natural gas sector.
- Tanzania could be in a position to export coal, mostly to India and China. The mining sector contributes approximately 3% to GDP, but the government wishes to expand this to 10% by 2025.
- In 2011, the services sector contributed the highest to GDP at 47.3%; industry contributed 25.1%, the manufacturing sub-sector contributed 10.2%, and agriculture contributed 27.7% (Table 3).
- The government supported the United Nations Security Council's Convention on International Trade in Endangered Species of Wild Fauna and Flora to investigate the alleged involvement of the Lord's Resistance Army based in Uganda, in poaching African elephants and smuggling ivory within and across borders.
- Tanzania loses over US\$571.8mn revenue annually due to counterfeit businesses selling fake goods to consumers.

Trade

- The value of Tanzania's exports of goods and services was up to US\$8bn for the year ending in July 2012, compared with US\$7.1bn for the same period ending in July 2011. Ten subsectors—gold, cashews, fish processing, coffee, tobacco, tea, flour, steel, palm oil and cut flowers—account for half of the country's exports.
- Total imports in 2011 totaled US\$12bn (a 36% change from 2010) and exports totaled US\$7.4bn (a 16% change from 2010). Exports to Africa were US\$0.6bn, US\$0.4bn to China, US\$0.6bn to the E.U., and US\$0.05bn to the US. The E.U. had the highest percent change from 2010 (+49%), compared to Africa (+21%), the U.S. (+36%), and China (+17%) (Table 6).
- Imports from the U.S. totaled US\$239mn, while those from China totaled US\$209mn in 2012. Exports to the U.S. totaled US\$390mn and exports to China totaled US\$52mn (Table 7).
- The main exports to the U.S. in 2012 were pearls, precious stones, and metal, with a total value of US\$57mn (50% of total exports). Main exports to China (Table 8a) were ores, slag, and ash, with a total value of US\$213mn (56% of total exports).

East African Countries

- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$12mn); nuclear reactors, boilers, and machinery (US\$81mn); vehicles, excluding railway (US\$7mn); aircraft, spacecraft, and their parts (US\$15mn); agriculture, food, and beverages (US\$12mn); and textile and needlecraft (US\$26mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, and sound and TV equipment (US\$262mn); nuclear reactors, boilers, and machinery (US\$194mn); vehicles, excluding railway (US\$200mn); agriculture, food, and beverages (US\$8mn); footwear and apparel (US\$169mn); furniture, bedding, lamps, and prefab beds (US\$45mn); and rubber and its articles (US\$133mn).
- China was Tanzania's largest trading partner and second largest foreign investor in 2012. Bilateral trade volume in 2011 was US\$2.15bn, and US\$1.93bn from January to October 2012.

Agriculture

- The World Bank and Tanzania signed a credit agreement of US\$310mn for a 40-year soft loan for various projects, including improving the voucher system in the agricultural sector to help farmers in 132 local government authorities have better access to agricultural knowledge, technologies, and marketing systems.
- In 2010, 77% of the population was employed in agriculture. The agriculture value added per worker was US\$289, an increase of 4% from 2009 (Table 4).
- The export volumes and unit prices of traditional crops, including tobacco, cotton and coffee, rose sharply in 2012, to US\$907.7mn from US\$684.3mn in 2011. The government is creating commercial "agricultural corridors."
- The horticulture industry has a growth rate of 8% to 10% per year, generates over US\$358mn per year, and employs about 350,000.
- The country loses millions of dollars of revenue due to the smuggling and illegal sales of forest products. There are 33.5 million hectares of forest cover, with some 500,000 hectares destroyed annually; continued major losses of forested areas due to illegal logging are predicted.
- The country has set a ceiling for investors wanting to buy agricultural land. In January 2013, it started restricting the size of land a single large-scale foreign and local investors can "lease" due to local and international criticism that big investors are grabbing large chunks of land, often displacing small-scale farmers and local communities.
- China State Farms Agribusiness (G) Corp. Tanzania has been operating a 1,333 ha of sisal plantation and processing for over 10 years and hiring 1,000 local workers. It ranks second in the country and is the largest supplier of sisal fiber to China.
- A Chinese agriculture demonstration center on 62 hectares was built at Morogoro to serve as a platform to attract Chinese enterprises to invest in Tanzania's agriculture.
- Honey King Limited, a Chinese honey processing factory, opened in June 2012 with an annual capacity to process 10,000 tons while creating jobs for over 50,000 Tanzanians.

Foreign Direct Investment

- FDI inflows in 2011 were \$1.1bn (Table 6).
- South Africa, Canada, and the U.K. account for half of all FDI in Tanzania, with a quarter of FDI going to manufacturing. There is also robust growth in FDI inflows in the gas sector.
- The country's largest gold producer, Africa Barrick Gold (U.K.), has agreed to pay the new royalty rate of 4% (3% previously). Growth in mining will depend on gold prices. Additional minerals that have been identified include iron ore, uranium, nickel, copper, cobalt, silver, diamond, tanzanite, ruby, garnet, limestone, soda ash, gypsum, salt, phosphate, coal, gravel, and sand.
- Over 300 Chinese companies were registered (total investment US\$1bn) by Tanzania Investment Center (1990 to August 2012). These investments support about 80,000 jobs.

Infrastructure

- The Headquarters building of the Tanzania Farmers' Cooperative was contracted to the China Civil Engineering Construction Corporation (US\$160mn) under a bond sold by the Unit Trust of Tanzania.
- The Julius Nyerere International Convention Center in Dar es Salaam was contracted to Fujian Construction Engineering Group for US\$250mn funded by the Chinese government.
- China has given more than US\$1.5bn concessional loans in the past five years to build projects including the Zanzibar Airport and the gas pipeline from Mtwara to Dar es Salaam. The Chinese Vice Premier Hui Liangyu and Tanzania president Jakaya Kikwete signed MOUs on further cooperation in infrastructure development, education, and agriculture.

Energy

- Fuel shortages might not occur again as a result of operations of a multi-product oil handling facility at the port of Dar es Salaam.
- Power outages may become less frequent in 2013 due to new coal plants, but supply will remain inadequate because of the financial difficulties of the state-owned power utility, Tanesco.
- Rex Energy, a subsidiary of Rex Investment, is implementing the Kigoma Solar Project in the Kigoma region financed by the Millennium Challenge Corporation, a U.S.-based development agency to provide power for households, businesses, and government facilities that primarily rely on small diesel generators.
- The Petroleum Pipeline Engineering Corporation and China Petroleum and Technology Development constructed a natural gas processing plant and pipeline (542 km onshore and offshore) funded by US\$1.2bn loan from the Export-Import Bank of China.

Telecommunications

- 25.7mn people have cellular subscriptions (64.8 subscriptions per 100 inhabitants). 28% are Internet users (Table 16).
- Vodacom Tanzania signed up 4.4 million users for its mobile money service M-PESA (48% of its total subscriber base in the country). The service allows users with a recognized ID card to deposit, withdraw, and transfer money through a mobile device and is available throughout the country. US\$21.5mn is transacted daily through M-PESA.
- Tanzania has entered into a contract with Uganda to build an alternative route for an underground cable to overcome persistent Internet cable breakdowns. The government has completed Phase 2 of its roll-out plans and is now connected to all of its neighbors.
- Huawei Tanzania reached 65% localization of its workforce since its establishment in 2001. In 2012, it launched "ICT Star" program for Tanzania education.
- China International Telecommunication Construction Corporation built the 5,300-km long National ICT Broadband Backbone for US\$152mn soft loan from China's Export-Import Bank.

Transportation

- The government began implementing several infrastructure projects to improve transportation in the Dar es Salaam region including roadway flyovers and a rapid bus network. The first-ever commuter train service in Dar es Salaam was launched to ease congestion on roads.
- The government unveiled plans to expand and renovate 20 airports on the mainland and procure and rehabilitate 300 rail coaches, 22 wagons, and 13 engines. Other plans include rehabilitating the existing railway line for heavy duty operations, and constructing five ports within Lake Tanganyika and three ports in Lake Nyasa.
- Over the last 12 years, traffic through the Port of Mombasa increased by 7.4% annually, rising from 9 million tons in 2000 to 20 million tons in 2012. The Tanzania Ports Authority and Kenya Ports Authority are weighing a partnership to address congestion and clearing of cargoes.
- China Railway Construction Engineering Company and China Major Bridge Engineering built the Kigamboni bridge for a cost is US\$136mn; 60% will come from the National Social Security Fund and 40% from the government.

Water

- The Indian government will issue a US\$178mn credit to alleviate water shortages through the Dar es Salaam Water and Sewerage Authority (Dawasa) and signed a contract with Chinese Cino-Hydro for installation of water pipes from Lower Ruvu to Dar es Salaam. The Tanzanian government has allocated funds for water development to reach the goals set for 2025.
- Sinohydro Group was contracted to finish the Dodoma Urban Water Rehabilitation and Chalinze Water Supply Pipeline Extension Projects.

Doing Business and Stock Exchange

- The ease of doing business rank dropped by 6 positions in 2012 to 134 out of 185. Areas that significantly declined in rank are: (1) days required to start a business; (2) ease of getting credit; and (3) paying taxes. Tanzania improved in procedures for registering property and dealing with construction permits (Table 17).
- The country is undertaking major reforms to streamline bureaucratic business registration and licensing procedures. It has eliminated a requirement for inspection by town health and land officers as a prerequisite for licensing new businesses. However, dealing with construction permits is now more expensive, and a certificate of conformity must be before presented before imported goods are shipped.
- The annual growth of credit to the private sector slowed to 16.1% as of September 2012, down from 29.4% recorded in the corresponding period of 2011.

Health and Social Aspects

- Tanzania spent US\$31 on health per person in 2010, an increase of \$4 from 2009. Public health expenditure constituted 67% of the total health expenditure in 2010, an increase of 1% from 2009 (Table 15). Life expectancy at birth in 2011 was 58 years, an increase of 1 year from 2010 (Table 15).
- 33.4% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 790 in 2008 to 460 in 2010, and total fertility (births per woman) was 5.5 in 2010 (Table 15).
- The Literacy Rate for 15 years and older was 79% for men and 68% for women in 2011. The mean years of schooling in 2010 was 5 years for people ages 25 and older (Table 13).
- 5.8% of the population was living with HIV/AIDS in 2011. 40% of this population receives antiretroviral therapy (Table 15).
- The company Tanzania Pharmaceutical Industries was accused of producing fake medicines, creating panic among those living with HIV and those whose relatives are using its drugs.
- Zanzibar is set to have its health services improved due to massive development support funding from China.
- The Netherlands will donate diagnostic equipment to 37 hospitals to improve maternal health services.
- The Chinese US\$9.33mn, 96-bed Tanzania Cardiac Surgery Treatment and Training Centre was handed over to the Muhimbili National Hospital in Dar es Salaam in 2012. The center was contracted to China Shandong International Economic & Technical Cooperation Group.
- The failure of over 50% of candidates in the most recent secondary-school leaving exam has starkly highlighted the poor quality of Tanzania's education system.

Uganda

GDP US\$ 21 billion
GDP Growth, 2012: 4.2%
GNI per Capita, PPP US\$ 510

Capital: Kampala
Doing Business World (SSA) Rank: 120 (9)
Inflation Rate, 2012: 14.6%
Currency: Ugandan Shilling

Population: 35.6 mill
Main Trading Partner: Africa
HDI Rank: 161
Gender Inequality: 0.72

Uganda gained its independence in 1962 from the U.K. The official language is English with Kiswahili and Luganda widely spoken.



Political Stability

- President Yoweri Museveni of the National Resistance Movement (NRM) party has been in office since 1986 and was re-elected in February 2011. He is currently pondering a fourth term in 2016 after 27 years in power. After attacking and imprisoning the opposition leaders, in 2013 he urged his party members to work with the opposition for development.
- In 2013, Ugandan police arrested leading opposition politician Kizza Besigye over plans to restart anti-government demonstrations in Kampala. The police charged Besigye with "refusal to obey lawful orders" and held him at a Kampala police station along with Kampala mayor Elias Lukwago. Besigye, a former presidential challenger and leader of main opposition party, Forum for Democratic Change, has been detained repeatedly as he has attempted to restart opposition demonstrations.
- Opposition coalition group, For God and My Country (4GC), announced plans to launch fresh protest events, despite attempts by the government to ban the organization. Protests over rising living costs in 2011 led to a brutal clampdown by security forces that left at least 10 people dead.
- Some think Museveni's plan is to step down and hand power to his son, Brigadier Muhoozi Kainerugaba, who is currently Special Forces Group commander in the Ugandan People's Defense Forces (UPDF).
- In November 2012, President Museveni and officials from the Ministry of Energy rejected a proposal by lawmakers that the National Oil Company be placed under the Public Enterprise Reform and Divestiture statute to define the relationship between the state, public, and the company.
- In December 2012, Parliament passed a law governing oil exploration (development and production) for the recently discovered fields with about 3.5 billion barrels of oil. Clause 9, that gives the energy minister wide-ranging powers, including authority to grant and revoke licenses and negotiate agreements, is controversial. Many members want an independent national oil authority to have the power, and are concerned about the law's confidentiality clause, that limits information to the public.
- Donors may cut aid to the country after allegations that officials in the Office of the Prime Minister embezzled up to US\$13mn in donor funds intended for recovery in the northern region. Britain suspended aid in November 2012 over concerns that funds were being diverted into private bank accounts.
- In January 2013, a high-level delegation led by the Minister of the Organization Department of the Communist Party of China Central Committee signed a US\$4.8mn agreement on Economic and Technical Cooperation and gave US\$160,600 in equipment as a gift.
- The political stability percentile rank was 15 in 2012, same as in 2011. The corruption perception index score was 29 (30 out of the 48 SSA countries) (Table 12). Uganda was rated as "a partly free democracy," and ranked at 123 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 4.2%, and the IMF projects the economy to grow in 2013 at a 5.7% rate (Table 2), with an annual inflation rate of 14.6% in 2012 and 6.1% in 2013 (Table 9). GDP was US\$20bn in 2012 and projected to be US\$22bn in 2013 (Table 1).
- In 2011, the service sector contributed the highest to GDP at 51.1%, industry contributed 25.4%, the manufacturing sub-sector contributed 8.2%, and agriculture contributed 23.4% (Table 3).

East African Countries

- In 2012, the Uganda Small Scale Industries Association was designated as a focal implementation organization for the "One Village One Product" program spearheaded by the Uganda's Ministry of Trade, Industry, and Cooperatives.
- The country has substantial deposits of iron ore and annual production has been rising from 972 tons in 2009 to 3,300 tons in 2012. The President and energy ministry banned the exportation of iron ore to support the development of the local steel industry.

Trade

- Exports to China have been growing sharply. Exports of products such as cocoa, cotton, wood, copper concentrates, and hides and skins to China soared from US\$5mn in 2003 to US\$26.7mn in 2011. At least 2,200 tons of coffee beans worth US\$7.6mn were exported to China in the first half of 2010.
- China become Uganda's second largest trading partner after the U.K. Bilateral trade was US\$40mn in 2011, an increase of 40% over 2010. From 1993 to 2011, total Chinese investments reached US\$596mn. Currently there are 265 Chinese companies, supporting 28,000 jobs. The Ugandan Investment Bureau registered 45 Chinese investment projects in 2012. In July 2012, China granted free duty and tariffs for 95% of Uganda's goods entering the Chinese market.
- India remains Uganda's largest trading partner, exporting goods worth US\$928mn. Kenya is its third-biggest trade partner, exporting goods valued at US\$671.6mn.
- Total imports in 2011 were US\$5.8bn (-1% change from 2010) and total exports were US\$4bn (-3% change from 2010). Exports to Africa were US\$0.7bn, US\$0.03bn to China, US\$0.6bn to the E.U., and US\$0.04bn to the U.S. China had the lowest percent of exports, but the highest change from 2010 (50%), compared U.S (-20%), E. U. (22%), and Africa (9%) (Table 6).
- Imports from U.S. totaled US\$100mn and exports from China totaled US\$495mn in 2012. Exports to the U.S. totaled US\$34mn and to China totaled US\$43mn (Table 7).
- The main exports to the U.S. in 2012 were coffee, tea, mate, and spices, with a total value of US\$29mn (83% of total exports). Main exports to China (Table 8a) were raw hides and leather, with a total value of US\$21mn (50% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$10mn); nuclear reactors, boilers, and machinery (US\$22mn); vehicles, excluding railway (US\$4mn); aircraft, spacecraft, and their parts (US\$27mn); agriculture, food, and beverages (US\$8mn); and textile and needlecraft (US\$3mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$89mn); nuclear reactors, boilers, and machinery (US\$87mn); vehicles, excluding railway (US\$64mn); agriculture, food, and beverages (US\$2mn); footwear, gaiters, and apparel (US\$91mn); furniture, bedding, lamps, and prefab beds (US\$28mn); and footwear and gaiters (US\$57mn).

Agriculture

- 66% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$200, a decrease of 5% from 2009 (Table 4).
- In January 2013, the Coffee Development Agency indicated that volumes had declined by 16.9%, while revenues had dropped by 23.9%.
- In 2012, the country earned US\$136mn in fish exports, putting the sector as the second highest foreign exchange earner. Measures to curb indiscriminate fishing are needed to prevent the reductions of fish stocks.
- The China-aided Agricultural Technology Demonstration Center was completed in 2010 at Kajjansi on 20 hectares provided near Kampala for US\$5mn. China will train Ugandan officials and practitioners in irrigation techniques, aquaculture, and fishing.

Foreign Direct Investment

- FDI inflows in 2011 were \$792mn (Table 6).
- Uganda has overtaken Kenya as a preferred destination for foreign investors seeking opportunities in East Africa.

East African Countries

- China accounted for 31 planned projects worth US\$46mn in leather tanning, food processing, ICT, and real estate. Chinese investment from 1993 to 2011 amounted to US\$596mn, with 265 companies operating in Uganda and providing about 280,000 jobs.
- There 2.5 billion barrels-worth of oil confirmed in western Uganda which is expected to generate US\$2bn a year once production begins.
- Recent discovery of oil and natural gas attracted a huge influx of foreign investment from companies such as Tullow Oil, Total, and China National Offshore Oil Corporation (CNOOC). As a result, Uganda's FDI increased 152% over 2011 (US\$792mn) to US\$2bn in 2012. Tullow Oil, Total of France, and CNOOC partnered to explore oil in Uganda in 2012.
- A refinery for 60,000 barrels per day (bpd) is expected to be in operation by 2015. The China National Offshore Oil Corporation is involved in the development of the oilfields after acquiring a third interest in two oil blocks from London-based Tullow Oil in February 2012.
- Another 1 billion barrels of oil from at least three new oil wells has increased Uganda's oil capacity to 3.5 billion barrels of oil as of September 2012. In November 2012, the construction of an oil refinery rather than a pipeline was agreed upon. Uganda earned US\$2mn in royalties from Total of France that discovered block-I in Northern Uganda.

Infrastructure

Energy

- Uganda may start oil production in 2014 with an initial 10,000 bpd for power generation.
- Uganda, in collaboration with Finland, launched the Energy and Environment Partnership program with Southern and East Africa to boost renewable energy. The Austrian Development Agency, U.K.'s Department for International Development, and the Development Bank of Southern Africa partnered (US\$27.5mn) for the first phase that ended in December 2012.
- US\$17.7 from the Dutch ORIO Infrastructure will be used to construct 10 mini hydro power stations that will be franchised to the private sector for rural electrification of 347,000 households.
- Sinohydro Group was sub-contracted (US\$10mn) for the mechanical and electrical works of the Bujagali hydropower plant after signing agreements with Alstom Projects India and the main contractor, Italy's Salini Costruttori. Output began in June 2012.

Telecommunications

- 16.7mn people have cellular subscriptions (48.4 subscriptions per 100 inhabitants). 13% are Internet users. Internet bandwidth is 1,752 bits per second, ranked at 122 out of 140 countries (Table 16).
- The country will launch its first space observation satellite, called Cadimella, in 2013. The space probe has cameras with a wide angle fish-eye lens for taking pictures of Uganda from space, as well Global Positioning System trackers.

Transportation

- China Communications Construction Company will construct the 51 km Kampala-Entebbe Highway costing US\$476million, with US\$350mn from a concessional loan from the Export-Import Bank of China, and US\$17mn from the Government of Uganda.
- China's bus manufacturer YuTong exported 100 buses with US\$10mn financing from Standard Chartered Bank, Uganda.

Doing Business, Business Culture, and Stock Exchange

- The ease of doing business rank improved by 2 positions in 2012 to 120 out of 185. Aspects that significantly improved in rank are dealing with construction permits, registering property, and ease of getting credit. It declined in rank in days required to start a business, paying taxes, and closing a business (Table 17).
- Uganda is now East Africa's second most competitive economy (after Rwanda) when it comes to the ease of doing business; it ranks 52 in the world, as the easiest place to do business.

East African Countries

- The Bank of China partnered with Uganda's DFCU Bank to upgrade its Chinese special desk to provide a fully-fledged service center (with two Bank of China staff members) for Ugandan traders going to China, as well as for Chinese businessmen in the country.
- For the Uganda Stock Exchange (USE), markets statistics for 2012 show 3,691 shares traded for a turnover of US\$11.6mn and a market capitalization of about \$US16.6mn. The all-shares USE ALSI index in June 2013 was 1673 compared to 1188 in 2010.

Health and Social Aspects

- Uganda spent US\$47 on health per person in 2010, an increase of \$3 from 2009. Public health expenditure constituted 22% of the total health expenditure in 2010 (Table 15).
- Life expectancy at birth in 2011 was 54 years (Table 15).
- 31.1% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 430 in 2008 to 310 in 2010, and total fertility (births per woman) was 6.1 in 2010 (Table 15).
- Reported malaria cases were 0.2mn, an 85% decrease from 2010. Reported malaria deaths decreased from 8,431 in 2010 to 5,958 in 2011, a 29% decrease (Table 15).
- The Literacy Rate for 15 years and older was 83% for men and 65% for women in 2011. The mean years of schooling in 2010 was 5 years for people ages 25 and older (Table 13).
- 7.2% of the population was living with HIV/AIDS in 2011, and 54% of this population was receiving antiretroviral therapy (Table 15).
- In 2013, the government will conduct a nationwide mass immunization campaign against tuberculosis, diphtheria, whooping cough, and tetanus. The government is planning vaccinations against cervical cancer.

Summary of Southern African Countries

Countries: Angola, Botswana, Mozambique, Namibia, South Africa, Zambia

Political Stability

The ruling parties in all southern African countries in the SABER report consolidated their dominant positions in 2012. In many cases, power and wealth has flowed to the politically powerful and their allies. In both **Angola** and **Mozambique**, party leaders of the former Marxist parties have become heavily involved in business with party membership often a prerequisite for business success.

President Dos Santos was reelected President of **Angola** in 2012, a position he has held for the past 32 years. Elections are scheduled in 2014 in **South Africa**, **Mozambique**, and **Namibia**, but the Presidents of **Namibia** and **Mozambique** are constitutionally barred from running for a third term in the next elections. However, President Armando Guebuza of **Mozambique** will continue to exercise significant power as the president of the ruling party.

Black Economic Empowerment (BEE) continues to be controversial in **South Africa** and is viewed by many as providing riches to the politically influential, while providing few benefits to the vast majority of “historically disadvantaged South Africans.” A similar BEE is being implemented in **Namibia**. **South Africa’s** Jacob Zuma easily defeated his challenger, Kgalema Motlanthe, for the party’s presidency. Zuma’s opponents are being forced out of prominent party positions before national parliamentary elections in 2014. Similarly, President Michael Sata of **Zambia** appears to be increasing his party’s prominence through intimidation of opposition parties.

Economic Growth, Trade, and Agriculture

Labor unrest continues to plague several southern African countries, particularly **Zambia** and **South Africa**. **Zambia’s** unrest has focused on confrontations between Chinese-owned mine and labor unions. Labor unrest in the platinum mines of South Africa triggered the worst police violence since the end of Apartheid. Strikes crippled production before a labor agreement was reached. This is one reason why the **South Africa’s** GDP grew at only 2.5% in 2012, which is half the rates achieved by other countries in the region.

Increased demand for resources has triggered significant economic growth throughout the region, but most countries are still tied to a primary product, whether it is oil in **Angola**, copper in **Zambia**, or diamonds in **Botswana**. Many countries are grappling with the best way to benefit from their mining resources. **Zambia** doubled the rate of mining royalties from 3% to 5% in 2012. In contrast, **Angola** recently cut its tax rates on mining from 35% to 25% in an attempt to reduce its dependence on petroleum. Some members of **South Africa’s** African National Congress advocated the nationalization of the mines, but this was rejected by the ANC’s party congress in December 2012. Instead, it will push for higher taxes and a larger role for the state-owned mining company.

Although **Angola** had the highest increase in GDP, it also the lowest FDI inflows, with US\$-5.6bn. This was the only negative FDI value among the 20 SABER countries. **South Africa** recorded the highest FDI inflow in the region and among the 20 countries with a total of US\$5.8bn. **Mozambique** had an inflow of US\$2.1bn, **Zambia** US\$1.9bn, **Namibia** US\$0.9bn, and **Botswana** US\$0.5bn.

Foreign Direct Investment

The resource boom has attracted significant FDI throughout the region. Mozambique is starting to develop its vast coal and natural gas deposits. More oil wells are coming into production in Angola. Mining is also expanding in Namibia even though demand for uranium diminished following the Tsunami in Japan. However, bottlenecks in infrastructure are reducing the attractiveness for some of the investors. Anglo American decided not to invest in Mozambique's coal fields while Rio Tinto was forced to write off US\$3bn from its investment in Tete province.

South African companies have been active in the region and accounted for 4.1% of all FDI projects in Africa between 2004 and 2011. They have been particularly active in the mining, beverages, banking, and retail sectors. However, some companies worry that other nations resent South Africa's economic clout. To avoid this backlash, Wal-Mart, which purchased the South African retail giant, Massmart, may not use Massmart's brands outside of South Africa.

Infrastructure

The governments of southern Africa realize the importance of infrastructure and are investing heavily to improve their electric, power, and telecommunication systems. **South Africa's** state power company, Eskom, is launching a multi-billion dollar project to increase its capacity. The Chinese government has invested heavily in infrastructure projects particularly in resource-rich countries like **Zambia** and **Angola**. The Chinese have also completed the reconstruction of the Benguela Railroad in **Angola**, an important transportation link between the Atlantic Ocean and the Democratic Republic of Congo. China's Sinohydro has been building roads in **Botswana**, and dams in **Angola** and **Zambia**.

The penetration of cell phones into the countries of southern Africa continues at a rapid rate. China's assistance to southern African countries is paying commercial dividends, and it is now the largest trading partner with many countries in the region.

Doing Business, Business Culture, and Stock Exchange

Southern Africa is a challenging place to do business. However, countries in the region saw their ranking fall in the latest World Bank Doing Business Report. However, four out of six countries were ranked in the top 100 out of 183 with regards to ease of doing business. **South Africa** was the highest ranked from the region at 39, while **Angola** received the lowest rank at 172. Contract enforcement and starting a business are difficult in many of the countries. Corruption is also a major obstacle and charges of cronyism and corruption were levied against most of the governments in the region. Even **Botswana**, one of the least corrupt countries in Africa, is causing concern about an expanding presidential patronage network.

South Africa's Johannesburg Stock Exchange (JSE) is the world's 17th largest stock exchange, and the largest stock market in Africa in terms of market capitalization, volume of trade, and number of companies listed. The JSE Index reached an all-time record high in March 2013. The much smaller by comparison, **Zambia's** Lusaka Stock Exchange, had a one-year return for March 31, 2013 of 4.1% but the three-year return was 27.9%.

In **Mozambique**, the government is planning to change the legislation for mining investments to mandate that a 5% equity interest be given to the state mining company.

Health and Social Aspects

Maternal mortality in oil rich Angola has declined since 2008, but it is still an appalling 450 deaths per 100,000 births given its oil wealth. The incidence of HIV-AIDS in the adult population is still greater than 10% in most of the countries. While donor funds have helped many infected receive treatment, access is still far from universal.

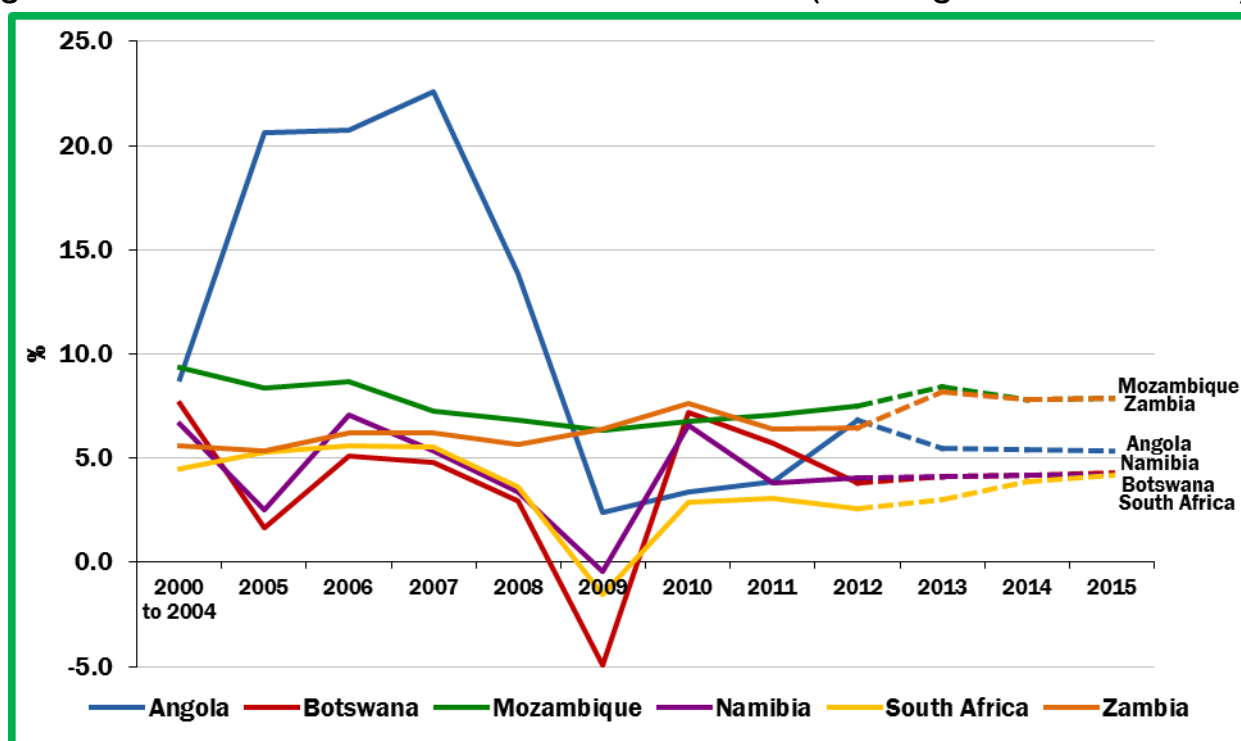
Figure 23: Business Environment Evaluation 2012, Southern Africa

	Angola	Botswana	Mozambique	Namibia	South Africa	Zambia
Political Stability	↔	↔	↑	↑	↔	↑
GDP growth	↑	↓	↑	↑	↑	↑
FDI	↓	↑	↑	↑	↑	↑
Trade Balance (2011)²	+	-	-	+	-	+
Business Climate	↓	↓	↓	↓	↓	↓

Source: SABER 2012

1. ↑ means up, increasing; ↔ means same or mixed results; ↓ means down or problematic
2. Trade balance: + means exports > imports; - means imports > exports

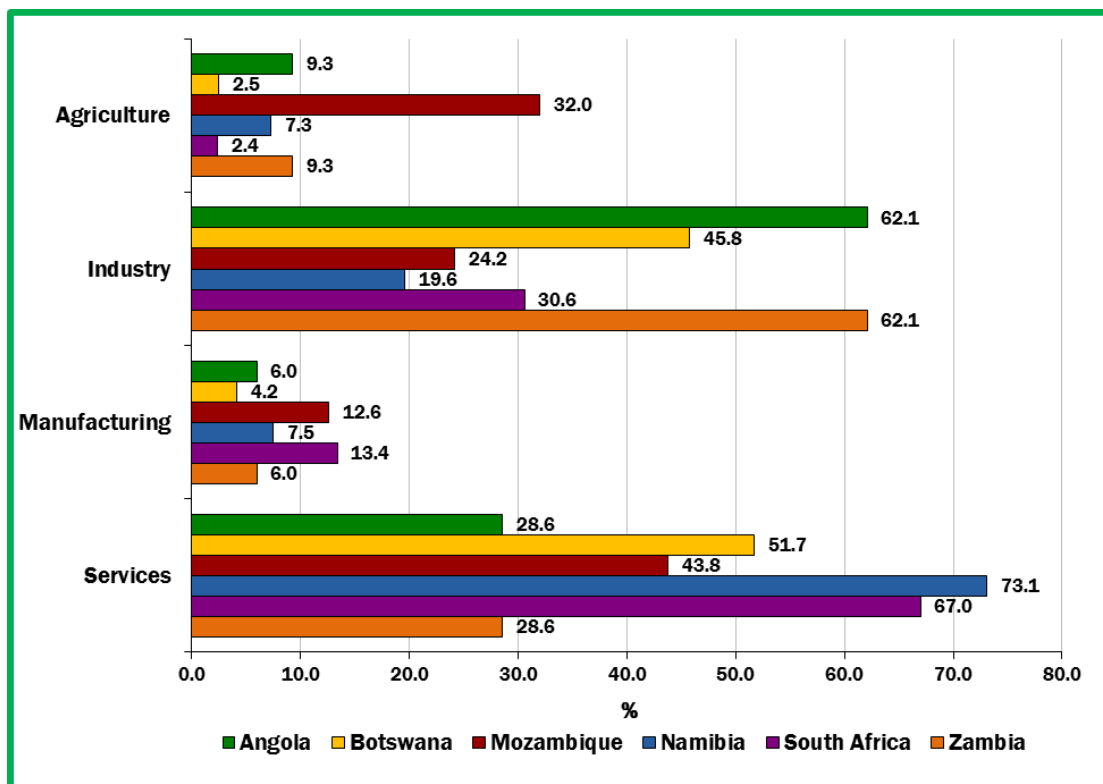
Figure 24: GDP Growth of Southern African Countries (% change from Previous Yr)



Source: International Monetary Fund, Balance of Payments Database

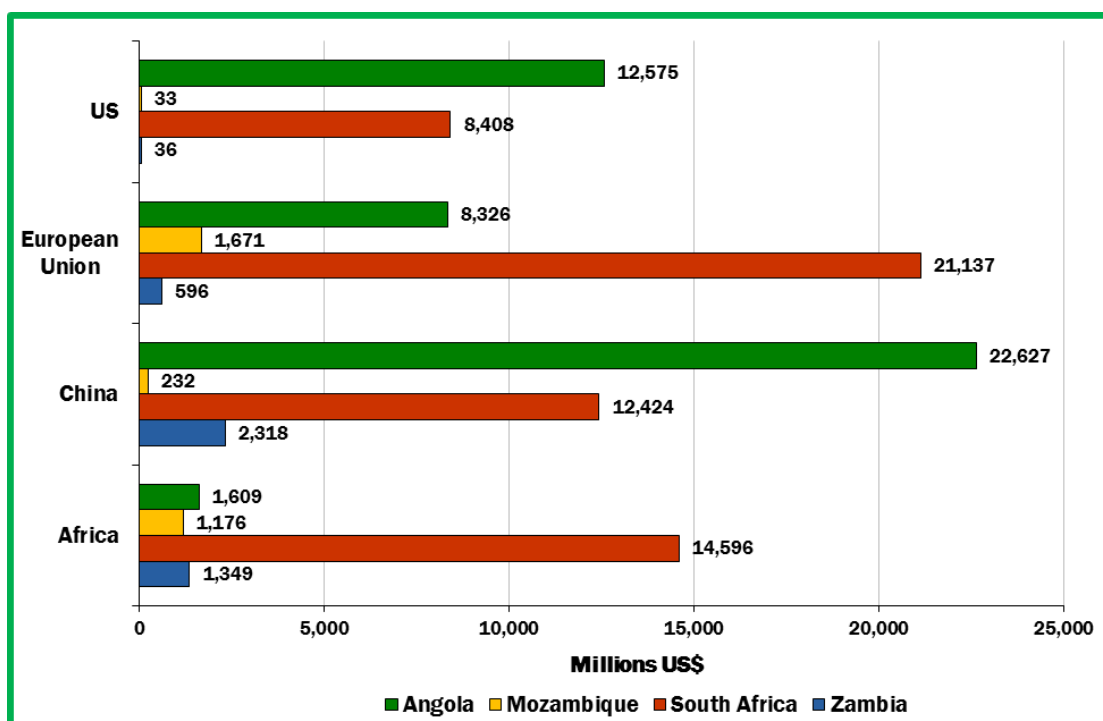
Note: The value for 2000 to 2004 is an average of the GDP growth during the four year period. Dotted lines are estimates.

Figure 25: GDP Growth of Southern African Countries (% change from prev. yr)



Source: SABER 2012-2013 (Table 3).

Figure 26: Main Export Destinations (% of Total Exports) of Southern African Countries



Source: SABER 2012-2013 (Table 6).

Angola

GDP US\$ 118.7 billion

GDP Growth, 2012: 6.8%

GNI per Capita, PPP US\$ 3,830

Capital: Luanda

Doing Business World (SSA) Rank: 172 (33)

Inflation Rate, 2012: 10.8%

Currency: Kwanza

Population: 20.9 mill

Main Trading Partner: China

HDI Rank: 148

Gender Inequality: n/a

Angola gained its independence in 1965 from Portugal. Portuguese is the official language and is spoken as the first language of about two-thirds of the population. African languages spoken include Umbundu, Kimbundu, and Kikongo.



Political Stability

- President José Dos Santos' MPLA party, which has been in power for the past 32 years, won the elections of September 2012 by a landslide, getting 73% of the votes cast. The largest opposition party, UNITA, got 18%. This was the first election under the country's new constitution.
- Ballot tally sheets from over 10,000 polling stations across the country were not posted publicly at the stations themselves, and results were announced by the central electoral authorities.
- While Angola experienced some of the highest economic growth rates in the world, most of the wealth flowed to a small group close to the president and the ruling party. The president's oldest child, Isabel, is Africa's richest women with a vast business empire in Angola and Portugal. Her 34-year old half-brother, Zenu, was appointed in 2012 to the three-person board overseeing Angola's new US\$5bn sovereign wealth foundation.
- The political stability percentile rank was 36 in 2012, same as in 2011. The corruption perception index score was 22 (41 out of the 48 Sub-Saharan Africa countries) (Table 12). Angola's democracy was rated as "not free," and ranked at 150 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 6.8%, and the IMF projects the economy to grow in 2013 at a 5.5% rate (Table 2), with an annual inflation rate of 10.8% in 2012 and 8.6% in 2013 (Table 9). GDP was US\$115bn in 2012 and projected to be US\$124bn in 2013 (Table 1).
- In 2011, industry contributed the highest to GDP at 62.1%, the manufacturing sub-sector contributed 5.9%, services 28.6%, and agriculture contributed 9.3% (Table 3).
- Total imports in 2011 were US\$45.2bn (a 30% change from 2010) and total exports were US\$67.8bn (a 34% change from 2010). Exports to Africa were US\$1.6bn, US\$22.6bn to China, US\$8.3bn to the E.U., and US\$12.6bn to the U.S. The E.U. had the highest percent change from 2010 (80%), compared to Africa (-11%), the U.S. (13%), and China (9%) (Table 6).
- Imports from U.S. totaled US\$1.49mn and from China totaled US\$4.04bn in 2012. Exports to the U.S. totaled US\$9.8bn and to China totaled US\$3.3bn to China (Table 7).
- The main exports to the U.S. in 2012 were mineral fuel, oil, bitumen, and mineral wax, totaling US\$9.7bn (99% of total exports to the U.S.). Main exports to China (Table 8a) were also mineral fuel, oil, bitumen, and mineral wax, totaling US\$33.3bn (100% of exports to China).
- Main commodity imports from the U.S. in 2012 were electric machinery, and sound and TV equipment (US\$108mn); nuclear reactors, boilers, and machinery (US\$499mn); vehicles, excluding railway (US\$96mn); aircraft, spacecraft, and their parts (US\$51mn); agriculture, food, and beverages (US\$266mn); and articles of iron and steel (US\$119mn) (Table 8b).
- Main commodity imports from China in 2012 were electric machines, sound, and TV equipment (US\$542mn); nuclear reactors, boilers, and machinery (US\$499mn); vehicles, excluding railway

Southern African Countries

(US\$465mn); agriculture, food, and beverages (US\$74mn); footwear, gaiters, and apparel (US\$205mn); furniture, bedding, lamps, and prefab beds (US\$256mn); and iron and steel (US\$264mn) (Table 8c).

- 2013 marks the 30th anniversary of diplomatic relations between China and Angola. Angola was China's No. 2 trade partner in 2011. China became Angola's top trade partner in 2012. From January to October 2012, bilateral trade volume between China and Angola was US\$31.7bn, up from US\$25.7bn in 2011.

Petroleum

- Petroleum dominates the Angolan economy and accounted for 39% of GDP in 2012, compared with 56% in 2002. It accounted for 97% of exports but only 1% of total employment.
- The Oil Ministry predicts that crude oil production will climb to 1.8 million to 2.0 million barrels a day in 2014.
- Angola has set up a sovereign wealth fund worth US\$5bn in assets. This is now the second largest sovereign fund in SSA after Botswana's US\$6.9bn. This is likely to reduce its dependence on oil revenues by increasing investments in other industries.
- Angola is the second-largest supplier of oil to the U.S. in SSA but accounted for only 2.3% of U.S.'s foreign oil. U.S. oil imports from Angola in 2012 totaled US\$9.8bn, down 27.6% from 2011. Machinery parts of the oil industry were the largest category exported to Angola from the U.S. Total U.S. exports to Angola were US\$1.49bn.
- Oil also dominates China's imports from Angola, accounting for 99.6% of all Chinese imports from Angola. Total imports from Angola to China rose 34.4% in 2012 to US\$33.33bn. Angola is China's second-largest petroleum supplier. China exported US\$4.04bn in goods to Angola, with electrical machinery the largest category, representing 13.4% of all Chinese exports to Angola.

Agriculture

- 5% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$333, an increase of 10% from 2009 (Table 4).
- The reconstruction of the Benguela Railroad should help Angola's lagging agricultural sector. A recent project rebuilding the line between Cuito and Luena facilitated the launching of the Sacassanje agro-livestock project. Another project is an initiative of the government but managed by an Israeli company, that has an annual capacity to produce over 3.6 million eggs, 38,000 kg of goat meat, and 1,000 tons of horticultural products.
- China CAMC Engineering Company will build two farms for Angola's Ministry of Agriculture, Rural Development and Fisheries (contract value US\$168mn).
- A December 2012 report stated that ten of the 18 provinces suffer from a drought due to a 60% drop in rainfall. The drought caused over 1.8 million people to be food insecure.
- The Angolan Savings and Credit Bank released US\$20.7mn to fund 16 projects, under the government program of "Angola Invest." The projects are linked to the agriculture, livestock, fisheries, light industry, building materials and trade of companies from Luanda, Kwanza Norte, Bengo, Huambo, and Uíge provinces.

Foreign Direct Investment

- Angola continued to experience a negative FDI flow (US\$5.58bn in 2011) but a positive trade balance due to large oil exports and few imports (Table 6).
- The largest Brazilian company, Odebrecht, monopolizes several industries (sugar, ethanol, electricity generation from sugarcane, waterworks, housing, road construction, diamond mining, and supermarkets). These investments have increased the number of Angolans employed by the company from 9% to 41%. It has partnered with Angola's state oil company Sonangol and the private Angolan company Damer Indústria to implement a project that includes 32,000 hectares of sugarcane crops and the construction of an industrial plant to produce sugar, ethanol, and electricity to meet domestic consumption needs.

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- Israeli diamond magnate, Lev Leviev, sold his 18% interest in the Catoca Diamond Mine to China Sonangol International Ltd. for US\$400mn, making China Sonangol the first Chinese company to own a diamond mine in Africa.
- In July 2012, China's Xuntong International invested in a timber processing factory in Angola. The company now has access to over 2mn cubic meters of forest reserves. Since, 2009, Xuntong has invested US\$30mn, in various sectors such as logistics, agriculture, and real estate.
- In April, 2012, Huachuang Tianyuan signed an agreement for US\$5mn with China International Fund to provide steel pipes for the Angola Brewery project.

Infrastructure

Electricity

- The Laúca hydroelectric facility, under construction on Angola's River Kwanza, is due to start operating in 2017 with a capacity to supply electricity to 750,000 people. The Laúca dam is Angola's largest hydroelectric project and is expected to cost an estimated US\$3.7bn.
- Sinohydro completed power plants in January 2013 at Lubango 40MW, Gamek 40MW, and Menongue 10M. Contract values are not available.

Housing

- Chinese companies are building a new city, Kilamba, with a large housing project that can accommodate over half a million people. There will be 80,000 apartments, as well as schools, clinics, and shopping centers. Apartment prices are above the reach of most Angolans.
- In September 2010, CITIC signed a framework agreement with Angola's state oil company SONANGOL to build 100,000 apartment units in 14 provinces for an estimated value of about US\$10bn. Construction was on-going as of 2013.
- In April, 2012, China No.15 Metallurgical Construction Group was contracted to build 3,617 apartment units for US\$193mn.

Telecommunications

- 9.4mn people have cellular subscriptions (48.4 subscriptions per 100 inhabitants). 14.8% are Internet users. Internet bandwidth is 517 bits per second, ranked at 134 out of 140 countries (Table 16).

Transportation

- The reconstruction of the Benguela Railroad (CFB) should be completed in 2013. The railway is 1,032 kilometers long and connects the border with the Democratic Republic of Congo with the Atlantic Ocean.

Water

- The government plans to invest more than US\$1.2bn in water distribution systems with a World Bank loan to establish new companies to supply water, construct new water treatment stations, and improve residential piping systems. It is currently working in conjunction with a German based company, Gauff, in rehabilitating the Lubango City's water supply system.
- In March 2012, Sinohydro started the Caxito water supply project. The company has accumulated a total contract value of US\$3.3bn since 2004.
- Guangxi Water Conservancy & Electric Power Construction Group was contracted to build a soft drink factory in Sequete with a cost of US\$120mn.

Doing Business and Business Culture

- The ease of doing business rank dropped by 8 positions in 2012 to 172 out of 185. Angola declined in rank in all aspects of doing business, the main ones being ease of getting credit, registering property, and protecting investors (Table 17). Areas in urgent need of reform are setting up new businesses (171), enforcing contracts (183), and closing a business (162).
- It takes 1,011 days to enforce a contract in Angola with a cost of 44% of the claim.

Southern African Countries

- The World Bank calculated the total tax rate to be 62.5% which is 5.1 percentage points higher than the average in SSA.
- The recovery rate for insolvency claim is only 8% of the claim, which is significantly less than the average of 22.4% for SSA.
- The BFA bank has established conditions to extend credit to the private sector through the government's program "Angola Investe" to provide support to micro, small, and medium enterprises in agriculture, fisheries, trade, and industry. Interest rates (5% annually) are to be subsidized by the government. This program will likely increase the ease of getting credit in Angola, which currently ranks at 129 (See Table 17).

Health and Social Aspects

- Angola spent US\$123 on health per person in 2010, a decrease of \$78 from 2009. Public health expenditure constituted 83% of the total health expenditure in 2010, a decrease of 7% from 2009 (Table 15). Life expectancy at birth in 2011 was 51 years. (Table 15).
- Maternal mortality per 100,000 declined from 610 in 2008 to 450 in 2010, and total fertility (births per woman) was 5.3 in 2010 (Table 15).
- Reported malaria cases were 1.6mn, a 3% decrease from 2010, while reported deaths decreased from 8,114 in 2010 to 6,909 in 2011, a 15% decrease from 2010 (Table 15).
- The Literacy Rate for 15 years and older was 83% for men and 58% for women in 2011. The mean years of schooling in 2010 was 5 years for people ages 25 and older (Table 13).
- 2.1% of the population was living with HIV/AIDS in 2011. 36% receive antiretroviral therapy (Table 15).
- About 203,906 adults in Angola are infected with HIV/AIDS. Officials at its Institute for the Fight Against HIV/AIDS have raised concern that there are 18,910 HIV positive women that are pregnant. Although the number of pregnant with HIV is alarming, the percentage has dropped from 9.8% in 2007 to 4.8% in 2012
- According to the WHO, 40% of the population in Luanda does not benefit from anti-retroviral treatment (ART). The Ministry of Health has pointed out that lack of access is not based on financial issues since ART is free in the country.
- 1.8 million children under 5 years old were given polio vaccinations in December 2012 in 9 provinces prone to new infections.

Botswana

GDP US\$ 17.6 billion

GDP Growth, 2012: 3.8%

GNI per Capita, PPP US\$ 7,470

Capital: Gaborone

Doing Business World (SSA) Rank: 59 (4)

Inflation Rate, 2012: 7.5%

Currency: Pula

Population: 1.9 mill

Main Trading Partner:

HDI Rank: 119

Gender Inequality: 0.67

Botswana gained independence from the U.K. in 1966. Official languages are Setswana and English.



Political Stability

- President Ian Khama's Botswana Democratic Party has been in power since independence in 1966. While it only won slightly above 50% of the votes in the past three elections, it is expected to win the next election at the end of 2014 but may lose power within the next decade.
- While Botswana is the least corrupt country in Africa, and the 32nd least corrupt country in the world, there are concerns that the president is developing a patronage network. He has been consolidating power by appointing friends and family to powerful positions. In 2012, he appointed a close relative as head of security

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and defense. A brother was appointed as Minister of Tourism. These moves have been opposed by, Dumeland Saleshando, opposition leader who stated that Khama wants to make Botswana a “private entity.”

- Julius Malema, South Africa’s former ANC Youth League leader, created controversy when he called for regime change and said Botswana was a “puppet regime” and a “serious threat to Africa.” He was later expelled from the ANC.
- The political stability percentile rank was 85 in 2012, slightly higher than 80 in 2011. The corruption perception score was 65 (but ranked number 1 out of the 48 SSA countries) (see Table 12).

Economic Growth, Agriculture, and Trade

- The economy was seriously affected by the 2008 financial crisis. Diamond mining operations were temporarily shut down as the industry tried to cope with falling prices and the decreased demand for diamonds across the globe. The value of diamond exports fell by 51% between 2008 and 2009. Other minerals’ value, including copper and nickel (15% of total exports) fell by over 50%.
- The GDP growth in 2012 was 3.8%, and the IMF projects the economy to grow in 2013 at a 4.1% rate (Table 2), with an annual inflation rate of 7.5% in 2012 and 6.3% in 2013 (Table 9). GDP was US\$18bn in 2012 and is projected to be the same in 2013 (Table 1).
- In 2011, services contributed the highest to GDP at 51.8%, industry contributed 45.8%, the manufacturing sub-sector contributed 5.9%, and agriculture contributed 9.3% (Table 3).
- The government maintains a budget surplus and has the highest credit rating in Africa. However, the Ministry of Finance anticipates that the surplus will fall from US\$104mn to US\$97.4mn in 2013.

Agriculture

- 30% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$534, an increase of 12% from 2009 (Table 4).

Trade

- Total imports in 2011 totaled US\$7.7bn (29% change from 2010) and total exports amounted to US\$6.8bn (38% change from 2010) (Table 6).
- In 2011, bilateral trade between China and Botswana reached US\$720mn. From Jan to July, 2012, bilateral trade was US\$176mn. China’s FDI in Botswana reached US\$210mn as of 2011.
- Imports from U.S. totaled US\$48mn and from China totaled US\$182mn in 2012. Exports to the China had a value of US\$118mn (Table 7).
- The main exports to the U.S. in 2012 were pearls, precious stones, and metal, totaling US\$204mn (94% of total exports to U.S.). Main exports to China (Table 8a) were ores, slag, and ash totaling US\$68mn (58% of total exports to China), followed by pearls, precious stones, and metal, with a total value of US\$50mn (42% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$8mn); nuclear reactors, boilers, and machinery (US\$3mn); aircraft, spacecraft, and their parts (US\$3mn); and textile and needlecraft (US\$3mn).
- Main commodity imports from China in 2012 (Table 8c) were: electric machines, sound, and TV equipment (US\$44mn); nuclear reactors, boilers, and machinery (US\$24mn); vehicles, excluding railway (US\$5mn); footwear, gaiters, and apparel (US\$34mn); furniture, bedding, lamps, and prefab beds (US\$8mn), rubber and its articles (US\$10mn).

Foreign Direct Investment

- FDI inflows in 2011 were \$587mn (Table 6) increased from US\$559mn in 2010. This is still well below 2009’s flow of US\$968mn.
- Chinese FDI in Botswana reached US\$210mn as of 2011.
- Botswana has a high level of dependence on mining diamonds; but directly employs only 3% of the population due to the capital-intensive nature of the mining industry. A major challenge is to create greater diversi-

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fication in sectors to sustain the economy and create employment. The percentage (40% of the current GDP) represented by the public sector, may need to be decreased significantly to become more efficient and lessen the negative effects of decreasing mineral revenues.

- The country is attempting to add more value locally by entering the sorting part of the diamond industry. DeBeers opened the Diamond Trading Center Botswana in 2008 in efforts to diversify and increase production of value-added goods. This has localized some sorting, cutting, polishing, and marketing and created about 3,000 jobs plus being a source for 16 “sightholder” firms to buy the diamonds. DeBeers plans to transfer all of its sorting operations from London to Botswana by the end of 2013.
- In 2011, Laurelon Diamonds, a subsidiary of Tiffany and Co, added another US\$300mn cutting and polishing factory in Gaborone.

Infrastructure

- China Civil Engineering Construction Corporation (Botswana) completed the Shakawe Senior Secondary School for Botswana’s Ministry of Infrastructure, Science and Technology. The project started in March 2012 for US\$87mn.

Electricity

- The country will lose approximately 70% of the energy supply in 2013 when South Africa halts exports to Botswana. As part of the 2009-2013 partnership strategy, the International Bank of Reconstruction and Development, is helping Botswana finance the Morupule B Generation and Transmission Project that aims to increase the reliability and affordability of electricity by adding an additional coal powered generation station.
- CIC Energy Corp. partnered with the Chinese firm Golden Concord Group to build a 300MW power plant (New Hana) costing US\$800mn to be operable in 2013.
- In February 2012, the 600MW coal-fired Morupule B Power Station began operation. China National Electric Engineering (contract value US\$970mn). The total investment of the power station is about US\$1.4bn. The Industrial and Commercial Bank of China provided 85% of the funding through Export Buyer’s Credit; the World Bank and African Development Bank provided a Partial Risk Guarantee.
- Contracts from Botswana Department of Water Affairs to provide drinking water were given to China’s Sinohydro. In February 2012, the company completed the Dikgatlong Dam in eastern Botswana near the border with Zimbabwe (US\$195mn). In June 2012, Sinohydro completed the Lotsane Dam (US\$100.7mn) for drinking water to 22 local villages and to support horticultural projects.

Telecommunications

- 2.6mn people have cellular subscriptions (142.8 subscriptions per 100 inhabitants). 7% are Internet users. Internet bandwidth is 8,422 bits per second, ranked at 88 out of 140 countries (Table 16).
- In 2010, Globalstar invested US\$470mn to improve the communication network, ranking as one of the top 10 greenfield investments in landlocked developing countries. The U.S. company built a satellite tracking station in Botswana to complete its satellite telemetry control unit that will provide users with “next-generation Internet-protocol multi-media or IMS and legacy mobile satellite services beyond 2025.

Transportation

- Botswana has the second largest coal reserves in Southern Africa and plans to build a 1,500km railroad, costing US\$11bn, connecting the coal mines to Walvis Bay.
- In February 2013, China’s Sinohydro completed the 78.8 km Francistown-Ramokgwebaba road rehabilitation project, part of Botswana’s National A1 road network started in 2008. The US\$53mn contract was given by Ministry of Works & Transportation Department.
- In August 2012, Sinohydro completed 70 km of the Kang-Hukuntsi road rehabilitation project started in early 2009. The US\$81.2mn contract was given by the Ministry of Works & Transportation.
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Doing Business, Business Culture, and Stock Exchange

- The ease of doing business rank dropped by 7 positions in 2012 to 59 out of 185 but still ranks 4th for all SSA countries. Areas that significantly declined in rank are days required to start a business, ease of getting credit, paying taxes, and registering property. It improved in rank in trading across borders and enforcing contracts (Table 17). However, it still takes 61 days to start a business and 121 days to connect to electricity.
- The total tax rate is the second lowest for the SABER countries at 25%.
- The Botswana Stock Exchange launched automatic trading in August 2012. Its leading index, the DCI, increased 19.9% from the beginning of 2012 through the first quarter of 2013.

Health and Social Aspects

- Botswana spent US\$615 on health expenditures per person are the third highest for SABER countries in 2010, an increase of \$34 from 2009. Public health expenditure constituted 73% of the total health expenditure in 2010, a decrease of 3% from 2009 (Table 15). However, life expectancy is only 53 years in large part due to the high incidence of HIV/AIDS.
- Botswana has the second-highest rate of HIV/AIDS in the world (only behind Swaziland) with an infection rate of 23.4% of the population living with HIV/AIDS in 2011. It has the 20th largest population living with HIV/AIDS in the world. 95% receive antiretroviral therapy from the government (Table 15).
- The country is known for being proactive in combating HIV/AIDS and other diseases. The Botswana National HIV/AIDS Prevention Support Project began in 2009. 97% of children that are born to HIV-positive mothers are born HIV-negative due to the government's efforts. 2009 data show that about 93,000 children are orphaned by AIDS.
- Maternal mortality per 100,000 declined from 190 in 2008 to 160 in 2010, and total fertility (births per woman) was 2.7 in 2010 (Table 15). Contraceptive prevalence for 2006-2010 is 53%.
- The Literacy Rate for 15 years and older was 84% for men and 85% for women in 2011. The mean years of schooling in 2010 was 9 years for people ages 25 and older (Table 13).
- In March 2012, the 13th Chinese medical team came to Botswana with 46 medical personnel organized by Fujian Health Department. From 1981 to 2013, China has sent 364 medical personnel to Botswana.
- Ex-President Festus Mogae wants to decriminalize homosexuality and prostitution in the hopes that it will lower the infection rates of HIV. He noted that the government needs to assist prostitutes "to protect them and their clients from being infected." He also advocates the distribution of condoms in prisons to decrease the infection rate of HIV/AIDS there.

Mozambique

GDP US\$ 4.6 billion
GDP Growth, 2012: 7.5%
GNI per Capita, PPP US\$ 470

Capital: Maputo
Doing Business World (SSA) Rank: 146 (20)
Inflation Rate, 2012: 3%
Currency: New Metical

Population: 23.7 mill
Main Trading Partner: EU
HDI Rank: 185
Gender Inequality: 0.74

Independence was gained from Portugal in 1975. Portuguese is the official language, as well as African languages such as Emakhuwa, Xichangana, Elomwe, Cisena, and Echuwabo.



The former Portuguese colony was devastated by a civil war from 1976 to 1992. A peace accord was signed in 1992 and multi-party elections have been held several times since then. FRELIMO, the ruling party, abandoned its Marxist ideology in the early 1990s and now actively encourages foreign investment. It joined the British Commonwealth in 1995, the first country to do so without a previous colonial tie to Great Britain.

Political Stability

- President Armando Guebuza dominates the ruling party Frelimo and appears to becoming increasingly authoritarian. He is constitutionally prevented from running for a third term but would like to run the government behind the scenes as president of the ruling party.
- Guebuza fired his prime minister in December 2012 and replaced him with the governor of Tete, the province currently enjoying a coal mining investment boom.
- The mayor of Beira, the second largest city, is heading a new opposition party called the Mozambican Democratic Movement (MDM). While it is not strong enough to threaten Frelimo's rule in the 2014 elections, it may become the leading opposition party, replacing Renamo, the former rebel movement. Renamo plans to boycott municipal elections scheduled for November 2013 and has told its members not to register to vote.
- Tensions rose in central Mozambique when militias associated with Renamo attacked a bus in April 2013 in retaliation to a police raid on Renamo's office.
- Mozambique received a ranking of 123 by Transparency International in 2012, down seven spots from 2010. Even though the Extractive Industries Initiative Board rule that Mozambique was EITI compliant, the country still has minimal budgetary openness, and an ethics bill providing guidelines on conflicts of interest is bogged down in Parliament. This is needed as party leaders are becoming heavily involved in business activities, and party membership is often a prerequisite for success in business.
- The political stability percentile rank was 57 in 2012, slightly lower than 64 in 2011. The corruption perception index score was 31 (26 out of the 48 SSA countries) (Table 12). Mozambique was rated as "a partly free democracy," and ranked at 90 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 7.5%. Part of this high level of growth is due to the development of massive coal deposits in Tete Province and the construction of infrastructure related to the exports from coal mines that became operational in 2012. The IMF projects the economy to grow in 2013 at a 8.4% rate (Table 2), with an annual inflation rate of 3.0% in 2012 and 8.6% in 2013 (Table 9). GDP was US\$15bn in 2012 and projected to be US\$16bn in 2013 (Table 1).
- In 2011, services contributed the highest to GDP at 43.8%, industry contributed 24.2% (the manufacturing sub-sector contributed 12.6%), and agriculture contributed 32% (Table 3).
- The continued exploitation of the coal reserves and the development of newly discovered gas deposits should facilitate high rates of economic growth with projections of at least 8% for the next three years.

Trade

- Total imports in 2011 were US\$5.8bn (a 40% change from 2010) and total exports were US\$3.7bn (a 53% change from 2010). Exports to Africa were US\$1.2bn, US\$0.2bn to China, US\$1.7bn to the E.U., and US\$0.03bn to the U.S. China had the highest percent change from 2010 (192%), compared to Africa (102%), U.S. (100%), and E.U. (12%) (Table 6).
- Imports from U.S. totaled US\$392mn and from China totaled US\$942mn in 2012. Exports to the U.S. totaled US\$39mn and to China totaled US\$403mn (Table 7).
- The main exports to the U.S. in 2012 were ores, slag, and ash, and totaled US\$16mn (42% of total exports). Main exports to China (Table 8a) were wood and wood charcoal, and totaled US\$209mn (52% of exports to China), followed by ores, slag, and ash, with a total value of US\$104mn (26% of total exports).
- Main U.S. commodity imports in 2012 (Table 8b) were agriculture, food, and beverages (US\$13mn), and ores, slag, and ash (US\$16mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$139mn); nuclear reactors, boilers, and machinery (US\$119mn); vehicles, excluding railway (US\$80mn); agriculture, food, and beverages (US\$10mn); footwear, gaiters, and apparel (US\$1mn); furniture, bedding, lamps, and prefab beds (US\$40mn); and articles of iron and steel (US\$57mn).

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- U.S. imports from Mozambique increased 10% in 2012 to US\$38.5mn with titanium ores the largest category (US\$16mn). U.S. exports dropped 14.7% to US\$391mn. Non-crude petroleum is the largest sector of the US exports (US\$84mn).
- China's imports from Mozambique rose 57.7% in 2012 to US\$402.7mn. Imports of rough wood made up over half of China's imports (US\$208mn). China's exports were US\$941.8mn in 2012 with electric machinery the largest category (US\$57mn).

Agriculture

- 81% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$234, an increase of 14% from 2009 (Table 4).
- While the economy is growing, rural poverty is increasing. The average rural cash income for a farmer is only US\$31 a year. With so little income, the farmers cannot invest in fertilizers and other inputs that could boost productivity.

Foreign Direct Investment

- Mozambique received US\$2.1bn in FDI in 2011, up significantly from the US\$989mn in 2010 (Table 6). These amounts should increase significantly as discovered coal and gas deposits are developed.
- The Brazilian company Vale started operations at its Moatize coal mine in 2011. However, it had to half its production target in 2012 because of limited capacity on the railroad. Rio Tinto and Tata have a joint venture in the Benga mine which started shipments in June 2012.
- Some of these projects are not as profitable as originally anticipated. In January 2013, Rio Tinto wrote off US\$3bn from its Mozambican coal investment. Two months later, Anglo American announced that it was abandoning its plan to invest in a Mozambican coal project.
- A major gas deposit was discovered in 2011 by the US company Anadarko off of the coast of Rovuma. The estimated 850bn cubic meter deposit is over three times larger than the gas deposits in the North Sea. Additional discoveries were made by the Italian company ENI.

Telecommunications

- 7.7mn people have cellular subscriptions (32.8 subscriptions per 100 inhabitants). 4.3% are Internet users. Internet bandwidth is only 1,244 bits per second (Table 16).
- The third mobile network operator, Movitel, began services in 2012. It is a joint venture between a holding company owned by Mozambique's ruling party and a company in Vietnam. Movitel has invested US\$120mn in developing its network in Mozambique.

Electricity

- As only 8% of the population has access to electricity, expansion of the electric grid is a major priority of the Mozambican government.
- Mozambique is planning 1500MW MphandaNkuwa hydropower project costing US\$4bn. Between 80% to 90% of the electric output is anticipated to be exported to South Africa.

Transportation

- Road, port, and railroad improvements are being made as the poor quality of the transportation infrastructure affects the mining industry. The port of Beira was dredged but still does not have enough equipment to handle demand. A new coal terminal in Beira costing US\$200mn was inaugurated in June 2012 and should reach full capacity in 2015.
- Vale is building a railroad that will bring coal from Tete Province to the port of Nacala.
- China Road and Bridge Corporation is spending US\$725m to build a bridge between Maputo and Catembe and to build a ring road in Maputo.

Doing Business, Business Culture, and Stock Exchange

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- The ease of doing business rank dropped by 20 positions in 2012 to 146 out of 185. Aspects that declined in rank are protecting investors and paying taxes. It improved in dealing with construction permits and trading across borders (Table 17).
- While the total tax rate of 34% is moderate by African standards (fifth lowest of the SABER countries), Mozambique is tied with Gabon as the most difficult place to close a business (5 years).
- It takes 730 days to enforce a contract, compared to only 270 in Namibia.
- The government is planning to change the legislation for mining investments to mandate that a 5% equity interest be given to the state mining company. In addition, an additional 10% must be owned by the local private sector. How the private sector is to receive this interest is not explained in the proposed legislation.

Health and Social Aspects

- Mozambique spent US\$21 on health per person in 2010, a decrease of \$2 from 2009. Public health expenditure constituted 72% of the total health expenditure in 2010, a decrease of 1% from 2009 (Table 15). Life expectancy at birth in 2011 was 50 years (Table 15).
- 54.7% of the population live below the national poverty line (Table 13). Maternal mortality per 100,000 declined from 550 in 2008 to 490 in 2010, and total fertility (births per woman) was 4.8 in 2010 (Table 15).
- Reported malaria cases were 1.8 million, a 15% increase from 2010, while reported deaths decreased from 3,354 in 2010 to 3,086 in 2011, an 8% decrease from 2010 (Table 15).
- The Literacy Rate for 15 years and older was 71% for men and 43% for women in 2011. The mean years of schooling in 2010 was 1 year for people ages 25 and older (Table 13).
- 11.3% of the population was living with HIV/AIDS in 2011. It has the 5th largest population living with HIV/AIDS in the world. 46% receive antiretroviral therapy (Table 15).
- Health resources are strained as an estimated 11.3% of the population between 15 and 49 are infected with HIV.

Namibia

GDP US\$ 12.3 billion
GDP Growth, 2012: 4%
GNI per Capita, PPP US\$ 4,700

Capital: Windhoek
Doing Business World (SSA) Rank: 87 (7)
Inflation Rate, 2012: 6.7%
Currency: Namibian Dollar

Population: 2.4 mill
Main Trading Partner:
HDI Rank: 128
Gender Inequality: 0.71

Namibia gained independence from South Africa by mandate in 1990. The official language is English, with Afrikaans and German also spoken. African languages spoken are Oshiwambo, Khoekho, Kwangali, and Herero.



Political Stability

- President Hifikepunye Pohamba is not well and may not serve out his remaining term of office. Former Prime Minister Hage Geingob's is expected to succeed Pohamba as president in 2014 since he serves as president of the South West Africa People's Organization (SWAPO), the ruling party. SWAPO has governed Namibia since the country gained independence in 1990, and is projected to dominate the political scene for the next few years.
- If Geingob becomes president, he will be the first president who is not from the Ovambo ethnic group; he is from the Damara ethnic group which makes up 8.5% of the population. SWAPO elected Geingob, as its new president of SWAPO's congress in December 2012.

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- This represents a political comeback for Geingob since he was terminated as prime minister by then president Sam Njoma in 2002. His victory marked the failure of an attempt by the (SWAPO) Youth League and party radicals to capture control of the party, and is expected to ensure the continuation of Namibia's broadly pro-business policy agenda.
- The political stability percentile rank was 76 in 2012, same as in 2011. The corruption perception index score was 48 (6 out of the 48 SSA countries) (Table 12). Namibia was rated as "a free democracy," and ranked at 68 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Trade, and Agriculture

- The GDP growth in 2012 was 4%, and the IMF projects the economy to grow in 2013 at a 4.1% rate (Table 2), with an annual inflation rate of 6.7% in 2012 and 5.9% in 2013 (Table 9). GDP was US\$12bn in 2012 and projected to be US\$13bn in 2013 (Table 1).
- In 2011, services accounted for 73.1% of Namibia's GDP. Industry contributed 19.6%; the manufacturing sub-sector contributed 7.5%, and agriculture 7.3% (Table 3).
- Unemployment, which is now officially estimated at 34%, is expected to decline slightly as the public job-creation program is implemented.
- Similar to South Africa, Namibian policy will be guided by a Black Economic Empowerment (BEE) law, called the "New Equitable Economic Empowerment Framework" (NEEEF). Firms operating in Namibia will need to comply with several "empowerment pillars."
- There is a possibility that Namibia might fail to sign an economic partnership agreement with the E.U. by October 2014, thereby losing its current preferential access to the E.U., Namibia's main market. This would make Namibia's exports of beef, fish, and grapes, that account for about 8% of exports, less competitive.

Trade

- Services contributed the highest to GDP at 73.1%, industry contributed 19.6% (the manufacturing sub-sector contributed 7.5%), and agriculture contributed 7.3% (Table 3).
- Total imports in 2011 amounted to US\$5bn (9% change from 2010) and total exports amounted to US\$5.2bn (an 11% change from 2010) (Table 6).
- Imports from U.S. totaled US\$195mn and from China totaled US\$439mn in 2012. Exports to the U.S. totaled US\$231mn and from China totaled US\$240mn (Table 7).
- The main exports to the U.S. in 2012 were pearls, precious stones, and metals, at a total value of US\$119mn (51% of total exports to U.S.). Main exports to China (Table 8a) were ores, slag, and ash with a total value of US\$115mn (48% of exports to China), followed by inorganic chemicals, rare earths, and radioactive elements, at a total value of US\$103mn (43% of total exports).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$3mn); nuclear reactors, boilers, and machinery (US\$22mn); vehicles, excluding railway (US\$28mn); aircraft, spacecraft, and their parts (US\$2mn); agriculture, food, and beverages (US\$13mn); and ores, slag, and ash (US\$16mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$35mn); nuclear reactors, boilers, and machinery (US\$38mn); vehicles, excluding railway (US\$12mn); agriculture, food, and beverages (US\$20mn); footwear, gaiters, and apparel (US\$17mn); furniture, bedding, lamps, and prefab beds (US\$48mn); and textile and needlecraft (US\$72mn).
- The U.S. imported US\$232mn in 2012, down 47% from 2011. Diamonds were the largest category (51%) followed by uranium ore (44%). Namibia is the eighth-largest supplier to the U.S. of uranium. U.S. exports to Namibia rose 43% in 2012 to US\$194.8mn.
- The bulk of Namibia's imports, including most food products, still come from South Africa, and domestic inflation remains largely tied South African trends.
- Trade deficits are forecast in 2013-14 as investment in new mines continues to boost imports of capital goods. In 2015, the deficit is expected to fall sharply because of faster export growth as production begins at

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the Husab and Etango uranium mines, and as import growth slows following the completion of major mining projects.

Agriculture

- 34% of the population was economically active in agriculture in 2010. The agriculture value added per worker was US\$881, a significant decrease of -702% from 2009 (Table 4).
- Namibia is the main supplier of white fish to Spain, its largest market for semi-processed hake with exports US\$390mn in 2011, as well as frozen beef cuts US\$26.1mn and table grapes US\$23.2mn. This was equivalent to one-fifth of the US\$1.7bn earned from the country's four largest exports—rough diamonds, uranium oxide, refined zinc and unrefined copper—and around 8% of total exports.

Foreign Direct Investment

- Foreign direct investment flows into Namibia increased from US\$712mn in 2010 to US\$900mn in 2011 (Table 6).
- The government reduced the tax rate for non-mining companies in 2013 to 33% from the previous 34% in an attempt to stimulate investment. It will reduce an additional point to 32% in 2014.
- The Finance Minister announced that the government will introduce legislation to limit the foreign ownership of banks.

Mining and Petroleum

- Namibia is the world's biggest producer of offshore diamonds. Mining and other primary industries expanded 4% in 2012 and are expected to grow 3% over each of the next three years, according the finance minister. The four largest exports, rough diamonds, uranium oxide, refined zinc, and unrefined copper, are all extracted minerals.
- In 2012, the output of rough diamond by Namdeb, a joint venture between the Namibian government and De Beers, grew by 31%. De Beers' total sales of rough diamonds fell by 15%, due to the weak global demand.
- The uranium industry, an important component of the vital mining sector, is suffering because of reduced demand from Japan. In March 2013, Rossing Uranium laid off 276 employees. Even though output rose 26% in 2012, the mine does not generate positive cash flows and generated a loss of US\$53mn.
- The Trekkopje mine, owned by the French nuclear energy group, Areva, has been put on hold, because of declining uranium prices and low ore grades.
- China's Guangdong Nuclear Power Corp will construct an open pit uranium mine at Husab, costing around US\$1.5bn with anticipated production beginning in 2015.
- Namibia may become an oil producer. The minister of mines and energy announced in July 2011 that significant oil reserves (slightly smaller than those found in Angola) had been discovered off the southern coast.

Infrastructure

Telecommunications

- Cellphone subscribers were 2.4 million, with 21 percent Internet users. Bandwidth was 2,349, number 118 in the world.
- The Ministry of Information and Communication Technology established over 20 centers to provide a platform where people can get programs provided by ICT resources.
- A joint Namibian-German team of geohydrologists has discovered a large aquifer with potentially 15-billion cubic meters of fresh water beneath Ohangwena in the northern part of the country.

Transportation

- The state-owned railway company, TransNamib, will require a US\$220mn bailout over the next three years to survive. The government has also been required to give subsidies of US\$400mn in the past ten years to prop up the state airline, Air Namibia.

Doing Business, Business Culture, and Stock Exchange

- Namibia is ranked as average as a place to do business. In 2012, the country ranked 87 out of 185 countries, six places lower than in 2011. Areas in need of reform are: (1) setting up new businesses (133) and (2) registering property (169). Aspects that declined in rank were: (1) registering property; (2) getting credit; and (3) paying taxes. It improved in enforcing contracts and trading across borders (Table 17).
- While the time it takes to register property in Namibia, 46 days, is lower than the average of 64 days in SSA, the cost as a percent of property value (13.8%) is over 4% points higher.

Health and Social Aspects

- Namibia spent US\$361 on health per person in 2010, a decrease of US\$64 from 2009. Public health expenditure constituted 58% of the total health expenditure in 2010, an increase of 3% from 2009 (Table 15). Life expectancy at birth in 2011 was 62 years (Table 15).
- Namibia's HIV infection rate is 13.4%, which is slightly lower than the 2008 rate of 13.9%. Some 95% of the population receive antiretroviral treatment (Table 15).
- Malaria transmission is confined to the northeast where it is endemic, and where about 72% of the population of the country is at risk. Significant progress in reducing the number of confirmed cases decreased from 480,515 cases 2001-2005, to only 25,889 cases in 2010. Namibia also has removed tariffs on anti-malarial medicines, malaria diagnostics, insecticides, and spray pumps for indoor residual spraying.
- Skin cancer is the leading type of cancer in Namibia with 417 cases noted in 2011.
- 38% of the population lives below the national poverty line (Table 13). Maternal mortality per 100,000 increased from 180 in 2008 to 200 in 2010; and total fertility (births per woman) was 3.2 in 2010 (Table 15).
- The Literacy Rate for persons 15 years and older was 89% for both men and women in 2011. The mean years of schooling in 2010 was only 6 years for people ages 25 and older (Table 13).

South Africa

GDP US\$ 384.3 billion

GDP Growth, 2012: 2.6%

GNI per Capita, PPP US\$ 6,960

Capital: Pretoria

Doing Business World (SSA) Rank: 39 (2)

Inflation Rate, 2012: 5.6%

Currency: Rand

Population: 51.1 mill

Main Trading Partner: EU

HDI Rank: 121

Gender Inequality: 0.75

South Africa gained independence from the U.K. in 1910. Apartheid was officially mandated in 1948 and not disbanded as a government policy until 1994 when Nelson Mandela took office. South Africa has 11 official languages: Afrikaans, English, IsiZulu, IsiXhosa, Sepedi, Setswana, Sesotho, Xitsonga, isiNdebele, Tshivenda, and siSwati.



Political Stability

- President Jacob Zuma was re-elected president of the ruling African National Congress (ANC) in December 2012 easily defeating his challenger, South Africa's Deputy President Kgalema Motlanthe with 75% of the vote. Cyril Ramaphosa, a leading South African businessman and former trade union leader, was elected ANC Deputy President. Since the vote, opponents of Zuma are being forced out of prominent party positions.
- The ANC still dominates politics and is expected to win the national elections in 2014 easily even though it has been plagued by corruption and has often not delivered services effectively.
- The Democratic Alliance (DA), the leading opposition party, has 67 seats in the 400-seat National Assembly. The Leader of the DA is the Premier of the Western Cape Province, Helen Zille. Although it has been increasing its share of the vote in recent elections, the party is still having difficulty attracting large numbers of black voters, even though a black woman, Lindiwe Mazibuko, is its leader in parliament.

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- In August 2012, police fired into a crowd of striking platinum mine workers, killing 34 people and injuring 78. This was the worst police violence since the end of Apartheid. Strikes and labor unrest disrupted the industry significantly reducing production.
- Julius Malema, the controversial leader of the youth wing of the ANC, was expelled from the party. He had been convicted in 2011 of hate speeches and songs. Once a strong supporter of President Zuma, he had become one of his most vocal critics.
- South Africa sent troops to the Central African Republic to help support the government of President François Bozizé. At least 13 South Africans troops were killed in the coup that overthrew Bozizé. This was the largest number of South African soldiers to die since the Border Wars during the Apartheid government. The troops were withdrawn in April 2013.
- Nkosazana Dlamini-Zuma, the former Minister of Health, Minister of Foreign Affairs, and Minister of Home Affairs, was elected chairperson of the African Union in July 2012, defeating Jean Ping of Gabon. She is the first woman to hold the post.
- Nationalization of mines has been advocated by many left-wing members of the ANC. The party decided in its December 2012 meeting to not nationalize the mines, but to impose higher taxes and give the state-owned mining company a larger role.
- Transparency International ranks South Africa as the 69th least corrupt country. It considers South Africa to have extensive budgetary openness, but corruption and mismanagement are problematic, especially in many of the provinces. The provincial government of Limpopo province (now facing extensive corruption charges) did not provide any textbooks to the schools for most of 2012, even though it had a large education budget.
- The political stability percentile rank was 48 in 2012, slightly higher than 44 in 2011. The corruption perception index score was 43 (9 out of the 48 SSA countries) (Table 12). South Africa was rated as “a free democracy,” and ranked at 73 out of 192 countries in press freedom globally.

Economic Growth, Agriculture, and Trade

- The South African economy grew 2.5% in 2012, experiencing a slowdown in 2013 first quarter down to 2.2% negatively affected by the economic slump in the E.U., South Africa's largest trading partner. This is half of the average growth rate for other African countries (Table 2), with an annual inflation rate of 5.6% in 2012 and 5.2% in 2013 (Table 9). GDP was US\$391bn in 2012 and projected to be US\$402bn in 2013 (Table 1).
- Annual inflation rate was reported close to 5.6% as of February 2013.
- Benchmark lending rate was lowered from 5.5% to 5.0% in the summer of 2012.
- The GDP growth in 2012 was 2.6%, and the IMF projects the economy to grow in 2013 at a 3% rate. In 2011, services contributed the highest to GDP at 67%, industry contributed 30.1% (the manufacturing sub-sector contributed 13.4%), and agriculture 2.4% (Table 3).
- Unemployment rate was 24.9% in December 2012 with about half of the country's youth unemployed, and a declining job participation rate. Compounding this problem is the dramatic decline in labor productivity. A report issued in February 2013 revealed that labor productivity in South Africa was at a 47 year low.
- Approximately 16 million people, almost a third of the population, receive some form of welfare payment or grant from the government.

Trade

- South Africa has a deteriorating balance of trade due to the price erosion in its key commodity exports and its heavy reliance on oil imports, setting an all-time record low of US\$2.7bn in January 2013.
- Exports to the US decreased in 2012 from US\$9.49bn to US\$8.66bn in 2012; the drop is entirely accounted for by an US\$ 800mn drop in US imports of precious stones.
- Imports from the US increased 4.1% to US\$ 7.55bn, machinery and reactors at 21.6% of the total, and vehicles and parts capturing another 18.2%.
- China remains South Africa's largest single country trading partner with exports declining 13.6% in 2012 to US\$10.13bn. Ores/slag/ash represent 63% of the total and mineral fuels represent 13.18%.

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- In 2012, bilateral trade between China and South Africa reached US\$59.9bn, which increased 31.8% over 2011. Exports to China totaled US\$44.6bn, and imports from China were US\$15.3bn.
- Total imports in 2011 were US\$120bn (a 20% change from 2010) and total exports were US\$118bn (a 53% change from 2010). Exports to Africa were US\$14.5bn, US\$12.4bn to China, US\$21.1bn to the European Union, and US\$8.4bn to the U.S. Africa had the highest percent change from 2010 (21%), compared to China (20%), US (10%), and European Union (-13%) (Table 6).
- Imports from the U.S. had a total value of US\$7.5bn and a total value of US\$15.3bn from China in 2012. Exports to the U.S. had a value of US\$8,657mn and US\$44,615mn to China (Table 7).
- The main exports to the U.S. in 2012 were pearls, precious stone, and metals, at a total value of US\$2.8bn (32% of total exports to US). Main exports to China (Table 8a) were ores, slag, and ash with a total value of US\$74bn (17% of exports to China), followed by mineral fuel, oil, bitumin, and mineral wax, at a total value of US\$194mn (4% of total exports), and other special classification provisions at a total value of US\$28.9bn (65% of exports to China).
- Main commodity imports from the U.S. in 2012 (Table 8b) were: electric machinery, and sound and TV equipment (US\$488mn); nuclear reactors, boilers, and machinery (US\$1.6bn); vehicles, excluding railway (US\$1.4bn); aircraft, spacecraft, and their parts (US\$480mn); agriculture, food, and beverages (US\$253mn); and precious stones and metals (US\$649mn).
- Main commodity imports from China in 2012 (Table 8c) were: electric machines, sound, and TV equipment (US\$2.1bn); nuclear reactors, boilers, and machinery (US\$2.3bn); vehicles, excluding railway (US\$615mn); agriculture, food, and beverages (US\$341mn); footwear, gaiters, and apparel (US\$2.9bn); furniture, bedding, lamps, and prefab beds (US\$1.1bn), and plastic and its articles (US\$571mn).

Agriculture

- 5% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$3,951, an increase of 289% from 2009 (Table 4).
- Agriculture contributes about 2% of GDP and employees 638,000 people. The government estimates that 8.5mn people depend directly or indirectly on agriculture for their employment and income.
- The agriculture sector has also been hit with labor issues in late 2012. Workers in vineyards staged protests demanding better living conditions and increased wages to US\$16 a day that is over twice the government's minimum wage rate for farm workers.
- China Agriculture International Development Company Ltd. completed the China-South Africa Agricultural Demonstration Centre in 2011 to invest US\$4.4mn in a fish hatchery and provide training for 500 South Africans annually.

Mining

- There are 500,000 mine workers and another 400,000 employees who make their living working for suppliers or companies that do business with miners. Gold and platinum miners make up 70% of labor force, but gold production is half of what it was 10 years ago. South Africa was the world's largest gold producer for over a century, but is now number five.
- Gold mining is very expensive because of the depths of the mines. The industry is having difficulty maintaining current production levels with gold trading below US\$1,400 an ounce in April 2013.
- Platinum mines were hit hard with the labor unrest in August 2012. In addition, prices dropped from over US\$2,200 an ounce in 2008 to less than US\$1,440 an ounce in April 2013. Following the labor strife, Anglo American Platinum announced that it will close two shafts in the Rustenburg area, costing 14,000 jobs.
- A consortium formed by Chinese companies Hebei Iron and Steel Group, General Nice Group, Tewoo Group, and South Africa's Industrial Development Corporation have acquired Rio Tinto's 57.7% stake in Palabora Mining for US\$373mn and Anglo American's 16.8% stake for US\$103mn. Palabora is South Africa's largest domestic copper mine and refinery, with an annual yield of 80,000 tons of refined copper.

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- In March 2013, Hong Kong-based Haohua Energy International signed an agreement with Coal of Africa Limited (CoAL) to invest US\$100mn through acquiring 23.6% of its stock share. CoAL is using it for the Vele coking coal mine.
- In 2011, China's Jinchuan Group and the China-Africa Development Fund acquired a 45% stake of the South African company Wesizwe Platinum for US\$227mn and agreed to provide US\$877mn in funding for the Bakubung platinum mine project. In January 2013, a loan of US\$650mn was approved by China Development Bank.

Foreign Direct Investment

- FDI dropped by 43.6% to US\$1.7bn during the first six months of 2012 due to slow economic growth, following the four-fold surge in FDI inflows during 2011 of US\$5.8bn (Table 6).
- As gold prices continue to decline, trading below US\$1,400/oz. in the early part of 2013, the country's currency, the rand, depreciated almost 9.2% against the U.S. dollar; the currency drop has also been linked to the decreasing appeal of South Africa as an FDI destination.
- Wal-Mart received approval for its US\$1.8bn purchase of 51% of South African retail chain Massmart. Wal-Mart plans to use Massmart's 377 stores (309 in South Africa) as an entry platform into other parts of Africa. However, it may not use Massmart's brands, such as Game, outside of South Africa.
- In 2013, Unilever South Africa plans to invest US\$110mn in the construction of a home-care products plant and upgrade and expand existing plants; the new plant will be built adjacent to Unilever SA's main distribution center in Boksburg.
- Swiss multinational food company Nestle has opened two new factories in Babelegi, north of Pretoria as part of a US\$55mn investment in its South African operations, creating over 130 permanent jobs in the process.
- South African companies have been active investing in the African continent and accounted for 4.1% of all FDI projects in Africa between 2003 and 2011.
- Companies that have successfully invested in Africa include SABMiller; telecoms MTN and Vodacom; retailers Massmart, Shoprite, and Pick n Pay; and the mining giant Anglo Gold.
- In March 2012, the First Automobile Works and the China Africa Development Fund jointly started constructing a vehicle and truck assembly plant in the Coega industrial development zone. Total investment is US\$100mn. Production is expected in 2014.
- In November 2012, the Beijing Automotive Group and Industrial Development Corporation formed a joint venture called BAW-SA and invested US\$22mn in a minibus assembly line to start in 2013, with annual production of 9,600 minibuses per year.
- In November 2012, Chery Automobile (based in China's Anhui province) and China Africa Development Fund formed a joint venture called Chery Overseas Industrial Investment in South Africa investing US\$197.7mn. Chery first entered the African market in 2003.
- CSR Zhuzhou Electric Locomotive received a contract from the South African state rail freight group for US\$400mn to deliver 95 electric locomotives by December 2013.
- In August 2012, Chinese consumer electronics manufacturer Hisense acquired 10,000 sq. meters in an industrial park to develop a consumer electronics production base for the Southern Africa region investing US\$30mn.

Infrastructure

- President Zuma announced an ambitious multi-year National Infrastructure Plan, which call for US\$440bn in infrastructure investments over the next 15 years. US\$93bn are already budgeted for the next few years, while the remaining funds are expected to come from the private sector, bond issuance and by use fees levied by Eskom, the state-owned power company, and Transnet. Both companies will use part of the additional funds to expand their capacity.

Energy

- In December 2012, Hanwha SolarOne, a China-based solar panel manufacturer, signed a contract to deliver 15 MW of its solar modules to South African projects.

Telecommunications

- Sixty four million people have cellular subscriptions (126.8 subscriptions per 100 inhabitants); 21% are Internet users. Internet bandwidth is 18,847 bits per second, ranked at 62 out of 140 countries (Table 16).
- Mobile phone subscribers and over 80% of users relying on prepaid plans. Nokia dominates the handset market with over 50% of the market.
- In June 2012, South Africa had 8.5 million Internet users (17.6%), of which 6.27 million were Facebook subscribers.
- Eskom, the state-owned power company, supplies the country with 95% of its power needs. It is struggling to expand capacity after years of underinvestment. This has led to serious blackouts. Eskom is now investing over US\$37bn to increase production. and has significantly raised tariffs for the necessary capital. The average consumer has seen bills increase by 200% in the past five years.

Doing Business, Business Culture, and Stock Exchange

- South Africa's ranking dropped 5 points in 2012 from 34 to 39; only one reform, facilitating trade across borders, was ranked 115. South Africa remains ranked first in ease of obtaining credit, and 10 in investor protection. Most of the aspects associated with doing business improved, mainly the time it takes to start a business, dealing with construction permits, registering property, ease of getting credit, and enforcing contracts. The ease of getting credit is ranked as first in the world. The country's rank declined in paying taxes and closing a business (Table 17).
- In 2012, the government issued new proposed guidelines changing the way Black Economic Empowerment (BEE) is implemented. Under the current system, companies fill out a scorecard based on ownership, management control, employment, skills development, procurement, enterprise development, and socio-economic development. Companies with higher BEE points can get preferential treatment in government contracts. The proposed rules combine ownership with employment equity and introduce a new measure called "enterprise and supplier development" that deals with purchases from empowered buyers. The rules also propose that companies should meet minimum threshold levels in certain factors.
- As of April 2013, S&P's credit rating for South Africa was BBB, with all three main credit rating agencies reporting negative outlooks. While the ratings agencies do not consider South Africa's risk of default to be very high, they believe that the country is facing economic conditions that are likely to impair its capacity to meet its obligations.
- Despite socio-political challenges and the serial upheavals in South Africa's mining and agricultural industries, Africa's largest economy remains the best place to do business in Africa in terms of business destination. In research compiled by business services company Grant Thornton, South Africa ranked 14th in terms of FDI attractiveness among the 27 largest emerging economies surveyed for its IBR 2012 report; South Africa was the highest rated economy on the African continent.
- The Johannesburg Stock Exchange (JSE) is the world's 17th largest stock exchange, and the largest stock market in Africa in terms of market capitalization (US\$903bn) and volume of trade (US\$6.4bn monthly), with 472 companies listed as of December 31, 2012.
- The JSE Index reached an all-time record high in March 2013 before retreating 5.2% into April 2013. Annual gain for the 12-month period ending March 28, 2013 was 17.6% closing at 39,860.84.

Health and Social Aspects

- South Africa spent US\$649 on health per person in 2010, an increase of \$128 from 2009. Public health expenditure constituted 44% of the total health expenditure in 2010 (Table 15). Largely due to the HIV/AIDS epidemic, total health expense represents 8.9% of GDP, with health expense per capita reaching US\$935 in 2011.
- 17.3% of the population was living with HIV/AIDS in 2011. It has the largest population living with HIV/AIDS in the world. 66% receive antiretroviral therapy (Table 15). The rates of infection appeared to

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have slowed down among younger South Africans thanks to greater awareness. HIV/AIDS was still the highest cause of death for children between the ages of 0-5, accounting for 28% of the total.

- 23% of the population lives below the national poverty line (Table 13). Maternal mortality per 100,000 decreased from 410 in 2008 to 300 in 2010 (Table 15).
- Reported malaria cases were 9,900, a 155% increase from 2010, while reported deaths decreased from 83 in 2010 to 54 in 2011, a 35% decrease (Table 15).
- The Literacy Rate for 15 years and older was 91% for men and 87% for women in 2011. The mean years of schooling in 2010 was 8.5 year for people ages 25 and older (Table 13).
- The brutal rape and murder of 17-year old Anne Booyesen in early 2013 shocked the country into a frank discussion of violence against women. Over 56,000 rapes were reported in 2010-2011, which is an average of 154 a day. Most rapes are not reported, and police estimate that only one in every 200 rapists is convicted.
- The education quality for most poor blacks in South Africa is low. The World Economic Forum ranked South Africa second to last in the world in Math and Science Education in its Global Technology Report 2013.

Zambia

GDP US\$ 4.1 billion

GDP Growth, 2012: 6.5%

GNI per Capita, PPP US\$ 1,160

Capital: Lusaka

Doing Business World (SSA) Rank: 94 (8)

Inflation Rate, 2012: 6.4%

Currency: Kwacha

Population: 13.7 mill

Main Trading Partner: China

HDI Rank: 163

Gender Inequality: 0.63

Zambia gained independence from the U.K. in 1964. Along with English, the official language, the main African languages are Bemba, Nyanja, Tonga, Lozi, Lunda, Kaonde, and Luvale.



Political Stability

- Since the September 2011 election, President Michael Sata has attempted to make his ruling party, the Patriotic Front (PF), the dominant party through intimidating the opposition. Former President Rupiah Banda of the Movement for Multiparty Democracy was arrested in March 2013 in connection with a Nigerian oil deal, and accused of stealing more than US\$11mn during his years in office. Leaders of another opposition party were arrested on murder charges.
- The Ministry of Justice appears to be politicized as the Justice Minister, Wynter Kabimba, is also the Secretary General of the PF. He is positioning himself to succeed President Sata.
- A first draft of Zambia's new constitution was made public on April 30, 2012; the draft has been praised for its provisions on freedom of the press. The document also contains a bill of rights and establishes a 50%-plus-one voting system for electing the president of the country.
- Problems with wages for miners led to the killing of a Chinese manager by pushing a mine trolley at him during a riot at a coal mine in the south of the country. A second Chinese man was injured, as were several Zambians, during the riot. The workers were on strike at the mine in protest against delays in implementing a new minimum wage.
- Zambia is ranked 88 up from 93 by Transparency International in its 2012 Corruption Perception Index, continuing on the positive trend that preceded the election of President Sata.
- The political stability percentile rank was 62 in 2012, slightly lower than 64 in 2011. The corruption perception index score was 37 (13 out of the 48 SSA countries) (Table 12). Zambia was rated as "a partly free democracy," ranking 132 out of 192 countries in press freedom globally (Table 11).

Economic Growth, Agriculture, and Trade

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- The GDP growth in 2012 was 6.5%, and the IMF projects the economy to grow in 2013 at a 8.2% rate (Table 2), with an annual inflation rate of 6.4% in 2012 and 6.2% in 2013 (Table 9). GDP was US\$21bn in 2012 and projected to be US\$23bn in 2013 (Table 1).
- In 2011, services contributed the highest to GDP at 43.2%, industry contributed 37.3% (the manufacturing sub-sector contributed 8.4%), and agriculture contributed 19.5% (Table 3).
- Copper prices on the London Market Exchange hovered around five-year lows trading between US\$7,200 and US\$7,800 a metric ton in 2012 the third quarter. After recovering to above US\$8,000 a metric ton level in the fourth quarter, prices resumed their decline closing at US\$7,383 in April 2013, raising concerns for Zambia's future economic growth.
- Declining copper prices have exerted downward pressure on the Zambian Kwacha which depreciated over 15% since July 2012 and continued to hover near its all-time lows at the end of March 2013.

Trade

- Total imports in 2011 were US\$7.1bn (a 26% change from 2010) and total exports were US\$8.8bn (a 17% change from 2010). Exports to Africa were US\$1.3bn, US\$2.3bn to China, US\$0.04bn to the U.S., and US\$0.6bn to the E.U. The U.S. had the lowest percent of exports, but the highest percent change from 2010 (390%) compared to the China (59%), E.U. (90%), and Africa (-1%) (Table 6).
- Imports from U.S. totaled US\$148mn and from China totaled US\$696mn in 2012. Exports to the U.S. totaled US\$63mn and US\$2,689mn to China (Table 7).
- The main exports to the U.S. in 2012 were precious stones and base metals, at a total value of US\$60mn (96% of total exports to US). Main exports to China (Table 8a) were copper and its articles with a total value of US\$2.48bn (92% of exports to China).
- Main commodity imports from the U.S. in 2012 (Table 8b) were electric machinery, and sound and TV equipment (US\$3mn); nuclear reactors, boilers, and machinery (US\$70mn); vehicles, excluding railway (US\$28mn); aircraft, spacecraft, and their parts (US\$6mn); agriculture, food, and beverages (US\$2mn); and rubber and its articles (US\$14mn).
- Main commodity imports from China in 2012 (Table 8c) were electric machines, sound, and TV equipment (US\$138mn); nuclear reactors, boilers, and machinery (US\$128mn); vehicles, excluding railway (US\$43mn); agriculture, food, and beverages (US\$7mn); footwear, gaiters, and apparel (US\$18mn); furniture, bedding, lamps, and prefab beds (US\$84mn); and aircraft and spacecraft (US\$95mn).
- China was Zambia's most important trading partner with exports totaling US\$2.7bn (US\$2.5bn represented by copper exports); and imports in the order of US\$1.4bn in a range of industrial and consumer product categories.
- China has extended duty free treatment to about 8,000 Zambian exports in December 2012. Zambian exporters will have duty free access of up to 95% of tariff line from the current 60%.

Agriculture

- 72% of the population was employed in agriculture in 2010. The agriculture value added per worker was US\$214, a decrease of 5% from 2009 (Table 4).
- Zambia experienced excellent corn (maize) harvests, the country's staple crop, in the past three years, even though output declined 6% in 2012. Erratic rainfall in 2013 is expected to reduce production in the Northern Province by 30%. Compounding the problem of the farmers was the late delivery of fertilizer and an infestation of armyworms.
- President Sata promised farmers that the government would provide them with 15 free bags of fertilizer. Instead, it reduced the previously given amount of four bags to only two.
- Action Aid (AA) alleged that aggressive tax planning by the U.K. investor Associated British Foods, cost the Zambian government US\$27mn of tax revenue that should have been paid by its Zambian subsidiary, Zambia Sugar Plc. AA claimed that Zambia Sugar's tax rate was only 0.5%, even though the Zambian corporate tax rate is 35%. Associated British Foods denies any wrongdoing.

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- Dunavant Zambia Limited, a subsidiary of the Memphis-based cotton giant, has ginning operations in the country and finances 175,000 farmers throughout the country. It also helps its cotton farmers by selling them tractors with loans that are payable over three years.

Foreign Direct Investment

- FDI inflows were US\$1.98bn in 2011, up from US\$1.73bn in 2010 (Table 6).
- The total value of Chinese investments into Zambia has increased to more than US\$2bn, with most being in the mining sector. Other investments are in agriculture, manufacturing, construction, energy, and tourism.
- Chinese Ambassador to Zambia, Zhou Yuxiao said the Chinese investments had reached more than US\$2bn in the last few years creating more than 50,000 job opportunities.
- In March 2012, Chinese firm Guotai Iron and Steel invested US\$4.1mn to expand its steelmaking facilities in Zambia.
- The Zambia-China Economic and Trade Cooperation Zone (ZCCZ) was established in February 2007 as China's first economic and trade cooperation zone established in Africa. Total investment in the zone is more than US\$1bn.
- In spite of issues related to specific Chinese firms, concerns over President Sata's populist posture against Chinese investment have largely subsided, as he appealed to Asian countries to look to Zambia as an entry point into the wider African continent in a speech at the 2013 annual conference of the Forum for Asia in Shenzhen, in which he highlighted Zambia's attractive investment climate and stable political landscape.

Mining

- The government has taken over the running of a Chinese-owned coal mine after revoking its license because of its poor safety, health, and environmental record. The government cancelled all three licenses held by Collum Coal mine and will operate the mines until a suitable investor is located.
- China Copper Mines Ltd. is to invest US\$100mn in a mining project to produce 600 tons of copper cathodes a year.
- Zambia has given the go-ahead for development and operation of the South East Ore Body Project by the China Nonferrous Mining Corporation, set to increase the country's copper production by 60,000 MT a year and create up to 6,000 new jobs and cost US\$832mn.
- Zambia's leading copper mining company, Mopani Copper Mines, owned by the Swiss Carlisle Investment Corporation (73.1 % owned by Glencore International AG) is concluding feasibility studies on another copper mining project with an estimated cost of US\$1.5bn. The investment would be in addition to the US\$2bn which the company has already invested in upgrading its operations to double copper production from 75,000 to 150,000 MT per year.

Infrastructure

- In June 2012, China's total investment in Zambian sport infrastructure reached US\$159mn with the completion of the US\$65mn Levy Stadium in Ndola and progress in the reconstruction of Independence Stadium in Lusaka.
- Shanghai Construction Group was contracted to build the Lusaka Stadium. The contract value is US\$94mn. The project started in July 2011 and is expected to be completed in Jan 2014.
- China's Anhui Foreign Economic Construction Group was contracted to build the swimming pool at Olympic Youth Development Centre, costing US\$3.3mn.

Energy

- The US\$230mn upgrading of the Itzhi-Tezhi Hydroelectric Power Plant on the Kafue River sponsored by Tata Enterprises is 80% completed. The project was supported by a US\$46mn World Bank loan.
- In February 2012, Shandong Electric Power Construction Corporation received a contract from Maamba Collieries Limited of Zambia to build a 300MW coal-fire power plant for US\$750mn.

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- Tebian Electric Apparatus received a contract from Zambia's power company ZESCO to build a 330KV electricity line linking southern and eastern Africa. The project started in July, 2012 and costs US\$367mn, US\$285mn of which is funded by a loan from Industrial and Commercial Bank of China.

Telecommunications

- 8.2mn people have cellular subscriptions (60.6 subscriptions per 100 inhabitants). 11.5% (1.3 million) are Internet users. Internet users are limited in part by poor landline coverage. Internet bandwidth is very low at 452 bits per second (bps), and ranked 135 out of 140 countries (Table 16).
- Mobile phone penetration of 8.2 million subscribers (2012), represents a coverage of approximately 57% of population.

Transportation

- In October 2012, President Sata launched a five-year road project called "Link Zambia 8000." The first phase involves the construction of 2,290km of roads for a cost of US\$1.5bn. Phase two will cost US\$2.2bn to build 3,049 km. The final phase will an additional US\$1.76bn and will upgrade 2,863km of roads. The government is planning to issue bonds to international investors to raise the necessary funds.

Doing Business, Business Culture, and Stock Exchange

- The commercial bank prime lending rate 18.8%. In spite of the high lending rate, Zambia is ranked eighth globally in doing business in ease of getting credit. The ease of doing business rank dropped by 18 positions in 2012 to 94 out of 185. Aspects that declined rankings were protecting investors, paying taxes, and days required to close a business. Rankings improved in: days required to start a business and dealing with construction permits (Table 17).
- Zambia is near the bottom of the list in terms of Dealing with Construction Permits (151) and Trading Across Borders (156).
- The total tax rate is low at only 15%, the lowest in the SABER countries.
- Zambia doubled the rate of mining royalties from 3% to 6% in 2012.
- The Lusaka Stock Exchange, with 23 listed firms, had a market capitalization of US\$9.7bn as of April 2012. The one-year return for March 31, 2013 was 4.1% and the three-year return was 27.9%.

Health and Social Aspects

- Zambia spent US\$73 on health per person in 2010, an increase of \$10 from 2009. Public health expenditure constituted 60% of the total health expenditure in 2010, an increase of 1% from 2009 (Table 15). Life expectancy at birth in 2011 was 49 years in 2011, an increase of 1 year from 2010 (Table 15).
- 59.3% of the population lives below the national poverty line (Table 13). Maternal mortality per 100,000 decreased from 470 in 2008 to 440 in 2010 (Table 15).
- HIV/AIDS is endemic in Zambia, with 980,000 reported cases (WHO 2009), corresponding to a 13.5% adult HIV infection rate (ages 15-49).
- 12.5% of the population was living with HIV/AIDS in 2011. 82% receive antiretroviral therapy (Table 15).
Reported malaria deaths decreased from 4,834 in 2010 to 4,540 in 2011, a 6% decrease (Table 15).
- The Literacy Rate for 15 years and older was 81% for men and 62% for women in 2011. The mean years of schooling in 2010 was 7 year for people ages 25 and older (Table 13).

Appendix A: Statistical Data Indicators

Table 1: GDP of 20 Largest SSA Economies (in billions of US\$, current prices)

Table 2: GDP Growth 2000 to 2015 (% Change from Previous Year)

Table 3: GDP (% Value Added by Economic Sector), 2011

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Table 7: Total Value of Imports & Exports with US and China from SABER Countries, 2012

Table 8: Main Commodity Imports from China to SABER Countries, 2012

Table 8a: Main Exports from SABER Countries to US and China

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Table 8c: Commodity Imports from China to SABER Countries, 2012

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Table 15: Maternal Mortality, Fertility, Health Expenditures, Life Expectancy, and HIV/AIDS

Table 16: Telecommunications, Cellular Subscribers and Internet Users

Table 17: World Bank Doing Business Rankings Composite and Sub-Index, 2011 - 2012

Table 18: World Bank Selected Doing Business Indicators (World Ranks out of 185 Countries), 2011 - 2012

Table 19: Stock Exchanges: Levels of Capitalization, Websites, and Exchange Symbols

Table 1: GDP of 20 Largest SSA Economies (in billions of US\$, current prices)

	Avg 2000 to 2004 ¹	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
West Africa												
Côte d'Ivoire	12.4	16.4	17.4	19.8	23.5	22.5	23.0	24.1	24.7	25.9	28.3	30.9
Ghana	10.0	17.4	20.4	24.8	28.5	25.8	32.3	39.0	38.9	42.5	48.6	53.5
Nigeria	61.0	112.2	145.4	165.9	207.1	168.6	196.8	244.0	268.7	293.1	312.5	334.5
Senegal	6.0	8.7	9.4	11.3	13.4	12.8	12.9	14.5	13.9	14.5	15.6	16.8
Central Africa												
Cameroon	12.0	16.6	18.0	20.4	23.7	22.2	22.5	25.0	25.0	25.8	27.7	29.6
Congo, DR	5.4	7.2	8.8	10.0	11.6	11.1	13.1	15.7	17.7	18.8	21.0	22.0
Congo, Rep.	3.4	6.1	7.7	8.4	11.9	9.6	12.0	14.0	13.7	13.8	14.3	16.3
Eq. Guinea	2.7	8.2	9.6	12.6	18.4	12.2	14.5	19.8	17.2	22.1	22.8	22.3
Gabon	5.6	8.7	9.5	11.6	14.5	10.9	13.2	17.0	18.4	16.3	16.6	16.9
East & Horn of Africa												
Ethiopia	8.5	12.3	15.2	19.6	26.6	32.2	29.7	30.0	41.9	47.1	50.7	55.6
Kenya	13.9	19.4	23.3	29.0	27.1	31.4	32.1	34.0	41.1	49.8	55.0	62.5
Sudan	15.9	26.5	35.2	45.5	53.7	52.6	65.2	64.0	59.9	47.3	48.2	51.1
Tanzania	10.5	13.7	14.3	15.2	19.0	21.0	22.6	24.0	28.2	30.6	32.7	35.1
Uganda	6.6	9.2	10.0	11.9	14.4	15.8	17.2	16.8	21.0	21.7	23.3	25.1
Southern Africa												
Angola	11.7	28.2	41.8	60.4	84.2	75.5	82.5	104.0	118.7	124.0	130.0	139.0
Botswana	7.2	10.4	11.3	12.4	13.6	11.5	14.9	17.0	17.6	18.0	19.0	20.0
Mozambique	4.6	6.6	7.2	8.1	9.9	10.0	9.5	12.8	14.6	15.8	17.1	19.1
Namibia	4.5	7.3	8.0	8.8	8.8	8.9	11.1	12.5	12.3	12.7	13.5	14.2
South Africa	150.1	247.0	261.2	285.8	274.2	284.2	363.5	408.1	384.3	402.1	422.2	444.8
Zambia	4.1	7.2	10.7	11.5	14.6	12.8	19.0	19.2	20.5	23.1	25.1	27.8
Sub-Saharan Africa	405.3	654.5	754.3	874.2	994.1	947.4	1108.9	1266.0	1281.2	1366.3	1453.9	1554.8
Africa	659.7	987.3	1137.6	1325.2	1564.2	1475.5	1708.4	1880.4	2022.7	2152.5	2256.7	2401.4

Notes: ¹SABER Calculation; ²Italics in shaded columns indicate IMF staff estimates (2012 - 2015)

Source: International Monetary Fund, World Economic Outlook Database.

<http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/weorept.aspx> (Accessed 4/23/2013) and World Bank Development Indicators, databank.worldbank.org/ddp/home.do?Step=3&id=4 (Accessed 4/23/2013).

Table 2: GDP Growth 2000 to 2015 (% Change from Previous Year)

	Avg 2000 to 2004 ¹	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
West Africa												
Côte d'Ivoire	-1.6	1.9	0.7	1.6	2.3	3.8	2.4	-4.7	8.1	7.0	7.3	7.5
Ghana	5.9	6.0	6.1	6.5	8.4	4.0	7.7	14.4	8.2	7.8	8.2	7.5
Nigeria	13.9	5.4	6.2	7.0	6.0	7.0	8.0	7.4	7.1	6.7	6.6	6.6
Senegal	5.2	5.6	2.4	5.0	3.7	2.1	4.1	2.6	3.7	4.3	5.1	5.4
Central Africa												
Cameroon	5.1	2.3	3.2	3.4	2.6	2.0	2.9	4.2	4.7	5.0	5.2	5.3
Congo, DR	1.7	7.8	5.6	6.3	6.2	2.8	7.0	6.9	7.1	8.2	6.4	7.3
Congo, Rep.	5.1	7.8	6.2	-1.6	5.6	7.5	8.8	3.4	4.9	5.3	5.4	19.8
Eq. Guinea	38.3	9.7	1.3	21.4	10.7	5.7	-0.8	7.8	5.7	6.1	1.5	-2.9
Gabon	1.0	3.0	1.2	5.6	2.3	-1.4	6.6	4.8	6.1	2.0	2.7	2.5
East & Horn of Africa												
Ethiopia	6.2	12.6	11.5	11.8	11.2	10.0	8.0	7.3	7.0	6.5	6.5	6.5
Kenya	3.3	6.0	6.3	7.0	1.5	2.6	5.6	4.4	5.1	5.6	6.4	6.2
Sudan	8.7	7.5	10.1	11.5	3.2	3.0	4.5	4.7	-11.2	0.0	2.9	4.1
Tanzania	8.2	7.4	7.0	6.9	7.3	6.7	6.5	6.4	6.5	6.8	7.1	7.1
Uganda	8.2	6.3	10.8	8.4	8.8	7.2	5.9	6.7	4.2	5.7	6.5	7.0
Southern Africa												
Angola	8.8	20.6	20.7	22.6	13.8	2.4	3.4	3.9	6.8	5.5	5.4	5.4
Botswana	7.6	1.6	5.1	4.8	3.0	-4.9	7.2	5.7	3.8	4.1	4.2	4.3
Mozambique	9.3	8.4	8.7	7.3	6.8	6.3	6.8	7.1	7.5	8.4	7.8	7.9
Namibia	6.6	2.5	7.1	5.4	3.4	-0.4	6.6	3.8	4.0	4.1	4.2	4.2
South Africa	4.5	5.3	5.6	5.5	3.6	-1.5	2.9	3.1	2.6	3.0	3.9	4.2
Zambia	5.6	5.3	6.2	6.2	5.7	6.4	7.6	6.4	6.5	8.2	7.8	7.9
Sub-Saharan Africa³	5.5	5.2	5.3	5.7	4.5	3.1	5.2	4.6	3.8	6.7	5.6	6.5

Notes: ¹SABER Calculation; ²Italics indicate IMF staff estimates (2012-2015); ³Sub-Saharan values exclude Sudan

Source: World Bank's World Development Indicators, databank.worldbank.org/ddp/home.do?Step=1&id=4 (Accessed 4/8/2013); International Monetary Fund, World Economic Database, October 2012, <http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/weorept.aspx> (Accessed 4/8/2013).

Table 3: GDP (% Value Added by Economic Sector), 2011

	Agriculture		Industry		Manufacturing, sub-sector of Industry		Services	
	2011	Change ¹ 2010 to 2011	2011	Change ¹ 2010 to 2011	2011	Change ¹ 2010 to 2011	2011	Change ¹ 2010 to 2011
West Africa								
Côte d'Ivoire	24.3	1.5	30.3	3.1	21.0	1.9	45.4	-4.6
Ghana	25.6	-4.2	25.9	6.8	6.7	-0.1	48.5	-2.6
Nigeria (2007)	32.7	37.2	40.7	39.2	2.6	2.5	26.6	20.2
Senegal	15.0	-2.4	24.0	1.7	14.1	0.8	61.0	0.7
Central Africa								
Cameroon	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Congo, DR	45.6	-0.6	21.9	-0.5	4.6	-0.1	32.6	1.1
Congo, Rep.	3.4	-0.5	76.6	1.3	3.6	-0.2	20.0	-0.8
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	3.8	-0.3	64.0	4.3	3.3	-0.2	32.2	-4.1
East & Horn of Africa								
Ethiopia	46.4	-0.3	10.5	0.2	3.6	-0.3	43.1	0.1
Kenya	28.5	3.4	17.6	-1.0	11.0	-0.3	54.0	-2.4
Sudan	24.5	-0.4	28.1	-0.1	6.9	0.8	47.4	0.6
Tanzania	27.7	-0.5	25.1	0.4	10.2	0.3	47.3	0.0
Uganda	23.4	-0.8	25.4	0.0	8.2	-0.1	51.1	0.9
Southern Africa								
Angola	9.3	-0.6	62.1	2.2	6.0	-0.2	28.6	-1.6
Botswana	2.5	0.0	45.8	0.8	4.2	0.2	51.7	-0.8
Mozambique	32.0	0.1	24.2	0.8	12.6	-0.5	43.8	-0.9
Namibia	7.3	-0.2	19.6	0.0	7.5	-0.2	73.1	0.2
South Africa	2.4	-0.1	30.6	-0.2	13.4	-1.3	67.0	0.3
Zambia	19.5	-1.0	37.3	1.3	8.4	-0.5	43.2	-0.3
Notes: ¹ SABER's calculations								
Source: World Bank's World Development Indicators, http://databank.worldbank.org/ddp/home.do (Accessed 4/8/2013)								

Table 4: Agricultural Land Area, Economically Active, Agriculture Value/Worker, Cereal Yield, Food & Crop Production, and Livestock Indices

	Agriculture Land Area (% Total Area)		Economically Active Pop. In Agriculture ⁴ (%)	Employed In Agriculture ⁵ (%)	Agriculture Value Added Per Worker (Constant 2000 US\$)		Cereal Yield (Kg. per hectare)		Food Production Index		Crop Production Index		Livestock Production Index	
	2009	Change ² 2008 to 2009	2010	2010	2010 ³	Change ² 2009-2010	2010	Change ² 2009 to 2010	2010	Change ² 2009 to 2010	2010	Change ² 2009 to 2010	2010	Change ² 2009 to 2010
West Africa														
Côte d'Ivoire	64	0.00	38	n/a	1056	48	1717	4	106	5	104	4	120	8
Ghana	68	0.00	54	57	n/a	n/a	1814	155	125	4	125	4	129	5
Nigeria	82	-3.29	25	45	n/a	n/a	1413	-115	91	0	87	0	115	2
Senegal	49	1.04	70	34	271	5	1197	62	156	13	161	15	135	6
Central Africa														
Cameroon	20	0.32	48	61	n/a	n/a	1711	46	126	5	123	5	123	11
Congo, DR	10	0.00	57	n/a	n/a	n/a	772	0	104	3	102	1	117	15
Congo, Rep.	31	0.03	32	35	n/a	n/a	785	-7	125	7	115	1	157	24
Eq. Guinea	11	-0.14	65	76	n/a	n/a	n/a	n/a	112	-4	108	-3	108	4
Gabon	20	0.00	26	24	1825	-122	1782	-607	110	-5	109	-9	114	10
East & Horn of Africa														
Ethiopia	35	0.47	77	79	226	7	1674	-76	125	2	128	1	120	6
Kenya	48	0.26	71	61	351	14	1613	370	125	9	113	8	136	11
Sudan	58	0.71	52	n/a	929	11	452	-136	120	-1	98	-11	130	5
Tanzania	40	0.62	76	77	289	4	1333	222	109	-1	109	-1	111	2
Uganda	70	1.00	75	66	200	-5	1608	55	109	1	107	1	113	2
Southern Africa														
Angola	47	0.48	69	5	333	10	644	53	153	8	163	10	114	3
Botswana	46	0.00	42	30	534	12	544	-26	114	5	90	4	119	5
Mozambique	63	0.32	81	81	234	14	1006	-4	113	3	118	5	101	3
Namibia	47	0.00	34	n/a	881	-702	373	8	94	2	111	5	87	1
South Africa	82	-0.12	6	5	3951	289	4162	-251	121	4	107	-2	135	10
Zambia	31	0.40	63	72	214	-5	2547	478	144	18	161	21	109	6

Notes:¹The latest data for Agriculture Land Area is 2010 and the latest for the other variables is 2011. ²SABER calculations; ³In constant \$US for 2000; ⁴Economically active people are those involved in any type of agricultural activities for economic purposes. ⁵As a percent of all active; employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind.

Sources: Food and Agriculture Organization, electronic files and website. Accessed through The World Bank: <http://data.worldbank.org/indicator/NV.AGR.TOTL.ZS/countries> (Accessed 4/9/2013). Also derived from FAO Yearbooks <http://www.fao.org/economic/ess/ess-publications/ess-yearbook/en/> (Accessed 4/9/2013).

Table 5: Value of External Debt (% of Exports of Goods, Services and Income)

	Avg 1997 to 2001 ²	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
West Africa											
Côte d'Ivoire	267	196	184	168	137	134	141	108	100	n/a	n/a
Ghana	271	269	235	205	172	64	80	75	82	98	77
Nigeria	197	166	126	99	39	13	12	13	13	13	14
Senegal	267	258	228	171	156	76	85	75	n/a	n/a	n/a
Central Africa											
Cameroon	418	335	336	263	170	66	47	37	53	56	n/a
Congo, DR	n/a	n/a	n/a	n/a	385	356	188	158	243	70	53
Congo, Rep.	256	206	191	180	123	103	92	n/a	n/a	n/a	n/a
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	141	132	110	96	69	n/a	n/a	n/a	n/a	n/a	n/a
East & Horn of Africa											
Ethiopia	755	606	571	388	315	101	96	81	146	158	148
Kenya	170	188	187	160	119	110	103	89	108	96	77
Sudan	1761	760	664	475	351	307	206	165	233	189	n/a
Tanzania	550	361	322	318	273	115	120	105	139	138	131
Uganda	504	547	526	408	276	69	64	71	74	92	95
Southern Africa											
Angola	183	102	89	68	49	28	25	23	40	37	31
Botswana	15	16	13	11	8	7	7	7	36	33	n/a
Mozambique	1060	416	275	244	190	90	95	101	154	119	113
Namibia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Africa	66	64	55	44	43	42	45	41	51	98	92
Zambia	616	574	529	353	212	54	57	56	67	57	48

Notes: ¹External debt stock is debt owed to nonresidents repayable in foreign currency, goods, or services; ²SABER Calculation

Source: International Monetary Fund, World Economic Database,

<http://www.imf.org/external/pubs/ft/weo/2012/01/weodata> (Accessed 04/04/2013).

Table 6: FDI, External Debt, Main Export Destinations, Exports, Trade Balance, 2011

	FDI Inflows ⁵ (Current US\$mn) 2011	External Debt Stocks ⁶ (DOD, ² Current US\$mn)		Main Export Destinations (% of Total Exports) ⁷								Exports ^{4,8} (Current US\$mn)		Imports ^{4,8} (Current US\$mn)		Trade Balance ³ (Current US\$mn)	
				Africa		China		European Union		US							
		2011	%Change ² 2010 to 2011	2011 (US\$mn)	%Change ² 2010 to 2011	2011 (US\$mn)	%Change ² 2010 to 2011	2011 (US\$mn)	%Change ² 2010 to 2011	2011 (US\$mn)	%Change ² 2010 to 2011	2011	%Change ² 2010 to 2011	2011	%Change ² 2010 to 2011	2011	%Change ² 2010 to 2011
West Africa																	
Côte d'Ivoire	344	12,012	11	3,322	2	118	48	4,162	-4	1,322	24	10,530	13	9,765	18	765	-27
Ghana	3,222	11,289	21	552	20	330	195	4,377	151	728	183	14,902	58	20,050	51	-5,148	35
Nigeria	8,915	13,108	26	8,783	13	1,437	48	30,694	77	31,226	10	96,656	20	86,914	27	9,742	-20
Senegal	286	4,320	10	1,037	4	18	20	387	33	4	0	3,502	10	6,323	14	-2,821	20
Central Africa																	
Cameroon	360	3,074	-4	687	14	603	44	2,734	13	312	10	7,740	35	8,822	36	-1,082	43
Congo, DR	1,687	5,448	-12	1,401	14	2,882	29	848	54	566	14	10,688	19	12,211	20	-1,523	21
Congo, Rep.	2,931	2,523	-4	159	23	4,247	48	2,531	41	2,235	-28	12,591	23	5,021	-24	7,570	107
Eq. Guinea	737	n/a	n/a	48	-53	1,525	180	5,134	79	1,112	-47	14,129	39	9,382	22	4,747	95
Gabon	728	2,879	13	165	-16	520	-40	1,041	2	4,235	105	11,008	38	6,103	28	4,905	55
East Africa																	
Ethiopia	206	8,597	17	95	-3	265	6	848	48	136	11	5,094	41	9,624	10	-4,530	-12
Kenya	335	10,258	17	2,170	11	59	66	1,534	18	361	22	9,787	9	15,472	20	-5,685	44
Sudan	1,936	21,169	-5	315	7	0	0	219	90	5	0	11,833	-9	10,465	-7	1,368	-17
Tanzania	1,095	10,044	12	606	21	428	17	633	49	54	36	7,415	16	11,988	36	-4,573	86
Uganda	792	3,858	18	721	9	36	50	569	22	44	-20	3,979	-3	5,801	-1	-1,822	4
Southern Africa																	
Angola	-5,586	21,115	11	1,609	-11	22,627	9	8,326	80	12,575	13	67,792	34	45,183	30	22,609	44
Botswana	587	2,396	33	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,782	38	7,682	29	-900	-13
Mozambique	2,093	4,097	10	1,176	102	232	192	1,671	12	33	100	3,699	53	5,812	40	-2,113	23
Namibia	900	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,243	11	5,031	9	212	58
South Africa	5,807	113,512	11	14,596	21	12,424	20	21,137	-13	8,408	10	117,660	18	120,141	20	-2,481	245
Zambia	1,982	4,360	-1	1,349	-1	2,318	59	596	90	36	390	8,842	17	7,112	26	1,730	-10

Notes: ¹DOD = Debt Outstanding and Disbursed; ²SABER Calculation; ³Trade balance = exports minus imports; ⁴Export and import values include goods and services.

Sources: ⁵United Nations Conference on Trade and Development. *World Investment Report 2012: Towards A New Generation of Investment Policies*, www.unctad-doc.org/files/UNCTAD-WIR2012-Full-en.pdf, (Accessed 4/16/2013). ⁶World Bank, Global Development Finance. Accessed through World Bank, World Databank, <http://databank.worldbank.org/ddp/home.do> (Accessed 03/25/2013). ⁷Calculated by SABER using data from International Monetary Fund. Statistics Dept. "Direction of Trade Statistics Quarterly, March 2013." IMF eLibrary. <http://www.elibrary.org/> (Accessed 03/26/2013). ⁸World Bank national accounts data and OECD National Accounts data files. Accessed through World Bank, World Databank, <http://databank.worldbank.org/ddp/home.do> (Accessed 03/25/2013).

Table 7: Total Value of Imports & Exports with US and China from SABER Countries, 2012

	Imports from US and China								Exports to US and China							
	Millions US\$		World Share (%)		SABER Countries Share (%)		Change (%) ¹ 2011 to 2012		Millions US\$		World Share (%)		SABER Countries Share (%)		Change (%) ¹ 2011 to 2012	
	US	China	US	China	US	China	US	China	US	China	US	China	US	China	US	China
West Africa																
Côte d'Ivoire	188	804	0.01	0.04	0.95	1.63	0.24	0.33	1099	142	0.05	0.01	2.51	0.15	0.64	-0.05
Ghana	1309	4790	0.08	0.23	6.59	9.72	0.10	2.25	291	643	0.01	0.04	0.66	0.68	-0.48	0.23
Nigeria	5114	9308	0.33	0.45	25.76	18.89	-0.90	-3.21	19130	1266	0.84	0.07	43.67	1.33	-6.06	-0.61
Senegal	150	795	0.01	0.04	0.78	1.61	-0.68	-0.02	17	51	0.00	0.00	0.04	0.05	0.03	-0.03
Central Africa																
Cameroon	249	1066	0.02	0.05	1.25	2.16	0.06	0.06	308	n/a	0.01	n/a	0.70	n/a	0.22	n/a
Congo, DR	199	838	0.01	0.04	1.00	1.70	0.10	-0.28	41	3509	0.00	0.19	0.09	3.69	-0.80	-0.21
Congo, Rep.	237	521	0.02	0.03	1.19	1.06	-0.04	-0.12	1489	4555	0.07	0.25	3.40	4.79	-0.16	-0.96
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	319	427	0.02	0.02	1.61	0.87	0.50	0.22	1886	618	0.08	0.03	4.31	0.65	-2.40	-0.05
East & Horn of Africa																
Ethiopia	1287	1530	0.08	0.07	6.48	3.11	2.74	0.95	183	310	0.01	0.02	0.42	0.33	0.21	-0.03
Kenya	581	2789	0.04	0.14	2.92	5.66	0.41	-0.03	390	52	0.02	0.00	0.89	0.05	0.33	-0.02
Sudan	58	2180	0.00	0.11	0.29	4.42	-0.11	-0.36	7	2040	0.00	0.11	0.01	2.14	0.00	-9.55
Tanzania	239	2091	0.02	0.10	1.20	4.24	-0.20	0.25	116	382	0.01	0.02	0.26	0.40	0.18	-0.18
Uganda	100	495	0.01	0.02	0.51	1.00	0.00	0.14	34	43	0.00	0.00	0.08	0.04	0.01	0.00
Southern Africa																
Angola	1489	4044	0.10	0.20	7.50	8.21	-0.65	1.53	9824	33458	0.43	1.84	22.43	35.17	2.45	4.55
Botswana	48	182	0.00	0.01	0.24	0.37	0.00	-1.11	n/a	118	n/a	0.01	n/a	0.12	n/a	0.00
Mozambique	392	942	0.03	0.05	1.97	1.91	-0.52	0.23	39	403	0.00	0.02	0.09	0.42	0.04	0.11
Namibia	195	439	0.01	0.02	0.98	0.89	0.24	0.22	231	240	0.01	0.01	0.53	0.25	-0.11	-0.02
South Africa	7553	15334	0.49	0.75	38.04		-1.34	-0.99	8657	44615	0.38	2.45	19.76	46.90	5.83	7.45
Zambia	148	696	0.01	0.03	0.74	1.41	0.04	-0.06	63	2689	0.00	0.15	0.14	2.83	0.07	-0.61
SABER Total	19856	49270	1.29	2.40	100	100			43804	95135	1.92	5.22	100	100		
World Total	1546455	2050109	100	2275392	1817344	100	100
Note: ¹ SABER calculation																
Source of Data: Global Trade Atlas, http://www.gtis.com/GTA (Calendar Year: 2011-2012).																

Table 8: Main Commodity Imports from China to SABER Countries, 2012

	Electric Machines, Sound & TV Equipment		Nuclear Reactors, Boilers, Machinery		Vehicles (Not Railway)		Agriculture, Food, & Beverages ¹		Footwear, Galters, Knit/Not Knit Apparel ¹		Furniture; Bedding; Lamps; Prefab Beds		Other Main Imports		
	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	Commodity	US\$m	Imports(%)
West Africa															
Cote d' Ivoire	130	16	63	8	48	6	71	9	41	5	164	2	Cotton and Yarn, Fabric	49	6
Ghana	529	11	511	11	198	4	186	4	406	8	405	8	Plastic and its Articles	359	8
Nigeria	1622	17	1113	12	889	10	364	4	450	5	158	2	Aluminum & Its Articles	513	6
Senegal	97	12	49	6	72	9	52	7	64	8	34	4	Cotton and Yarn, Fabric	65	8
Central Africa															
Cameroon	121	11	117	11	72	7	47	4	140	13	24	2	Iron & Steel Articles	80	7
Congo, DR	154	18	106	13	68	8	47	6	46	5	16	2	Cotton and Yarn, Fabric	60	7
Congo, Rep.	62	12	83	16	47	9	19	4	28	5	15	3	Salt, Sulfur, Cement	51	10
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	51	12	77	18	20	5	10	2	19	4	42	10	Iron & Steel Articles	56	13
East & Horn of Africa															
Ethiopia	286	19	312	20	265	17	9	1	11	1	13	1	Iron & Steel Articles	131	9
Kenya	367	13	331	12	177	6	21	1	248	9	138	5	Plastics & Its Articles	130	5
Sudan	277	13	240	11	92	4	38	2	274	13	152	7	Iron & Steel Articles	152	7
Tanzania	262	13	194	9	200	10	8	0	169	8	45	2	Rubber and Its Articles	133	6
Uganda	89	18	87	18	64	13	2	0	91	18	28	6	Footwear and Galters	57	12
Southern Africa															
Angola	542	13	499	12	465	12	74	2	205	5	259	7	Iron & Steel	264	7
Botswana	44	24	24	13	5	3	0	0	34	19	8	4	Rubber and Its Articles	10	6
Mozambique	139	15	119	13	80	9	10	1	61	6	40	4	Iron and Steel Articles	57	6
Namibia	35	8	38	9	12	3	20	4	17	4	48	11	Textile, Needlecraft	72	16
South Africa	2076	14	2310	15	615	4	341	2	2853	19	1077	7	Plastic & Its Articles	571	4
Zambia	138	20	128	18	43	6	7	1	18	3	84	12	Aircraft, Spacecraft	95	14
Note: ¹ SABER calculation Source of Data: Global Trade Atlas, http://www.gtis.com/GTA															

Table 8a: Main Exports from SABER Countries to US and China

	Main Exports to US					Main Exports to China						
	Mineral Fuel, Oil; Bitumin; Mineral Wax		Other Main Commodity Exports			Mineral Fuel, Oil; Bitumin; Mineral Wax		Ores, Slag and Ash		Other Main Commodity Exports		
	US\$m	Exports (%)	Commodity	US\$m	Export (%)	US\$m	Exports (%)	US\$m	Exports (%)	Commodity	US\$m	Export (%)
West Africa												
Cote d' Ivoire	225	20	Cocoa	732	67	0	0	0	0	Cotton & Yarn, Fabric	81	57
Ghana	45	15	Cocoa	176	60	336	52	177	28	Wood & wood charcoal	69	11
Nigeria	18985	99	Cocoa	54	0	1109	88	68	5	Raw Hides & Leather (No Furskins)	28	2
Senegal	6	33	Artificial Flowers & Feathers	5	28	0	0	0	1	Fats & Oils	19	38
Central Africa												
Cameroon	187	61	Cocoa	34	11	497	56	0	0	Wood & Wood Charcoal	204	23
Congo, DR	6	15	Pearls, Precious Stone & Metal	21	52	724	21	395	11	Copper & Its Articles	1925	55
Congo, Rep.	1454	98	Wood & Wood Charcoal	13	1	4262	94	11	0	Wood & Wood Charcoal	268	6
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	1805	96	Ores, Slag, and Ash	67	4	273	44	213	35	Wood & Wood Charcoal	127	21
East & Horn of Africa												
Ethiopia	0	0	Coffee, Tea, Mate, & Spices	75	41	0	0	11	4	Oil Seeds, Misc. Grain, Seed, Fruit	256	83
Kenya	0	0	Apparel: Knit & Not Knit	254	68	0	0	9	18	Raw Hides & Leather	9	18
Sudan	0	0	Gums, Resins, Veg. Extracts	7	100	1983	97	5	0	Copper & Its Articles	6	0
Tanzania	0	0	Pearls, Precious Stone & Metal	57	50	0	0	213	56	Oil Seeds, Misc. Grain, Seed, Fruit	86	22
Uganda	0	0	Coffee, Tea, Mate, & Spices	29	83	0	0	0	1	Raw Hides & Leather	21	50
Southern Africa												
Angola	9717	99	Pearls, Precious Stone & Metal	86	1	33327	100	0	0	Pearls, Precious Stone & Metal	100	0
Botswana	0	0	Pearls, Precious Stone & Metal	204	94	0	0	68	58	Pearls, Precious Stone & Metal	50	42
Mozambique	0	0	Ores, Slag and Ash	16	42	37	9	104	26	Wood & Wood Charcoal	209	52
Namibia	0	0	Pearls, Precious Stone & Metal	119	51	0	0	115	48	Inorg Chem, Rare Earths, Radioactives	103	43
South Africa	0	0	Pearls, Precious Stone & Metal	2792	32	194	4	74442	17	Special Classification Provisions	28941	65
Zambia	0	0	Precious stones & Base metals	60	96	0	0	42	2	Copper & Its Articles	2480	92
Source of Data: Global Trade Atlas, http://www.gtis.com/GTA (Calendar Year: 2011-2012).												

Table 8b: Main Commodity Imports from US to SABER Countries

	Electric Machinery, Sound & TV Equipment		Nuclear Reactors, Boilers, Machinery		Vehicles (Not Railway)		Aircraft, Spacecraft, & Their Parts		Agriculture, Food, & Beverages ¹		Other Main Imports		
	US\$m	Imports (%)	US\$m	Imports (%)	US\$m	Imports (%)	US\$m	Imports (%)	US\$m	Imports (%)	Commodity	US\$m	Imports (%)
West Africa													
Cote d' Ivoire	8	4	43	23	16	8	1	1	25	13	Plastic and Its Articles	36	19
Ghana	28	2	313	24	259	20	20	2	179	14	Mineral Fuel, Oil, Bitumin	99	8
Nigeria	133	3	743	15	1264	25	20	3	1086	21	Mineral Fuel, Oil, Bitumin	972	19
Senegal	23	15	29	19	26	18	20	1	3	2	Plastic and Its Articles	13	9
Central Africa													
Cameroon	7	3	124	50	14	6	0	0	18	7	Pharmaceutical Products	17	7
Congo, DR	5	3	20	10	10	5	2	1	78	39	Textile, Needlecraft	12	6
Congo, Rep.	18	8	83	35	12	5	2	1	59	25	Iron and Steel Articles	11	5
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	17	5	88	27	31	10	57	18	28	9	Mineral Fuel, Oil, Bitumin	10	3
East & Horn of Africa													
Ethiopia	18	1	33	3	7	1	1071	83	110	9	Stone Art, Plaster, Cement	3	0
Kenya	40	7	82	14	13	2	133	23	78	13	Fertilizers	48	8
Sudan	3	5	7	12	0	0	0	0	44	77	Pharmaceutical Products	1	2
Tanzania	12	5	81	34	7	3	15	6	12	5	Textile, Needlecraft	26	11
Uganda	10	10	22	22	4	4	27	27	8	8	Textile, Needlecraft	3	3
Southern Africa													
Angola	108	7	499	34	96	6	51	3	266	18	Iron and Steel Articles	119	8
Botswana	8	17	3	7	0	1	3	6	0	0	Textile, Needlecraft	3	3
Mozambique	0	0	0	0	0	0	0	0	13	35	Ores, Slag and Ash	16	42
Namibia	3	2	22	11	28	15	2	1	13	7	Mineral Fuel, Oil, Bitumin	38	20
South Africa	488	6	1632	22	1377	18	480	6	253	3	Precious Stones & Metals	649	9
Zambia	3	2	70	47	28	19	6	4	2	1	Rubber and Its Articles	14	10

Note: ¹SABER calculationSource of Data: Global Trade Atlas, <http://www.gtis.com/GTA>

Table 8c: Commodity Imports from China to SABER Countries, 2012

	Electric Machines, Sound & TV Equipment		Nuclear Reactors, Boilers, Machinery		Vehicles (Not Railway)		Agriculture, Food, & Beverages ¹		Footwear, Gaiters, Knit/Not Knit Apparel ¹		Furniture; Bedding; Lamps; Prefab Beds		Other Main Imports		
	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	US\$m	Imports(%)	Commodity	US\$m	Imports(%)
West Africa															
Cote d' Ivoire	130	16	63	8	48	6	71	9	41	5	164	2	Cotton and Yarn, Fabric	49	6
Ghana	529	11	511	11	198	4	186	4	406	8	405	8	Plastic and its Articles	359	8
Nigeria	1622	17	1113	12	889	10	364	4	450	5	158	2	Aluminum & Its Articles	513	6
Senegal	97	12	49	6	72	9	52	7	64	8	34	4	Cotton and Yarn, Fabric	65	8
Central Africa															
Cameroon	121	11	117	11	72	7	47	4	140	13	24	2	Iron & Steel Articles	80	7
Congo, DR	154	18	106	13	68	8	47	6	46	5	16	2	Cotton and Yarn, Fabric	60	7
Congo, Rep.	62	12	83	16	47	9	19	4	28	5	15	3	Salt, Sulfur, Cement	51	10
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	51	12	77	18	20	5	10	2	19	4	42	10	Iron & Steel Articles	56	13
East & Horn of Africa															
Ethiopia	286	19	312	20	265	17	9	1	11	1	13	1	Iron & Steel Articles	131	9
Kenya	367	13	331	12	177	6	21	1	248	9	138	5	Plastics & Its Articles	130	5
Sudan	277	13	240	11	92	4	38	2	274	13	152	7	Iron & Steel Articles	152	7
Tanzania	262	13	194	9	200	10	8	0	169	8	45	2	Rubber and Its Articles	133	6
Uganda	89	18	87	18	64	13	2	0	91	18	28	6	Footwear and Gaiters	57	12
Southern Africa															
Angola	542	13	499	12	465	12	74	2	205	5	259	7	Iron & Steel	264	7
Botswana	44	24	24	13	5	3	0	0	34	19	8	4	Rubber and Its Articles	10	6
Mozambique	139	15	119	13	80	9	10	1	61	6	40	4	Iron and Steel Articles	57	6
Namibia	35	8	38	9	12	3	20	4	17	4	48	11	Textile, Needlecraft	72	16
South Africa	2076	14	2310	15	615	4	341	2	2853	19	1077	7	Plastic & Its Articles	571	4
Zambia	138	20	128	18	43	6	7	1	18	3	84	12	Aircraft, Spacecraft	95	14

Note: ¹SABER calculationSource of Data: Global Trade Atlas, <http://www.gtis.com/GTA>

Table 9: Annual Inflation (Percent Change in Average Consumer Prices)

	Avg 2000 to 2004 ¹	2005	2006	2007	2008	2009	2010	2011	2012 ²	2013 ²	2014	2015
West Africa												
Côte d'Ivoire	2.4	3.9	2.5	1.9	6.3	1.0	1.4	4.9	2.0	2.5	2.5	2.5
Ghana	22.4	15.1	10.2	10.7	16.5	19.3	10.7	8.7	9.6	10.9	9.0	8.5
Nigeria	13.5	17.9	8.2	5.4	11.6	12.5	13.7	10.8	11.2	9.5	8.2	7.0
Senegal	1.3	1.7	2.1	5.9	5.8	-1.7	1.2	3.4	2.3	2.2	2.1	2.1
Central Africa												
Cameroon	2.2	2.0	4.9	1.1	5.3	3.0	1.3	2.9	3.0	3.0	2.5	2.5
Congo, DR	189.9	21.4	13.2	16.7	18.0	46.2	23.5	15.5	10.4	9.5	8.8	8.3
Congo, Rep.	1.9	2.5	4.7	2.6	6.0	4.3	5.0	1.9	5.1	4.5	3.0	2.9
Eq. Guinea	6.6	5.7	4.5	2.8	4.3	7.2	6.1	6.3	5.4	7.0	7.0	7.0
Gabon	1.1	1.2	-1.4	5.0	5.3	1.9	1.4	1.3	2.3	2.6	2.8	3.0
East & Horn of Africa												
Ethiopia	3.5	6.8	12.3	15.8	25.3	36.4	8.1	33.1	22.9	10.2	8.9	9.0
Kenya	7.9	9.9	6.0	4.3	15.1	10.6	4.1	14.0	10.0	5.8	5.0	5.0
Sudan	7.5	8.5	7.2	8.0	14.3	11.3	13.0	18.3	28.6	17.0	10.8	10.1
Tanzania	4.6	4.4	5.6	6.3	8.4	11.8	7.2	12.7	15.6	9.8	7.4	6.7
Uganda	3.8	8.0	6.6	6.8	7.3	14.2	4.0	18.7	14.6	6.1	5.0	5.0
Southern Africa												
Angola	145.7	23.0	13.3	12.2	12.5	13.7	14.5	13.5	10.8	8.6	7.5	7.5
Botswana	7.9	8.6	11.6	7.1	12.6	8.1	7.0	8.5	7.5	6.3	5.9	5.7
Mozambique	12.9	6.4	13.2	8.2	10.3	3.3	12.7	10.4	3.0	8.6	5.6	5.6
Namibia	8.2	2.3	5.1	6.7	10.4	8.8	4.5	5.8	6.7	5.9	5.5	4.9
South Africa	5.5	3.4	4.7	7.1	11.5	7.1	4.3	5.0	5.6	5.2	5.0	4.8
Zambia	21.8	18.3	9.0	10.7	12.4	13.4	8.5	8.7	6.4	6.2	5.5	5.0
Sub-Saharan Africa³	13.8	8.1	7.4	6.9	12.6	8.7	5.8	9.1	8.8	6.4	5.1	4.8
Notes: ¹ SABER Calculation; ² International Monetary Fund (IMF) Staff estimates; ³ Sub-Saharan values exclude Sudan, since it is not included among the Sub-Saharan countries. Source: IMF, World Economic Database, October 2012, http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/weorept.aspx (Accessed 3/5/2013).												

Table 10: Currency, Exchange Rate Regime, Exchange Rates, and Total Reserves

	Currency	Exchange Rate Regime ¹	Monetary Policy Framework ²	US\$ Exchange Rates & Change (%) from 2011 - 2012						Total Reserves ³ Current US\$ (Billions)	
				Average		Low		High		2011	%Change: 2010-2011
				2012	Change (%)	2012	Change (%)	2012	Change (%)		
West Africa											
Côte d'Ivoire	Franc BCEAO	Conventional Peg	Exchange Rate Anchor (Euro)	50298%	8.75	486.53	9.09	522.36	7.16	4.32	19.08
Ghana	Cedi	Floating	Inflation Targeting Framework	184%	20.26	1.67	12.08	1.94	19.02	5.91	14.65
Nigeria	Naira	Other arrangement	Monetary Aggregate Target	15754%	2.14	155.49	3.08	160.77	-0.02	36.26	1.06
Senegal	Franc BCEAO	Conventional Peg	Exchange Rate Anchor (Euro)	50298%	8.75	486.53	9.09	522.36	7.16	1.95	-4.97
Central Africa											
Cameroon	Franc BEAC	Conventional Peg	Exchange Rate Anchor (Euro)	502.99	8.83	486.53	9.15	523.15	7.32	3.20	-12.19
Congo, DR	Congolese Franc	Other arrangement	Monetary Aggregate Target	904.54	-0.47	902.78	0.33	905.58	-1.10	1.27	-2.47
Congo, Rep.	Franc BEAC	Conventional Peg	Exchange Rate Anchor (Euro)	502.99	8.83	486.53	9.15	523.15	7.32	5.64	26.86
Eq. Guinea	Franc BEAC	Conventional Peg	Exchange Rate Anchor (Euro)	502.99	8.83	486.53	9.15	523.15	7.32	3.05	30.15
Gabon	Franc BEAC	Conventional Peg	Exchange Rate Anchor (Euro)	502.99	8.83	486.53	9.15	523.15	7.32	2.16	24.28
East & Horn of Africa											
Ethiopia	Birr	Crawl-like arrangement	Exchange Rate Anchor (US\$)	17.58	4.64	17.12	3.95	18.04	5.50	n/a	n/a
Kenya	Kenyan Shilling	Floating	Monetary Aggregate Target	83.20	-4.78	81.61	4.25	85.07	-14.96	4.27	-1.29
Sudan	Pound	Other arrangement	Other	3.51	32.95	2.64	6.45	4.39	61.99	0.19	-81.42
Tanzania	Tanzanian Shilling	Floating	Monetary Aggregate Target	1562.46	-0.04	1547.97	5.28	1573.39	-8.47	3.73	-4.57
Uganda	Ugandan Shilling	Floating	Monetary Aggregate Target	2468.86	-0.89	2291.57	-0.29	2638.41	-5.04	2.62	-3.27
Southern Africa											
Angola	Kwanza	Stabilized arrangement	Other	95.13	1.70	94.89	2.38	95.55	0.65	26.48	34.07
Botswana	Pula	Crawling Peg	Composite	7.50	11.61	7.10	11.46	7.82	5.82	8.08	2.49
Mozambique	Metical	Floating	Monetary Aggregate Target	27.93	-2.82	26.74	0.94	29.60	-8.33	2.59	14.41
Namibia	Dollar	Conventional Peg	Other	8.09	12.99	7.54	13.21	8.64	6.54	1.79	5.37
South Africa	Rand	Floating	Inflation-Targeting Framework	8.20	13.42	7.57	12.99	8.79	7.59	48.75	11.25
Zambia	Kwacha	Floating	Monetary Aggregate Target	5067.16	5.77	4810.63	3.60	5204.03	3.18	2.32	11.00

Notes: ¹An exchange rate regime is the way a country manages its currency with regards to other currencies and the global foreign exchange market. For the *Conventional Peg* a country pegs its currency at a fixed rate to another currency or basket of currencies; a *Floating* exchange rate is largely market determined, with no predictable path; a *Stabilized Arrangement* entails a spot market exchange rate that remains within a margin of 2% for 6 months or more; for a *Crawling Peg* the currency is adjusted in small amounts at a fixed rate or in response to changes in selected indicators; for the *Crawl-like Arrangement* the exchange rate must remain within a narrow margin of 2% relative to a statistically defined trend for 6 months or more; Other arrangements are characterized by frequent shifts in policy. ²The monetary policy framework is the approach a country uses to ensure price stability through policy targets and policy instruments such as changing bank reserves: For the *Exchange Rate Anchor* a country's monetary authority buys or sells foreign exchange to maintain the exchange rate at its predetermined level; for the *Monetary Aggregate Target* an authority uses its instruments to achieve a target growth rate for a monetary target; the *Inflation-Targeting Framework* involves public announcement of numerical targets for inflation; for *Other Framework* a country has no explicitly stated nominal anchor but monitors various indicators in conducting monetary policy. ³Total reserves comprise of monetary gold, reserves held by IMF, and holdings of foreign exchange. Sufficient reserves make it possible for a government to manipulate exchange rates, normally to stabilize rates or purchase its domestic currency to protect itself from a capital crisis. Reserves also affect a country's credit rating.

Source: US\$ Exchange Rates: www.oanda.com/currency/historical-rates (Accessed 4/1/2013). Total Reserves: The World Bank, data.worldbank.org/indicator/FI.RES.TOTL.CD (Accessed 4/1/2013).

Table 11: Freedom Indices, Current Government, and Political Parties (2012)

	Head of State / Prime Minister (PM) & Term in Office					Share of Legislative Seats (%)		Status of Democracy (Freedom)				
	President / Prime Minister	Duration of Term (Years)	Initially In Office ³	Re-Elected/ Elected	Next Election	Ruling Party (Coalition - C)	Main Opposition ⁴	Press Freedom World Rank ¹ 192 Countries	Political Rights	Civil Liberties	Freedom Status	Trend ² 2000 to 2012
West Africa												
Cote d'Ivoire	Alassane Ouattara	5	...	2010	2015	44	30	158 ↓	5	5	Partly Free	↑
Ghana	J. Dramani Mahama	4	...	2012	2016	50	47	58 ↓	1	2	Free	↔
Nigeria	Goodluck Jonathan	4	...	2011	2015	34	13	104 ↑	4	4	Partly Free	↔
Senegal	Macky Sall	7	...	2012	2019	79	8	117 ↓	2	3	Free	↑
Central Africa												
Cameroon	Paul Biya	7	1982	2011	2018	83	12	153 ↓	6	6	Not Free	↔
Congo, DR	Joseph Kabila	5	2001	2011	2016	14	8	179 ↓	6	6	Not Free	↔
Congo, Rep.	D. Sassou Nguesso	7	1997	2009	2016	84 (C)	5	117 ↓	6	5	Not Free	↓
Eq. Guinea	Teodoro O. Nguema	7	1979	2009	2016	99 (C)	1	190 ↓	7	7	Not Free	↔
Gabon	Ali Bongo Ondimba	7	2009	2011	2016	93 (C)	1	158 ↓	6	5	Not Free	↔
East & Horn of Africa												
Ethiopia	Hailemariam Desalegn	6	...	2012	2015	91	4	175 ↓	6	6	Not Free	↓
Kenya	Uhuru Kenyatta	5	...	2013	2018	47 (C)	40 (C)	111 ↑	4	4	Partly Free	↑
Sudan	Omar al-Bashir	5	1989	2010	2015	92	1	170 ↓	7	7	Not Free	↔
Tanzania	Jakaya Kikwete	5	2005	2010	2015	74	14	97 ↓	3	3	Partly Free	↑
Uganda	Yoweri Museveni	5	1986	2011	2016	72	9	123 ↓	5	4	Partly Free	↔
Southern Africa												
Angola	Jose E. dos Santos	5	1979	2012	2016	80	15	150 ↓	6	5	Not Free	↔
Botswana	Seretse K. Ian Khama	5	...	2008	2014	79	8	83 ↔	3	2	Free	↔
Mozambique	Armando Guebuza	5	2005	2009	2014	76	20	90 ↔	4	3	Partly Free	↑
Namibia	Hifikepunye Pohamba	5	2005	2009	2014	75	8	68 ↓	2	2	Free	↑
South Africa	Jacob Zuma	5	...	2009	2014	66	17	73 ↓	2	2	Free	↔
Zambia	Michael Sata	5	...	2011	2016	40	34	132 ↑	3	4	Partly Free	↑
Notes: ¹ ↑ ↓ ↔ Indicates upward shift, downward shift, and no change from previous 2011 rank; ² ↑ ↓ ↔ Indicates a trend of positive, negative, and no change from 2000 to 2011 (calculated by SABER). ³ Trend analysis is based on average change in freedom from three periods, 2000 to 2003, 2004 to 2007, and 2008 to 2012. It is based on a combination of political rights and civil liberties scores for each year. ⁴ The initially assumed column lists the years for presidents that are serving/have served more than one term. ⁵ The main opposition is selected based on the second highest number of seats in parliament/legislature compared to the ruling party.												
Sources: Freedom House: www.freedomhouse.org (Accessed 4/5/2013); African Elections Database: africanelections.tripod.com/cdhtml ; Electoral Institute for the Sustainability of Democracy in Africa: www.eisa.org.za (Accessed 4/5/2013).												

Table 12: Legal Environment: Political Stability, Corruption, and Economic Freedom

	Rule of Law ¹ Percentile Rank (0-100)	Political Stability ¹ Percentile Rank (0-100)	Ibrahim Governance Index ²		Corruption Perception Index ³			Economic Freedom ⁵		Property Rights ⁶ Percentile Rank
			Score	Rank (53 Countries)	Score	Africa Rank (48 Countries) ⁴	World Rank (176 Countries)	Overall Score	World Rank (179 Countries)	
West Africa										
Côte d'Ivoire	8	8	39	46th	29	30	130	54.1	126	25
Ghana	55	51	66	7th	45	7	64	61.3	77	50
Nigeria	10	4	42	43rd	27	33	139	55.1	120	30
Senegal	41	36	56	16th	36	16	94	55.5	116	40
Central Africa										
Cameroon	15	27	45	36th	26	35	144	52.3	133	30
Congo, DR	2	2	33	51st	21	42	160	39.6	171	10
Congo, Rep.	13	38	43	41st	26	35	144	43.5	167	10
Eq. Guinea	11	44	41	44th	20	43	163	42.3	170	15
Gabon	38	60	54	22nd	35	19	102	57.8	99	40
East & Horn of Africa										
Ethiopia	29	6	47	33rd	33	23	113	49.4	146	30
Kenya	16	10	53	25th	27	33	139	55.9	114	30
Sudan	9	1	n/a	n/a	13	47	173	n/a	n/a	n/a
Tanzania	34	47	59	10th	35	19	102	57.9	98	30
Uganda	44	15	55	19th	29	30	130	61.1	79	30
Southern Africa										
Angola	10	36	44	40th	22	41	157	47.3	158	15
Botswana	70	85	77	3rd	65	1	30	70.6	30	70
Mozambique	34	57	55	21st	31	26	123	55.0	123	30
Namibia	61	76	70	6th	48	6	58	60.3	84	30
South Africa	59	48	71	5th	43	9	69	61.8	74	50
Zambia	39	62	58	12th	37	13	88	58.7	93	30

Notes and Sources: ¹World Bank, World Governance Indicators, <http://info.worldbank.org/governance/wgi/index.asp>. (Accessed 4/5/2013) Indicates rank among all countries where 0 equals lowest rank (weakest rule of law) and 100 equals highest ranks (strongest rule of law). ²As measured by the Ibrahim Index of Africa Governance (2012), <http://www.moibrahimfoundation.org> (Accessed 4/5/2013). The Ibrahim Index is a measure of African Governance out of 53 countries, where 0 is the worst score and 100 is the highest a country could achieve. The index is constructed from the 4 sub-indices of Safety and Rule of Law, Participation and Human Rights, Sustainable Economic Opportunity, and Human Development. ³As measured by Transparency International, Corruption Perceptions Index 2012, <http://cpi.transparency.org/cpi2012/results> (Accessed 4/5/2013). The index ranges from 0 (country perceived as highly corrupt) to 100 (country is almost entirely free of corruption). ⁴The ranking is based on the Sub-Saharan Africa region. ⁵As measured by the Heritage Foundation's 2013 Index of Economic Freedom, <http://www.heritage.org/index/> (Accessed 4/5/2013) Index scores from 1 (Least conducive to economic freedom) to 100 (most conducive to economic freedom). ⁶Percentages ranges from 0 (private property outlawed) to 100 (private property is guaranteed by the government).

Table 13: Social Environment: Population, Population Growth & Below Poverty Line, Literacy, Schooling, GNI & GDP Per Capita, Income Inequality and Human Development Index

	Population (Millions) ⁶ 2011	Population Below National Poverty Line (%) ^{8,5} 2002-2012	Rate of Natural Population Increase (%) ⁶	Projected 2025 Population (Millions) ⁶	Literacy Rate (%) Age 15 +) ⁹ 2011 or Latest ¹		Mean Years of Schooling ² (2010) ⁸	GNI Per Capita ⁹ (Current US\$) 2011	GDP Per Capita Growth (annual %) ⁹	Income Inequality (Gini Coefficient) ³ (2000-2010) ⁶	Human Development Index ⁶	
					Men	Women					World Rank (2012)	Change in Rank (2011-2012) ⁴
West Africa												
Côte d'Ivoire	20.6	42.7	2.3	28.1	65	47	4.2	1,090	-6.7	41.5	168	2
Ghana	25.5	28.5	2.4	33.4	73	61	7.0	1,410	11.8	42.8	135	0
Nigeria	170.1	54.7	2.6	234.4	72	50	5.2	1,280	4.7	48.8	153	3
Senegal	13.1	50.8	2.9	18.6	62	39	4.5	1,070	-0.1	39.2	154	1
Central Africa												
Cameroon	20.9	39.9	2.7	28.0	79	63	5.9	1,210	2.0	38.9	150	0
Congo, DR	69.1	71.3	2.8	101.0	77	57	3.5	190	4.1	44.4	186	1
Congo, Rep.	4.2	50.1	2.8	5.9	n/a	n/a	5.9	2,250	1.0	47.3	142	-5
Eq. Guinea	0.7	n/a	2.2	1.0	97	91	5.4	15,670	4.8	n/a	136	0
Gabon	1.6	n/a	1.8	2.0	92	85	7.5	8,080	2.8	41.5	106	0
East & Horn of Africa												
Ethiopia	87.0	38.9	2.4	115.0	49	29	2.2	370	5.0	29.8	173	1
Kenya	43.0	45.9	2.7	53.2	91	84	7.0	820	1.6	47.7	145	-2
Sudan	33.5	n/a	2.4	46.8	80	62	3.1	1310	2.2	35.3	171	-2
Tanzania	47.7	33.4	3.0	70.9	79	68	5.1	540	3.3	37.6	152	0
Uganda	35.6	31.1	3.3	52.3	83	65	4.7	510	3.3	44.3	161	0
Southern Africa												
Angola	20.9	n/a	3.2	32.2	83	58	4.7	3,830	1.1	58.6	148	0
Botswana	1.9	n/a	1.2	2.2	84	85	8.9	7,470	4.5	n/a	119	-1
Mozambique	23.7	54.7	2.8	36.5	71	43	1.2	470	4.7	45.7	185	-1
Namibia	2.4	38.0	1.8	2.9	89	89	6.2	4,700	2.0	63.9	128	-8
South Africa	51.1	23.0	0.9	54.2	91	87	8.5	6,960	1.9	63.1	121	2
Zambia	13.7	59.3	3.0	20.7	81	62	6.7	1,160	2.1	54.6	163	1

Notes: ¹The rates for Cameroon, Ethiopia, and South Africa are for 2007, which is the latest data available. Those for Senegal are for 2009. ²Average number of years of education received by people ages 25 and older; for comparison, the Sub-Saharan mean is 4.5 and the World mean is 7.4. ³A value of 0 represents absolute equality, a value of 100 absolute inequality. ⁴A Positive value indicates an improvement in rank, a negative one indicates a decline, 0 indicates no change in position. ⁵Data refer to the most recent year available during the period specified.

Sources: ⁶Population Reference Bureau, 2012 World Population Data Sheet, www.prb.org/pdf12/2012-population-data-sheet_eng.pdf (Accessed 4/6/2013). ⁷United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics. Accessed through World Bank Development Indicators, 2012 (Accessed 4/6/2013). ⁸Human Development Report 2013, United Nations Development Program, <http://hdr.undp.org/en> (Accessed 4/6/2013). ⁹World Development Indicators, World Bank (2012), <http://databank.worldbank.org/ddp> (Accessed 04/06/2013).

Table 14: Gender Gap Index (GGI) and Sub-Indices. Selected Gender Indicators, 2012

	Overall GGI ² Score (Rank)	Gender Gap Index (GGI) Sub-Indexes ²			Selected Gender Gap Indicators ³								
		Economic Participation Score (Rank)	Educational Attainment Score (Rank)	Political Empowerment Score (Rank)	Labor Force Participation (%)			Estimated Earned Income (PPP Thousands of US\$) ⁴			Participation in Parliament (%)		
					Women	Men	Rank	Women	Men	Rank	Women	Men	Rank
West Africa													
Côte d'Ivoire	0.58 (127) ↑	0.55 (111)	0.71 (131)	0.08 (104)	51	83	96	1.2	2.4	99	11	89	100
Ghana	0.68 (68) ↑	0.75 (26)	0.91 (113)	0.09 (100)	75	76	2	1.6	2.2	30	8	92	116
Nigeria	0.63 (107) ↑	0.63 (81)	0.82 (124)	0.12 (83)	40	75	115	1.8	3.2	74	7	93	120
Senegal	0.66 (87) ↑	0.67 (59)	0.83 (122)	0.19 (41)	66	90	79	1.5	2.5	72	23	77	49
Central Africa													
Cameroon	0.63 (109) ↑	0.68 (52)	0.78 (126)	0.09 (92)	54	82	91	1.8	2.9	53	14	86	87
Congo, DR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Congo, Rep.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eq. Guinea	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
East & Horn of Africa													
Ethiopia	0.62 (115) ↑	0.62 (85)	0.74 (130)	0.15 (62)	83	91	15	0.9	1.3	41	28	72	32
Kenya	0.68 (69) ↑	0.72 (35)	0.94 (161)	0.08 (103)	78	89	30	1.4	2.1	46	10	90	110
Sudan	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tanzania	0.71 (45) ↑	0.67 (60)	0.94 (105)	0.27 (31)	89	91	4	1.2	1.8	33	36	64	14
Uganda	0.72 (28) ↑	0.72 (37)	0.91 (112)	0.28 (28)	80	91	26	1.1	1.6	23	35	65	16
Southern Africa													
Angola	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Botswana	0.67 (74) ↓	0.71 (45)	1.00 (1)	0.04 (124)	76	82	12	9.5	19.9	97	8	92	118
Mozambique	0.74 (23) ↓	0.80 (9)	0.83 (123)	0.35 (12)	86	87	3	0.9	1.1	13	39	61	9
Namibia	0.71 (40) ↓	0.71 (43)	1.00 (31)	0.17 (49)	53	64	47	5.3	8.3	51	24	76	40
South Africa	0.75 (16) ↓	0.66 (69)	0.98 (87)	0.39 (7)	51	67	70	7.8	14.3	81	42	58	4
Zambia	0.63 (111) ↓	0.61 (89)	0.86 (120)	0.07 (106)	60	79	71	1.3	2.0	50	12	88	98
Notes: ¹ All the rankings are out of 135 countries; those with missing data (n/a) were not part of the analysis and are not part of the 135. ² The overall Gender Gap Index and Subindex scores are bound within 0 and 1, where 0 indicates the highest inequality and 1 indicates the highest equality; ↑ ↓ ↔ Indicates improvement, deterioration, and no change from the previous year. These trends depicted by the arrows are based on SABER calculations. ³ The rankings for the selected gender gap indicators are based on female-to-male ratio; ⁴ PPP = Purchasing Power Parity.													
Source: The Global Gender Gap Report 2012 (World Economic Forum: Geneva, Switzerland 2012).													

Table 15: Maternal Mortality, Fertility, Health Expenditures, Life Expectancy, and HIV/AIDS

	Maternal Mortality Per 100,000 ³ (2010) ⁶	Crude Birth Rate (Per 1,000) ⁶ 2011	Total Fertility Rate (Births Per Woman) ⁶ 2011	Health Expenditure Per Capita (Current US\$) ⁶ 2010	Public Health Expenditure (% of Total Health Expenditure) ⁶ 2010	Life Expectancy at Birth, total (years) ⁶ 2011	HIV/AIDS, 2011 (Population) ⁷			Reported Malaria Cases ⁸ (In 1,000s)		Reported Malaria Deaths ⁸	
							Living With HIV (Rank) ⁴	Est. Prevalence (%)	On HIV Treatment (%) ⁵	2011	Change (%) 2010 to 2011	2011	Change (%) 2010 to 2011
West Africa													
Côte d'Ivoire	400 ↑	34 ↔	4.3 ↓	60 ↓	22 ↑	55 ↔	18	3.0 ↓	41	30.0	-52	1,389	36
Ghana	350 ↔	31 ↓	4.1 ↓	67 ↑	60 ↑	64 ↔	24	1.5 ↔	47	1041.3	-3	3,259	-16
Nigeria	630 ↓	40 ↔	5.5 ↔	63 ↓	38 ↑	52 ↑	2	3.7 ↔	30	n/a	n/a	3,353	-21
Senegal	370 ↓	37 ↔	4.7 ↓	59 ↓	56 ↑	59 ↔	58	0.7 ↔	56	n/a	n/a	n/a	n/a
Central Africa													
Cameroon	690 ↑	36 ↔	4.4 ↓	61 ↑	30 ↑	52 ↑	14	4.6 ↓	41	n/a	n/a	3,808	-16
Congo, DR	540 ↑	43 ↔	5.7 ↓	16 ↓	43 ↑	48 ↔	n/a	n/a	n/a	4562.0	89	892	n/a
Congo, Rep.	560 ↑	35 ↔	4.5 ↔	72 ↑	47 ↓	57 ↔	47	3.3 ↔	44	71.0	n/a	23,748	1
Eq. Guinea	240 ↑	36 ↓	5.1 ↓	896 ↑	76 ↔	51 ↔	84	4.7 ↑	n/a	22.5	-58	52	73
Gabon	230 ↓	27 ↔	3.2 ↓	302 ↑	53 ↑	63 ↑	63	5.0 ↓	53	n/a	n/a	n/a	n/a
East & Horn of Africa													
Ethiopia	350 ↓	31 ↔	4.0 ↓	16 ↔	54 ↔	59 ↔	12	1.4 ↓	56	1480.3	28	936	-41
Kenya	360 ↓	37 ↓	4.7 ↔	37 ↑	44 ↑	57 ↑	3	6.2 ↔	72	1002.8	12	713	-97
Sudan	730 ↑	32 ↓	4.3 ↓	84 ↓	30 ↑	61 ↔	53	0.4 ↔	9	506.8	-30	612	-40
Tanzania	460 ↓	41 ↔	5.5 ↔	31 ↑	67 ↑	58 ↑	4	5.8 ↔	40	n/a	n/a	n/a	n/a
Uganda	310 ↓	45 ↔	6.1 ↔	47 ↑	22 ↔	54 ↔	6	7.2 ↑	54	231.9	-85	5,958	-29
Southern Africa													
Angola	450 ↓	41 ↓	5.3 ↓	123 ↓	83 ↓	51 ↔	23	2.1 ↔	36	1632.3	-3	6,909	-15
Botswana	160 ↓	23 ↓	2.7 ↓	615 ↑	73 ↓	53 ↔	20	23.4 ↓	95	0.4	-59	8	0
Mozambique	490 ↓	37 ↓	4.8 ↓	21 ↓	72 ↓	50 ↔	5	11.3 ↔	46	1756.9	15	3,086	-8
Namibia	200 ↑	26 ↔	3.2 ↔	361 ↓	58 ↑	62 ↔	28	13.4 ↓	95	1.9	235	36	-43
South Africa	300 ↓	n/a	n/a	649 ↑	44 ↔	n/a	1	17.3 ↔	66	9.9	155	54	-35
Zambia	440 ↓	46 ↔	6.3 ↔	73 ↑	60 ↑	49 ↑	10	12.5 ↓	82	n/a	n/a	4,540	-6

Notes: ¹The latest data available for maternal mortality and health expenditures is 2010. ²↑ ↓ ↔ indicate an increase, a decrease, and no change from previous year; the calculations have been done by SABER. ³This is the number of women who die during pregnancy and childbirth, per 100,000 live births. The estimates are developed by World Health Organization (WHO), United Nations Children Fund (UNICEF), United Nations Population Fund (UNFPA), and the World Bank. ⁴The ranking is out of 150 countries and is based on the total population of adults and children living with HIV. ⁵Percentage of eligible adults and children receiving antiretroviral therapy.

Sources: ⁶World Bank: World Development Indicators and Global Development Finance, <http://databank.worldbank.org/ddp/home> (Accessed 4/8/2013). ⁷Joint United Nations Programme on HIV and AIDS (UNAIDS), <http://www.unaids.org/en/dataanalysis/datatools/aidsinfo/> (Accessed 4/8/2013). ⁸World Health Organization, http://apps.who.int/gho/indicatorregistry/App_Main/view_indicator.aspx?iid=2967 (Accessed 4/8/2013).

Table 16: Telecommunications, Cellular Subscribers and Internet Users

	Cellular Telephone Subscribers ²				Internet Users		Internet Bandwidth 2011	
	Total Subscribers (Millions)	Change ¹ 2010-2011	Subscriptions Per 100 Inhabitants	Change ¹ 2010-2011	Total Users Per 100 Inhabitants	Change ¹ 2010-2011	Bits per Second per Internet User ³	Global Rank ⁴
West Africa								
Côte d'Ivoire	17.4	1.8	86.4	7.4	2.2	0.1	18,044	63
Ghana	21.2	3.7	84.8	13.3	14.1	4.6	225	139
Nigeria	95.2	7.9	58.6	3.5	28.4	4.4	368	136
Senegal	9.4	1.0	73.3	6.1	17.5	1.5	2,909	116
Central Africa								
Cameroon	10.5	1.9	52.4	8.3	5.0	0.7	322	137
Congo, DR	15.7	3.9	23.1	5.2	1.2	1.2	n/a	n/a
Congo, Rep.	3.9	0.1	93.8	-5.1	5.6	0.6	n/a	n/a
Eq. Guinea	0.4	0.0	59.1	2.1	n/a	n/a	n/a	n/a
Gabon	1.8	0.2	117.3	10.4	8.0	0.8	46,187	34
East & Horn of Africa								
Ethiopia	14.1	7.3	16.7	8.4	1.1	0.4	6,486	97
Kenya	27.0	2.0	64.8	3.2	28.0	14.0	4,544	107
Sudan	25.1	7.0	56.3	14.7	19.0	11.0	n/a	n/a
Tanzania	25.7	4.7	55.5	8.7	12.0	1.0	n/a	n/a
Uganda	16.7	3.9	48.4	10.0	13.0	0.5	1,752	122
Southern Africa								
Angola	9.4	0.6	48.4	1.7	14.8	4.8	517	134
Botswana	2.6	0.5	142.8	25.1	7.0	1.0	8,422	88
Mozambique	7.7	0.6	32.8	1.9	4.3	4.3	1,244	127
Namibia	2.4	0.9	105.0	37.8	12.0	12.0	2,349	118
South Africa	64.0	13.6	126.8	26.4	21.0	3.0	18,847	62
Zambia	8.2	2.7	60.6	19.0	11.5	1.5	452	135

Notes: ¹SABER Calculation. ²Subscriptions refers to both contracts and SIM card purchases. Individuals can have more than one. ³Bits per second per Internet User is a measure of data speed for computer modems and transmission carriers. Larger units denote high data speeds. ⁴Rank is out of 140 countries; countries that rank high have higher data/internet speeds.

Source: Internet Bandwidth Rankings are from DHL Global Connectedness Index 2012, www.dhl.com/gci (Accessed 4/7/2013). Cellular Telephone Subscribers and Internet Users data are from International Telecommunication Union, <http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx> (Accessed 4/7/2013).

Table 17: World Bank Doing Business Rankings Composite and Sub-Index, 2011 - 2012

	Ease of Doing Business Composite Index Rankings		Sub-Index Ranks (World Rank)								
	World Rank ² 185 Countries	Sub-Saharan Africa Rank ³ 46 Countries	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
West Africa											
Côte d'Ivoire	177 (↓11)	37	176	169	159	129	158	159	163	127	76
Ghana	64 (↑3)	5	112	162	45	23	49	89	99	48	114
Nigeria	131 (↑6)	14	119	88	182	23	70	155	154	98	105
Senegal	166 (↓14)	30	102	133	173	129	169	178	67	148	90
Central Africa											
Cameroon	161 (↓7)	28	125	95	158	104	128	176	157	172	150
Congo, DR	181 (↓6)	40	149	81	106	176	158	171	170	173	168
Congo, Rep.	183 (↓6)	42	180	149	156	104	158	182	181	162	136
Eq. Guinea	162 (↓2)	29	182	107	103	104	150	173	136	61	185
Gabon	170 (↓14)	32	157	110	170	104	158	146	135	153	145
East & Horn of Africa											
Ethiopia	127 (↓23)	13	163	53	112	104	128	103	161	50	117
Kenya	121 (↓23)	10	126	45	161	12	100	164	148	149	100
Sudan	143 (↑11)	19	122	156	37	167	158	101	153	151	88
Tanzania	134 (↓6)	15	113	174	137	129	100	133	122	36	129
Uganda	120 (↑2)	9	144	118	124	40	139	93	159	117	69
Southern Africa											
Angola	172 (↓8)	33	171	124	131	129	70	154	164	183	162
Botswana	59 (↓7)	4	99	132	51	53	49	39	147	68	29
Mozambique	146 (↓20)	20	96	135	155	129	49	105	134	132	147
Namibia	87 (↓18)	7	133	56	169	40	82	112	140	41	59
South Africa	39 (↓5)	2	53	39	79	1	10	32	115	82	84
Zambia	94 (↓18)	8	74	151	96	12	82	47	156	89	99

Notes: ¹The indicators are based on an analysis of economic outcomes and identify business regulation reforms that have worked. The rankings are the average of the percentile rankings on the 10 topics (Sub-Index Ranks). The data cover regulations measured from June 2011 through May 2012. ²1=Easiest to 183=Most difficult. ³1=Easiest to 46=Most difficult. ↑ and ↓ indicate upwards and downwards change in rankings from the previous 2010-2011 period; the number next to the arrows is the movement in positions (SABER calculations).

Source: Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises, Comparing Business Regulations for Domestic Firms in 185 Economies. The World Bank, International Finance Corporation: <http://www.doingbusiness.org/data> (Accessed 4/7/2013).

Table 18: World Bank Selected Doing Business Indicators (of 185 Countries), 2011- 2012

	Time (Days) Required To				Time Needed To	Time (Days) To Trade		Cost To Trade		Total Tax Rate (% of profit)
	Start a Business	Connect Electricity	Enforce a Contract	Register Property	Close a Business (Years)	Export	Import	Export (US\$ per container)	Import (US\$ per container)	
West Africa										
Côte d'Ivoire	32	55	770	62	2.2	25	34	1,999	2,710	40
Ghana	12	78	487	34	1.9	19	34	815	1,315	34
Nigeria	34	260	457	86	2.0	24	39	1,380	1,540	34
Senegal	5	125	780	122	3.0	11	14	1,098	1,740	46
Central Africa										
Cameroon	125	64	800	93	3.2	23	25	1,379	2,167	49
Congo, DR	58	58	610	47	5.2	44	63	3,155	3,435	340
Congo, Rep.	161	135	560	55	3.3	50	62	3,818	7,709	63
Eq. Guinea	135	106	475	23	n/a	29	44	1,390	1,600	46
Gabon	58	141	1,070	104	5.0	20	22	1,945	1,955	44
East & Horn of Africa										
Ethiopia	15	95	530	41	3.0	42	44	2,160	2,660	33
Kenya	32	146	465	73	4.5	26	26	2,255	2,350	44
Sudan	36	70	810	9	2.0	32	46	2,050	2,900	36
Tanzania	26	109	462	68	3.0	18	31	1,040	1,565	45
Uganda	33	91	490	52	2.2	33	33	3,050	3,215	37
Southern Africa										
Angola	68	55	1,011	184	6.2	48	45	1,850	2,690	53
Botswana	61	121	625	16	1.7	27	37	2,945	3,445	25
Mozambique	13	117	730	42	5.0	23	28	1,100	1,545	34
Namibia	66	38	270	46	1.5	25	20	1,800	1,905	23
South Africa	19	226	600	23	2.0	16	23	1,620	1,940	33
Zambia	17	117	471	40	2.7	44	56	2,756	3,560	15

Notes: ¹ 1 = Easiest to 183 = Most Difficult

Source: Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprise, Comparing Business Regulations for Domestic Firms in 185 Economies. The World Bank, International Finance Corporation: <http://www.doingbusiness.org/data> (Accessed 4/7/2013).

Table 19: Stock Exchanges: Levels of Capitalization, Websites, and Exchange Symbols

	Exchange Information ¹				Listed Domestic Companies ²		Market Capitalization of Listed Domestic Companies (US\$bn) ³		Market Capitalization of Listed Companies (%ofGDP) ⁴		Indices
	Name	Year Started	Symbol	Website							
					2012	Change from 2011	2012	%Change from 2011	2011	Change from 2010	
West Africa											
Côte d'Ivoire	Bourse Generale des Valeurs Mobilières	1998	BRVM	www.brvm.org	37	4	7.8	24.5	26.1	-4.9	BRVM-10 & BRVM Composite
Ghana	Ghana Stock Exchange	1989	GSE	www.gse.com.gh	34	-2	3.5	11.9	7.9	-3.1	GSE All Share
Nigeria	Nigerian Stock Exchange	1961	NSE	nigerianstockexchange.com	192	-4	56.4	43.6	16.1	-6.2	NSE All-Share Index & NSE 30 Index
Senegal	Bourse Generale des Valeurs Mobilières	1998	BRVM	www.brvm.org	n/a	n/a	n/a	n/a	n/a	n/a	BRVM-10 & BRVM Composite
Central Africa											
Cameroon	Bourse des Valeurs Mobilières de l'Afrique Central	2003	BVMAC	www.bvm-ac.com	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Congo, DR	No Exchange	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Congo, Rep	Bourse des Valeurs Mobilières de l'Afrique Central	2003	BVMAC	www.bvm-ac.com	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eq. Guinea	Bourse des Valeurs Mobilières de l'Afrique Central	2003	BVMAC	www.bvm-ac.com	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gabon	Bourse des Valeurs Mobilières de l'Afrique Central	2003	BVMAC	www.bvm-ac.com	n/a	n/a	n/a	n/a	n/a	n/a	n/a
East & Horn of Africa											
Ethiopia	No Exchange	None									
Kenya	Nairobi Stock Exchange	1954	NSE	www.nse.co.ke	57	-1	14.8	45.0	30.3	-14.6	NSE 20 Share Index & NSE All Share
Sudan	Khartoum Stock Exchange	1995	KSE	www.kse.com.sd	53		n/a	n/a	n/a	n/a	Khartoum Index
Tanzania	Dar es Salaam Stock Exchange	1997	DSE	www.dse.co.tz	17	0	1.8	17.2	6.4	0.9	DSEI
Uganda	Uganda Securities Exchange	1997	USE	www.use.or.ug	17	2	7.3	-5.6	46	35.6	USE All Share Index
Southern Africa											
Angola	No Exchange	n/a			n/a	n/a	n/a	n/a	n/a	n/a	
Botswana	Botswana Stock Exchange	1989	BSE	www.bse.co.bw	24	1	4.6	11.7	23.7	-3.6	DCI & FCI
Mozambique	Bolsa de Valores de Mocambique	1999	BVM	www.bvm.co.mz	11		n/a	n/a	n/a	n/a	
Namibia	Namibia Stock Exchange	1992	NSX	www.nsx.com.na	7	0	1.3	13.2	9.2	-1.4	NSX Overall Index & NSX Local Index
South Africa	Johannesburg Stock Exchange	1887	JSE	www.jse.co.za	348	-7	612.3	17.1	128.1	-46.7	FTSE/JSE All Share & FTSE/JSE Top 40
Zambia	Lusaka Stock Exchange	1994	LuSE	www.luse.co.zm	16	0	3.0	-25.1	20.9	3.5	LASI
Notes: ¹ The BRVM (regional stock exchange) serves Benin, Burkina Faso, Guinea Bissau, Cote d'Ivoire, Mali, Niger and Senegal; the BVMAC (regional stock exchange) serves the Central African Republic, Chad, Rep. of Congo, Togo, Cameroon, and Gabon. ² Listed domestic companies are the domestically incorporated companies listed on the country's stock exchanges at the end of the year. This indicator does not include investment companies, mutual funds, or other collective investment vehicles. ³ Market capitalization (also known as market value) is the share price times the number of shares outstanding. Listed domestic companies are the domestically incorporated companies listed on the country's stock exchanges at the end of the year. Listed companies does not include investment companies, mutual funds, or other collective investment vehicles. Data are in current U.S. dollars. ⁴ Market capitalization (also known as market value) is the share price times the number of shares outstanding. Listed domestic companies are the domestically incorporated companies listed on the country's stock exchanges at the end of the year. Listed companies does not include investment companies, mutual funds, or other collective investment vehicles.											
Sources: The websites listed above (5th Column); African Securities Exchange Association, http://www.africansea.org ; World Bank, http://data.worldbank.org/indicator/CM.MKT.LDOM.NO ; World Bank, http://data.worldbank.org/indicator/CM.MKT.LCAP.CD ; World Bank, http://data.worldbank.org/indicator/CM.MKT.LCAP.GD.ZS											

Appendix B

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The Economist Intelligence Unit Country Reports: <http://www.eiu.com/Default.aspx>

The Global Gender Gap Report, 2012: www.weforum.org/issues/global-gender-gap

Intergovernmental Authority on Development: <http://igad.int>

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United Nations Development Program (UNDP). Human Development Report: <http://hdr.undp.org/en/statistics/>

World Bank reports: <http://www.worldbank.org/>

World Economic Forum Global Competitiveness and Gender Gap Reports: <http://www.weforum.org/>

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Bloomberg Businessweek: <http://www.businessweek.com/>

BizCommunity: <http://www.bizcommunity.com/>

Business China: <http://www.business-china.com/>

Caixin: <http://english.caixin.com/>

China-Africa Business Council: <http://www.cabc.org.cn/index.asp>

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China-Africa Joint Chamber of Commerce and Industry: <http://www.china-africajcci.org/english/index.asp>

China-African Trade and Economic Cooperation Special: <http://epaper.shangbao.net>

China Council For the Promotion of International Trade: <http://www.bizchinanow.com/>

China Development Bank: <http://www.cdb.com.cn/english/index.asp>

China Economic Review: <http://newcer.chinaeconomicreview.com/>

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Energy-Pedia: <http://www.energy-pedia.com/>

International Business Daily: <http://epaper.shangbao.net.cn/list.php?tid=1>

International Finance News (Guoji Jinrong Bao): <http://paper.people.com.cn/gjrb/>

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Appendix B: Sources Monitored

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World Health Organization (WHO) Global Health Observatory Database: <http://apps.who.int/ghodata/>

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Africa Review: <http://www.africareview.com/>

BBC News: <http://www.bbc.co.uk/news/>

Bloomberg: www.bloomberg.com/news/africa/

China Daily: <http://www.chinadaily.com.cn/index.html>

Financial Times: <http://www.ft.com/home/uk>

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Jeune Afrique: www.jeuneafrique.com/

The mail and Guardian: www.mg.co.za

People's Daily Online: <http://english.peopledaily.com.cn/>

Reuters: <http://www.reuters.com/>

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The Washington Post: <http://www.washingtonpost.com/>

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African Union: <http://www.au.int/en/>

Afrol: <http://www.afrol.com/>

Afrique Avenir: <http://www.afriqueavenir.org/en/>

African Economic Outlook: <http://www.africaneconomicoutlook.org/en/>

Africa Investor: <http://www.africainvestor.com/>

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Afrique en ligne: <http://www.afriquenligne.com/fr/acc/accueil.htm>

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IT News Africa: <http://www.itnewsafrika.com/>

New Partnership for Africa's Development (NEPAD): <http://www.nepad.org/>

UNHCR: <http://www.unhcr.org/>

UNCTAD: www.unctad.org/

United States President's Emergency Plan for Aids Relief (PEPFAR): <http://www.pepfar.gov/>

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State-owned Assets Supervision and Administration Commission of the State Council:
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China International Center for Economic and Technical Exchanges: <http://www.cicete.org/en/index.shtml>

Chinese State Owned Enterprises investing in Africa

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China National Electric Engineering Co. Ltd: <http://www.cneec.com.cn/>

China Communications Construction Company: <http://en.ccccltd.cn/>

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China National Machinery Industry Corporation: <http://www.sinomach.com.cn/>

CITIC Construction Company, Ltd: <http://www.cici.citic.com/>

China Jiangxi Corporation for International Economic and Technical Cooperation: <http://english.cjic.cn/>

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China Jiangsu International Economic Technical Cooperation Corp: <http://www.zjgj.com/en/index.asp>

Huawei: <http://www.huawei.com/en/>

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Appendix C: Business Cultural Practices

SABER presents this section of common cultural practices for business culture and business etiquette for the first time and welcomes comments and suggestions for future editions. This section is compiled from websites on business culture (listed below) that include all or some of the SABER countries and that have information on business customs and manners. In addition, some in-country observations by SABER authors and their colleagues have been added.

Greetings

- Men and women always use the right hand for a handshake, even if one is left-handed. Handshakes tend to linger while conversing, especially when the relationship has developed; it is viewed as a sign of friendship. In Senegal, they can linger throughout the conversation.
- In East African countries, handshakes are energetic. In Ghana, friends snap fingers on release of handshakes. In Ethiopia, male friends and family members accompany handshake by leaning towards each other to touch the right side of their shoulder.
- The standard handshake is rare among Muslims and Hindus in South Africa. Hence it is advisable to wait for a handshake. Hindu women greet by putting palms together and slightly bowing.
- Hugging commonly takes place among close friends and family. In Zambia, men may exchange side hugs, where two parties wrap one arm around the shoulder of each other, as if posing for a photo, rather than the usual front hug. In Zambia, men vigorously shake hands and pat each other on the shoulder.
- Kissing on the cheek is a rare in most countries but may be used among family and close friends in Angola, Botswana, South Africa, some parts of Nigeria, and elsewhere. In Ethiopia, men and women who are family members or good friends may alternate three cheek to cheek touches or kisses upon greeting (that is similar to the way people in Italy or France greet family and close friends).
- In areas where Muslims are prevalent (such as in Northern Nigeria, Senegal, and Tanzania) handshakes, hugs and kisses between the sexes, whether friends or family, are inappropriate. Men should wait for women to extend handshakes. Verbal greetings are preferred in these contexts.
- Greeting with the right hand (with the left hand gently placed on or supporting the arm) is a common sign of respect. In some countries there are unique forms of showing respect when greeting. In Zambia clapping is added to the above handshake and in Botswana and elsewhere there is bowing or kneeling to greet elders. It is customary to bow slightly when one is introduced to an elder or chief in Angola and Zambia.
- Elders, chiefs, and superiors tend to initiate greetings in many places. Greetings are offered to all in order of seniority and they tend to be lengthy.

Business Meetings

- Business meetings generally follow a formal protocol.
- Appointments should be made in advance (as much as a month ahead in Angola and a week ahead in South Africa). However, many people will accommodate visitors on short notice.
- Meetings can be scheduled any time of the day. Appointment times usually start at 9 a.m., although some start scheduling at 8 a.m. In South Africa, breakfast meetings start at 8 a.m., but regular meetings commence at 9 a.m.
- Meetings rarely begin on time. Some exceptions are South Africa, although this is true in some instances in Ghana, Nigeria, and Senegal. In Kenya and Ethiopia, punctuality is observed in business situations.

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- Meetings often begin with small talk, usually based on issues related to family and health. In Namibia and South Africa, the most senior person is in charge of starting and ending the meetings.
- Tea or coffee is often offered in Ghana and Zambia. Alcohol is rarely consumed during meetings, although sometimes there will be wine or champagne in Cameroon and South Africa.
- Agendas are not always strictly followed, but they are adhered to in Namibia, South Africa, and Zambia.
- In initial meetings in Nigeria and Angola, business matters are not commonly discussed. Angolans prefer knowing people in a casual manner first before doing business. In Zambia it is important to discuss business matters in initial meetings. It is inappropriate to talk about politics during initial meetings in Namibia. It is important not to impose any agenda during initial meetings in Nigeria.
- In Botswana, documents produced from business meetings, such as reports, should be submitted on time.
- In South Africa, business dinners are more formal than lunch and breakfast. Business dinners usually take place at the host's home. Dinner meetings in Angola often take place at 8 p.m.

Titles and Business Cards

- It is important to use titles for government officials, as well as for other high ranking people in the private sector. In Angola, "Excellency" is used for government officials. In Senegal, the use of titles is particularly important at initial meetings.
- One should use titles and last names when referring to unknown people, especially elders and superiors. In most cases, one should wait to be invited to use the first names, but it is appropriate to use first names with peers and friends. In Ethiopia first names are used almost exclusively, and titles such as Dr. are added.
- It is important to present business cards. Use the right hand when giving or receiving business cards. In East and Southern Africa, one supports the right arm (left arm under the elbow) while presenting. In presenting cards to Chinese business people, hold your card with both hands, and present it with the name facing the recipient. Always read the card given to you.
- In Nigeria and Botswana, it is considered respectful and appropriate to place the received business card in a card case or card holder in the presence of the giver.

Time

- Meetings usually start and end late. Persons of higher status tend to arrive late and allocate only a few minutes to a meeting. In some countries, it demonstrates importance. In Botswana, South Africa, and Zambia, meetings start on time. In Mozambique, punctuality is observed at professional but not at social events.
- Starting and ending times of social events run later than the set time. Leaving early can be considered rude, especially for foreigners. Sometimes foreigners are expected to leave early so that people can be less formal.
- The host may not be punctual but the guests are expected to be. However, the number of minutes the host is late varies, and may be an hour or more. In some countries (such as Kenya and Tanzania), this is changing. Most Tanzanians are aware of foreigners' punctuality and so will try to arrive on time. Speeches are common at the beginning of meetings, especially those hosted by government officials. In some places, opening prayers are also common.
- In Namibia, it is common for businesses not to be open during the advertised hours, hence one should call and check in advance.
- Ethiopia follows the Gregorian calendar (13 months to the year, 12 hours of day (starting at 6 AM, zero), and 12 hours of night starting at 6 PM. Always ask if it traditional Ethiopian time (clock) or not.
- Public transportation does not generally follow a fixed time schedule expect in Ghana and South Africa. In Ghana, punctuality is commonly observed in larger cities than in rural areas and small towns. The major bus lines generally arrive on time in Ghana but not in Nigeria. Public transport vehicles in East Africa leave when they are full.

Communication

- Indirect communication is preferred in almost all countries, especially in the rural areas. The exception is South Africa where topics are directly addressed and eye contact is made between speakers. Raising one's

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voice is considered rude in East African countries. In Tanzania, direct communication is considered impolite. In Ethiopia, to avoid offending foreigners' requests, people usually respond by saying "it is possible." In Ghana, Kenya, Tanzania, and Uganda, conversations are polite and filled with lots of humor. Most people do not express their true feelings, especially on financial issues. In Tanzania, it is usually better to introduce a sensitive issue or problem with a story. In Nigeria, sometimes emotions are so high during communication that people may be mistaken as having an argument; this may be different in rural and urban areas.

- Delicate issues are often discussed indirectly. Metaphors are used for communicating delicate issues.
- It is not common for people to respond directly to questions. Hence, it is important to seek clarification. In Ghana, "thank you" and "no thank you" are both polite ways of declining a request.
- Safe topics to discuss are family, work, sports, and religion. Unsafe ones are tribal/ethnic issues, politics, and sexuality. In many parts of Africa, people hesitate to say that someone has contacted HIV/AIDS. Suggestive jokes are inappropriate in most countries. In Zambia, there are certain ethnic groups such as the Ngoni and Bemba that tease each other jokingly as "cousins".
- The pace of conversations may be generally slower than in the U.S. or Europe.
- Head and arm gestures are used to emphasize messages.

Bargaining and Negotiations

- Decision making on negotiated deals is top-down and takes a long time, especially those being made with government institutions.
- Bargaining takes place on almost everything in markets, taxis, street hawkers, and small informal shops, but not in restaurants, grocery and department stores, and pharmacies. However, bargaining is more common in West African countries than in Southern Africa countries.
- In most countries, foreigners may be charged 2 to 3 times the usual price in markets, small shops, and by street vendors. It is important to bargain. It is acceptable to walk away if you do not like the price, but one should expect to be followed and offered better prices. In Kenya, Indians prefer a broader range for negotiation, while Kenyans will spend longer time getting to a price. One way to avoid an excessively high price is to shop with a local person.
- In Senegal, negotiations may last a long time if these are difficult issues; sometimes the guest has to end them by bringing up the difficult issues. Confrontation is avoided during these negotiations.

Gift Giving

- Gifts are not usually exchanged at initial business meetings, especially in Mozambique, Namibia, and South Africa. In South Africa, gifts are usually exchanged once a strong business relationship has been established. Small functional gifts such as pens or company calendars may be offered in first meetings.
- In Kenya, functional gifts are preferred, and due to widespread bribery cases, gifts should not be of high value. In all countries, items with business logos (e.g., pens, pen sets, desk accessories, calendars, diaries, etc.) are good gifts.
- When invited to a home for dinner, it is appropriate to bring a gift. Some acceptable gifts are fresh fruit, flowers, pastries, chocolates, and wine, as well as a gift from your country. In South Africa, if you bring wine, it should be of high quality wine.
- It is common to take gifts for the host's children in many countries.
- Giving contributions for weddings and funerals are expected social norms, but are not usually required or considered gifts. However, they do make one more accepted.
- In most places it is considered rude to turn down tea or a meal at family visits.

Women and Gender Issues

- It is becoming increasingly common for women to hold high ranking positions, although in some places men are still less accepting of this. In Namibia, high ranking women are still passive in the presence of men. In Ghana, Kenya, South Africa, and Zambia, many women hold high ranking positions and converse comfortably with men.

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- Traditional women's roles (in dress and modesty) are upheld in many countries but foreigners are not expected to abide by them, although they may be viewed more favorably if they do so.
- It is inappropriate for women to smoke or drink in public. This is especially so in rural areas. In Southern and East Africa (except South Africa) women do not go to bars, as it is associated with immorality. In rural areas in Tanzania and elsewhere, it is associated with prostitution.
- It is inappropriate for women to wear tight, short, or revealing clothes.
- Ethiopian men tend to be more aggressive with foreign women than with local women. Foreign women should be cautious about accepting invitations to men's homes. In most places in Ethiopia, it is inappropriate for women to converse with men who are not their friends or family members.
- Non-Muslim women are not expected to abide by traditional Muslim norms. However wearing a headscarf in Muslim areas and countries, especially Senegal and Zanzibar (Tanzania), is considered respectful.

Tipping

- Tipping varies widely, and is generally expected in hotels, by tour guides, and for some forms on private transportation, including taxis. But it is not expected in businesses, hospitals, government buildings, where in fact, it could be associated with bribery.
- In South Africa, Zambia, and Botswana, tipping is expected in restaurants and hotels, and for private transportation.
- Africans do not tip for the most part, although they may leave some coins at a restaurant, that are not a percentage of the bill. Well-to-do and educated Africans leave generous tips in restaurants and hotels. However, non-Africans are expected to tip and it is highly appreciated by recipients. Amounts vary from a small percentage of the bill to about 15%.
- Ghana still has the traditional "dash," in which giving a tip before being served or helped can lead to better service.

Personal Space and Touching

- Generally a distance of an arm's length is kept between male and female business colleagues. The distance can be less than an arm's length between members of the same sex in most places. In Angola, backing away may offend some people.
- Touching during conversations may take place between members of the same sex. In Ethiopia, although it is less common, in some places men within the business community walk with arms around waists and shoulders of their fellow men. But women do so less frequently. Touching in Mozambique is inappropriate between men and women and could be interpreted as having a romantic relationship.
- People stand close to each other in queues and also sit close in public transportation. In Namibia, it is common for people to take a sit next to someone in a public service vehicle even when there are several unoccupied seats.

Eye Contact

- Direct eye contact is not acceptable in most cases, except by people from the same social class who are peers and of the same sex. In South Africa and Zambia, it is acceptable between colleagues and between men and women of the same status. In Botswana, direct eye contact is used to check whether one is trustworthy. In Angola, youths establish direct eye contact. In Senegal, it is expected when meeting and greeting.
- Too much direct eye contact is usually inappropriate. In Uganda, it is considered aggressive. In Senegal, it is associated with arrogance. In Ghana and Nigeria, it is sometimes considered rude and threatening. It is usually considered rude and intrusive for women to establish direct eye contact with men.
- In almost all countries, direct eye contact with superiors and elders is considered disrespectful.

Business Dress Code

- Dress for men and women is conservative for business meetings, and consists of suits (often dark colored), shirts, and ties for men, and jackets, blouses, and skirts or slacks for women. All over Africa, a well-dressed person is highly respected; this is the case in both rural and urban areas. Business casual is appropriate in some situations, and it is best to check if this is so.

Appendix C: Business Cultural Practices

- Women should dress conservatively, but with taste and style. Low-cut blouses, short skirts, and tight fitting outfits are inappropriate in most situations. In South Africa, women commonly wear blouses with collars under jackets. Everywhere jackets with blouses/tops and skirts or slacks or jackets over dresses are appropriate. Skirts should cover the knees. Nice shoes (not casual sandals) are appropriate for both women and men. Women who wear revealing and tight clothes may be viewed as promiscuous.
- Men should not wear shorts, except in sports areas, as shorts of any length are viewed as worn by young boys and low-level helpers (gardeners, messengers, etc.).

Practices to Avoid

- Using the left hand to eat or handle money is unacceptable in most countries. In Muslim countries, it is also viewed as unclean.
- Public display of affection is inappropriate in most countries, and may be viewed as sexually explicit in some countries, especially in East and Southern Africa.

Sources

- Culture Crossing: <http://www.culturecrossing.net/africa.php>
- Global Edge: <http://globaledge.msu.edu/global-resources/culture>
- Kwintessential: <http://www.kwintessential.co.uk/resources/global-etiquette>
- The Hofstede Centre: <http://geert-hofstede.com/national-culture.html>

Appendix D: References for Country Reports

Appendix D is about 40 pages in length and can be viewed and downloaded at:
<http://warrington.ufl.edu/ciber/publications/saber.asp>

References for each Country Report are listed alphabetically and provide the specific citations for publications and on-line sources used.

Sub-Saharan Africa Business Environment Report 2012-2013

Business Information at a Ready Glance



SABER Countries

WEST AFRICA: Côte d'Ivoire•Ghana•Nigeria•Senegal

CENTRAL AFRICA: Cameroon•Democratic Republic of
Congo•Republic of Congo•Equatorial Guinea•Gabon

EAST AFRICA: Ethiopia•Kenya•Tanzania•Uganda

SOUTHERN AFRICA: Angola•Botswana•Mozambique
Namibia•South Africa•Zambia

