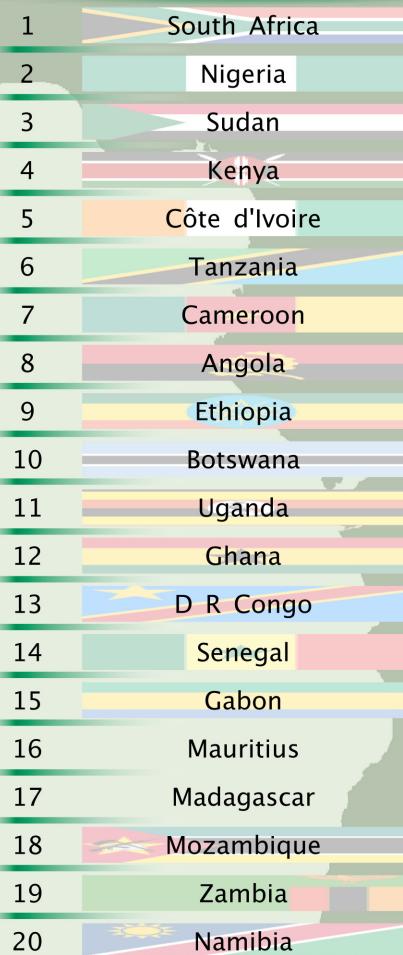


# Sub-Saharan Africa Business Environment Report, 2011

Business Information at a Ready Glance

GDP Ranking  
2001



GDP Ranking  
2010



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& Gregory Parent

Assisted by Yeneneh Terefe,  
Emily Watkins, & Hannah Morris

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# Preface

Welcome to SABER, the Sub-Saharan Business Environment Report that provides business information at a ready glance. It is part of a new project funded by the Center for International Business Research and Education (CIBER) and the Center for African Studies at the University of Florida, and the CIBER at the University of South Carolina. For our inaugural year, we produced a draft prior to this version to obtain feedback, and we want to thank all of you who sent comments. SABER's diverse audiences range from academics (faculty and students) to policy makers and business persons (owners, managers, and consultants). We also hope the report will be used in business schools in Africa and elsewhere.

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

Our cover displays GDP 10-year changes of the 20 countries with the largest GDPs out of 46 Sub-Saharan African countries (now 47 with South Sudan). [Note: The data for Sudan and South Sudan are not yet disaggregated in this year's report.] This report is based on these countries and organized by sub-region (West Africa, Central Africa, East & Horn of Africa, and Southern Africa) in terms of regional summary evaluations and individual country reports. Current features and events are highlighted for each country under six major topics: Political Stability; Economic Growth and Trade; Foreign Direct Investment (FDI); Business Climate, Financial Markets and Microfinance; Infrastructure and Telecommunications; and Health and Social Aspects. Points given aim to be illustrative of 2010-2011 events, rather than all inclusive.

Many African countries have changed significantly in the past several years. Economies are growing, elections are being held, and regulations are becoming more business friendly. While African companies and business people across the continent are working to correct stereotypic images, many Western investors still are not aware of the continent's potential. In contrast, many Asian investors, particularly from China and India, realize that much of Africa is "Open for Business" and have made significant investments in the region. African entrepreneurship ranges from local, to regional and global, and from micro/small-scale to large and multinational. Business deals and foreign direct investments span the globe, as do African exports and imports.

SABER hopes to fill this information void by pointing to business endeavors that are vibrant and dynamic in many countries and sectors. At the same time, we realize that African countries still face many challenges, so we distinguish attractive from problematic conditions. We emphasize African links, deals, and exports/imports in this era of globalization within Africa, and with North America, Asia, and Europe.

The Latin American Business Environment (LABE), produced since 1999 at the University of Florida has served as an inspiration for SABER. Readers of this publication have had print and web access to its previous annual reports. Such will also be the case for SABER, whose format and content will evolve through the years. SABER's first edition is more extensive in terms of background data and a discussion of methods. We expect future editions to be more streamlined.

With SABER, we are focused on producing a set of the most useful country information and indicators using raw data pulled from many publications, databases, and websites. Our extensive research and travel in Africa help in the selection and primacy of the topics. Please send us your comments so we can improve future reports.

October 14, 2011

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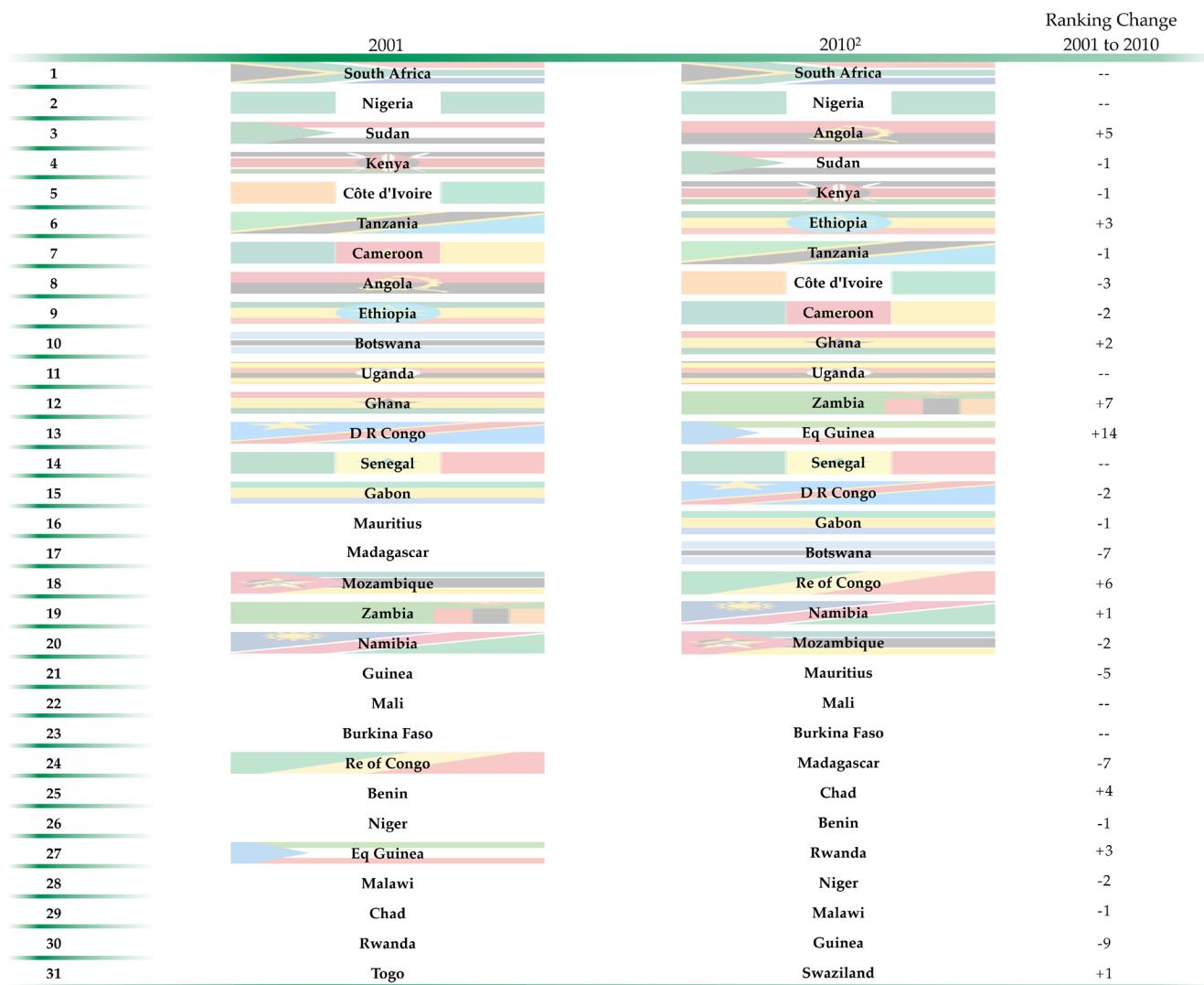
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# SABER Countries



# GDP<sup>1</sup> Rankings of the Top 31 SSA Countries, 2001 - 2010



Data Source: International Monetary Fund, World Economic Database, April 2010

<sup>1</sup> At current prices. <sup>2</sup> Based on IMF staff estimates.

# Executive Summary

SABER 2011 provides annual, up-to-date business environment information for Sub-Saharan Africa (SSA) that includes regional and country summaries, evaluations, and statistical data. SABER studied the GDPs of SSA countries to determine the 20 largest economies. Those selected were grouped into four sub-regions—West Africa, Central Africa, East Africa and the Horn, and Southern Africa. Illustrative data for this 2010-2011 report on these countries focus on current business trends, investments and trade deals, and socio-political events. Detailed quantitative and ranking indicators are used for SABER's assessments along with extensive research using print and on-line sources and databases.

**Table ES1: Business Environment Evaluation 2010<sup>1</sup>**

GDP Rank 2010	Country	Political Stability	GDP growth	FDI	Trade Balance <sup>2</sup>	Business climate
1	South Africa	↔	↑	↑	-	↔
2	Nigeria	↔	↑	↑	+	↔
3	Angola	↔	↑	↑	+	↔
4	Sudan	↓	↑	↑	-	↔
5	Kenya	↑	↑	↓	-	↑
6	Ethiopia	↔	↑	↑	-	↔
7	Tanzania	↑	↑	↔	-	↔
8	Côte d'Ivoire	↓	↓	↓	+	↓
9	Cameroon	↔	↑	↑	-	↔
10	Ghana	↑	↑	↑	-	↑
11	Uganda	↓	↑	↑	-	↔
12	Zambia	↔	↑	↑	-	↑
13	Eq Guinea	↔	↑	↑	+	↓
14	Senegal	↔	↑	↑	-	↔
15	D R Congo	↓	↑	↓	-	↓
16	Gabon	↓	↑	↓	+	↔
17	Botswana	↑	↑	↓	-	↑
18	Rep of Congo	↓	↑	↑	+	↔
19	Namibia	↑	↑	↓	-	↔
20	Mozambique	↓	↑	↑	-	↔

Source: SABER

1. ↑ (up, increasing), ↔ (same or mixed results), ↓ (down or problematic)

2. + means Exports>Imports; - means Imports>Exports

The following six topics are considered: (1) Political Stability; (2) Economic Growth and Trade; (3) Foreign Direct Investment (FDI); (4) Infrastructure and Telecommunications; (5) Business Climate, Stock Exchanges, and Microfinance; and (6) Health Aspects. SABER's Appendix A provide quantitative and qualitative tables on FDI and trade, political and legal aspects, ease of doing business rankings, and social, gender, and health variables. These data help in describing and estimating the implications of business deals and FDI, imports and exports, business enablers and constraints, and financial markets and growth. The information and analysis will be useful to readers doing or contemplating business endeavors, as well as those researching the business environment of a country or sub-region. The main markers are gleaned from the world's databases and constructed by SABER to provide economic, political, social, gender, and health indicators, and business and governance rankings at a glance.

The report's print and electronic versions aim to assist businesspeople, policy makers, researchers, educators, and students in understanding the SSA business environment. Websites are (<http://warrington.ufl.edu/ciber/publications/saber.asp>) and (<http://web.africa.ufl.edu/>).

## Some General Findings

- Economic Growth: Before the global recession, Africa's annual GDP growth rate was 6%. Southern Africa, the hardest hit in 2009, will recover more slowly in 2011, with an average growth of about 4%. East Africa dealt with the global crisis best, and might expect an average growth of 6%; West Africa's growth will be about 5%; and Central Africa's will be about 4%.
- In 2010-2011, the oil producing countries (Angola, Equatorial Guinea, and Sudan) had the highest growth while Ethiopia had the highest growth for a non-oil country. Nigeria oil growth was stymied by greater nationalization. Single commodity-based countries had high exports and high FDI: Nigeria (99% oil), DRC (96% minerals), Rep. of Congo (99% minerals), Equatorial Guinea (97% oil), Gabon (94% oil), Angola (95% oil), and Cameroon (82% oil).
- Agribusiness and agricultural development are booming in Ethiopia, Ghana, Gabon, Mozambique, Nigeria, Senegal, Tanzania, and Uganda. Added value per worker has increased in Angola (134%), Nigeria (86%), Mozambique (64%), South Africa (39%), Ethiopia (27%), and others, while the percent of those active in agriculture has decreased. The Food Production Index has risen (1999/2001 data compared to 2009).
- Infrastructure and Telecommunications: Most countries except South Africa are deficient in basic infrastructure (roads, rail, electricity, water systems, schools, and medical faculties). Much of the Chinese FDI and bilateral assistance are directed to this. By contrast, telecommunications are booming. Land-lines decreased and cell phones and mobile banking increased dramatically everywhere. Mobile phone companies are growing by leaps and bounds, a combination of local and government-owned companies, and competitors from India, France, the U.S., South Africa, as well as multinationals like IMB.
- Stock Exchanges: There are 11 national and 2 regional stock markets in the SABER countries. Botswana, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Sudan, Tanzania, Uganda, and Zambia have their own exchanges. Côte d'Ivoire and Senegal are part of BVM, while Cameroon, Eq. Guinea, and Gabon are part of BVMAC regional exchanges. South Africa's securities exchange regulation was the best in the world in 2010-2011. Exchange Indices showed a banner year in Ghana, South Africa, and Namibia.
- Trade with China: China is currently Africa's largest trading partner; trade grew more than 43% to US\$115bn in 2010. FDI increased from US\$500mn in 2003 to over US\$13bn in 2010. China-Africa co-operation helped Africa reach Millennium Development Goals. China's "no political strings attached" approaches have been widely accepted by African leaders but widely criticized by African citizens and others. Some question if African countries will emulate the Chinese model ("growing the economy at the expense of political reform"). The U.S. and E.U. worry about corruption, human rights, and environmental issues.
- Trade with the U.S.: The African Union asked for the African Growth and Opportunity Act (AGOA) to be extended beyond 2015 and argued for new strategies to increase exports and U.S.-Africa FDI, and that the U.S. help strengthen technical standards in Africa and promote intra-African trade as a platform for increased competitiveness.
- Gender Indices: Several African countries rank exceptionally high on the Gender Gap Index in perspective of the world's countries (South Africa is in 12th place and Mozambique is 25th), a variable that relates to GDP. For 'Economic Participation,' Mozambique is 5th and Ghana is 15th worldwide. Botswana ranks first for gender parity and education attainment, Namibia is 34th and South Africa is 43rd. In Political Empowerment, South Africa ranks 9th, Mozambique is 11th, and Angola is 24th. Labor force participation is near parity in many countries, but men and women are paid different rates (lowest pay discrepancy is 10% in

Mozambique compared to 58% in Nigeria and 66% in Cote d'Ivoire). Women's Participation in Parliament is high (South Africa–45%); Mozambique and Angola–39% each; Tanzania and Uganda–31% each; and Senegal–23%).

### Some Regional Findings

- **SABER's West Africa countries:** GDP and FDI are up in Ghana (5th highest growth in the world). Nigeria and Senegal have GDP growth but not much FDI, while Côte d'Ivoire's declined in both due to the presidential crisis. The business climate is best in Ghana, while Nigeria and Senegal are mixed. Doing Business rankings have improved dramatically in Ghana to 67, as well as jumping 67 points in the getting credit sub-index. Nigeria ranked 137 of 183 world countries, Senegal 152, and Côte d'Ivoire 169. In Nigeria, FDI from western oil companies declined, as government signed declarations increasing Nigerian companies' role in the industry. In Nigeria, China is building economic zones for manufacturing and industrial processing backed by natural resource extraction through FDI projects. Ghana's new found oil is generating FDI, as well as increased government regulations.
- **SABER's Central Africa countries:** The Democratic Republic of Congo (DRC), Rep. of Congo (Congo), and Gabon have issues with governance and political stability. The region has the weakest infrastructure in terms of roads and transportation, electricity, hospitals, schools and safe water supply. Doing business is difficult in the region, reflected in poor rankings and high corruption. However, FDI is high and related to oil and mineral exploration/extraction businesses. Congo's economy had the strongest growth in SSA due to oil and DRC's economy grew due to mineral exports. Equatorial Guinea's had spectacular economic growth due to oil exported to the U.S. and China. Cameroon's GDP also rose slightly due to its agricultural commodities and its oil.
- **SABER's East and the Horn of Africa countries:** The recently elected presidents had little opposition in Ethiopia and Uganda, while in Kenya and Tanzania, the main party and the opposition formed governments of national unity. South Sudan became independent in July 2011. FDI inflows to Kenya dipped, Uganda's jumped, while Tanzania's held steady. Ethiopia's economy grew 9%, the 2nd highest in SSA and 5th highest growth worldwide. Land leasing deals by Saudi Arabia, China, India, etc. were approved by the Ethiopian government as a way to modernize agriculture. Large-scale land deals with China, Korea and Egypt are also taking place in South Sudan. Conducting business became easier in Kenya where the credit rank was raised to 4th in the world. Uganda's doing business getting credit world rank increased 60 points (from 109 to 49) due to a new private credit sector bureau.
- **SABER's Southern Africa countries:** Elected democracies in Botswana, Namibia, South Africa and Zambia struggled with opposition parties (in Zambia, the opposition candidate won the 2011 election), and were business-friendly and low in corruption. Botswana ranked as the world's 33rd least corrupt country. Angola (ranked 163 of 183 countries) and Mozambique was similar, but their authoritarian presidents, as well as high corruption made doing business difficult. The World Bank designated Zambia as was one of the top business reformers in the world (based on a jump in world rank from 84 to 76, with a 36 point jump to 57 in the sub-index starting a business; Mozambique also jumped 31 points in starting a business. South Africa's world rank was 32; Botswana's was 52, and Namibia's was 68. China's FDI and influx of Chinese workers and settlers increased in Angola, Mozambique, Namibia, and Zambia were related to oil, minerals extraction, construction, and commerce. In Mozambique, the Chinese were also heavily involved in agriculture. Mozambique's economy had the highest growth (7.8%) mostly due to aluminum exports. Treatments and counseling for people living with HIV / AIDS reached near universal access in Botswana and 65% coverage in Zambia.

# SABER: Introduction and Methods

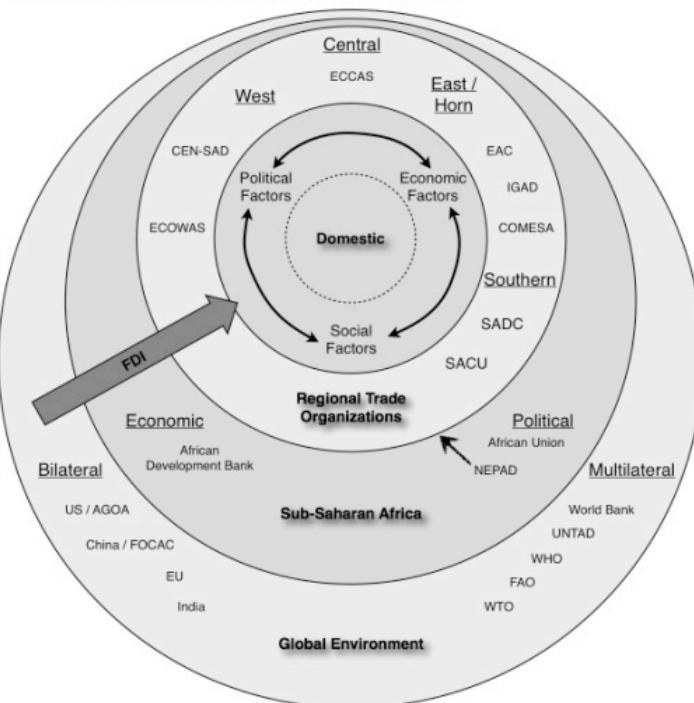
SABER aims to provide business environment information at a ready glance at regional, and country levels for the 20 largest Sub-Saharan African (SSA) economies, with the selection based on their GDP. The data presented are on major economic, business, political, and social indicators. SABER's model depicts three concentric spheres: the domestic aspects of each country (political, economic and social aspects as main business environment drivers); the SSA regional trade agreements and organizations; bilateral trade and FDI actors (U.S., E.U., China, India, etc.); and the multilateral organizations (World Bank, IMF, FAO, WHO, WTO, UNCTAD, ILO, etc.) that have databases (most with Internet access) and development programs. The country reports give specific data, as well as illustrative examples related to business for the following six topics: (1) Political Stability; (2) Economic Growth and Trade; (3) Foreign Direct Investment; (4) Infrastructure and Telecommunications; (5) Business Climate, Stock Exchanges and Microfinance; and (6) Health Aspects. The main indicators are gleaned from a multitude of databases and include economic, political, social, gender, and health indicators, as well as ease of doing business rankings. The report's print and electronic versions aim to assist businesspeople, policy makers, researchers, educators, and students in understanding the SSA business environment. The websites are (<http://warrington.ufl.edu/ciber/publications/saber.asp>) or (<http://web.africa.ufl.edu/>).

## Structure of the Report: The Model, Country Reports, and Appendix of Tables

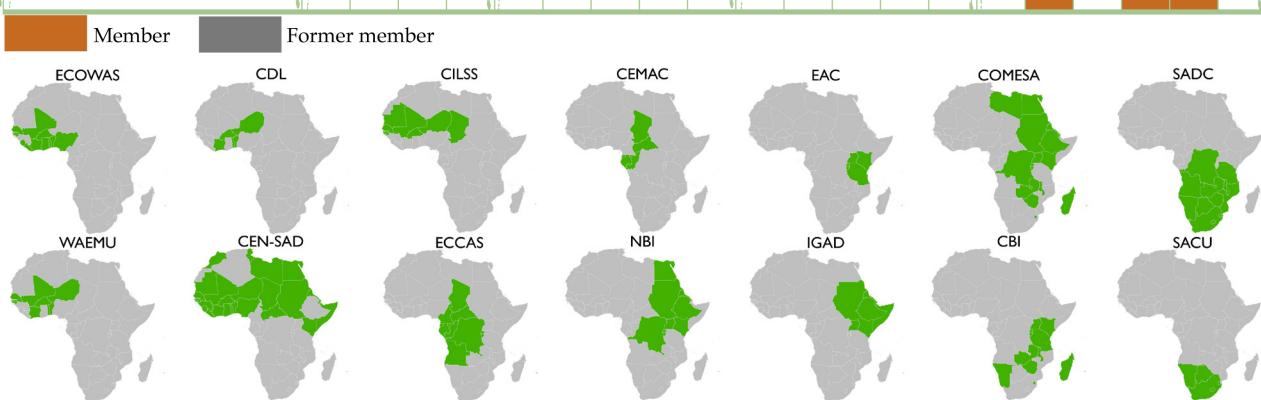
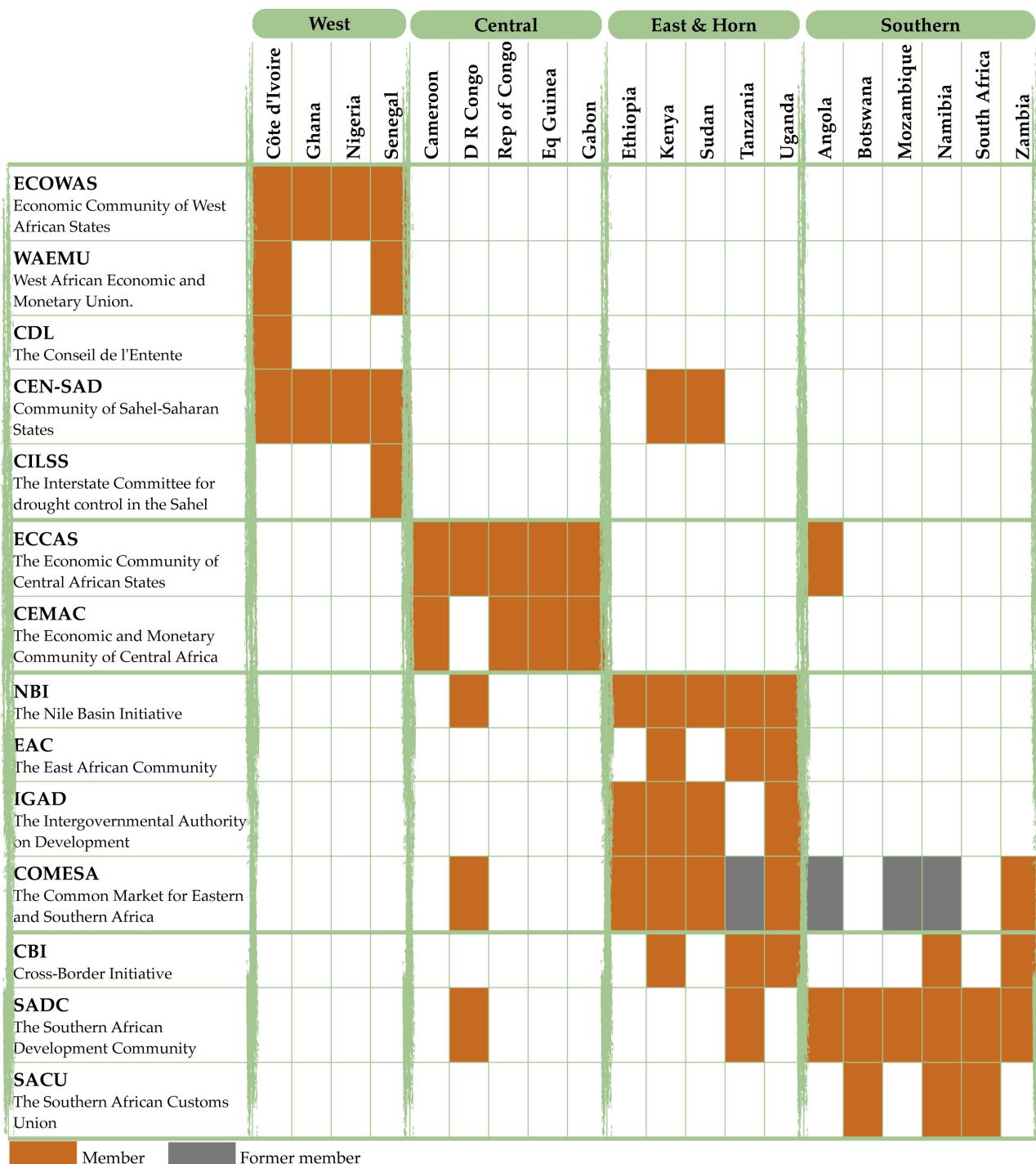
Components of the SSA business environment guide the research (Figure M1). SABER studied a decade of data on the GDPs of Sub-Saharan Africa (SSA) countries to determine the twenty largest for this report. Countries were then grouped by region—West Africa, Central Africa, East Africa and the Horn, and Southern Africa—based on regional trade agreements (RTAs) (Figure M2), as well as by location. These were developed, along with the format of having regional summaries and business assessments in terms of positive and negative aspects for business endeavors followed by country reports and an appendix of the quantitative and qualitative tables. Individual country reports provide illustrative data, and focus on current business trends, deals, and political stability, while detailed quantitative and ranking indicators provide the data for these assessments.

**The Model:** The model's components depict three concentric spheres (Figure M1). The first sphere shows the interaction of domestic economic, political, and social factors within a country. The second sphere represents Sub-Saharan Africa in its interactions with regional trade organizations. These RTA and RTI memberships are given by region: West Africa (ECOWAS, WAEMU, CDL, CEN-SAD, CILSS); Central Africa (ECCAS, CEMAC, NBI); East Africa (EAC, IGAD, COMESA); Southern Africa (SADC, SACU, IOC, CBI) (Figure M2). Also listed are political entities (e.g., the African Union and NEPAD) and economic entities (e.g., the African Development Bank) that influence trade and business regulations. The third sphere shows multilateral organizations (e.g., World Bank, IMF, WTO, UNTAD, FAO, WHO) whose monetary regulations, program assistance, and data collection affect Africa and the

**Figure M1: Components of the SSA Business Environment**



**Figure M2: Regional Trade Agreements (RTA) and Regional Integration Agreements (RIA) Membership**



**Table M1: Selected Data Sources for Country Reports**

<b>Newsletters and reports.</b> <i>African Confidential, Africa Research Bulletin</i>
<b>Reports:</b> <i>World Economic Forum Global Competitiveness and Gender Gap Reports; CIA World Fact Book, the Economist Intelligence Unit reports</i>
<b>Internet news and data sources on Africa:</b> <i>IT News Africa, allafrica.com, Africa Review, Afrol, Afrique Avenir, Africa Investor, African Press International, Afrique en ligne, New Vision African Press International, Consultancy Africa Intelligence, African Economic Outlook</i>
<b>UN Organizations:</b> World Bank reports and sites, UNHCR, UNCTAD
<b>Business sites:</b> <i>Bloomberg Businessweek, Business Analyst, BizCommunity</i>
<b>Databases:</b> <i>Global Trade Atlas</i>
<b>China:</b> <i>China Invests Overseas, Business China, China Economic Review</i>
<b>USA:</b> <i>AGOA.info, USDA Foreign Agricultural Service</i>
<b>Sector-specific sites:</b> <i>Telecommunications Union; Energypedia; Transparency International; Microfinance Information Exchange, Mix Market; Mining Review</i>
<b>Print and on-line news sources:</b> <i>Rueters, The New York Times, The Washington Post, BBC News, VOA News, Financial Times</i>
Country-specific Internet news sources, newspapers, and general websites

world. The sphere also lists global bilateral actors (countries such as the U.S., E.U., China, India, etc.) which interact with SSA countries politically and economically (importing oil, minerals, natural resources, agricultural commodities, and manufactured goods from Africa, and exporting to Africa their machinery, spacecraft, manufactured goods, etc.). Also included are the various Sub-Saharan African countries whose imports and exports go to other African countries. Similarly, non-African and African actors and companies provide FDI to a multitude of government and private-sector projects and business deals in each country considered.

**Country Reports:** Each country report details the main business trends in terms of six major categories (other categories relevant to specific countries are added): (1) political stability (elections, corruption, civil freedoms, etc.); (2) economic aspects (growth rates, commodity production, exports and imports); (3) foreign direct investment (joint ventures, global and African investments); (4) infrastructure (transportation, telecommunications, electricity, etc.); (5) business climate, stock exchanges, and microfinance (ease of doing business rankings, financial markets, and microfinance, etc.); and (6) health (statistics and spending, HIV / AIDS, etc.). Sources used in preparation of the country reports are given in Table M1 above and in Appendix B. Additional references can be found at the end of this report. Appendix C contains specific country references and can be found on the website noted above.

**Appendix A: Tables on Quantitative and Qualitative Data:** SABER's tables show quantitative and qualitative indicators and rankings on economics and trade, politics and legal aspects, ease of business, and social, gender, and health variables. These data help in describing and estimating the implications of economic growth, foreign direct investment and trade that are useful to readers doing business already or contemplating the prospects and/or studying the business environment for a country or sub-region. Table construction was based on reliable databases of indicators, and they reflect the most current data available at "press time." [We are aware that presenting some data from 2008 and 2009 in an "up-to-date" 2011 report is problematic, but multiple sources have been consulted, and more current years are not yet available.] The IMF and World Bank Internet sites (specifically the World Economic Database and the World Databank) were consulted regularly. Other important databases and qualitative sources accessed were 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, WHO's Health Observatory Database, and a series of political indices from Transparency International,

Freedom House, Heritage Foundation, the Central Intelligence Agency Factbook, the Ibrahim Governance Index, and websites for each stock exchange. Many of our tables have figures based on SABER's calculations of various rate changes through time of particular variables and indicators. Data were downloaded in raw form, and either extracted for all SSA countries or for each country one at a time. In either case, raw data were reformatted and structured for table construction. Where available, each table also gives aggregated data for Africa and SSA as a whole. Since Sudan is usually classified as a North African country by most databases, its data are not in the aggregated SSA figures. Also of note is that South Sudan gained independence as of July 2011. SABER gives the data for Sudan, as databases are not yet available for South Sudan.

The **Indicators on economic aspects** (Tables 1, 2, 3, 5, 6, 9, and 10) include: GDP, GDP growth, GDP by Economic Sector External Debt Environment, FDI Inflows, Total External Debt Stocks, Trade Balance, Annual Inflation, Currency Rates, and IMF agreements. The percent contribution to GDP (Table 3) by sector is disaggregated into Agriculture, Industry, Manufacturing and Services. **Indicators on exports/imports** (Tables 6, 7, and 8) include: Main Export and Imports by Destination, Oil, and Main Commodity to and from the U.S. and China. **Agricultural indicators** (Table 4) include: Value added per worker, Land Area, Population Engaged in Agriculture, Food Production Index, and various commodity productivity data. Specific agricultural commodities exported are noted in the country reports. **Telecommunication indicators** (Table 16) include: Telephone lines, Cellular Subscribers, and Internet Users.

The **Indicators on political and legal aspects** (Tables 11 and 12) include: Rule of Law and Political Stability ranking, Corruption Index Score and ranking; Economic Freedom score and ranking, Property Rights ranking, Ibrahim Governance Score and ranking, Press Freedom Index, Political Rights, Civil Liberties, Freedom Status, Head of State (year assumed office/power), and Ruling and Opposition Parties.

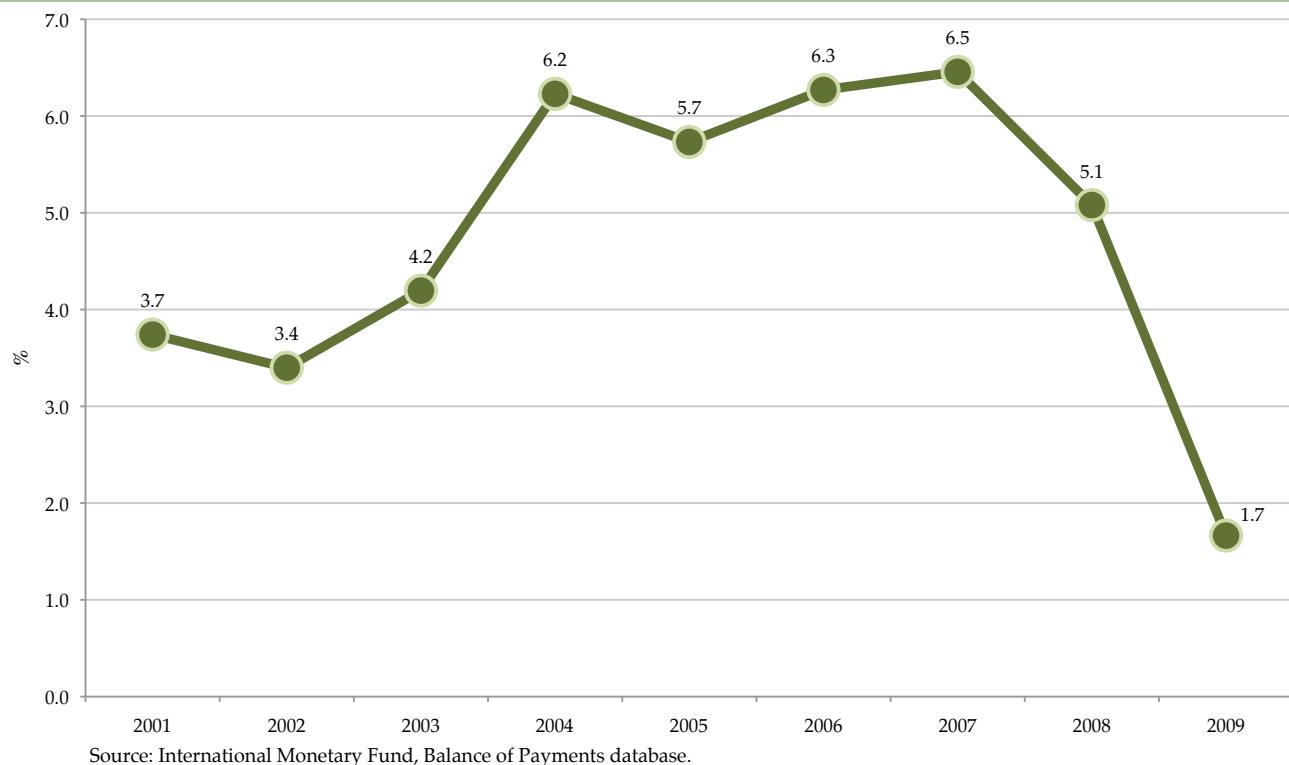
The **Indicators on social aspects** (Table 13) include: Population, Population Growth and Rates, Literacy Rates (men and women), Percent Malnourished and in Poverty, GNI per capita, GDP per capita, Income Inequality, Human Development Index (HDI) rankings. **Gender indicators** (Table 14) include: Gender Gap Index and rankings, Economic Participation Score and Ranking, Educational Attainment and ranking, Political Empowerment Score and ranking, Labor Force Participation, Earned Income (men and women), and Participation in Parliament (men and women). Data and indicators are **disaggregated by gender** wherever possible. The World Economic Forum's Gender Gap report (Hausman, Tyson and Zahidi 2010) has linked gender ratings and indices to GDP and World Competitiveness. Some African countries rank high on gender equality in world perspective. **Health indicators** (Table 15) include: Maternal Mortality, Crude Birth Rate, Total Fertility Rate, Health Expenditure per capita, Life Expectancy, HIV/AIDS (Estimated deaths, Population Living with HIV, and Population Living with HIV aged 15-49).

**Ease of Doing Business indicators** (Tables 17 and 18) are mostly drawn from World Bank data and show both a country's world rank (out of 183 countries) and its rank within Sub-Saharan Africa (out of 46 countries). Sub-index ranks 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 times to: Start a Business, Connect to Electricity, Enforce a Contract, Register Property, and Close a Business. Additional data cover: Total Tax Rate, Cost to Export, Cost to Import, Time to Export and Time to Import. Financial Market indicators (Table 19) delineate the 11 country Stock Exchanges and two regional exchanges (BVRM that includes two SABER countries and BVMAC that includes four SABER countries) in SSA. The number of companies, capitalization of the exchange, market capitalization of listed countries, and their percent of GDP are given.

# Sub-Saharan Africa Business Trends

Four countries—South Africa, Nigeria, Angola, and Sudan—have significantly higher GDPs than the other 16 largest African economies considered here. Whether or not Sudan and the newly independent South Sudan individually or separately will be this highly ranked and/or both be among the top economies is not known until disaggregated data are available. Before the global recession, Africa had an annual GDP growth rate of about 6%, and regionally East Africa had 8.2%, Southern Africa had 6.7%, West Africa had 5.5%, and Central Africa had 4.9% . The African Economic Outlook predicts that Southern Africa, the hardest hit in 2009, will recover more slowly in

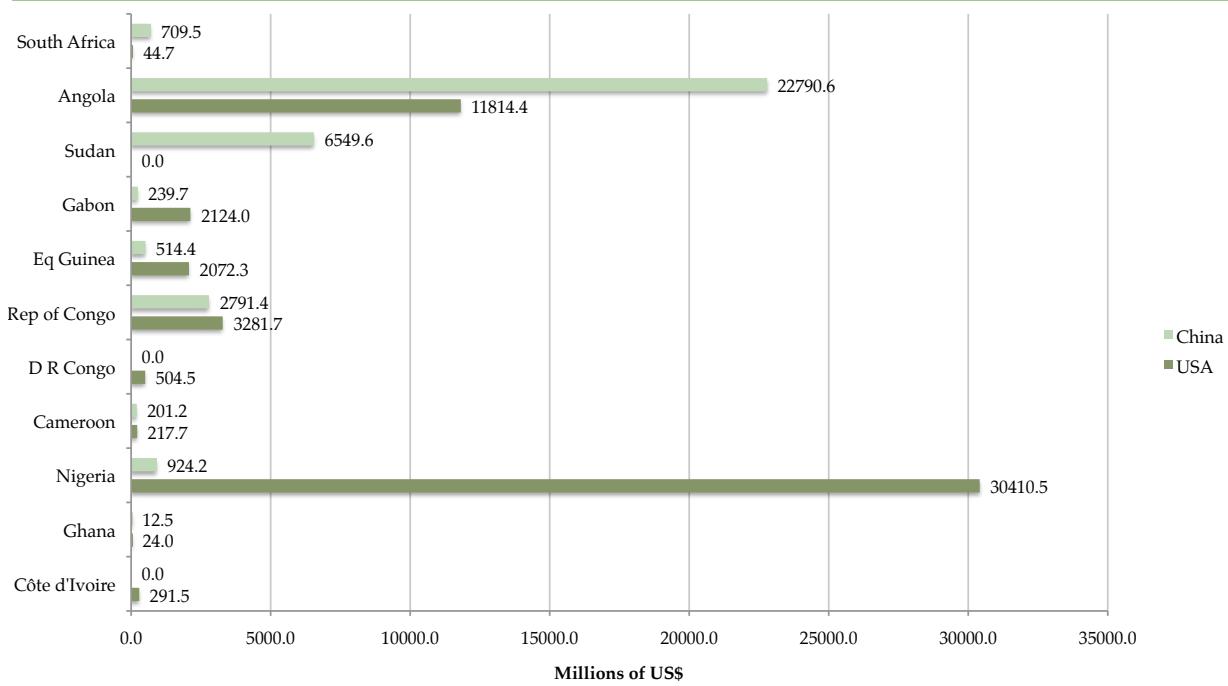
**Figure SSA1: SSA GDP growth (annual %)**



2011, and will have an average growth of 4%; East Africa dealt with the global crisis best and will have an average growth greater than 6%; West Africa's growth will be 5%; and Central Africa growth will be 4% (Figure SSA 1).

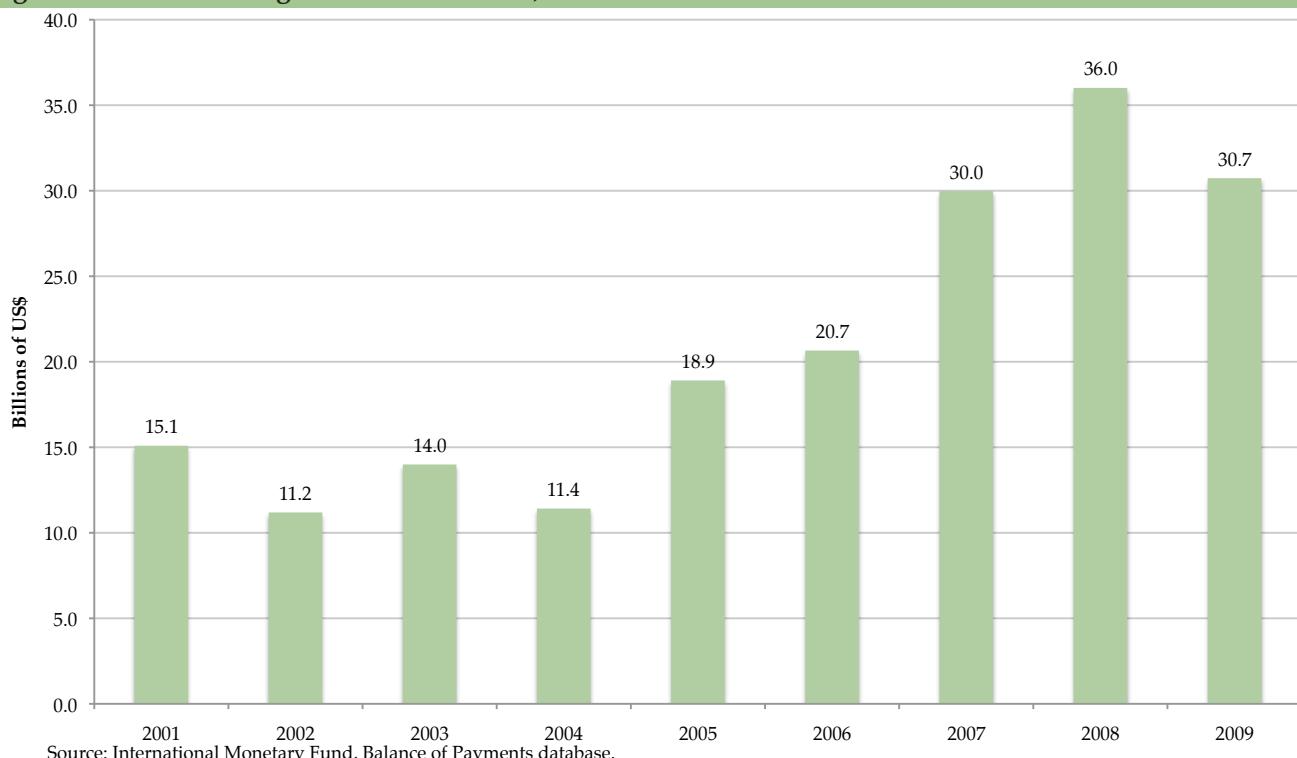
The oil producing countries (Angola, Equatorial Guinea, and Sudan) had the highest growth while Ethiopia had the highest growth for a non-oil country. Nigeria oil growth was somewhat stymied by greater nationalization. Single commodity-based countries had high exports and high FDI (Figures SSA2 and SSA3): Nigeria (99% oil), DRC (96% minerals), Republic of Congo (99% minerals), Equatorial Guinea (97% oil), Gabon (94% oil), Angola (95% oil), and Cameroon (82% oil). Oil production from Ghana is around 10% currently, but there is increasing potential for generating large amounts of FDI and government regulatory legislation. Uganda also seems to have potential, and similarly-related foreign investments for exploratory endeavors have commenced. While Angola, Sudan, and Congo are China's largest suppliers of oil in SSA, China purchases most of this oil on the open market and does not generate the oil from its own direct processing investment, unlike some of the U.S. companies' and their processing installations (Tables 7 & 8). South Sudan contains 85% of the oil of the former Sudan, and its extraction and exports will be followed closely.

**Figure SSA2: Mineral Fuel Exports to the USA and China**



Source: Global Trade Atlas.

**Figure SSA3: SSA Foreign Direct Investment, Net Inflows**



Source: International Monetary Fund, Balance of Payments database.

The countries with the highest debt burdens (Table 5) were South Africa (US\$42.1bn), Sudan (US\$20.1bn), and Angola (US\$16.7bn). Only Angola had a large increase (77%) between 2006 and 2009, while South Africa's debt increased by 19%, Sudan's by 11%, and DR Congo's by 8.4%. Botswana (US\$1.6bn), Gabon (US\$2.1bn), and Uganda (US\$2.5bn) have the lowest debt levels. Botswana experienced the largest increase in debt (323%) from 2006, albeit starting from a very low level. Ethiopia (120%) and Uganda (98%) also experienced large increases in debt from 2006, again both these countries had relatively low debt burdens to begin with. Gabon (-49%), Rep. of Congo (23%), Cameroon (9%), and Cote d'Ivoire (8%) had reductions (Table 6).

### Political stability

Political and civil liberties are ranked in Table 11. In terms of recent elections, Ghana's presidential election was a pinnacle of democracy in which the winner only had a slim majority, but the transfer of power was peaceful. Nigeria's 2011 election improved its electoral conduct. Senegal's president helped change the constitution to increase the term from 5 to 7 years, and will run for a third term in 2012. Côte d'Ivoire's 2010 presidential election had to be solved by external force to install the elected winner. There is discontent with the Cameroon's president's 19-year elected rule, with his 5th reelection in October 2011 with an expanded term of 7 years. Congo's president was re-elected by only a fraction of the population as was Gabon's in 2009 with only 42% of the vote. The 2010 election in Ethiopia was easily won by the incumbent prime minister with little space for any opposition. Botswana's (2009), Tanzania's (2010), and Uganda's (2011) presidents were easily reelected, but voter turnouts were reduced and the oppositions were intimidated and/or diminished.

DRC's President Kabila changed the constitution to his advantage. Equatorial Guinea's president since 1979 chaired the A.U. and attempted to award a prize for Research in Life Sciences, but UNESCO returned it due to human rights violations. Kenya approved a new constitution in 2010, the first since independence, even though the government of national unity was a constraining factor. Angola's parliament replaced the 1975 constitution with a new one in 2010 that ended the popular election of the president, who will be appointed by Parliament for 5 years.

**Figure SSA4: SSA Exports and Imports of Goods and Services**



Source: World Bank national accounts data, and OECD National Accounts data files.

terms. Mozambique's president was reelected in 2009, and then took a more authoritarian stance in governance. In South Africa, tensions in the ANC caused discontent over economic policy, potentially helping other political parties in upcoming elections. Zambia's incumbent president faced voter dissatisfaction and was defeated in September 2011.

(Table 12) as measured by two major indices (World Governance Indicators and the Ibrahim Governance Index) showed that the most stable countries are Botswana (80th percentile), Namibia (75th percentile), Mozambique (64th percentile), and Zambia (64th percentile). The Ibrahim Governance Index scores for 53 African countries ranks Botswana 3rd, South Africa 5th, Namibia 6th, and Ghana 7th (the islands of Mauritius and the Seychelles rank first and second, but are not considered in this report). Botswana has the lowest rate of corruption (index score 5.8) and is ranked 33rd worldwide out of 178 countries while South Africa ranks 54th, Namibia ranks 56th, and Ghana ranks 62nd. By contrast, Sudan (index score 1.6) was 172, Angola (index score 1.9) and Equatorial Guinea (index score 1.9) tied at 168 (oil-producing countries seem linked to corruption). Countries with scores less than five are considered corrupt or highly corrupt.

### **Economic Growth, FDI and Trade**

Nigeria (US\$5.8bn) has the most FDI followed by South Africa (US\$5.6bn) and Ghana (US\$1.7bn), and the oil producing countries of Sudan (US\$2.7bn), Angola (US\$2.2bn), Republic of Congo (US\$2.1bn), and Equatorial Guinea (US\$1.6bn) (Table 6). Table 9 shows DR Congo has the highest inflation rate of 26.2%; countries that had a consistent decline in their inflation rate are Zambia (12.4%), Ghana (10.6%), Botswana (6.1%), and Ethiopia (3.8%). Figure SSA4 shows a decline in exports of all goods and services for all of Sub-Saharan Africa in 2009 over a banner year in 2008. However, Table 6 shows exports are up in 2009 for most of the 20 largest economies—Ghana (55%), Senegal (28%), Cameroon (43%), Ethiopia (43%), Kenya (25%), Sudan (37%), Uganda (147%), and Namibia (36%), but down for Botswana (-25%) and DRC (-61%). Trade Balance (Table 6) reflects the difference of imports and exports, with oil and mineral producing countries understandably have the greatest deficits. Data for exports of commodities only to the U.S. and China in 2010 (Table 7) show the U.S. imports oil largely from Nigeria, Angola, and Rep. of Congo, while China imports largely from Angola and Sudan. (World Trade Atlas). Table 8 shows the main commodities imported to the U.S. and China, being mostly reactors/ boiler machinery and spacecraft from the U.S., and electrical reactors and boiler machinery from China (World Trade Atlas).

### **Agricultural Production and Land Purchases/Leases**

Agribusiness and agricultural development are booming in Ethiopia, Ghana, Gabon, Mozambique, Nigeria, Senegal, Tanzania, and Uganda. Added value per worker (Table 4) has increased in Angola (134%), Nigeria (86%), Mozambique (64%), South Africa (39%), Ethiopia (27%), and others, while the percent of those active in agriculture has decreased. The Food Production Index has risen (1999/2001 data compared to 2009) in Angola (77%), Ghana (52%), Senegal (41%), etc. Cereal yields have increased between 2001 and 2009 for Botswana (99%), South Africa (81%), Zambia (48%), Ghana (39%), Ethiopia (38%), and many other countries, but decreased significantly in Tanzania (-37%). Livestock production is up in Republic of Congo (57%), Kenya (43%), Senegal (37%), and others.

The African Development Bank (AfDB) has invested US\$3bn in over 140 projects and plans another US\$1bn in the next three years. South African farmers have invested / are farming in Gabon, Republic of Congo, and Zambia. Saudi Arabia, China, India, South Korea, and Pakistan have leased large tracts for commercial agriculture in Ethiopia (horticultural produce and grains mostly shipped to the home country). Chinese land leasing and purchases for agricultural production to China is increasing in Mozambique and Zambia. South Korea is farming in Tanzania, while the U.K. is growing biofuels in Mozambique. A “landgrab” has started in South Sudan (participants are from China, South Korea, and Egypt). Other land leasing and land purchases are occurring in many African countries, including Ghana, Nigeria, and Senegal by a variety of non-African actors (Bahrain, the UAE, the U.S., Japan, etc.), as well as by those ones noted above.

## **Social Aspects**

The most populous nations are Nigeria (157 million), Ethiopia (85 million), the DRC (68 million), and South Africa (51 million) (Table 13). Uganda and DRC have the highest growth rates of 3.3% and 2.8% respectively. Crude Birth Rates have decreased between 2001 and 2009. South Africa at 22 and Botswana at 24 are close to developed country rates. Maternal mortality rates (Table 15) are high/ very high for all countries, with Nigeria highest at 840 per 100,000 births and Botswana lowest at 190. Total fertility rate (births per women) have decreased with South Africa having 2.5 and Botswana having 2.8 (Table 15). Literacy rates are highest in South Africa (men: 91%; women: 87%) and Equatorial Guinea (men: 97%; women 90%). Ethiopia's literacy rates are the lowest (men: 42% for men and 18% for women), which is also has the highest gender disparity in literacy (Table 13).

Several African countries (South Africa at 12 and Mozambique at 25) rank exceptionally high on the Gender Gap Index in perspective of the world's countries (Table 14). For Economic Participation, Mozambique is 5th and Ghana is 15th worldwide. Botswana ranks first in the world for gender parity and education attainment, Namibia is 34th and South Africa is 43rd. In Political Empowerment, South Africa ranks 9th, Mozambique is 11th, Angola is 24th, Uganda is 29th, and Tanzania is 33rd. Labor force participation is near parity in many countries, but men and women are paid different rates (lowest differential of only 10% in Mozambique while in Nigeria women are paid 58% less and in Cote d'Ivoire 66% less). Women's Participation in Parliament is high in South Africa (45%), Mozambique and Angola (39%), Tanzania and Uganda (31%), and Senegal (23%).

## **Infrastructure and Telecommunications**

Most African countries except South Africa are deficient in basic infrastructure: roads, rail, electricity, water systems, as well as in their schools and medical faculties. Much of the Chinese FDI and bilateral assistance are directed to this. Some examples are the US\$39mn expansion of the TAZARA railway in Tanzania (considered emblematic and symbolic of the countries friendship, rather than a portent of increased financial viability), the d water supply in Zambia, and extensive road construction in Angola, Ethiopia, Kenya, Mozambique, Sudan, and South Sudan. Other road networks in all sub-regions, as well as construction of hospitals and government buildings in many countries are part of China's development aid and its FDI-contract system. In terms of electricity, Chinese private companies like Huawei are expending in South Africa, Mozambique, Cameroon, and other countries. Dam construction funded by FDI and development assistance programs from China are being constructed or scheduled in Ethiopia, Ghana, Mozambique, and Sudan/South Sudan. The Export-Import Bank of China signed a US\$10.4bn loan-agreement with Ghana to develop rail, road, and energy infrastructure. South Africa signed an agreement with South Korea for a nuclear power plant construction. Nigeria invested US\$50bn for power plant rehabilitation and US\$6bn for a hydropower plant. South Africa received a World Bank loan of US\$3.8bn for electricity capacitation endeavors.

South Africa had the highest number of landlines (4.4 million subscribers about 8.4% in 2010), but this number is small and landlines are decreasing everywhere in SSA as mobile phones are increasing dramatically (Table 16). Botswana has the highest per 100 inhabitants rate with 118 (presumably some subscribers have multiple mobile phones and/or sim cards). This is followed by Gabon (107) and South Africa (101). Subscribers are over 60% in Cote d'Ivoire, Ghana, Eq. Guinea, Kenya, Namibia, Rep. of Congo, and Senegal. Ethiopia has the lowest rate (8%), surprising as Ethiopia was ranked 5th in the world for GDP growth in 2010. Nigeria has the highest Internet usage: 28% of its population has access (44 million subscribers), followed by Kenya (21%) and South Africa (12%), while elsewhere the rate is 10% or less (Table 16).

Mobile phone companies are growing by leaps and bounds. Expansion is rapid throughout Africa, a combination of local and government-owned companies, competitors from India, France, the U.S., South Africa, and multinationals like IMB. India's Bhart Airtel is partnering with IBM, Tech Mahindra, and Spanco for expansion to 16 African

countries (IT News Africa). Brightstart will distribute BlackBerry products to Nigeria, Ghana, Kenya, Cote d'Ivoire, Uganda, Tanzania, and Mozambique. Verizon has formed network alliances with Gateway Business Africa to expand Private IP network capabilities to 14 countries. Telkom South Africa has secured new operating licenses in Nigeria, Zimbabwe, Tanzania, Ghana, Kenya, Uganda, Zambia, Swaziland, and Namibia. Telecom is installing a submarine fiber optic cable connecting countries along the Africa's west coast (Africa Research Bulletin). Alcatel-Lucent and Angola Cables, Congo Telecom, MTN, Cabo Verde Telecom, Tata Communications, Telecom Namibia, Telkom SA, and Vodacom are extending the West Africa Cable System (WACS) to 12 countries. Microsoft released Windows 7 and Office 2010 in Amharic, and Google in collaboration with the Ethiopian government introduced Gmail that uses the Amharic and Tigrigna alphabets.

### **Business Climate**

Doing Business indicators (Table 17) show the rankings for 183 world countries, and also for the 46 SSA countries. For the world ranks of 'ease of doing business' in 2010 (and early released 2011), South Africa is at 32 (34) followed by Botswana at 50 (52). Considering only the 46 SSA countries, South Africa, Botswana and Ghana are number 2, 3 and 5 respectively. Considering the sub-indices, Kenya and Namibia are 32 and 37 (of 183) in dealing with construction permits; Ghana and Botswana are 31 and 42 (of 183) in registering property; South Africa and Kenya are 2nd and 6th in the world in getting credit. South Africa ranks high at 10 in protecting investors while Ghana, Botswana, and Mozambique are at 47. Botswana ranks at 18 in paying taxes with South Africa, Zambia, and Ethiopia behind at 23, 36, and 41 respectively. In Senegal, Ethiopia, Mozambique, and Zambia, it takes 8, 9, 13, and 18 days respectively to start a business while to register property in Sudan, Mozambique, Namibia, and South Africa it takes 9, 16, 23, and 24 days respectively (Table 18).

### **Financial Markets**

Seventeen of SABER's countries have stock exchanges; two regional exchanges are shared by several countries (six of SABER's), and 11 countries have their own (Table 19). There are no exchanges in DRC, Ethiopia, and Angola. Bourse Régionale des Valeurs Mobilières (BRVM) based in Côte d'Ivoire serves Benin, Burkina Faso, Guinea Bissau, Mali, Niger, Senegal, and Togo. Bourse Régionale des Valeurs Mobilières d'Afrique Centrale (BVMAC), based in Gabon, serves Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon. [Bullet points for BRVM and BVMAC are listed under Côte d'Ivoire and Gabon, respectively.] The East African Stock Exchanges Association (EASEA) with members being from the Dar es Salaam, Nairobi, Rwanda and Ugandan Stock Exchanges meets regularly and held its 16th and 17th meetings in 2010. Performance in 2010 and into 2011 was improved in almost all exchanges compared to the crisis years of 2008 and 2009.

The World Economic Forum's Global Competitiveness Report 2010-2011 noted that South Africa's securities exchange regulation is the best in the world, The Johannesburg Stock Exchange (JSE), the oldest exchange in SSA (established in 1887) aims to be a fully integrated financial market and a gateway for foreign and African investors. Foreign investors continued to increase their holdings in JSE equities, and grew their net investment in the interest rate market in 2010 and 2011. To strengthen the four East African stock markets in terms of capacity, integrity, and accountability (with an industry licensing program), the East Africa Securities Exchanges Association (EASEA) was constituted in 2008.

### **China and Chinese Migration**

In its first policy paper (2011), China states that China-Africa co-operation helped Africa reach Millennium Development Goals (MDGs). China is currently Africa's largest trading partner; trade grew more than 43% to US\$115bn in 2010 (BBC). FDI increased from US\$500mn in 2003 to over US\$13bn in 2010 with investments in manufacturing, farming and fisheries, and construction; 63% of Chinese companies already in Africa will increase their investments in 2011 while 10% are planning decreases. China's "no political strings attached" approaches to developing

Africa's infrastructure and commercial agriculture have been widely accepted by African leaders but widely criticized by African citizens and others. A question is whether or not African countries will emulate the Chinese model ("growing the economy at the expense of political reform"). The U.S. and E.U. are uneasy and think the situation may worsen corruption, human rights, and environmental issues. The number of Chinese workers and emigrants, already substantial, is expected to increase in Angola, Ethiopia, Mozambique, and Zambia. In light of the Chinese presence, in November 2010, the African Union (A.U.) recommended a collective African long-term strategy (regional and continental) to maximize opportunities for African capacity building, agriculture, and market access with special focus on African manufactured goods and investments (FOCAC).

### **African Union and the United States**

In November 2010, the A.U. recommended that the U.S. assist trade with Africa, and that African countries take advantage of market access in the U.S. to establish partnerships between the African and U.S. private sectors. The A.U. asked for extension of the African Growth and Opportunity Act (AGOA) beyond 2015 (and third country fabric beyond 2012). It argued for new strategies to increase exports and U.S.-Africa FDI, and for AGOA to include Africa's comparative-advantage commodities. The A.U. wants the U.S. to help strengthen technical standards in Africa, promote intra-African trade as a platform for increased competitiveness, and help African countries benchmark themselves against the Asian countries that out-compete them in the U.S. market.

Data from the U.S. Dept of Commerce (2010) show that U.S. imports from SSA were US\$65bn (39% over 2009) due to a 40% increase in oil imports (Nigeria—60%, Angola—28%, DRC—60%, and Gabon—80%). Imports from South Africa grew 40% (diamonds), and from Ghana 103% (cocoa imports increased due to sanctions on Cote d'Ivoire's cocoa). AGOA imports were US\$44bn (31% greater than 2009). Most AGOA imports (91%) were petroleum products. Others included US\$4bn in chemical and related products, minerals and metals, agricultural products, transportation and machinery products, and textiles and apparel (the latter decreased 20%). The top beneficiary countries were Nigeria, Angola, South Africa, Republic of Congo, and Chad. Others were Gabon, DRC, Lesotho, Kenya, Cameroon, and Mauritius.

Table SSA1: Business Environment Evaluation 2010<sup>1</sup>

GDP Rank 2010	Country	Political Stability	GDP growth	FDI	Trade Balance <sup>2</sup>	Business climate
1	South Africa	↔	↑	↑	-	↔
2	Nigeria	↔	↑	↑	+	↔
3	Angola	↔	↑	↑	+	↔
4	Sudan	↓	↑	↑	-	↔
5	Kenya	↑	↑	↓	-	↑
6	Ethiopia	↔	↑	↑	-	↔
7	Tanzania	↑	↑	↔	-	↔
8	Côte d'Ivoire	↓	↓	↓	+	↓
9	Cameroon	↔	↑	↑	-	↔
10	Ghana	↑	↑	↑	-	↑
11	Uganda	↓	↑	↑	-	↔
12	Zambia	↔	↑	↑	-	↑
13	Eq Guinea	↔	↑	↑	+	↓
14	Senegal	↔	↑	↑	-	↔
15	D R Congo	↓	↑	↓	-	↓
16	Gabon	↓	↑	↓	+	↔
17	Botswana	↑	↑	↓	-	↑
18	Rep of Congo	↓	↑	↑	+	↔
19	Namibia	↑	↑	↓	-	↔
20	Mozambique	↓	↑	↑	-	↔

Source: SABER

1. ↑ (up, increasing), ↔ (same or mixed results), ↓ (down or problematic)

2. + means Exports>Imports; - means Imports>Exports

# Summary of West Africa Countries

The now resolved Côte d'Ivoire presidential crisis, that is still causing some civil strife, affected the business climate due to slowdown in FDI and a 4-month ban on its major export cacao (now lifted). Ghana by comparison is jettisoning forward with the 5th highest GDP growth worldwide (not reflected in the GDPs in Figure W1). Ghana's peaceful transfer of power in the last election, in which the elected president had only a slim majority, showed democracy in action. Ghana's newly discovered oil is generating increased FDI in aspects related to petroleum exploration and processing, as well as in producing new regulatory legislation from the government. Although the April 2011 election in Nigeria was a big improvement in its electoral conduct, there is still a great deal of north-south discontent with the results.

Ghana's agricultural exports and FDI are up, and its financial services are an important part of GDP (Figure W2). In Nigeria, oil production increased due to reduction of tensions in the Niger Delta area, but FDI from the large western companies for oil declined, because of government declarations that expanded Nigerian companies' roles in the industry. China is building economic zones in major Nigerian cities for manufacturing and industrial processing in return for natural resource extraction through FDI projects. Senegal had a slight rise in GDP, but FDI fell slightly. In Senegal, agriculture is a contributor to GDP, while the service sector increased there and in Côte d'Ivoire. Both industry and agriculture are main contributors to GDP in Nigeria (Figure W2). The majority of exports from Senegal are within Africa, while exports from Côte d'Ivoire and Ghana go to the E.U. Oil, Nigeria's major export, goes to the U.S. (Figure W3).

The Export-Import Bank of China signed a loan with Ghana for US\$10.4bn to develop rail, road, and energy infrastructure. Ghana, where 72 of 100 inhabitants are mobile subscribers, was the recipient of many types of e-commerce and telecommunications' innovations in broadband cable and mobile phone services (including mobile banking). Nigeria had the largest number of Internet users in Africa (44 million or 28% of the population), but only 55 subscribers per 100 inhabitants. The Doing Business rankings placed Ghana 5th in SSA and 67 worldwide in the early-released 2011 world rankings (Table 17). For the Sub-Index, Registering Property, Ghana ranked 31 in the world. By comparison, Nigeria's world rank was 134, Senegal ranked 151, and Côte d'Ivoire ranked 169. Nigeria's best sub-index was Protecting Investors with a world rank of 57. Senegal had the lowest time to Start a Business (Table 18) of only 8 days.

**Table W1: Business Environment 2010**

	Côte d'Ivoire	Ghana	Nigeria	Senegal
Political stability	↓	↑	↔	↔
GDP growth	↓	↑	↑	↑
FDI	↓	↑	↑	↑
Trade Balance <sup>2</sup>	+	-	+	-
Business climate	↓	↑	↔	↔

Source: SABER

1. ↑ (up, increasing), ↔ (same or mixed results), ↓ (down or problematic)

2. + means Exports>Imports; - means Imports>Exports

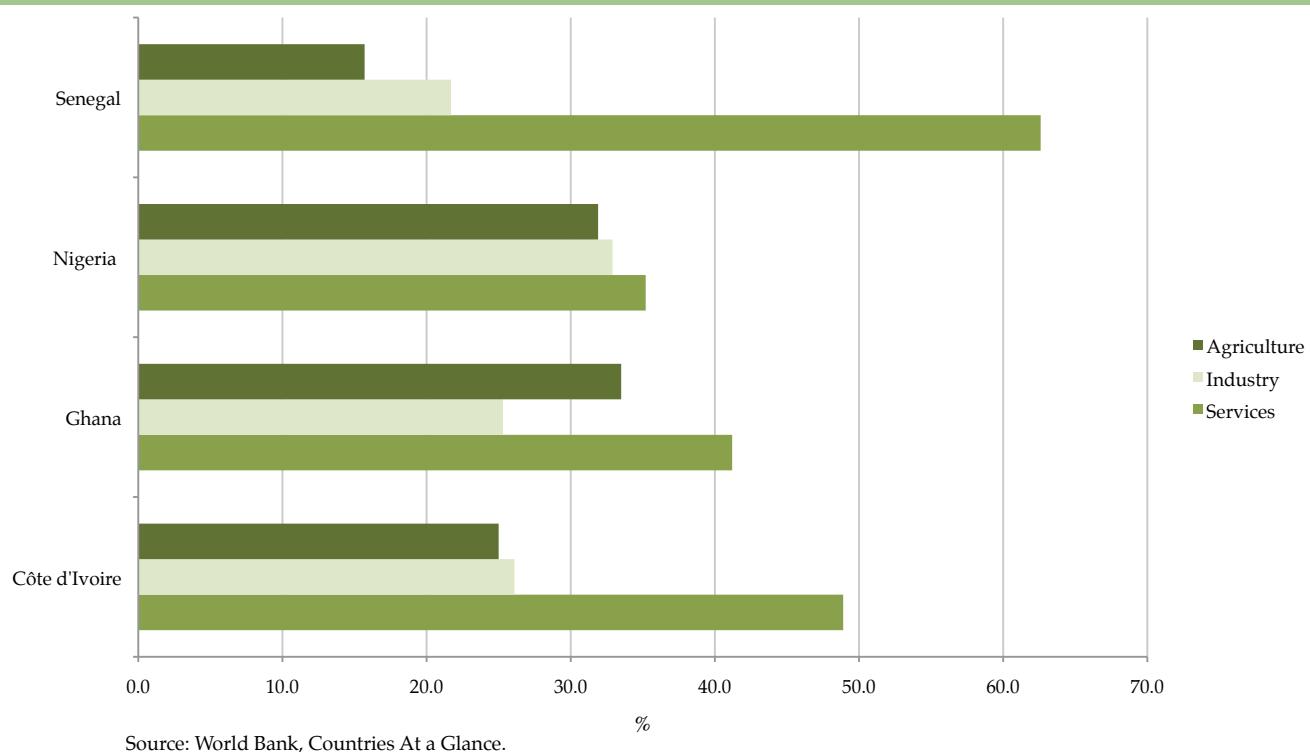
2010 was a good year for the Ghana Stock Exchange (GSE) as the national recovery contributed to its good performance. The Nigeria Stock Exchange (NSE) was steady, but continued to receive complaints against member companies. The BRVM (Bourse Régionale des Valeurs Mobilières), based in Côte d'Ivoire and serving as the regional stock exchange for Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger and Senegal and Togo, performed steadily based on the IC Comp Index in 2010, but declined 11% in October 2011 reflecting world markets. Government bonds in Côte d'Ivoire were eagerly snapped up, and should help economic recovery.

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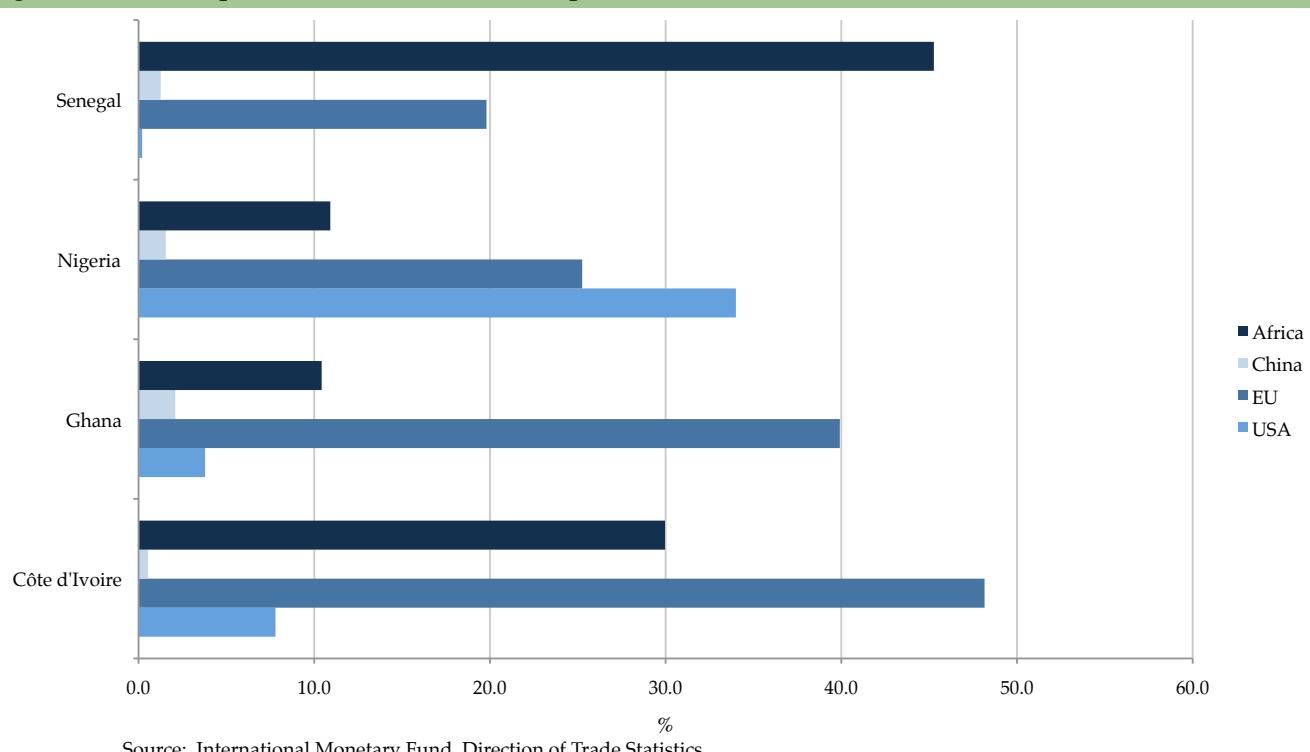
**Figure W1: GDP Growth (% change from previous year)**



**Figure W2: GDP by Economic Sector**



**Figure W3: Main Export Destination (% of total exports)**



# Côte d'Ivoire

Capital: Yamoussoukro Population: 21.6 million

GDP US \$: 23.6 Billion

Doing Business World (SSA) Rank: 169 (35)

Main Trading Partner: EU

GDP Growth, 2010: 3.0%

Inflation Rate, 2010: 1.4%

HDI Rank: 149

GNI per Capita, PPP US \$: 1,625

Currency: Franc BCEAO

Gender Inequality: 0.569

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

- Côte d'Ivoire faced extreme political crisis when two candidates claimed victory in the November 2010 presidential election. Instead of ending the bitter civil war that had pitted north against south, the elections brought the country to the brink of war.
- The electoral commission declared Alassane Ouattara had won with 54.1% of the vote, but the Constitutional Council reversed the decision and declared the incumbent, Laurent Gbagbo the victor with 51.5% of the vote (Nossiter).
- Both men were sworn into office and appointed cabinets with Gbagbo's government located in the presidential palace, and in control of the security forces and television station. Ouattara set up a parallel administration in the Hotel du Golf.
- The U.N., A.U., E.U., U.S., and most other countries recognized Ouattara and demanded Gbagbo's resignation. Donors suspended aid to force Gbagbo to recognize defeat. The E.U. and the U.S. placed sanctions on him, his supporters, and economic entities tied to his government, including the national oil company, and imposed a ban on cocoa exports (Nossiter), but failed to push him out.
- In April 2011, it took airstrikes by French and U.N. helicopters to help Mr. Ouattara capture Mr. Gbagbo, and end his defiance of the international community and the election. Since then, Gbagbo's generals pledged allegiance to President Ouattara. (New York Times).
- Ouattara was inaugurated as president on May 21, 2011. However, the security situation is still precarious due to large amounts of weapons in the country.

## Economic Growth and Trade

- The economy of Côte d'Ivoire grew at the rate of 3.6% in 2010, over twice the average rate for the years 1995 to 2006. Political uncertainty, coupled with the financial pressures that forced Gbagbo to accept defeat, and destruction in the civil and business sectors will negatively affect growth in 2011, especially if there is a return of civil strife.
- Cocoa is the largest generator of foreign exchange. Production was down in 2009/2010 but increased in the 2010/2011 growing season. Economic growth is uncertain due to the political crisis and previous ban on cocoa exports (now lifted).
- Côte d'Ivoire is the 10th largest producer of oil in Sub-Saharan Africa.
- 2010 exports to the U.S. totaled US\$1.2bn with the main commodities being cocoa (65%), oil (25%), and rubber (7%). Imports from the U.S. totaled US\$162.6mn in 2010 with the main items being machinery (reactors and boilers--30%), plastics (18%), and vehicles (9%) (Global Trade Atlas) (Tables 7 & 8).
- 2010 exports to China totaled only US\$110.7mn, with main commodities being fabric (cotton and yarn (33%), rubber (28%), and cocoa (19%). Imports are substantially more from China (US\$548mn) and in-

cluded fabric (cotton and yarn--15%), electrical machinery (10%), and machinery (reactors and boilers--8%) (Global Trade Atlas) (Tables 7 & 8).

- Conflict Diamonds: The UN Security Council banned all exports of diamonds in 2005, but is Côte d'Ivoire is "the world's biggest remaining source of conflict diamonds" (Blood Diamond Fears, AFP).

### **Foreign Direct Investment**

- FDI rose in 2010 to US\$418mn from US\$381mn in 2009. However, political uncertainty may negatively impact flows in 2011.
- Agriculture contributes 25% of GDP. The government attracted investment to bolster the cocoa industry from Olam International, an agricultural processing company from Singapore that plans to build a US\$43.5mn cocoa-processing plant. Production was originally targeted for 2012 with an expected 48,000 tons of cocoa products produced annually by 2014.
- The economy is diversifying in the mining sector. Several companies, including Randgold of the U.K., are developing gold mining projects in the country. Tata Steel of India has started exploration in the Mount Nimba iron ore deposits (Hindu Business Line). These investments may be affected by political instability. Newcrest Mining of Australia temporarily suspended operations at the Bonikro mine because of security concerns (Reuters).

### **Infrastructure & Telecommunications**

- There were severe power cuts in early 2010. To alleviate the shortage, Aggreko, the U.K. power company, installed a 70-megawatt gas-fired generator, although by itself, this project cannot solve the power crisis.
- Côte d'Ivoire has more than 6,000 paved roads, giving it the most developed road network in West Africa. Maintenance suffered during the civil war and only 64.6% of all roads are now in good condition. Improvements are currently underway, including a multilane highway between the capital, Yamoussoukro, and Abidjan.
- The port of Abidjan, one of the largest in Africa, serves as the entry port for landlocked Burkina Faso and Mali, but it ground to a halt due to the political crisis and corresponding E.U. boycott.
- 76 out of 100 inhabitants subscribe to mobile phone services. Average prepaid costs are US\$14.80 a month, US\$3 higher than that for Sub-Saharan Africa. MTN is the largest provider with almost two-thirds of the market.

### **Business Climate, Stock Exchange, and Microfinance**

- Côte d'Ivoire ranks near the bottom on the World Bank's Doing Business rankings (169 in 2010). Only one category, Closing a Business (76), is above 125. Even so, with a recovery rate of only 32.8%, it is not an attractive place for creditors seeking funds from insolvent companies (Tables 17 & 18).
- BRVM (Bourse Régionale des Valeurs Mobilières), based in Côte d'Ivoire, is the regional stock exchange for Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger and Senegal and Togo, and has 39 listed companies whose capitalization was US\$7.1bn (31.2% of GDP) in 2010 (Table 19).
- The total value of transactions of 4,220,897 shares traded in September was US\$25.5mn compared to US\$8.7m and 238,016 shares traded in August 2011. The market capitalization was US\$6.1mn compared to US\$6.4mn in August 2011.
- The BVRM IC Comp Index declined 11.1% to 141.5 points in September 2011. The total market capitalization for the exchange was US\$6.4bn, with total value traded ranging from US\$2.4m to US\$9.4m traded in September.
- Sonatel was the top trader in September 2011 with 58% (US\$1.4mn) of the value traded.
- In mid-September 2011, Côte d'Ivoire received sixty percent more subscriptions (US\$334mn) for the 5-year bonds than it offered (about US\$200mn). Accepting the bids will help restore its damaged economy.

- 13 microfinance institutions are operating (Mix Market), but the environment has not been conducive for the industry and the average return on assets was a negative 0.53% in 2009.

### Health Aspects

- Health expenditures were US\$55 per capita, a 134% increase from 2001. The public share increased by 40% from 2001. The country is not well equipped to handle the refugee crisis caused by the political strife. In Abidjan alone, there were an estimated 300,000 displaced people.
- The HIV prevalence rate is 3.4%. PEPFAR gave US\$445mn (2004-2009) to provide care and support to 251,800 HIV-positive individuals.
- GAVI vaccinations disbursements were US\$375mn from 2001-June 2011 and US\$2mn in 2010.

# Ghana

Capital: Accra

Population: 24.3 million

GDP US\$: 17.9 Billion

Doing Business World (SSA) Rank: 67 (5)

Main Trading Partner: EU

GDP Growth, 2010: 4.5%

Inflation Rate, 2010: 10.6%

HDI Rank: 130

GNI per Capita, PPP US\$: 1,385

Currency: New Cedi

Gender Inequality: 0.678



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

- John Atta Mills of the National Democratic Congress (NDC) was elected president in December 2008 under a constitutional democratic system and will face re-election in 2012 (Table 11). He faces both internal NDC rivalries, especially Nana Agyeman-Rawlings (wife of former NDC president Jerry Rawlings), and opposition from the New Patriotic Party (NPP) hoping to regain power. NDC currently holds 114 out of the 230 seats in the National Assembly and NPP has 107 seats (Electoral Commission of Ghana).
- Ghana received a better score of 4.1 (compared to 3.9 in 2008 and 2009) on the 2010 Corruption Perception Index (Table 12). Ghana is preparing to file criminal charges against EO (a company set up by two political allies of former Ghanaian president John Kufuor) (Financial Times). Also, the U.S. investigated a possible case of bribery related to Texas's Kosmos Energy's US\$4bn deal to sell its 23.5% Jubilee stake and other Ghana assets to Exxon Mobil Corp (Bloomberg).
- In 2008, Parliament enacted the Anti-Money Laundering Act and the Financial Intelligence Centre to monitor it. The Centre for Democratic Development found that bidding for government projects by suppliers and contractors required unofficial payments to secure contracts. This was also the case for tax and customs officials, all affecting the private sector's cost of doing business.
- New legal instruments were enacted as Ghana began off-shore oil production in December 2009 including the Petroleum Exploration and Production Law to provide a legislative framework and the Petroleum Revenue Management Law for oil revenue management. Government proposed to allow 70% of future oil revenues to be used as collateral for borrowing (allAfrica.com).
- The situation in Côte d'Ivoire (where cocoa exports were banned in to sanctions against Laurent Gbagbo) caused a sharp increase in cocoa prices due to smuggling of cocoa into Ghana (2nd largest producer of cocoa in the world.). The Ghanaian government raised cocoa prices paid to farmers by a third to discourage the smuggling (Bloomberg).

## **Economic Growth and Trade**

- The Ghana Statistical Service revised GDP data sets from 2006-2010, finding that GDP was 60%-70% greater than its published figures(EIU). Real GDP growth was 6.6% in 2010 supported by growth in agriculture and services, while oil related activities in 2011 are pushing it up to 13.4%.
- The government is focusing on public-sector management, and the fiscal deficit may decrease to 5.5% of GDP by next year (EIU). Inflation decreased, resulting in interest rates decreasing to 18% (2009) and then to 13.5% (end of 2010).
- 2010 exports to the U.S totaled US\$273.4mn with cocoa (67%) and oil (9%) representing the majority. Imports from the U.S. were US\$982.3mn with oil (31%), machinery (reactors and boilers--20%) and vehicles (14%) the majority (Global Atlas) (Tables 7 & 8).
- 2010 exports to China totaled US\$123.2mn with the main commodities being cocoa (34%), ores, slag or ash products (20%), and wood (12%). Imports from the U.S. were US\$1.9bn with electrical machinery (15%), machinery (reactors and boilers--8%), vehicles (5%), and iron and steel products (5%) being the main commodities (Global Atlas) (Tables 7 & 8).

## **Foreign Direct Investment: OIL**

- Ghana's FDI dramatically rose in 2010 to US\$2.53bn (from US\$1.69bn in 2009) due to increased investment in the petroleum sector (Table 6).
- For oil off-shore exploration, many international companies are signing agreements with Ghanaian firms. The Ghana National Petroleum Corporation signed agreements with the Australian company Tap Oil Limited, Challenger, Minerals Inc. and Afex Oil Ghana, an affiliate of Afex International based in the U.S (Ghana News Agency).
- Africa Oilfields Service Limited and Orwell International Ltd. its Nigerian branch committed US\$5mn worth of equipment to Ghana's oil and gas industry and are planning to invest US\$15mn (Ghana News Agency).
- LUKOIL, Russia's largest independent oil producer, plans expansion as part of its US\$9bn overseas investment program (Moscow Times).
- The U.S. Texas firm Kosmos Energy secured a US\$750mn debt facility for phase-one development, but might sell its assets to the Chinese oil giant CNOOC (Africa-Investor).
- DryShips Inc, a Greek dry bulk shipper and deepwater driller, acquired a US\$160mn contract for exploration off-shore Ghana and Côte d'Ivoire (Reuters).
- The World Bank's Oil and Gas Capacity Building Project will help Ghana improve the management and regulatory capacity, as well as enhance technical skills for both oil and gas (The World Bank). The German aid agency GTZ (Deutsche Gesellschaft fur Technische Zusammenarbeit) will help Ghana meet the global standards for transparency in the oil and mining industries (IT News Africa).
- China plans to invest US\$500mn in the Korle-Bu Teaching Hospital in Accra, US\$42 million in the construction of a gold refinery at the Trasacco Village in Accra, and US\$25mn for oil palm refinery and processing.

## **Foreign Direct Investment: Financial Services and Agriculture**

- The Ghana Chamber of Commerce and Industry signed an agreement with Iran to promote the private sector and secured a US\$20mn credit facility plus another US\$15mn to assist Ghanaian businesses that want to import from Iran (GBC News).
- Wal-Mart Stores Inc. plans to buy Massmart Holding Ltd. with a \$4.6bn deal. Massmart operates 290 stores in South Africa and Ghana (Bloomberg; Businessweek).
- Milward Brown, a global marketing company, will make Ghana its third (after Kenya and South Africa) investment location.
- The E.U. in Ghana has disbursed about €41.8mn to the government.

- Olam International from Singapore will invest US\$31.5mn to set up a wheat mill near Tema, close to the largest flour market in Ghana (Channel News Asia).
- The World Bank will invest US\$150mn in the agricultural sector for research, fisheries sector, commercial agriculture, livestock, and small-scale agriculture.
- Standard Bank with Alliance for a Green Revolution in Africa (AGRA) is investing US\$100mn to help improve agricultural production (Ghana News Agency).
- India: Maharashtra Knowledge Cooperation Ltd. will collaborate with Inga Farms Ghana Limited to provide world-class ICT. Rashtriya Chemicals & Fertilizers Ltd., India's largest state-run urea maker, plans to invest US\$1bn to set up a facility (Bloomberg).

## Infrastructure and Telecommunications

### Telecommunications

- MainOne Cable, a West African submarine cable company, and Alcatel-Lucent are extending the West Africa Cable System (WACS) from Portugal to the UK. Ghana should have direct access to the global submarine cable communication network in 2011. The Ghana station of the cable system has been operational since July 2010 (IT News Africa).
- France Telecom is installing a submarine fiber optic cable termed The Africa Coast to Europe cable (ACE cable) to connect Ghana to other countries along the African coast (Africa Research Bulletin).
- The Indian mobile company Bhart Airtel plans expansion with a US\$200mn investment (Africa Research Bulletin 18740). Brightstart Corp. will distribute BlackBerry products. Verizon formed a new network alliance with Gateway Business Africa. Verizon Business Private IP expanded network capabilities. Telkom South Africa will also penetrate the Ghana market.
- Finish Line Group, a multinational company based in Ghana, launched a new e-commerce and free delivery of merchandise service in April 2010. The company supplies products to banks and corporate institutions in the oil and gas industry (Ghana News Agency).
- Aptilo Networks will deploy the first 4G network in the country to provide high-speed and capacity broadband wireless to corporate businesses and residential users in Accra (IT News Africa).
- The World Bank Board has added an additional US\$44.7mn for the ongoing e-Ghana Project.
- Mobile banking is expanding with such companies as MultiChoice Ghana, Tigo Cellular Network, and MTN Ghana, while Vodafone Ghana pioneered the new smartphone and personal computer combination. Ericsson partnered with MTN Ghana to deploy Africa's first MSC Server Blade Cluster to reduce power consumption by up to 60% per mobile subscriber (IT News Africa).

### Electricity

- The Export-Import Bank of China signed a US\$10.4bn concessionary-loan agreement with the Ghanaian government for the development of rail, road, and energy infrastructure at Bui Hydropower Station (Africa Investor).
- The World Bank approved an additional US\$70mn for the Ghana Energy Development and Access Project to improve electricity distribution and delivery in the Ashanti Region (Africa Research Bulletin 18748).
- Atlas Business and Energy System, a private sector energy firm, introduced the country's first locally produced solar panels (GBC News).

## Business Climate, Stock Exchange, and Microfinance

- The Doing Business rank improved by 10 points in 2010 to 67. Specific increases were in starting a business (+2), paying taxes (+2), enforcing contracts (+1), and most notably in getting credit (+67 to a rank of 46) due to the establishment of a centralized collateral registry and granting a license to a private credit bureau in April 2010 (Table 17).

- Rank decreases were noted in registering property (-5), trading across borders (-4), and closing a business (-4) (Table 18).
- The Ghana Stock Exchange (GSE) (34 to 37 listed companies) had a level of market capitalization of listed companies of US\$3.5bn (11.3% of GDP) in 2010, a year when that the national recovery contributed to good performance (Table 19).
- In January 4, 2011, two new indices were added: Composite Index (GSE-CI), the volume weighted average closing price of all listed stocks and the Financial Stocks Index (GSE-FSI) of stocks from the financial sector including banking and insurance. Both have a base date of December 31, 2010 and a base index value of 1000 (GSE website).
- In September 2011, the GSE and Fidelity Capital Partners Limited signed a MoU to promote the growth and future listing of companies, especially small and medium-sized enterprises (SMEs) on the Exchange (GSE website).
- The June 2011 GSE report notes that the Composite Index (GSE-CI) closed at its highest at 1,188.91. The total volume of shares was 44.59 million, an increase of 140% over previous months. The Food & Beverages Sector had the highest value of shares, while the Distribution Sector had highest volume of trades (GSE Market Report June 2011).
- Microfinance in Ghana is vibrant with apex organizations (e.g., GHANFIN), public and private organizations, and major banks helping to capacitate 358,717 active borrowers with the gross loan portfolio of US\$131.2mn (total assets: US\$156.1mn) with the average loan balance per borrower at US\$291. Microsavings deposits totaled US\$139.3mn for 1.3 million depositors.
- Barclays Bank and CARE International launched a new microfinance initiative expected to reach about 63,000 (Ghana News Agency).

### **Health Aspects**

- Health expenditure per capita was US\$45. While low, it represents a 143% increase between 2001 and 2009. The public share of spending on health fell 20% between 2001 and 2009.
- HIV / AIDS rate was estimated at 2% (2009) with 260,000 people living with HIV / AIDS
- Ghana received US\$41mn for PEPFAR programs 2007-09, with 2010 funding for counseling and testing.
- GAVI vaccinations disbursements totaled US\$91.7mn from 2000 to June 2011.

# Nigeria

GDP US\$: 214.0 Billion

GDP Growth, 2010: 7.0%

GNI per Capita, PPP US \$: 2,156

Doing Business World (SSA) Rank: 137 (17)

Inflation Rate, 2010: 11.5%

Currency: Naira

Capital: Abuja

Population: 158.3 million

Main Trading Partner: USA

HDI Rank: 142

Gender Inequality: 0.606



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

- Goodluck Jonathan became president in May 2010 after his predecessor, Umaru Yar'Adua, died following a long illness. He was then elected president on April 16, 2011 with 59% of the 38.2 million votes. His main rival, Muhammadu Buhari, a former military ruler from the north, received 32% of the vote. This election was a significant improvement on the unfair polls of the past 12 years. The ruling People's Democratic Party lost seats in the Nigerian legislature but is still the largest party (Table 11).
- The announcement of President Jonathan's victory sparked riots in northern Nigeria, where many people believe it was the north's turn for the presidency. Since the reestablishment of multi-party democracy (the Fourth Republic), the presidency had alternated between the north and south.
- President Jonathan had completed the term of Umaru Yar'Adua who died. Jonathan's run for president in 2011 violated the agreement made to alternate power between the north and south. Addressing the north's extreme poverty will be a major challenge for him.
- Mr. Jonathan is the first president to come from the Niger Delta. One of his main priorities is to facilitate the peace process there, as the insurgency affected oil production. President Yar'Adua had negotiated an amnesty for insurgents (they would receive training in return for turning in arms). Thousands sought amnesty but many complained that government failed to live up to its part of the bargain.
- Nigeria was ranked 134 by Transparency International in the 2010 Corruption Perceptions Index (Table 12). Bribery, fraud and nepotism plagued the nation and stunted economic, political and social growth. Up to US\$380bn has been lost since independence due to corruption. Oil exacerbated the problem, and Nigerians became poorer as more cash clouded the transparency of the government (Nigeria and Corruption).
- Boko Haram (translation from Hausa: "Western education is evil") is a militant group that has stepped up terrorist attacks against government targets including a suicide bomb attack against the United Nations building in Abuja in August 2011 that killed 18 people. The group previously focused its activities in the northeast part of the country but now seems to be expanding its base of operations.

## Economic Growth and Trade

- In 2010, Nigeria's growth was 7.6% (up from 5.6% in 2009). Oil production increased due to reduced conflict in the Niger Delta. Favorable weather boosted the agricultural sector, and there was strong growth in telecommunications. But manufacturing struggled and constituted only 6% of GDP due to a difficult business climate, erratic electric supply, and stiff competition from cheap Chinese imports. Line spacing seems offNigeria is the fifth largest exporter of oil to the U.S. and supplies 8% of U.S. oil imports.
- Exports in 2010 to the U.S. totaled US\$30.4bn based on oil (99.7%). Imports from the U.S. totaled US\$4bn, and are mostly vehicles (20.9%), cereals (21%), machinery (reactors and boilers--20.8%) and electrical machinery (17%) (Global Atlas) (Tables 7 & 8).

- Exports in 2010 to China totaled US\$1.1bn with oil (87%) and ores/slag/ash (6%) being the main commodities. Imports from China were US\$6.7bn with electrical machinery (22%), machinery (reactors and boilers--15%), vehicles (11%), and iron and steel products (6%) being the main ones (Global Atlas) (Tables 7 & 8).
- The Nigerian film industry, referred to as Nollywood, is the fastest growing movie industry in the world, generating US\$800mn in revenue and employing 300,000 people.

### **Foreign Direct Investment**

- Nigeria's FDI dropped from US\$8.6bn in 2009 to US\$6.1bn in 2010 due to concerns about security in the Niger Delta and the potential passage of the Petroleum Industry Bill, that was negatively viewed by most multinational oil companies.
- The oil industry accounts for about 80% of FDI. The sector has historically been dominated by ExxonMobil, Total, and Shell.
- Shell's current production capacity is 1.2-1.3 million barrels/day. Most of its presence is onshore and greatly affected by the Niger Delta instability. Shell is selling four of its onshore oil blocks to decrease its onshore presence. The most likely purchaser is the Nigerian oil company Conoil. Most of the bidders are Nigerian companies but many are backed by foreign companies from China and the U.K. (Nigeria: Conoil).
- ExxonMobil has a partnership with the Nigerian National Petroleum Corporation. Most operations are offshore, but onshore instability has caused interruptions in its supply chain. In November 2010, Mobil Producing Nigeria Unlimited (MPN), a subsidiary of ExxonMobil, found a rich gas condensate off the coast of Akwa Ibom State.
- In April 2010, President Jonathan signed the Nigerian Content Development Bill designed to increase Nigerian companies' role in all of the oil and gas industry.
- China is currently building special economic zones to boost industrialization, employment, and technology transfer will also update infrastructure (including schools and hospitals). The Chinese loans to develop these zones are backed by natural resources extracted through FDI projects (World Investment Report 37).

### **Infrastructure and Telecommunications**

- The Nigerian Communications Commission (NCC) estimates that Nigeria's mobile customers grew 12% in the first nine months of 2010 to reach 82 million customers. There are 55 subscribers per 100 inhabitants (Table 16).
- MTN holds 47.6% of Nigerian market share (30 million subscribers). Nigeria is its most profitable global operation.

### **Land Transportation**

- The railway system has suffered from neglect with 70% of the track between Lagos and Kano nonexistent. The Chinese signed an US\$8bn deal in 2006 to rebuild the line, but little progress has been made.
- The China Civil Engineering Construction Company (CCECC) started work on the Lagos Rail Mass Transit Project (World Bank 118). In total, Nigeria was promised US\$900mn from the Chinese in infrastructure-related financing agreements signed in 2010.

### **Electricity**

- Nigeria exports oil, but its people only get a few hours of electricity a day. Nigerians rely on small -scale generators (two thirds of all electricity in the country is produced in basements and backyards at a cost of US\$13bn per year) (Electricity in Nigeria).
- President Jonathan initiated a massive privatization plan to improve the electricity infrastructure. He wants to put the grid under private management and attract investors through guaranteeing bank loans and capping interest rates (Electricity in Nigeria).

- The government is planning to invest US\$50bn in energy over 5 years, and engage the National Independent Power Project to rehabilitate power plants, transmission and distribution stations, and ensure the completion of new power plants.
- Another goal includes developing a blueprint for new gas, hydro, coal, wind, solar, nuclear and biodiesel power plants (Nigeria to Invest).
- A US\$6mn hydrogen power plant was inaugurated in Lagos in March 2011 to ensure power generation of 1,320 megawatts during operation (Hydrogen Power Plant).

#### **Business Climate, Stock Exchange, and Microfinance**

- Nigeria Doing Business ranking in 2010 was 134. Nigeria is almost at the bottom (179) for registering property--it takes 13 procedures over 82 days. The average for SSA is 6.5 procedures and 67.9 days. In construction permits it ranks 167 (18 procedures take 350 days) (Tables 17 & 18).
- The Nigerian Stock Exchange (NSE) with 233 listed companies had a level of market capitalization of listed companies of US\$50.8bn (26.3% of GDP) in 2010 (Table 19). The total volume traded in 2010 was 93.3 billion shares valued at US\$5.2bn.
- The NSE received 366 complaints, 291 were against dealing members firms. 74 dealing firms were suspended for not submitting audited accounts for 2008, 2009, and 2010.
- The ten top stockbrokers accounted for 59% of the total value traded and 52% of the total volume traded in September, 2011.
- For the large size of the country, microfinance is not well developed, and only 440,000 borrowers are reported (Mix Market). The average loan balance was US\$138.

#### **Health Aspects**

- Nigerian spent about US\$69 on health, an increase of 284% from 2001. Public expenditure represents 54% of all health expenditure, a decrease of 2.1% from 2001.
- Despite its oil wealth, Nigerians of both sexes only have a life expectancy of 49 years. Nigeria also has the highest Maternal Mortality rate (840) of the countries in this report (Table 15). The under-5 mortality rate is 186 per 1,000 live births (Health Profile).
- 3.3 million Nigerians (3.6%) are infected with HIV / AIDS (HIV & AIDS in Nigeria). This is the third largest amount in the world.
- Nigeria has received over US\$1.5bn 2004-2009 through PEPFAR. More than 340,000 individuals received antiretroviral therapy, only about 10% of the infected population.
- GAVI disbursements totaled US\$102mn from 2002 - June 2011, with US\$7.6 in 2010.

# Senegal

Capital: Dakar

Population: 12.9 million

GDP US \$: 13.5 Billion

Doing Business World (SSA) Rank: 152 (23)

Main Trading Partner: Africa

GDP Growth, 2010: 3.4%

Inflation Rate, 2010: 1.6%

HDI Rank: 144

GNI per Capita, PPP US \$: 1,816

Currency: Franc BCEAO

Gender Inequality: 0.641



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

## Political Stability

- President Abdoulaye Wade will run for a third term in 2012, overcoming internal opposition within the ruling Senegalese Democratic Party. The constitution has been changed to increase the presidential term from five years to seven years. Wade will be 86 in 2012.
- Opposition parties won many municipal elections in 2009, including Dakar. They may be able to push the presidential election into a runoff in 2012, but must unite to defeat Wade.
- Fighting continues in the Casamance, the area of Senegal south of The Gambia. Although a peace accord was signed in 2004, the opposition split into different factions. Fighting in January 2011 forced 500 Senegalese to flee into Gambia, and at least 19 soldiers were killed. The government contends that the rebels were supplied with weapons from Iran, leading them to break diplomatic relations with the Islamic Republic of Iran on February 22, 2011 (AFP).
- The president had been grooming his son, Karim, as his successor. Karim is one of the most powerful people in his father's government, and in charge of international cooperation, air transport, and infrastructure. In October 2010, he also became Energy Minister, and oversees as much as 46% of the national budget (Africa Confidential). However, Karim is not popular among many Senegalese who do not want a dynasty to rule their country.
- Senegal's cabinet proposed in June to create the post of vice president and to reduce the threshold of victory for the presidential election from 50% to 25%. Many Senegalese saw these proposals as a way for President Wade to be reelected easily and then hand over power to his son. The proposed changes provoked the most violent protests experienced during the Wade administration, and were later dropped.

## Economic Growth and Trade

- Senegal's economy appears to be recovering from the economic downturn in 2009. It grew at 4% in 2010, up from 2.2% in 2009. With a population growth of 2.2%, this level of growth will not significantly impact the per capita income of US\$1,040.
- Senegal's peanut exports should grow as the government eliminated export restrictions (in an attempt to support local processing). This was gradually relaxed in the 1990s to allow the export of snack peanuts. In 2010, the government allowed the export of all peanuts except seeds, leading to total exports of US\$1.3mn compared to only US\$93,000 in 2009 and US\$376mn in 2008. The U.K. imports 86% of Senegal's peanut exports (USDA).
- In 2010, U.S. imports from Senegal decreased to US\$5.1mn from US\$6.9mn in 2009. Artificial flowers (US\$1.3mn) and fish and seafood (US\$728,000) were the most important ones. Garment exports, which had been successfully developed in several African countries after the enactment of the African Growth and Opportunity Act, were a disappointing US\$28,000. The US exports to Senegal totaled US\$217,729 with heavy fuel oil and vehicles making up the leading products (Global Atlas) (Tables 7 & 8).

- In 2010, China imported US\$51mn of goods, with peanut oil making up 60%. Senegal's imports from China (US\$498mn) focused on data processing and air conditioning machinery (Global Atlas) (Tables 7 & 8).
- France's imports with Senegal exceeds China's, and in 2010 were up 19% to US\$105.8mn. The main items were fresh fish (US\$40mn) and vegetables (beans and tomatoes) (US\$8.7mn). France's exports to Senegal increased 10.5% to US\$941.7. Machinery (US\$103mn) and pharmaceuticals (US\$97.7mn) were the main commodities (Trade Atlas) (Tables 7 & 8).

### Foreign Direct Investment

- Senegal's FDI fell from US\$272mn in 2008 to US\$208mn in 2009, but rose to US\$237mn in 2010 (Table 6). While it is not the most popular country in the region for foreign investors, it has received investments to help diversify away from fishing and phosphate mining.
- Senegal has no oil production, but its refineries produce many of the petroleum products used in the region. This capacity should be enhanced through the recent investment of a Saudi company. The Bin Laden group bought a 34% stake in the state oil refinery for US\$13.2mn. The group plans to increase capacity from 27,000 barrels a day to 30,000 barrels and to increase its investment share through a €350mn expansion project (Mahdi).
- Manufacturing constitutes about 13% of GDP and the government aims to increase this sector to diversify the economy. The goal should be helped by recent significant investments in the sector.
- The Iranian auto company, Iran Khodro (IKCO), invested US\$60mn in its second auto plant in Senegal (Nasseri), planning to assemble 15,000 cars a year for the West African market.
- Dangote, a Nigerian company, is investing US\$500mn in a cement factory and US\$500mn in other sectors such as sugar and flour. To attract this FDI, the Senegalese government granted significant incentives -- a 5-year tax holiday and a reduced tariff of 2.5% (Osagie).
- A joint venture between King Long of China and Senbus, a Senegalese company, is assembling busses for the Dakar public transportation system (China Buses).
- The tourism industry should get a boost through the investment of the Spanish group Adonis in a €300mn luxury hotel near in a coastal village 90 kilometers south of Dakar.

### Infrastructure & Telecommunications

- The port of Dakar, one of the busiest in West Africa, handles 90% of Senegal's foreign trade but needs modernization. It unloads 10 containers an hour, compared to 45 containers an hour unloaded in Durban, South Africa. This should improve as Dubai Port World has received a 25-year concession to run the port and upgrade the container terminal.
- The railway system needs upgrading. The train system, including that in neighboring Mali, was privatized in 2003, and a 25-year concession was awarded to Transrail which did not implement the agreed upon investment and maintenance plan; the concession was then taken over by Belgium-based Vecturis SA (Jane's World Railways).
- Air transport may become more efficient due to the start-up Senegal Airlines that will initially fly between Dakar and other West African capitals. A new airport is being built in Dakar, costing US\$450mn.
- 67 of 100 inhabitants are mobile subscribers. The government granted a third mobile phone license to Sudatel, the Sudanese telecommunications company.

### Business Climate and Microfinance

- Senegal was 152 in the Doing Business ranking. Its most competitive category, trading across borders (rank 67), decreased six places in 2011. While the cost of importing a container to the port of Dakar (US\$1,940) is low by Sub-Saharan African standards (US\$2,492), it is significantly higher than the cost in the OECD countries (US\$1,106) (Tables 17 & 18).

- Paying taxes is cumbersome. While the total tax rate calculated is just slightly higher than that of the OECD countries (43%), the number of hours to comply with the Senegalese tax system is a staggering 666 hours (OECD 199.3 hours). The government realizes that its tax system is not competitive and has commenced a comprehensive review.
- 21 microfinance institutions reported to Mix Market, and had almost 250,000 borrowers and 800,000 depositors. The average loan in 2009 was US\$741.

### **Health Aspects**

- Senegal spends US\$58.9 per capita on health, up US\$37 from 2001. The public share of health expenditure is 56%, an increase of 50% from 2001. During the same period, its immunization rate against measles for children between 12 and 23 months increased from 74% to 79%.
- UNAIDS estimates that 0.9% of adults between 15 and 49 are infected with HIV. It considers Senegal one of the AIDS success stories in Africa attributing the low prevalence to the country's conservative sexual values and a strong public and private alliance against the disease.
- There were no PEPFAR disbursements, but in 2009, USAID helped launched a health insurance/micro-finance scheme to improve access to health care. Other programs included diagnosis and treatment of sexually transmitted diseases among sex workers and training of religious leaders on strategies to combat discrimination against affected people.
- GAVI vaccination disbursements totaled US\$36.6mn (2002-2011), with 2010 funds being US\$4.9mn.

# Summary of Central Africa Countries

Cameroon and Equatorial Guinea are part of the Central Africa regional grouping due to their Regional Trade Agreement memberships (Figure M1). The region lacks political stability, and also has the weakest infrastructure.

There was public frustration with Cameroon's President Paul Biya's 19-year rule that led to unrest, but he defeated the 20 opposition parties, gaining 77.9% of the vote in October 2011. Cameroon's GDP rose 3.8% in 2010. Agricultural commodities (palm oil, cocoa, rubber) comprised about 20% of exports, while oil was 73%. In the Democratic Republic of Congo (DRC), President Kabila has been changing the constitution to his advantage, as well as changing FDI contracts for oil and minerals. Political strife continues in the eastern part of the country with its intense warfare (killing and raping of civilians) paid for by sales of minerals. The U.S. passed Conflict Minerals Legislation in 2010 so that U.S. companies would have to disclose origins of such minerals from the region. Nevertheless DRC's economy grew at 5.2% (due to copper and coltan exports) (Figure C1).

In the Republic of the Congo (Congo), the president was re-elected in 2009 by only a fraction of the population, yet the country's economy had the strongest growth in SSA due to oil. The World Bank reduced its debt burden by 34%. Equatorial Guinea's authoritarian president, Teodoro Obiang Nguema, in office since 1979, is the current chair of the African Union (A.U.). His attempt to give a prize for Research in Life Sciences was returned by UNESCO due to his human rights violations. Although a difficult place to do business, the country has had spectacular economic growth due to oil exported to the U.S. (US\$2.2bn) and China (US\$600mn) (Table 7). FDI by U.S. and Russian oil companies continue, and China has invested in timber for exportation to China. In Gabon, Ali Bongo Ondimba, son of Omar Bongo (who was president for 42 years) was elected in 2009 with 42% of the vote. The economy grew over 5% in 2010, due to oil exports to the U.S. and China (US\$2.2bn and US\$1bn respectively) (Figure C3).

DRC exports in 2010 to the U.S. and China were about the same (US\$3.2bn and US\$3.3bn respectively) (World Trade Atlas). FDI is problematic although there are some Chinese, Canadian, and German companies investing. Kabila is facing lawsuits from investors who claim their assets have been seized. Congo's oil exports dominate trade with the U.S., but FDI has remained at the same at US\$2bn (Figure C2). Doing Business is cumbersome in spite of minor changes.

The Gabon government has sought to limit the number of foreign workers in the oil industry to 10% (as 22% of executive posts are held by foreigners). Timber and forest products are the second largest generator of FDI, and the government is trying to increase the very undeveloped and weak agricultural sector by leasing large tracts of land to foreigners, including South African farmers to farm and raise cattle. The GDPs of Cameroon, DRC, Congo, and Gabon increased in 2010, while Equatorial Guinea decreased precipitously during the decade. The petroleum industry is important for Equatorial Guinea and the mining industry for DRC and Congo.

Most exports from Cameroon go to the E.U. Exports from DRC go to China. Most exports from Equatorial Guinea, Congo, and Gabon go to the U.S. (Figure C3). Although the World Bank 2008 data shows DRC's GDP based on 40% from agriculture, the likelihood is that oil and minerals have superseded that figure. Congo relies on petroleum for its highest percentage, while Cameroon relies on services (Figure C2).

Doing business is difficult in all these countries. The best (but still very low ranking) was for Gabon at 156 (of 183 countries) and 27th (of 46 SSA countries). Equatorial Guinea had the best sub-regional scores of the sub-indices Registering Property (75) and Enforcing Contracts (71). In Gabon, mobile phones subscriptions are 107 per 100 inhabitants, some people have multiple subscriptions, while in Equatorial Guinea it is 57 and DRC it is very low at 17 (Tables 17 & 18). The stock exchange, Bourse Régionale des Valeurs Mobilières d'Afrique Centrale (BVMAC),

based in Libreville, Gabon, serves the Central African Republic, Cameroon, Chad, Republic of Congo, Equatorial Guinea, and Gabon. In the past few months of 2011, there were no transactions, but companies have used it to float bonds to finance expansion.

**Table C1: Business Environment Evaluation 2010<sup>1</sup>**

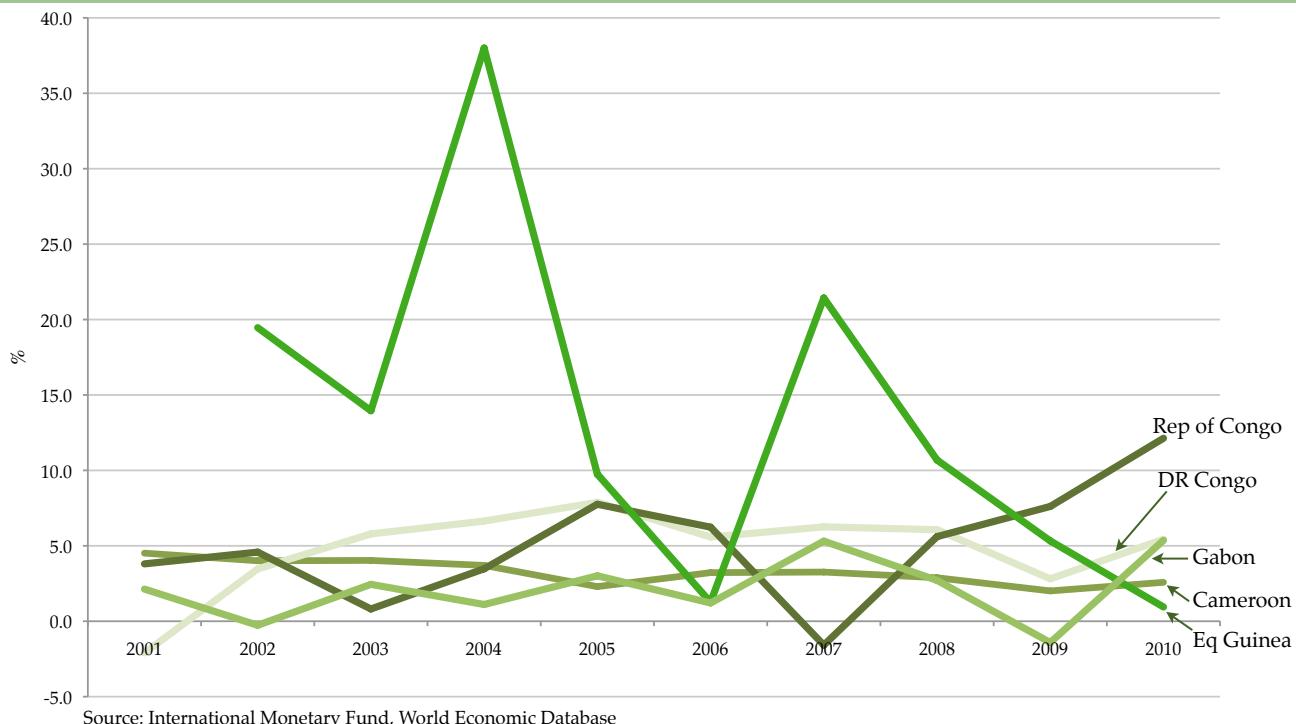
	Cameroon	D R Congo	Rep of Congo	Eq. Guinea	Gabon
Political stability	↔	↓	↓	↔	↓
GDP growth	↑	↑	↑	↑	↑
FDI	↑	↓	↑	↑	↓
Trade Balance <sup>2</sup>	-	-	+	+	+
Business climate	↔	↓	↔	↓	↔

Source: SABER

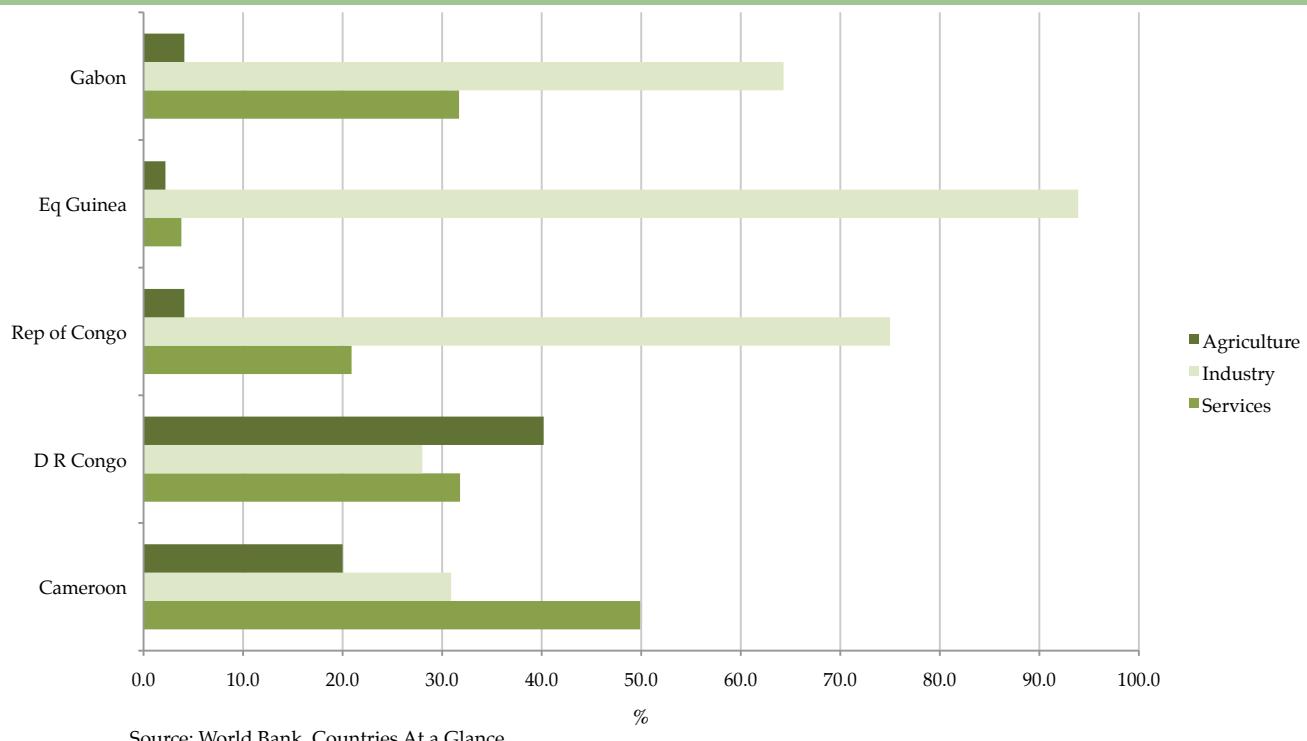
1. ↑ (up, increasing), ↔ (same or mixed results), ↓ (down or problematic)

2. + means Exports>Imports; - means Imports>Exports

**Figure C1: GDP Growth (% change from previous year)**

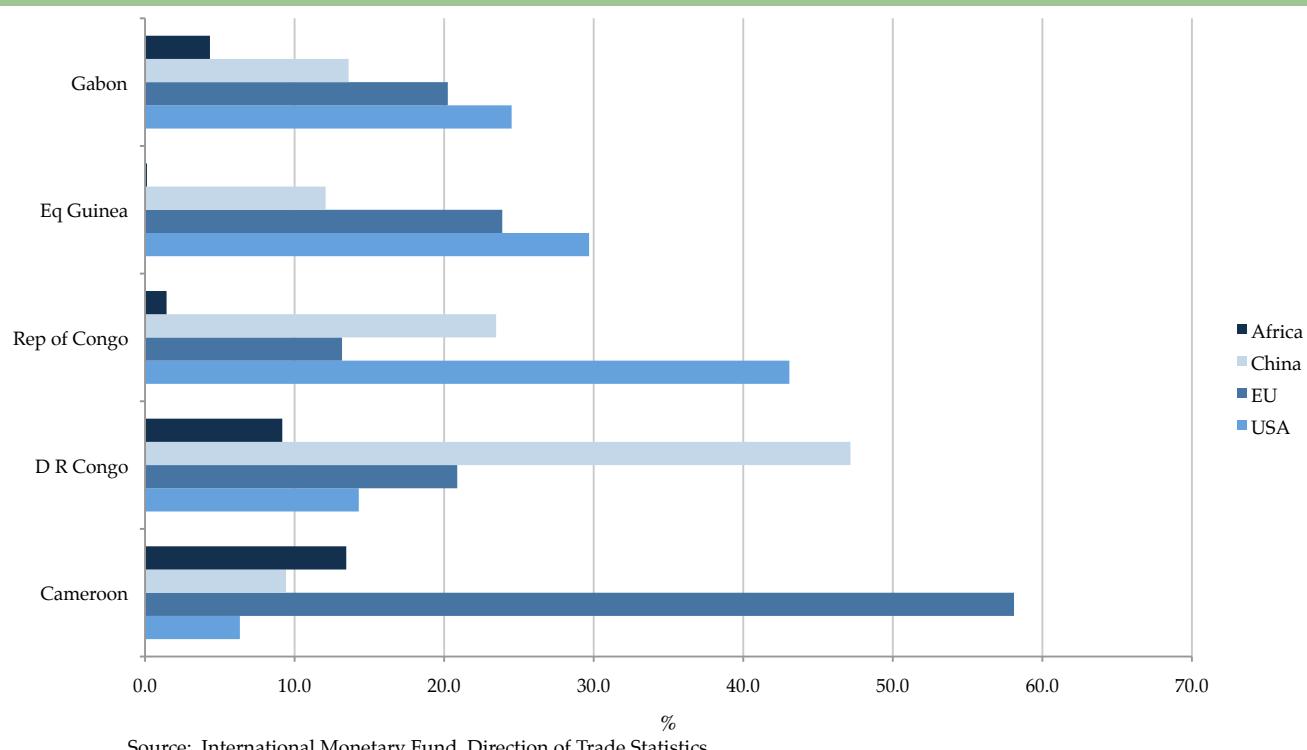


**Figure C2: GDP by Economic Sector**



Source: World Bank, Countries At a Glance..

**Figure C3: Main Export Destination (% of total exports)**



Source: International Monetary Fund, Direction of Trade Statistics.

# Cameroon

Capital: Yaoundé

Population: 20.0 million

GDP US \$: 23.1 Billion

Doing Business World (SSA) Rank: 168 (34)

Main Trading Partner: EU

GDP Growth, 2010: 2.6%

Inflation Rate, 2010: 3.0%

HDI Rank: 131

GNI per Capita, PPP US \$: 2,197

Currency: Franc BEAC

Gender Inequality: 0.611



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

- President Paul Biya has ruled Cameroon since 1982. He was elected for his 6th consecutive term in October 2011 with 77.9% of the vote defeating 20 opposition parties. In 2008, he had a constitutional amendment passed to remove the two-term presidency limit, and extend the term to seven years. Public frustration with the current government could result in unrest and give rise to pre-election violence for the October 2011 elections, in which Biya is expected to win against a field of over 50 candidates.
- The weak opposition is fragmented as Biya has effectively used a divide and conquer policy to neutralize more than 45 political parties representing more than 200 ethnic groups. Demonstrations by opposition groups in early 2011 were brutally suppressed by police.

## Economic Growth and Trade

- The rebounding international economy and rising oil prices should help Cameroon's GDP to grow by 3.8% in 2011, though the Cameroonian government's target is 5.5% growth from 2010 to 2020. The economy only grew 3% in 2010.
- Agriculture, oil, and services are the most important sectors in Cameroon. Though the country is the 7th largest oil producer in Africa, the oil reserves are known to be diminishing and Cameroon is now trying to find ways to diversify away from oil exports as a source of revenue (export.gov, 2010). The government is investing in the palm oil sector in an attempt to increase efficiency and output (Palm Oil HQ, 2010).
- Exports in 2010 to the U.S. totaled US\$298.6mn, with the main commodities being oil (73%), cocoa (10%), and rubber (7%). Imports from the U.S. totaled US\$132.4 with the main commodities being machinery (reactors and boilers-40%), cereals (8%), and vehicles (8%) (Global Trade Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$461.8mn, with oil (46%), wood (38%), and cotton/yarn (14%) being the main commodities. Imports from China were US\$541.1mn, with the main ones being machinery (reactors and boilers-13%), electrical machinery (12%), and vehicles (10%) (Global Trade Atlas) (Tables 7 & 8).

## Foreign Direct Investment

- Cameroon's FDI flows were US\$425mn in 2010 up from US\$337mn in 2009.

## Infrastructure and Telecommunications

- Approximately 85-90% of the installed electric capacity is hydroelectric while the remaining is thermal. Only 50% of the urban population and 15% of the rural population has access to the electrical grid. The country as a whole relies heavily on biomass as a primary means of energy (REEEP, 2010).

- AES-SONEL, a joint venture between a U.S. company and a government-owned company, manages the generation and distribution of electricity. It plans to invest heavily in Cameroon infrastructure, including the Lom Pangar Dam project. The government has stopped construction pending environmental impact surveying (Cameroon Energy, 2011).
- The Bamenda-Enugu Multinational Highway and Transport Facilitation Programme, were launched in 2010 with funds provided by the African Development Bank for road rehabilitation and bridge building (AfDB Group, 2010).
- A rail is being proposed to connect Chad and Cameroon to help facilitate transport of Chadian imports directly to their destination (Cameroon Chad Connects by Railroads Soon, 2010).
- The ports have been under reform status and parts of management will be privatized.

### Telecommunications

- The mobile communication sector has two major players: Orange (headquartered in France) and MTN (headquartered in South Africa). In 2010, mobile phone penetration in Cameroon was 42 per 100 inhabitants, while Internet access was at 4%.
- In an ambitious effort to make Cameroon into a telecommunication hub of central Africa, a project to install 3,200 km of fiber optic cable was launched in 2010. The Chinese government provided 85% of the financing with the rest provided by the Cameroon government. The project is expected to be completed by the Chinese company Huawei, and is expected to help Cameroon increase Internet penetration to 40% of its population, mobile phone penetration to 50%, and fixed line coverage to 30% by 2015 (Xinhua).

### Business Climate and Microfinance

- In 2011, Cameroon ranked 168 out of 183 countries for ease of doing business. In 2010, it was ranked 173. It was low in enforcing contracts (43 procedures and 800 days to have a judgment enforced). The total tax rate for businesses is approximately 49%, a disincentive for would-be investors (Table 17).
- On the positive side, it is ranked relatively highly for opening a business in 2011 (131) compared to 165 in 2010. Specifically, Cameroon set up two “one-stop shops” and created taxation management centers. One had clear effects—starting a business is only 72 hours for first authorization; previously, it was a month (Table 18).
- Small business in Cameroon is hampered by difficult access to credit. Only 5% have access to bank accounts. Heavily-taxed loans for SMEs make commercial banks reticent to lend to small businesses. High interest rates and rate caps also make it difficult for microfinance institutions to loan money to clients.
- The Mix Market reports that there are 123,927 borrowers in Cameroon served by 22 microfinance institutions.

### Health Aspects

- Health expenditure on was US\$61 per capita in 2009, a 115% increase from 2001. The public share of health expenditure remains low at 28%, an increase of 10% from 2001 (Table 15).
- In 2009, 610,000 people suffered from HIV / AIDS (5.3% of the population), and 37,000 people died in 2009 (UNAIDS, 2009). PEPFAR’s program for care and support totaled US\$75mn between 2007 and 2009.
- GAVI vaccination disbursements were US\$63mn (2001 to June 2011), with US\$11mn Disbursed in 2010.

# Congo, D. R.

GDP US\$: 12.6 Billion

GDP Growth, 2010: 5.4%

GNI per Capita, PPP US \$: 291

Doing Business World (SSA) Rank: 175 (38)

Inflation Rate, 2010: 26.2%

Currency: Congolese Franc

Capital: Kinshasa

Population: 67.8 million

Main Trading Partner: China

HDI Rank: 168

Gender Inequality: na



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

- Joseph Kabila became Congo's president in 2001 (when his father Laurent was assassinated). He won the 2006 presidential elections with 58% of the vote in the second round of voting in the first multi-party election since independence.
- Kabila is expected to be reelected in the presidential elections in November 2011. Jean-Pierre Bemba, the main candidate from the opposition party and his primary opponent in 2006, is currently on trial at the International Criminal Court in Hague for war crimes (New York Times). In January 2007, the constitution was changed so that a majority is no longer necessary to become president. This change increases Kabila's chances as the opposition is divided and will probably not unite under a single candidate (Bloomberg).
- The National Assembly also increased the President's power by allowing him to dismiss provincial governors and their assemblies.
- The eastern part of the DRC continues to be plagued by violence. Between July 30 and August 2, 2010, more than 300 civilians in the eastern Walikale region were raped by members of armed groups, including the Maï Maï Cheka and the Democratic Forces for the Liberation of Rwanda (FDLR) (Security Council, UN News Center). Many of these groups fund their operations through the sale of coltan, tin, and other minerals.
- In an attempt to stop this, President Kabila temporarily banned mining in the eastern part of the country. This ban was lifted in early 2011.
- The U.S. Congress also attempted to reduce the impact on conflict of these minerals by passing the Conflict Minerals Legislation in July 2010. The law requires companies to disclose whether they use minerals from the DRC or other neighboring countries (Conflict Minerals Law, allAfrica.com).
- President Kabila wants the United Nations to leave by the end of 2011. There are currently 19,000 UN troops stationed primarily in eastern Congo.
- The international community has cut its support for the national elections to be held in November 2011. In 2006 (the first democratic elections in the DRC in over 40 years), the international community paid 80% of the election costs. It is expected to contribute only 40% of the costs in the 2011 election (Mail and Guardian).
- DRC blocked Soco, a U.K. company, from searching for oil in Virunga National Park, famous for its mountain gorillas and a UNESCO World Heritage Site (BBC).
- The DRC ranked 164 by Transparency International as one of the most corrupt countries in the world (Table 12). In January 2010, President Kabila removed 119 alleged corrupt top government managers and forced around 2,600 employees (found to be working beyond their pensionable age) to retire (Kabila kicks out, Afrol News). In 2008, the government revealed the embezzlement of US\$1.3bn of public funds by several companies and finance officials under Kabila's administration (Congolese Outraged, VOA News).

- Lack of transparency continues to be a major concern. Assets of US\$800mn of Gecamines (the state-owned mining company), were sold in the summer of 2011 with no disclosure on the amount of the sales proceeds or on how the proceeds were used.

### **Economic Growth and Trade**

- The economy of the DRC grew at 5.2% between 2010 up from 2.7% in 2009. Much is due to the increase in the prices of copper and cobalt which constitute over half of exports.
- Even though the country has significant mineral resources, its GDP per capita of US\$150 is one of the lowest in the world. With a population growth rate of 2.7 %, annual growth of 5.2 % will not significantly impact per capita income.
- The World Bank and IMF agreed on a debt relief program worth US\$12bn which will significantly reduce the interest payments of US\$300mn/year (BBC).
- In June 2010, the DRC banned raw diamond exports. Diamonds now must have certificates showing they have been deoxidized to clean them. While this law has the objective of increasing the value added in the DRC, it is not clear whether the country has the capacity to deoxidize its diamond output.
- Exports to the U.S. in 2010 totaled US\$3.3bn with oil being the main commodity (96%). Imports from the U.S. were US\$254.5mn with machinery (reactors and boilers–44%), meat (15%), and medical instruments (10%) being the main ones (Global Trade Atlas) (Tables 7 & 8). DRC no longer qualifies for AGOA due to failure to improve human rights.
- Exports to China in 2010 totaled US\$3.2bn with oil (88%) and wood (7%) being the main commodities. Imports from China totaled US\$353.6mn and included electrical machinery (16%), machinery (reactors and boilers–13%), and cotton/ yarn (10%) (Global Trade Atlas) (Tables 7 & 8).

### **Foreign Direct Investment**

- FDI increased significantly in 2010 to almost US\$3bn from US\$664mn in 2009. Most goes to the mining sector and will continue in the future.
- Randgold Resources, a U.K. Jersey-based gold mining business operating mainly in Mali, will begin construction on the Kibali project in 2011 in joint venture with AngloGold Ashanti, a global gold-mining company. Randgold estimated that its capital expenditure would be US\$800mn to US\$1bn, and plans to begin production in 2013 (Reuters).
- Mining giant BHP Billiton will build a 2,500 megawatt hydropower plant worth US\$3.5bn to support a new aluminum smelter (BHP plans, Reuters).
- In May 2010, Zijin Mining Group Co., Ltd. announced that it would pay US\$284mn (with the help of the China-Africa Development Fund) to buy all the shares of Platmin Congo and its parent company Copperbelt Group's internal receivables. The company stopped the buy after it was clear that the DRC government would not approve the deal (Zijin Mining, Business China and Jones, Chinamining.org).
- Sinohydro Group, a leading State-owned group in hydropower construction increased its investment and began construction of a new copper and cobalt mine (China Economic Review).
- Heidelberg Cement, a German construction materials company, is investing in three cement plants, and will hold a 55% stake in the Cimenterie de Lukala plant near Kinshasa and a 70% stake in two plants located in the eastern part of the country (VOA News).
- The U.S. company, Shamika2Gold, entered into an agreement with Shamika Resources to acquire five gold exploration permits for a total consideration consisting of 15 million shares of Aultra Gold (Highbeam). The government of Joseph Kabila is facing several lawsuits by foreign investors claiming that their assets had been arbitrarily seized.

- First Quantum Minerals of Canada, and its partners, South Africa's Industrial Development Corp. and the World Bank's Industrial Development Corp., challenged the expropriation of US\$750mn on the Kolwezi project. Kinshasha claimed that First Quantum had broken the law and cancelled the concession (MacNamara and Thompson).
- Tullow Oil of Ireland lost its exploration rights in Block 1 in Lake Albert. The government transferred the rights to two companies registered in the British Virgin Islands owned by Khulubuse Zuma, a nephew of the South African President. DRC has sold this oil concession three times in the past four years (Africa Confidential). The new concession is favorable to the investors, and Zuma's companies will be exempt from taxes. Under the production sharing agreement, Kinshasa will get 40% of the profits for the first 12 million barrels of oil and 45% subsequently.

### **Infrastructure and Telecommunications**

- Cell phone penetration is only 17 per 100 subscribers, one of the lowest in SSA (Table 16). Vodacom-Congo is the largest cell phone provider. Zain's DRC operations were sold to Bhart Airtel along with the rest of its African operations.
- The DRC will soon benefit from "telemedicine" for treatment, which is "an application of clinical medicine where medical information is transferred through interactive audiovisual media." This form of treatment will be launched under an African Union program being developed on the entire continent (DR Congo, Africa Review).

### **Electricity**

- DRC has vast hydroelectric potential, but only 6% of the population has access to electricity. Over 90% use biomass, particularly charcoal for their energy needs. Many natural areas, particularly Virunga National Park, are threatened through the charcoal trade (EIU).
- Several projects are currently underway to expand electrical capacity.
- The African Development Bank has awarded US\$106.6mn to finance the country's rural and peri-urban electrification projects (rehabilitation and extension of the electric power distribution system in Kinshasa and selected localities in four provinces) (AfDB Invests, allAfrica.com).
- The Inga Hydroelectricity Project (Stage 3) on the Congo River was previously being developed in partnership with South Africa, Botswana, Angola, and Namibia. In March 2010, DRC said it will develop the project on its own (Africa Investor). The first and second stages were completed in 1972 and 1982. Inga 3 is to be the first stage of the Grand Inga project expected to deliver 5,000 MW of electricity by 2015 (Inga Project Official Website).
- ABB signed a US\$8mn contract with SNEL, the national electricity company, to supply electricity transformers for Kinshasa, in a project partially financed by the World Bank (ICA News).
- India's Export-Import Bank agreed to lend US\$42mn to build the Kakobola dam in the west-central Bandundu province to provide power for 2 million people around the city of Kikwit (Africa Investor).

### **Transportation**

- DRC is the size of the U.S. east of the Mississippi River but has less than 2,500 kilometers of paved roads (Economist Intelligence Unit).
- The Chinese have signed a US\$6bn contract to build over 2,000 miles of road and railway, 32 hospitals, 145 health centers and two universities (VOA). In return it will receive 11 million tons of copper and 620,000 tons of cobalt over the next 25 years (Barboza).

### **Business Climate and Microfinance**

- The Doing Business rank for 2010 (175) improved by 4 points. It saw a sharp rise dealing with construction permits (+58), gains in starting a business (+9) and registering property (+7) (Table 17).

- Getting construction permits was enhanced through reduced costs and time limits. Starting a business was made easier through the elimination of certain procedures, including the company seal. Registering property became easier when government reduced by half the property transfer tax (to 3% of the property value). (Table 18).
- With 75,179 borrowers, microcredit has total assets reported to the Mix Market of US\$47.4mn, or US\$233 per borrower.

### Health Aspects

- Only US\$16 is spent on health per capita. The state public health care system has collapsed. Only Afghanistan and Zimbabwe have a life expectancy lower than the DRC's 48 years. The public share of health spending is 19%, amongst the lowest globally, with the public share of expenditure falling by over 22% from 2001. Maternal mortality was very high at 670 per 100,000 (Table 15).
- The U.S. PEPFAR program provided US\$75.1mn (2007 to 2009) to support individuals receiving antiretroviral treatment and orphans and vulnerable children.
- GAVI vaccination disbursements were US\$42mn in 2010 and \$2.2bn from 2002 to June 2011.

# Congo, Rep of

Capital: Brazzaville

Population: 3.8 million

GDP US \$: 12.7 Billion

Doing Business World (SSA) Rank: 177 (40)

Main Trading Partner: USA

GDP Growth, 2010: 12.1%

Inflation Rate, 2010: 4.0%

HDI Rank: 126

GNI per Capita, PPP US \$: 3,258

Currency: Franc BEAC

Gender Inequality: na



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

### Political Stability

- Although President Denis Sassou-Nguesso, of the PCT (Labor Party) was reelected in July 2009 with 78% of the vote, only 10-15% of eligible voters voted. The election was boycotted by most opposition groups, and four opposition leaders were barred from running (Reuters).
- President Denis Sassou-Nguesso consolidated his power shortly after the 2009 election by abolishing the post of prime minister. No preparations have been made for a successor after he leaves office in 2016.
- Corruption continues to be a major problem in the Republic of Congo. Transparency International has ranked it as the 14th least transparent country out of a survey of 180 countries (Transparency International) (Table 12).

### Economic Growth and Trade

- In spite of revelations about the diversion of national oil revenue to the family of President Sassou-Nguesso, the IMF and World Bank in January 2010 approved debt relief of US\$1.9bn, reducing Congo's debt burden by 34% (IMF).
- The economy seems to have bounced back from its decline of 1.6% in 2007. Rising world oil prices and increased production helped the economy to grow at 10.3% in 2010 up from 7.6% in 2009. Congo experienced the strongest growth in Sub-Saharan Africa in 2010. Strong petroleum prices should help it to grow at similar rates in 2011. Oil production increased to an average of 340,000 barrels per day up from 274,000 in 2009.
- Agriculture is underdeveloped and constitutes only 4% of the country's GDP (World Bank). Food imports from France alone totaled US\$33mn in 2010 (Global Trade Atlas).

- Congo has a positive trade balance exporting more than they import annually.
- Oil exports dominate trade with the United States. Petroleum imported from the Congo constituted 98% of total U.S. imports from that country (and totaled US\$3.2bn). The United States' largest export to Congo was machinery for the oil industry (Global Atlas) (Tables 7 & 8).
- China's oil imports in 2010 from Congo were slightly lower than the U.S. at US\$2.8bn. China legally imported US\$213mn of wood and was a major supplier of electrical machines for the telecommunications industry (Global Atlas) (Tables 7 & 8).

### Foreign Direct Investment

- FDI flows increased from US\$2.1bn in 2009 to US\$2.8bn in 2010. Most of this was in the petroleum sector that is dominated by the French giant Total. In January 2011, Total announced two new offshore discoveries following the successful exploration of two other offshore wells in 2007 (energypedia).
- U.S. companies are also active in the oil sector. Chevron is a junior partner in some of Total's investments but sold its fuel distribution operations to the government in January 2010. Murphy Oil, another U.S. oil company, began exporting oil in 2009. Current production is about 5% of Congo's total output. A third well started production in 2010, but in January 2011, three other wells failed to be commercially viable (Rigzone).
- While the oil industry dominates FDI, the government is attempting to diversify the economy and attracted investors in other sectors such as mining and agriculture.
- A consortium of South African farmers leased 172,000 hectares of farmland (an example of a new type of land investment in Africa). Congo's government is hoping this will help revitalize the agricultural sector, and it is part of a 10 million hectares deal negotiated with South African farmers to improve food security, grow export crops, and raise cattle (Africa Report).

### Infrastructure and Telecommunications

- Poor roads significantly increase the costs of goods. The Chinese are building a 600-mile road (US\$500mn) between Pointe-Noire on the coast and Brazzaville (Reuters).
- Completion of a new thermal plant in Brazzaville and a hydroelectric plant in Imboulou by the ROC (Taiwan) will produce 75% of Congo's electricity needs by the end of 2010 (Afrique Avenir). The country's reliance on hydropower should increase as the government signed an agreement to construct a 600 megawatt plant to expand power grids and eventually benefit the entire sub-region (Afrique Avenir).
- Cell phone penetration rate is high at 94 per 100 subscribers, and may reflect individuals having more than one subscription. The Indian mobile company, Bhart Airtel, expanded its investment by purchasing Zain's African investments.

### Business Climate and Microfinance

- Even though Congo reduced its corporate tax rate from 38% to 36%, there was no change in its rank in the World Bank's Doing Business ranking; it ranked 177 out of 183 in 2010 and 2011 (Table 17).
- The cost and time required to register property decreased. The registration fee was cut from 15% of the property value to 5%, with the use of private appraisers reducing the total time by 21 days. Even with the corporate tax reduction, the "Paying Taxes" rank did not change. Modernization of the regional public credit registry of the Central African Monetary Union allowed Congolese banks to upload and retrieve information on borrowers online. Despite this, the "Getting Credit" ranking fell from 135 (2010) to 138 (2011) (Table 18).
- The microfinance sector is well developed. Four microfinance institutions reported their operations in 2009. The gross loan portfolio for the country was US\$72.4mn. There were 75,036 borrowers with an average loan balance of US\$888. Microsavings are even more developed with 257,352 depositors (Mix Market).

## Health Aspects

- The spending on health care per capita is US\$70, an increase of about 222% from 2001. The public share of health expenditure is at 51%, increasing by 829% between 2001 and 2009.
- The HIV prevalence rate for adults aged 15 to 49 is 3.4%. Seventy-seven thousand people are infected with the virus with almost 8,000 people receiving antiretroviral drugs (UNAIDS).
- There are no PEPFAR programs, but GAVI vaccinations disbursements were US\$666,000 in 2010 and US\$87mn from 2002 to June 2011.

# Eq Guinea

GDP US \$: 15.6 Billion

Doing Business World (SSA) Rank: 164 (32)

Capital: Malabo

Population: 0.7 million

GDP Growth, 2010: 0.9%

Inflation Rate, 2010: 7.1%

HDI Rank: 117

GNI per Capita, PPP US \$: 22,218 Currency: Franc BEAC

Gender Inequality: na



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

- Equatorial Guinea's government is authoritarian, and the ruling party uses intimidation tactics to win its "landslides" in every election. Presidential elections were held in November 2009, and Teodoro Obiang Nguema, president since 1979, was re-elected with 95% of the vote. The ruling party, the Partido Democrático de Guinea Equatorial won 99 out of the 100 seats in the National Assembly (Table 11).
- The president may be grooming his son, Teodorin Nguema Obiang Mangue, as his successor. Teodorin was promoted to Minister of State (agriculture and forests portfolios) days before a U.S. Senate committee named him a principal suspect in large-scale money laundering. He was accused of transferring US\$110mn in funds to the U.S. from 2004 to 2008 (EIU).
- Equatorial Guinea's candidacy to the Extractive Industries Transparency Initiative was rejected (EITI). This decision was justified by the fact that the country has repeatedly stifled the emergence of independent civil society groups in the mining industry.
- UNESCO rejected President Obiang's proposed US\$3mn prize for Research in Life Sciences in 2010 after widespread criticism of his human rights policies, and in spite of Obiang's extensive media campaign.
- Teodoro Obiang Nguema serves as chair of the African Union for 2011, and Equatorial Guinea hosted the summit in June 2011.

## Economic Growth and Trade

- The economy grew 3% in 2010. This is superior to the decline of 5.4% it experienced in 2009, but significantly less than the 21.4% growth experienced in 2007. As the economy is tied to the petroleum sector, high oil prices in 2011 should lead to higher growth in 2011.
- Equatorial Guinea has oil reserves of 1.1 billion barrels. It exports 300,000 barrels a day, with 31% going to the United States. It is the fifth largest supplier of oil to the U.S. in Sub-Saharan Africa but accounted for only 0.59% of U.S. foreign oil. U.S. oil imports from Equatorial Guinea in 2010 were \$2.1bn, down 17% from \$2.4bn in 2009. Part of this decline is moderated by higher petroleum prices in 2010. The quantity of oil exported to the U.S. declined by 34% (Global Trade Atlas). The U.S.'s exports primarily consisted of goods related to the oil industry but the U.S. ran a trade deficit of US\$1.94bn.

- Exports in 2010 to the U.S. totaled US\$2.2bn with the main commodities being oil (94%) and organic chemicals (6%). Equatorial Guinea is not a beneficiary country under AGOA. Imports from the U.S. were US\$156.2mn with the main commodities being (reactors and boilers--58%), iron and steel products (10%), and electrical machinery (4%) (Global Trade Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$598.7mn and the main commodities were oil (86%) and wood (14%). Imports from China totaled US\$456mn and main commodities were electrical machinery (37%), machinery (reactors and boilers--24%), and iron and steel (9%) (Global Trade Atlas) (Tables 7 & 8).
- The mainland portion of the country, Rio Muni, is covered with tropical rainforests. Timber was China's second largest import (US\$84mn in 2010) from Equatorial Guinea. The U.S. only imported US\$0.5mn of wood in 2010.

### Foreign Direct Investment

- Petroleum-related investments dominated the FDI flows of US\$695mn in 2011, down sharply from US\$1.64bn in 2009.
- U.S. oil companies dominate the industry and will continue to do so in the foreseeable future. Existing fields operated by ExxonMobil, Amerada Hess, and Marathon Oil are maturing. Noble Energy's production should increase when the US\$1.3bn Aseng oilfield starts producing in 2012.
- Gazprom Neft, the oil-sector operation of Russian gas giant Gazprom signed a production-sharing agreement with state-owned GEPetrol for offshore blocks T & U. Gazprom will take an 80% stake in the joint venture and undertake seismic exploration before its large-scale drilling work (EIU).

### Infrastructure and Telecommunications

- Electricity is limited outside of the cities (80% of the country's electricity comes from thermal generation). Construction of the Djibloho Hydroelectric Plant near the city of Añisok is scheduled for completion in November 2011. Funding is entirely by the government.
- Port rehabilitation has been a government priority. Somagec is nearing the completion of its renovation of the Malobo port that will be among the largest and most modern deep-water ports in Central Africa (EIU Vol. XIX, No. 20).
- Cell phone penetration rate is 57 per 100 subscribers. Getesa, a joint venture between the government and France Telecom, is the largest provider. In 2008, a second mobile phone license was awarded to Hist Telecom of Saudi Arabia.

### Business Climate

- Already one of the most difficult places to do business, Equatorial Guinea's Doing Business ranking decreased by 3 points from 161 in 2010 to 164 in 2011. It improved its rankings in two areas: paying taxes (+2) and trading across borders (+1), but had a significant decrease (-20) in dealing with construction permits (Tables 17 & 18).

### Health Aspects

- Commensurate with its relatively high gross domestic product, Equatorial Guinea spends US\$709 per capita on health, an increase of US\$648 from 2001, with the public share of expenditure at 48%. This is the highest in Sub-Saharan Africa (greater than Botswana and South Africa), but health indicators are worse than Sub-Saharan African averages: 14.5% of infants die before age 5 and only 51% of children are vaccinated against measles. However maternal mortality is 280, lower than many SSA countries.
- Five percent of the population is HIV/AIDS positive (UNAIDS). There are no PEPFAR or GAVI disbursements for the country.

# Gabon

Capital: Libreville

Population: 1.5 million

GDP US \$: 13.4 Billion

Doing Business World (SSA) Rank: 156 (27)

Main Trading Partner: USA & EU

GDP Growth, 2010: 5.4%

Inflation Rate, 2010: 7.5%

HDI Rank: 93

GNI per Capita, PPP US \$: 12,747 Currency: Franc BEAC

Gender Inequality: na



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

## Political Stability

- Presidential elections were held in August 2009 after the death of President Omar Bongo Ondimba, who was in office for 42 years. His son, Ali Bongo, won with 41.8% of the vote even after clear indications of fraud (Afrik-News).
- Ali Bongo has not been able to unite the population, and ethnic divisions seem to be exasperating. Declining oil revenues have made it more difficult to use patronage that was an effective strategy of his father. Since taking power, he has failed to deliver on his campaign promises and public discontent is increasing (Hinshaw).
- Andre Mbä Obame, the candidate who finished third in the 2009 race declared himself President on January 25, 2011 and moved to the UN headquarters in Libreville with some of his supporters. The government responded by accusing him of treason and dissolving his political party. It fired tear gas on 5,000 of his supporters and closed down the TV station that he controlled (Reuters). In stark contrast to the recognition it has given to Ossane Ouattara as the rightful victor in the Côte d'Ivoire, the African Union condemned Obame's actions. Obame held out for two weeks before he capitulated.

## Economic Growth and Trade

- The economy grew an estimated 5.1% for 2010, up from negative 1% in 2009 when declining oil prices had pushed the country into a recession (World Bank). While oil production was slightly lower, the increased growth resulted from increases in mining, forestry, services, and food-processing industries (Afrol News). High oil prices and sustained strong demand for minerals should lead to similar economic growth in 2011.
- Oil production is declining in Gabon. In 2009, it produced only 241.81 thousand barrels of oil a day. This is significantly lower than the production peak of 370 thousand barrels a day in 1992. Oil accounted for 78% of exports, 38% of the country's gross domestic product, and 45% of government revenue (Africa Research Bulletin). The decline is forcing the government to try to diversify into areas such as agriculture and forestry. Forestry is already the second largest generator of foreign exchange. Gabon has approximately 50 million acres of forest and exports 106 million cubic feet of wood a year. Agriculture is underdeveloped and only made up 4.1% of GDP in 2008 (World Bank). Almost 60% of the food eaten in Libreville is imported (EIU).
- Exports to the U.S. in 2010 totaled US\$2.2bn, with the main commodities being oil (96%), and ores/slag/ash (3%). Imports from the U.S. totaled US\$242.9mn and the main commodities were machinery (reactors and boilers--40%) and electrical machinery (29%) (Global Trade Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$952.4mn. The main commodities were ores/slag/ash (40%), wood (35%), and oil (25%). Imports from China totaled US\$225mn and the main commodities were machinery (reactors and boilers--23%), iron and steel products (12%), ores/slag/ash (9%), and electrical machinery (9%) (Global Trade Atlas) (Tables 7 & 8).

## Foreign Direct Investment

- FDI inflows recovered in 2010 to US\$170mn, significantly up from the US\$33mn in 2009 when flows were probably affected by the increased political uncertainty caused by President Omar Bongo's death (June 2009) and controversial presidential elections in August 2011.
- The government signed a series of contracts totaling US\$4.5bn with multinational companies from India and Singapore. Singapore-based commodity firm Olam International Ltd. plans to set up a US\$1.3bn ammonia-urea fertilizer complex. The Singaporeans will also build a Special Economic Zone in Nkok to process timber. The zone will cost \$100mn to develop and is expected to attract US\$1bn of investment (Africa Research Bulletin).
- China continues to be a major investor. Huazhou Mining, a subsidiary of China's CITIC group, announced in 2010 that it will invest US\$85mn in the mine at M'Bembele 120 miles from Libreville. Another Chinese company will operate a huge manganese mine in central Gabon and market the minerals (Chinamining.org).
- The government is reviewing the Belinga mining deal signed in 2006 with China National Machinery and Equipment Import and Export Corporation, the largest announced Chinese investment to date. The US\$3bn project would develop the deposit, and include construction of a 560-km railroad to carry ore to Cape Santa Clara on the Atlantic coast, a bulk commodities and container port with two hydroelectric power stations (New York Times). Four years later, the work has not gone beyond feasibility studies.

## Infrastructure and Telecommunications

- The Indian Ramky Infrastructure Company will oversee the construction of 1,000 km of roads over the next three years, including a trunk line linking Libreville and Franceville (SousLeManguier).
- Electric penetration is almost 80% (two-thirds produced hydroelectrically). Power outages occur during the dry season (EIU 2008). Several new projects are planned to enhance capacity. The United Bank for Africa, a large Nigerian Bank, is helping finance the construction of a 36 megawatt hydropower generating plant (Point Blank News). The Belinga Iron Ore deal, under review, includes 2 hydroelectric plants as part of the project.
- Almost 1.4 million Gabonese have cell phones, yielding a penetration rate of 107 per 100 subscribers. The Indian mobile company, Bhart Airtel, expanded its Gabon investments when it purchased Zain's operations in Africa. Bhart Airtel announced that it plans to invest US\$100mn in Gabon over the next three years. It also plans to offer innovative products such as wireless broadband and m-commerce (RTT News).

## Business Climate, Stock Exchange, and Microfinance

- Gabon's place in the 2011 Doing Business ranking improved slightly moving to 156 compared to 158 in 2010. Information from the regional public credit registry was made more accessible to banks through an online system. Gabon saw a 3 point fall in getting credit. International trade was made more burdensome by the introduction of an additional document to import and export (Tables 17 & 18).
- The government will limit the number of foreign workers in the oil sector to 10% of employment. In addition, all executive positions will be held by Gabonese. Currently, foreign workers hold 1,893 of the total 8,590 staff in the sector, with Gabonese holding just 17% of executive posts (Fox Business).
- The stock exchange, Bourse Régionale des Valeurs Mobilières d'Afrique Centrale (BVMAC), based in Libreville, Gabon, serves the Central African Republic, Cameroon, Chad, Republic of Congo, Equatorial Guinea, and Gabon. There are no companies listed or transactions in October, 2011.
- However, Petro Gabon, floated a US\$14.5mn 7-year bond on BVMAC in July. Petro Gabon is the 4th enterprise to float a bond on the regional stock exchange. As the second largest petroleum distributor in Gabon, it plans to use the funds raised to finance its expansion in the country.

- Alexandre Gandou, president of the Central African Market Surveillance Commission, noted that BVMAC, is “a tool for long-term finance which complements short- and medium-term financing tools which the banking sector offers.”
- There is a tiny presence of microfinance with only 907 active borrowers reported by the Mix Market.

### Health Aspects

- Gabon spends US\$266 per capita on health, with almost half (45%) coming from the government. Recent improvements in health include the drop in the mortality rate for children under 5 from 77 per 1,000 live births in 2005 to 69 in 2009 (Table 15). Challenges remain as only 55% of children are immunized against measles, and only 33% have access to improved sanitation (World Bank). Maternal mortality was 260 per 100,000 live births, which is lower than the rate for most of the countries covered by SABER.
- The HIV prevalence rate for adults aged 15 to 49 is 5.2%. Forty-six thousand people are infected with the virus with almost 10,000 people receive antiretroviral drugs (UNAIDS).
- There are no PEPFAR or GAVI disbursements for Gabon.

# Summary of East & Horn of Africa Countries

Ethiopia's Prime Minister Zenawi and his party won recent elections leaving little space for any opposition. The Ethiopian-Eritrean border dispute flared in January 2010 at Zalambesa. The Badme area is still unresolved ten years after a signed peace agreement. A peace agreement was signed in the Ogaden region with United Western Somali Liberation Front, but the Ogaden National Liberation Front continued to attack. Ethiopia supported pro-government forces and fought against Al-Shabab in Somalia in 2009.

Kenya approved a new constitution in 2010, the first since independence, even though the government of national unity was a constraining factor. Six Kenyans were accused by the International Criminal Court in the Hague of post-election violence from the 2008 elections, this among other things reduced FDI, and affected tourism and trade. Kenya also sent troops to Somalia in October 2011, after pirates captured tourists on various islands near Lamu. South Sudan voted to become a state in January 2011, and received independence on July 9, 2011. South Sudan has 85% of the oil (although the area is in shambles due to the civil war), and is trying to change agreements with Sudan to gain oil transit fees and revenues. Sudan's economy grew 5.2% but may decrease with the political uncertainty connected to South Sudan's independence.

Elections in Tanzania had the lowest turnout since it became a multiparty democracy, and President Kikwete was re-elected. In Zanzibar, the two rival parties finally set up a government of national unity, with the winner assuming the island's presidency and the rival becoming First Vice President. Many Ugandans were upset by the February 2011 elections in which President Museveni won and attempted to limit the opposition's public presence. Protests concerning the rising cost of fuel were suppressed by the government in April 2011.

Ethiopia's economy grew by 9%, the 2nd highest in SSA and the 5th highest growth worldwide (Figure E1). Leasing deals by Saudi Arabia, China, India and others were approved by the Ethiopian government as a way to modernize agriculture, although the efficacy of this approach is unknown. FDI by Chinese and Indian companies focused on commodity production for both international and domestic markets, with emphasis on the former. Turkish investment for an industrial park was significant.

Tanzania's GDP growth was 7%, partly due to increased tourism. China's presence was felt with its imports coming into Tanzania and by giving US\$39mn to refurbishing the Tanzania-Zambia Railway (TAZARA), some arguing this was symbolic of China's continued interest in Africa, since the railway was China's first foreign aid project in the 1960s. Kenya's FDI from China for export processing was also significant, but in general, FDI inflows dipped from US\$729mn in 2007 to US\$141mn in 2008 and US\$141mn in 2009, with a slight increase to US\$133 in 2010. In a similar period, Uganda's FDI inflows jumped from US\$73mn to US\$799mn with the possibility of oil, while Tanzania's held steady at US\$645mn. Large-scale land deals with China, South Korea, and Egypt are also taking place in South Sudan.

Ethiopia's exports went mostly to the E.U., as did a large part of Uganda's. Kenya and Tanzania mostly exported to the E.U., while Sudan's main export, oil, went to China, its largest trading partner (Figure E3). The U.S. has sanctions against Sudan because of sponsorship of international terrorism.

Infrastructure in Sudan, and especially in South Sudan due to the civil war, is poor and doing business is very difficult. Kenya's 'ease of doing business' rank was 94 in the world and 9 in SSA, but on the Sub-Index Getting Credit, the world rank was 6 (Table 17). Ethiopia's 'ease of doing business' was 103, with the SSA rank of 10. Uganda established a new private credit-sector bureau that covered over 200,000 people which will affect its 2011 rankings in a positive direction. Kenya's Nairobi Stock Exchange (NSE) companies contributed 46% to GDP and approved de-

mutualization allowing greater participation and freedom to trade; it will soon to be known as the Nairobi Securities Exchange Ltd. The Uganda Stock Exchange (USE) saw increases (113% in turnover and 84% in shares volume), while the Tanzania's Dar es Salaam Stock Exchange (DSE) saw shares decline. Sudan's Khartoum Stock Exchange (KSE) had few company shares traded, but lending institutions used it to float IPOs.

**Table E1: Business Environment Evaluation 2010<sup>1</sup>**

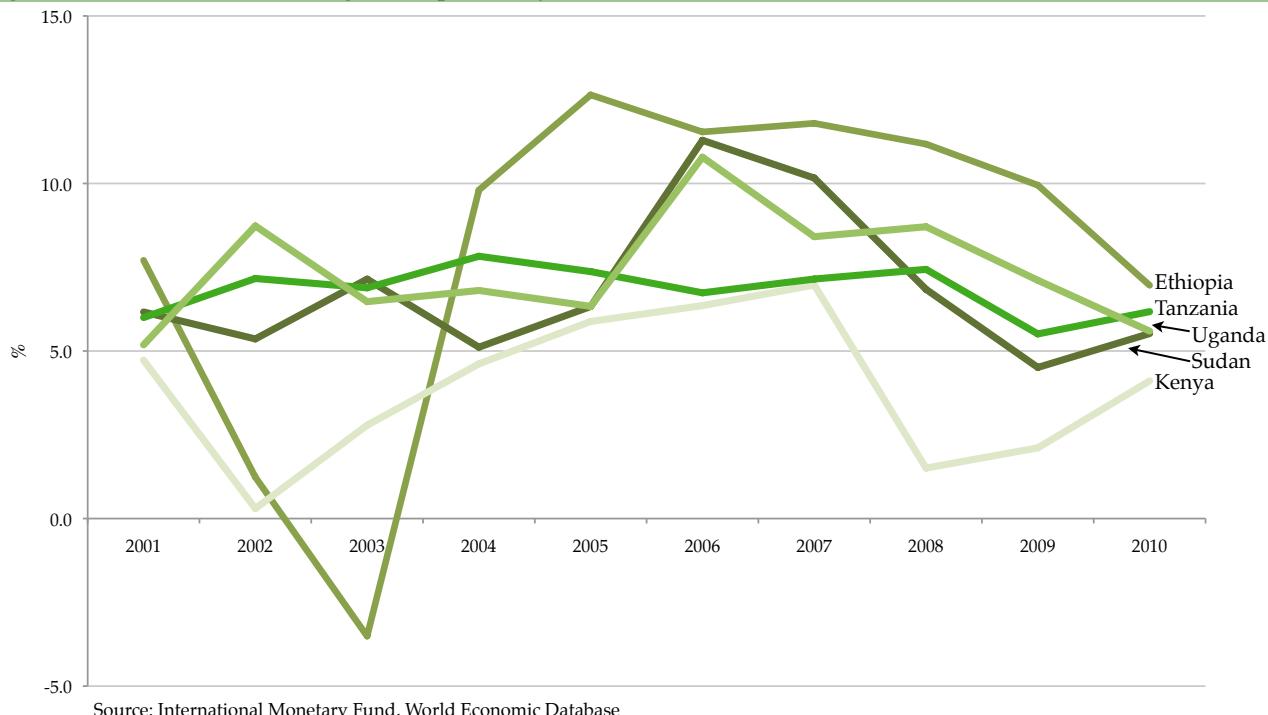
	Ethiopia	Kenya	Sudan	Tanzania	Uganda
Political stability	↔	↑	↓	↑	↓
GDP growth	↑	↑	↑	↑	↑
FDI	↑	↔	↑	↔	↔
Trade Balance <sup>2</sup>	-	-	-	-	-
Business climate	↔	↑	↔	↔	↔

Source: SABER

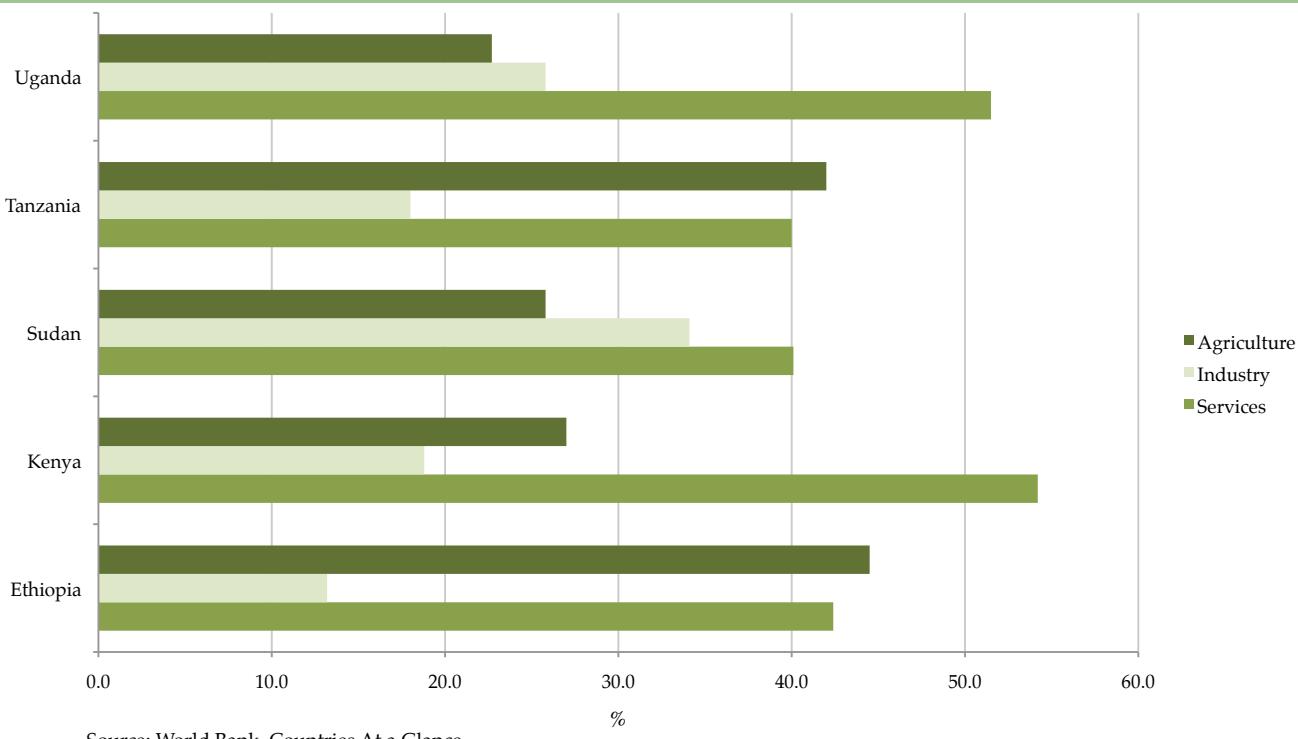
1. ↑ (up, increasing), ↔ (same or mixed results), ↓ (down or problematic)

2. + means Exports>Imports; - means Imports>Exports

**Figure E1: GDP Growth (% change from previous year)**

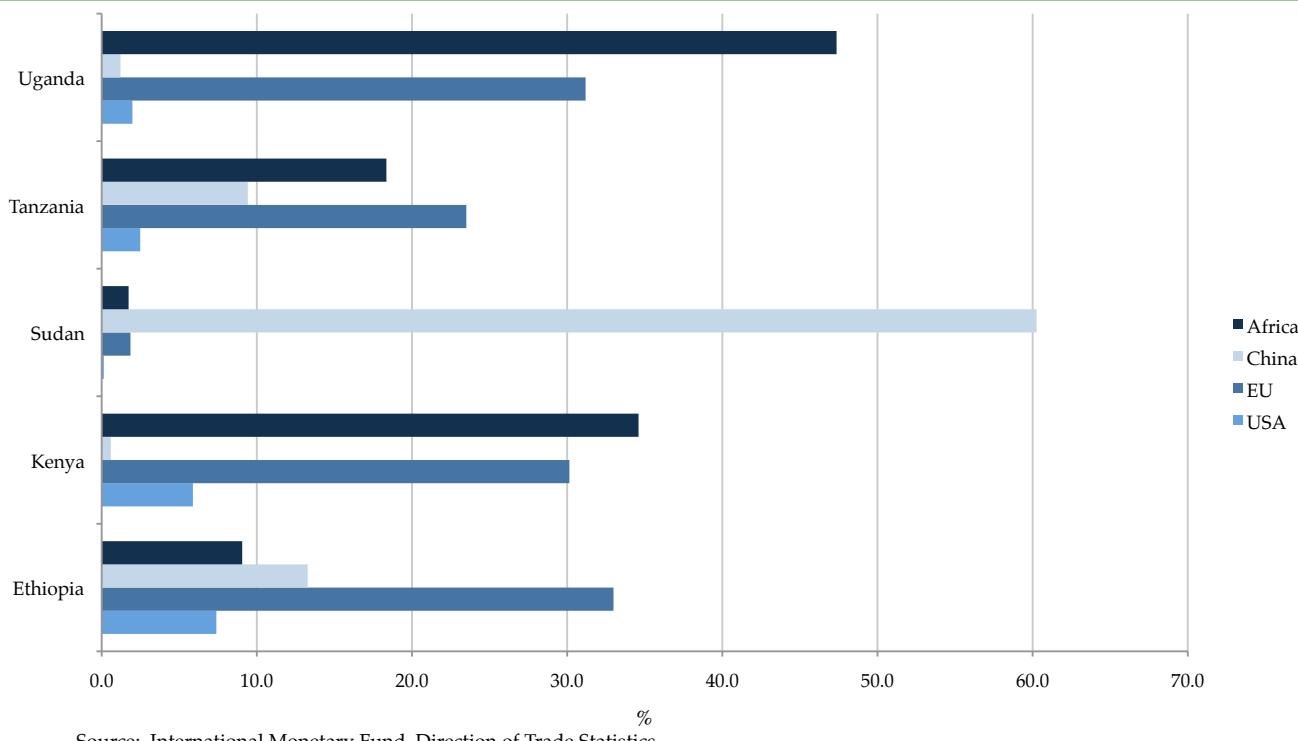


**Figure E2: GDP by Economic Sector**



Source: World Bank, Countries At a Glance.

**Figure E3: Main Export Destination (% of total exports)**



Source: International Monetary Fund, Direction of Trade Statistics.

# Ethiopia

Capital: Addis Ababa Population: 85.0 million

GDP US \$: 30.6 Billion

Doing Business World (SSA) Rank: 104 (10)

Main Trading Partner: EU

GDP Growth, 2010: 7.0%

Inflation Rate, 2010: 3.8%

HDI Rank: 157

GNI per Capita, PPP US \$: 992

Currency: Birr

Gender Inequality: 0.602



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

## Political Stability

- Prime Minister Meles Zenawi and his party, EPRDF, won 545 seats in the 547-member parliament in the May 2010 election (Table 11).
- E.U. observers noted that the elections were marked by a “narrowing political space” and an “uneven political field”. The African Union (A.U.) said that the elections were completely “free and fair” (Sahle).
- Despite the electoral flaws, the elections ended more peacefully than in 2005 when federal police snipers gunned down hundreds of protesters and sent over 50,000 students and others to concentration camps across Ethiopia (Remembering).
- Eritrea and Ethiopia have a long-term border dispute. Between 1998 and 2000, the border war resulted in the deaths of over 70,000 people. In 2000, Ethiopia and Eritrea signed the Algiers Agreement in an attempt to resolve the conflict, but more than 10 years later, the question of which country has claims to the Badme region still remains unresolved.
- In January 2010, the Military of Eritrea and the Ethiopian National Defense Force fought at the border town of Zalambesa, a disputed area. Eritrean troops killed 10 Ethiopian soldiers (Clottey).
- Eritrean ports remained closed to Ethiopians due to hostility between the two countries. Hence, Ethiopia is forced to rely on the port of Djibouti and Somalia’s port in Berbera.
- According to Africa Confidential, Ethiopia is giving significant support to Eritrean opposition groups as part of a campaign to overthrow the government of Issayas Afewerki.
- Ethiopian troops invaded Somalia in 2006 to support the Transitional Federal Government in Somalia. They withdrew in 2009.
- In 2009, the Ethiopian government passed a new anti-terror law granting power to the state to detain people it considers threatening. By 2011, a number of journalists, as well as leaders of opposition parties, had been arrested for violating the anti-terrorism law. The Ethiopian government has been accused of using the new anti-terrorism law to stifle political dissent.
- Ethiopia has continued to fight against the Al-Shabab as the insurgent group wages war against the Somali Transitional Federal Government. In February 2011, Ethiopian forces and pro-Somali government troops launched an offensive against the Al-Shabab in the western Somali town of Bulo Hawo near the Ethiopian border, causing thousands to flee from their homes to take refuge in Ethiopia and Kenya (Somalia).
- In March 2011, Al-Shabab leader Muktar Robow Abu Mansor called his fellow militants to prepare for a major war against Ethiopian military forces (Mohamed).
- On August 2, 2010, the Ethiopian government and the United Western Somali Liberation Front (UWSLF) fighting for autonomy in the Ogaden region signed a peace agreement in Addis Ababa after fighting for nearly two decades.

- The Ogaden region stretches for about 200,000 square kilometers and is occupied by about 4 million, mainly Somali, people. Insurgent groups have been fighting the central government since the 1970s.
- The Ogaden National Liberation Front (ONLF) does not recognize the peace agreement and has continued to attack Ethiopian military bases in the Ogaden.
- The country's corruption perceptions score of 2.7 gives it a ranking of 166 (tied with Tanzania) in Transparency International's Corruption Perception Index (Table 12).

### **Economic Growth and Trade**

- Ethiopia's economy grew at the rate of 9% in 2010, the second highest rate in Sub-Saharan Africa, and 5th highest in the world.
- In 2010, Ethiopia launched a five-year Growth and Transformation plan that projects a GDP growth of 11-15% a year from 2010 through 2015. Total implementation costs are estimated at US\$75-79bn over five years. The plan has been criticized for being too ambitious and unrealistic.
- Agricultural production increased in 2010 due to favorable weather and greater use of fertilizer. This dramatically changed in 2011 as the Horn of Africa faced one of the worst droughts in decades. Approximately 4.5 million Ethiopians are at risk of starvation.
- Industry has been aided by the doubling of electric generation capacity due to three hydroelectric power stations that started production in 2010 (reve).
- Large land leases and commercial production of horticultural and grain crops by Saudi Arabia, China, India have displaced local farmers, but the Ethiopian government argues that they will help modernize agriculture.
- Rising food and fuel costs are driving up inflation in 2011. The annual inflation rate in March 2011 jumped to 25% from 16.5% in February. In an attempt to counter these inflationary pressures, the Ethiopian government has imposed price caps on 17 commodities (including sugar, bread, rice, meat, and beer) as part of the government's attempt to end the soaring of commodity prices and inflationary pressures (Davidson).
- In 2010, exports to the U.S totaled US\$127.3mn with spices, coffee, and tea (56%) and grain and seeds (20%) being the main commodities. Imports from the U.S. were US\$764.6mn with aircraft (64%) and cereals (16%) being the main commodities (Global Trade Atlas) (Tables 7 & 8).
- In 2010, exports to China totaled US\$274mn, including grains and seeds (85%) and hides and skins (5%). Imports from China totaled US\$1.2bn for electrical machinery (40%), machinery (reactors and boilers--24%), and iron and steel products (10%) (Global Trade Atlas) (Tables 7 & 8).

### **Foreign Direct Investment**

- While FDI flows to Ethiopia declined in 2010 to US\$184mn from US\$221mn in 2009, interest among investors remains high.
- On February 4, 2011, the Ethiopian Investment Agency released its six month performance report which indicated that from July 2010 to December 2010 there were a total of 900 investment projects in Ethiopia of which 72% were from foreign investors. The projects have a total value of around US\$2bn, out of which 94% have been registered by foreigners (Ethiopia Attracts).
- The Chinese invested US\$766.3mn in Ethiopia's industrial sector, primarily in the processing of agricultural, chemical, and leather products, and in the manufacturing of pharmaceuticals, textiles, apparel, cement, and glass. Recent investments since 2008 include the construction of eight cement factories (ARB 47.11).
- CH Clinker Manufacturing PLC will start one of the largest cement factories in the Oromiya region to produce cement clinkers/nodules for domestic and international markets (ARB 47.1). In November 2010, the company also obtained exclusive rights to exploit some 12.3 million tons of limestone for 20 years (ARB 47.11).

- Sichuan International Cooperation Co. Ltd. (SIETCO) and the Prefabricated Building Parts Production Enterprise (PBPPE) of Ethiopia provided funding for a new PVC Window Frames Factory in Addis Ababa that began operations in May 2010 (ARB 47.5).
- Xinxiang Kuroda Mingliang Leather Co. opened a US\$67mn leather factory in November 2010. Xinxiang financed 55% of the project, with the remainder coming from the China-Africa Development Fund (Davison).
- Government media reported that Chinese investment in Ethiopia reached over US\$1bn in September 2011.
- India's investments in Ethiopia total US\$5bn, up from US\$3bn five years ago with main areas being real estate, construction, and agriculture (ARB 47.7). One of the largest agriculture investments is Bangalore-based Karuturi Global's planned investment of US\$100mn in a new sugar plant (KGL).
- Turkish investors plan to invest US\$1.4bn as part of bilateral trade, announced during the bilateral meeting of the Ethio-Turkish Trade and Investment Forum (Turkish Group).
- Turkish company Ayka invested US\$100m in Ethiopia's textile industry. On April 29th, 2011 the company's new factory officially began operations, and is now Ethiopia's largest in the textile industry (ARB 47.4).
- The Turkish construction company Akgun will help the Ethiopian government set up a US\$4bn industrial park (to be completed in 7-10 years) in the Legetafo area to accommodate 1,500 industries valued at US\$20bn and to provide jobs for 800,000 to one million people (ARB 47.6).
- Ethiopia currently does not produce petroleum, but oil companies are prospecting for viable deposits. Tullow Oil of Ireland is one of the latest companies to come to Ethiopia will prospect for oil and gas reserves with the South West Energy Ltd, an Ethiopian oil and gas company (ARB 47.3).

## Infrastructure and Telecommunications

### Electricity

- Improving the electric system is a top priority of the government as only 25% of the population has access to electricity. The Blue Nile basin provides vast hydroelectric potential in which the government is starting several projects.
- The largest hydropower plant, Gilgel Gibe II (GII), resumed operations in December 2010, a year after it ceased operations due to a collapse of a main tunnel just weeks after the official inauguration.
- In May 2010, the new US\$500mn Beles hydroelectric power plant was launched to generate 460 MW of power and irrigate 120,000 hectares of land (Ethiopia Continues). Another hydroelectric project Gibe III will increase the electrical capacity of the country by 234%. In addition, the US\$1.7bn will allow Ethiopia to export power to neighboring countries (Building Together).
- The construction of the Millennium Hydropower plant, also known as the Grand Ethiopian Renaissance Dam was officially launched on April 2, 2011. The dam will be the largest hydropower plant in Ethiopia, and when completed will generate 5,250 MW of electricity. The dam is built on the Nile River and will be the 10th largest human-made lake in the world.
- A new hydropower plant 40 kilometers from the Sudanese border will be launched in 2011 in the Benishangul Gumuz region to generate 6,000 MW on completion (Davison).

### Telecommunications

- Mobile phone usage is very low in Ethiopia with only 7.9% of the population having cell phone subscriptions in 2010.
- France Télécom won the bid to run the parastatal Ethiopian Telecommunications Corporation (ETC), which had the sector monopoly (EIU 19.5). The new company will be called Ethio Telecom, and will be totally owned by the Ethiopian firm, but France Telecom will control management for the next two years (Ethiopian Telecommunications).

- On February 3, 2010, Microsoft Corporation officially released its Amharic version for Windows Vista (Yi-hunbelay "Windows"). Windows 7 and Office 2010 will be available in Amharic as well (Windows 7). In April 2010, Google in collaboration with the Ethiopian government introduced gmail that uses Amharic and Tigrigna alphabets (Ethiopians to Benefit).

### **Ground Transportation**

- Contractors from China and other countries have significantly improved the quality of the road system. 14.8% of the primary road system is in poor condition, compared to 34% of secondary and 42.6% of tertiary roads. Only 17% of the population is urban, hence these road networks need improvements to increase the productivity of rural people.
- According to the Growth and Transformation Plan, the Ethiopian government will build a 1,500 mile-long standard gauge rail network.
- The Export-Import Bank of China will help finance the reconstruction of parts of the Addis-Djibouti railway line and build new light-railway lines (ARB 47.10).
- To reduce dependency on the port of Djibouti, a road connecting Ethiopia to the port of Mombasa in Kenya will be constructed. In January 2010, the African Development Bank gave an additional US\$166m to fund the Kenya-Ethiopia road. Phase 1 from Nairobi to Isiolo, northern Kenya, has been completed. Two parts of Phase 2 in southern Ethiopia were awarded in March 2011 to an Egyptian construction company, Arab Contractors (Gabreselassie).

### **Business Climate and Microfinance**

- The Doing Business rank decreased by only 1 point from 103 in 2010 to 104 in 2011, but some business regulations were actually simplified including: (1) property transfers changed by decentralizing administrative tasks to sub-cities; (2) merging procedures by the land registry with municipalities; and (3) changing methods for enforcing contracts by reducing court delays through better case management, internal training, and an expanded role for enforcement judges. (Tables 17 & 18)
- According to the Mix Market, there are 2.4 million active borrowers in microfinance institutions with an average loan balance of US\$432.
- Ethiopia does not have a stock exchange.

### **Health Aspects**

- Government spending per capita on health increased by 148% from 2001, but remains the lowest in Sub-Saharan Africa at only US\$15. The government's share of health expenditure was 48%, representing an increase of 14% from 2001.
- The data on HIV/ AIDS remain estimates; the most recent data available are from 2007 showing a prevalence for adults 15-49 years of age ranging from 3.5% to 10.9%.
- Ethiopia received US\$1.2bn through PEPFAR (2004 to 2009). In 2010, PEPFAR provided antiretroviral treatment to over 200,000 people.
- GAVI disbursed US\$227mn (2001 to March 2011) with US\$19.9mn disbursed in 2010.
- The Gates Foundation gave US\$60mn to support women's health, and is working with the government to build the health system around the Millennium Development Goals 4 and 5 (Melinda Gates).

# Kenya

Capital: Nairobi

Population: 40.9 million

GDP US\$: 34.2 Billion

Doing Business World (SSA) Rank: 98 (9)

Main Trading Partner: Africa

GDP Growth, 2010: 4.1%

Inflation Rate, 2010: 8.0%

HDI Rank: 128

GNI per Capita, PPP US\$: 1,628

Currency: Kenyan Shilling

Gender Inequality: 0.650



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

- Kenyans approved a new constitution on August 3, 2010, by a margin of two to one (66.9% in favor). It is the first since independence, and will reduce the power of the president by increasing the power of parliament and local governments. Cabinet ministers will no longer be able to be members of parliament. The post of prime minister will be abolished after the 2012 election. Some power will be decentralized to county-level governments that will be regulated by a newly created Senate. A land commission will be created to repossess illegally acquired land. Muslim courts that mainly deal with marriage and inheritance among Kenya's Muslim minority were retained.
- The government of national unity is still under strain, even though both President Mwai Kibaki and Prime Minister Raila Odinga actively supported the new constitution. There is still significant disagreement on the power of the Prime Minister. This issue almost destroyed the coalition in early 2010 when Pres. Kibaki reinstated two cabinet ministers who had been suspended by Odinga because of corruption investigations.
- President Kibaki cannot run for a third term in 2012. Politicians are already jockeying for position for nomination by his Party of National Unity (PANU). Odinga will probably be the candidate of the Orange Democratic Movement.
- Six high-ranking Kenyan politicians have been accused by the International Criminal Court in The Hague for links to the post-election violence, including Uhuru Kenyatta, son of the first Kenyan President, who is Deputy Prime Minister and a possible presidential candidate in 2012.
- The Horn of Africa, including northern Kenya, is facing one of the worst droughts in decades. About 3.5 million Kenyans are at risk of starving. Hundreds of thousands of Somalis had fled into Kenyan refugee camps, increasing food and security tensions in an increasingly fragile part of the country.
- The turmoil in Somalia continues to spill over into Kenya. In response to violent riots in Nairobi in January protesting the deportation of a Muslim cleric, the Kenya government arrested 12 Somali members of parliament and many ethnic Somali Kenyans. Over 275,000 Somali refugees live in Kenya. Capture of British tourists by Somalia pirates in Kenya's luxury facilities near Lamu in 2011 are putting tourism at risk, and the government sent troops into Somalia in October 2011. Corruption continues to be a major problem. Transparency International ranked Kenya as the third most corrupt country in East Africa, after Burundi and Uganda with a bribery prevalence measure of 31.9% (Table 12). The Nairobi City Council ranked as the most corrupt agency with an 84.5% likelihood of asking for a bribe. The Kenyan police were a close second with a likelihood of 76.9%.
- The government was also implicated when the Ministry of Agriculture and the Ministry of Education were both involved in financial scandals. The country lost US\$26mn on the inappropriate sale of subsidized corn. Approximately US\$1mn designated for the free education program were misappropriated.

## Economic Growth and Trade

- The Kenyan economy grew 5% in 2010. This is significantly higher than 2008 and 2009 (1.6% and 2.6%), but below the growth in 2007 (7%). After accounting for population growth of 2.7%, the per capita GDP in 2010 grew 2.3%. Investors were wary after the political situation and prosecutions in the ICC.
- An extreme drought caused agriculture to shrink in 2009, but it rebounded in 2010 due to favorable weather and increased irrigation in farmland areas.
- Kenya is the world's largest exporter of black tea. In 2010, the initial rains caused tea production to increase about 60%, but a subsequent drought in all tea growing regions caused production to drop from 34.8mn kilos in February 2010 to 26.7mn kilos in February 2011.
- Tourism generates more foreign exchange than any sector. It suffered in the past two years due to political violence and the global recession. It rebounded in 2010 with 1,065,945 tourist arrivals which were 4.5% higher than the previous record in 2007. It generated US\$976mn of revenue in 2010. The largest sources of tourists were the U.K. (174,051) and U.S. (107,842) (Ministry of Tourism).
- Kenya is the largest supplier of cut flowers to Europe (35% of sales). European nations buy 82% of flowers, vegetables and fruits produced by Kenya. Exports in 2010 fell by 15% to US\$425mn due to a reduction in European demand caused by heavy winter snowfall, as well as the Icelandic volcano dust in April that closed European airspace for six days. Flower exports are expected to increase in 2011 and were up 10% in the first part of the year (Lucas).
- Garment exports to the United States declined by 62% since U.S. quotas against Chinese and Indian garments were abolished in 2005. Kenyan garments declined 27.5% in 2010 alone.
- Exports in 2010 to the U.S. totaled US\$311.1mn in which the main commodities were knit apparel (33%) and woven apparel (31%). Imports from the U.S. were US\$367.7mn consisting of aircraft (21%), machinery (reactors and boilers--17%), milling, malt & starch products (7%), and electrical machinery (5%) (Global Trade Atlas) (Tables 7 & 8).
- Exports in 2010 to China totaled US\$39.2mn that included copper (23%), hides and skins (21%), and vegetable textiles (11%). Kenya imported US\$1.8bn in commodities from China in 2010, with electrical machinery (16%), machinery (reactors and boilers--12%), and vehicles (6%) being the main ones (Global Trade Atlas) (Tables 7 & 8).

## Foreign Direct Investment

- The FDI inflows to Kenya dipped from US\$141mn in 2009 to \$133mn in 2010. The country has not bounced back from the high of US\$729mn in 2007, before the post-election violence and global recession.
- The Kenyan government expects that manufacturing will grow 5% in 2011, a significant recovery from the meager growth of 1.7% experienced in 2008 after the post-election violence (Pflanz). This growth is attracting FDI.
- Nestlé announced in March 2011 that it will expand operations by making an investment of US\$32mn in its Nairobi factory to increase production by 800% over the next five years.
- Pepsi-Cola announced in March that it will invest US\$30mn in a new plant, returning to Kenya after an absence of 40 years (Pflanz).
- Unilever East Africa will invest US\$37.7mn in the next five years to improve production, distribution, and sales.
- The Export Processing Zones are growing. In 2010, US\$300mn was invested by over 100 local and foreign companies, a 5.4% increase (Marindany).
- Kenya is also getting major investments in the service and construction sectors.

- Ogilvy & Mather, a U.S. based advertising and marketing firm, established a partnership with Scan Group (a large East African advertising group) in May 2010. Miles Young, the Global CEO of Ogilvy & Mather, noted that “Africa’s growing middle class, its increasing political stability, its fast economic growth and its attractive talent base make it a critical component of any truly global business strategy” (Ogilvy).
- Renaissance Partners, a Russian company, and its Kenyan partner, Tatu City Ltd, announced plans in 2010 to develop a ten square-kilometer, multi-billion dollar residential and business area to build homes for 62,000 people over the next decade.

## **Infrastructure and Telecommunications**

### **Telecommunications**

- There are 20 million cell phones in Kenya, about 62 subscribers per 100 inhabitants (Table 16). Safaricom, East Africa’s most successful cell phone company, has a market share of 78.3%.
- Zain Group of Kuwait sold its African operations to the Indian firm, Bharti Airtel in June 2010. The deal was valued at US\$10.7bn. Bharti Airtel plans to spend US\$280mn to compete with Safaricom to increase its market share.
- Safaricom has over nine million registered users in M-Pesa, its money transfer system. It has 18,000 licensed registered agents in the country. In March 2010 alone, US\$370mn were transferred.
- In May 2010, Safaricom and Equity Bank announced a partnership that would allow M-Pesa clients to open a savings account in Equity Bank. This M-Kesho savings account allows customers to access their savings accounts through their mobile phones (Mix Market).

### **Electricity**

- Currently almost 80% of the population is not linked to the grid, and droughts interrupt the hydroelectric power industry. Kenya mainly uses renewable energy sources such as hydroelectric power (50%) and geothermal (16%) in addition to oil (33%) for its power needs that total over 6,460 million kilowatt hours.
- Power outages, along with difficulty in providing electricity at a reasonable cost, are some of the primary challenges faced by businesses.
- More power plants are planned by 2015 to increase total capacity to over 2,000 megawatts. Solar panels also are being used to increase the electrical capacity to millions of homes.

### **Ports**

- Congestion at the Port of Mombasa, East Africa’s largest, continued to increase the region’s cost of business. To alleviate this congestion, the government wants to construct a new port in Lamu. Negotiations with Qatar fell through, but China has expressed interest in financing a significant portion of the port and related infrastructure that could be a point of entry into northern Kenya, South Sudan, and Ethiopia.

### **Ground Transportation**

- Citadel Capital, an Egyptian private equity firm pledged US\$287mn to improve the Rift Valley Railroad, between Mombasa and Kampala, Uganda.
- The road system has been upgraded recently, particularly the road between Mombasa, Nairobi, and Nakuru in the Rift Valley. Only 51% of the primary road system is considered to be in good condition, and a third of the classified road system is in poor condition (World Bank).
- In January 2010, the African Development Bank provided US\$166m to fund the construction of the Kenya-Ethiopia road. Phase 1 from Nairobi to Isiolo in northern Kenya is already completed.

## **Business Climate, Stock Exchange, and Microfinance**

- In 2011, Kenya was ranked 98 out of 183 countries in the Doing Business rankings, as compared to its ranking of 94 in 2010. Despite the drop, conducting business in Kenya actually became easier, although the cost to import a container is high at \$2,190, hindering competitiveness (Tables 17 &18).

- Kenya is now distributing credit information from retailers, trade creditors, and financial institutions, giving it a world ranking by the World Bank of 4.
- In 2010, the Nairobi Stock Exchange (NSE) with 57 listed companies had a level of market capitalization of listed companies of US\$3.5bn (46% of GDP) (Table 19). 6.7 billion shares with equity turnover of US\$76mn were traded as of October 2011.
- In March 2010, members of the NSE approved the demutualization of the exchange and its companies and proposed shareholding as members (80%), Investor Compensation Fund (10%), and the Government of Kenya (10%). Demutualization “allows the exchange to be listed on its own floor” and opens it up from “a club of influential brokers.”
- Once gazetted, the Nairobi Stock Exchange will convert to the Nairobi Securities Exchange Ltd.
- Microfinance continues to play a key role in the lives of many Kenyans. Several Kenyan commercial banks have played significant roles in the development of this industry: Family Bank & Equity Bank (a building society), K-REP (operating as an NGO), and Co-operative Bank (a cooperative society).
- According to the MIX Market report, Kenya has 36 registered microfinance organizations in 2009. These organizations manage 44 million active deposit accounts in 825 offices for a total of US\$202mn (an increase of US\$51mn from 2007 to 2008).

### Health Aspects

- The public share of health expenditure in Kenya is at 73%. Health spending per capita has increased by 96%, but the US\$33 per capita remains well below the SSA median health expenditure of US\$43.
- The HIV infection rate is 6.3% of adults ages 15-49. Women between the ages of 15 and 24 have more than double the rate of infection (4.1%) compared to men in this same age bracket (1.8%).
- PEPFAR gave US\$1.9mn for prevention, treatment, and care programs between 2004 and 2009 reaching 17.2% of HIV- affected Kenyans. This support continued during 2010 helping 1,384,400 HIV-positive individuals; 673,000 orphans; 1,177,400 pregnant, HIV-positive women. 70,400 HIV-positive pregnant women received antiretroviral prophylaxis Over 5 million individuals received HIV counseling and testing, and 13,376 infant HIV infections were averted.
- The GAVI immunization and health system support disbursed was US\$172.5mn between 2002 and March 2011, and US\$34.4mn in 2010.

# Sudan

Capital: Khartoum

Population: 43.2 million

GDP US\$: 65.7 Billion

Doing Business World (SSA) Rank: 154 (25)

Main Trading Partner: China

GDP Growth, 2010: 5.5%

Inflation Rate, 2010: 10.0%

HDI Rank: 154

GNI per Capita, PPP US\$: 2,051

Currency: Sudanese Pound

Gender Inequality: na



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.

### Political Stability

- South Sudan voted to become Africa's 54th state in the referendum held in January 2011. While only 60% was necessary for the independence to be granted, 98.8% voted in favor of independence rights. South Sudan became independent on July 9, 2011, with Salva Kiir Mayardit serving as the first president.

- Elections were supposed to be held in the Abyei region on the border between North and South Sudan at the same time as the referendum to decide whether or not to become a part of South Sudan, but they were not held because of conflict over residency rights. The Abyei region is rich in oil, and is claimed by both the North and South.
- President Omar al-Bashir has ruled Sudan since seizing power in a coup, and was reelected president of Sudan in April 2010 in the first contested elections in Sudan since the coup of 1989. He is the only sitting head of state to be indicted by the International Court of the Hague for crimes against humanity. In July 2010, the ICC issued a second warrant for his arrest on the charges of genocide.
- Bashir's plans for the next election are unclear. In February 2011, he announced he will not stand for reelection in 2015, but a government official later stated he would.
- Tensions in South Sudan are mounting among various groups (over 200 ethnic groups). Interethnic violence has left hundreds dead.
- South Sudan, the size of Texas, contains 85% of the oil wealth. Under the Comprehensive Peace Agreement that ended the north-against-south civil war, revenues from the oil production were to be shared equally. South Sudan's government does not want this arrangement after independence and favors paying transit fees for oil transported through Sudan plus the use of alternative routes (e.g., a pipeline to the Kenyan coast at Lamu).
- Transparency International ranked Sudan in 2010 as the fifth most corrupt country (tied with Uzbekistan and Turkmenistan) (Table 12) According to a U.S. diplomatic cable leaked to WikiLeaks, President al Bashir is suspected of stealing US\$9bn from the country's treasury. South Sudan's government has been rife with corruption, leaving the majority of the population mired in extreme poverty and seeing few economic benefits of the peace.

### **Economic Growth and Trade**

- Sudan's economy grew 5.2% in 2010 up from 4.2% in 2009, but significantly below the more than 10% per year growth prior to the global financial crisis. This growth rate may decrease in 2011 because of political uncertainty associated with the independence of South Sudan. Oil production has been the main driver of economic growth, but agriculture makes up a third of GDP and employs two-thirds of the population.
- Although South Sudan is the source of Sudan's oil wealth, it is significantly poorer than the north. The civil war destroyed most of its infrastructure leaving the education and healthcare systems in shambles. In parts of South Sudan, over 10% of the children die before they reach the age of one and less than 1% finish primary school (BBC).
- The U.S. has sanctions against Sudan due to its sponsorship of international terrorism. Exports in 2010 to the U.S. totaled US\$81mn with gum Arabic (99%) and art/antiques (1%) being the main commodities. [Gum Arabic is an ingredient in many soft drinks and was specifically excluded from the sanctions.] Imports from the U.S. totaled US\$115.5mn being mostly cereals (61%) and fats and oils (12%) (Global Trade Atlas) (Tables 7 & 8).
- China is Sudan's largest trade partner. Exports in 2010 to China totaled US\$6.7bn being mostly oil (98%) and grain and seeds (1%). Imports from China were US\$2bn with machinery (reactors and boilers--18%), electrical machinery (17%), iron and steel products (11%), and vehicles (6%) being the main commodities (Global Trade Atlas) (Tables 7 & 8).

### **Foreign Direct Investment**

- Net FDI flows for the year were US\$1.6bn in 2010, mostly for oil.
- China National Petroleum Corporation has invested more than US\$8bn in the oil sector. Additional investments include an oil field in southern Darfur and over 40% of a field in the Melut Basin in Upper Nile Province that could double Sudan's oil production.

- China Petroleum Engineering and Construction Corp. has 16 different projects. Another Chinese firm, Sinopec Corp., is constructing another pipeline to transport oil from the Melut Basin to the Red Sea.
- The Ministry of Energy and Mining in the Government of South Sudan signed a MOU with the Malaysian National oil Corporation, PETRONAS to establish mutual business opportunities in the areas of upstream oil and gas.
- Breweries and bottling plants producing for the local market are common, early-stage investments in countries with difficult operating environments. The largest single foreign investment in South Sudan has been SAB Miller of South Africa that built a brewery in Juba operated by Southern Sudan Beverages Ltd. East African Breweries of Kenya announced plans to also build a bottling plant in South Sudan.

### **Infrastructure and Telecommunications**

- There were 41 subscribers for 100 inhabitants in 2010. Mobile phones are increasingly used to transfer money throughout the country (Table 16).
- The transportation infrastructure suffered during the civil war. Only about one-fifth of the railroads are in usable condition. Also most of the rails still use narrow single track gauges and all railways are still state run by Sudan Railways Corporation.
- Only 4,320km of the 11,900km of roads are paved, and few link Sudan to its neighbors. Uganda and South Sudan agreed to construct 4 major roads linking the two countries with emphasis on the Gulu-Nimule-Juba Road (Bagala).
- Two construction companies, Khartoum based Eyat Road & Bridges Ltd., a subsidiary of Eyat Oilfields Services Co Ltd. and Double Alpha Construction won the bid to build a 250km road from Malakal to Nasser, Jekou, and Jikou (Waldyes).
- USAID and the South Sudan government inaugurated a project to tarmac 192km of the Juba-Nimule Road costing US\$225mn (Ruati-USAID).

### **Electricity**

- Approximately 27 million people lack access to electricity. The electrical power sector lacks infrastructure and experiences frequent power outages.
- Starting in October 2010, Ethiopian Electric and Power Corporation (EEPCo) began supplying power to Sudan through its Gilgel Gibe II hydropower production plant.
- The Khartoum North Thermal Station electricity supply is expected to be completed in May 2011 with a capacity of 200 megawatt (Cabinet session). It will generate 880 kilowatts, the Maridi plant can serve about 900 customers. About 21km of primary and secondary lines have been completed to provide a backbone for future expansion (Ruadi-Electricity).
- The Merowe Dam project was tendered by China's Sinohydro Corporation and China International Water & Electric in 2003. Work in progress will increase its capacity to 1.25mn kilowatts, twice the current capacity in Sudan.
- The China's Shandong Electric Power Construction Corporation built the Al Fula power plant in Northern Kordofan state, a US\$680mn plant with a generating capacity of 405 megawatts. The contract to build the power plant was signed in 2007, and the facility opened in March 2010. The project was funded by 90% foreign and 10% local sources (Sudan's Electricity Gets Boost).

### **Business Climate, Stock Exchange, and Microfinance**

- The Doing Business ranking decreased by 1 point (153 in 2010 to 154 in 2011). Enforcing contracts seems to be very difficult (rank 146). There are 53 procedures requiring 810 days involved in enforcing a contract. Surprisingly, the cost of enforcing a contract is only 19.8% (similar to OECD economies at 19.2%) (Tables 17 & 18).

- The Khartoum Stock Exchange (KSE) with 53 listed companies had a level of market capitalization of listed companies of US\$2.6bn in 2010 (Table 19). More than 90% of its trading is in Islamic bonds (El Shenawi)
- The Khartoum-based lender, Saudi Sudanese Bank, plans an IPO for US\$37.3mn.
- The exchange switched to electronic trading in 2011 after delays in obtaining the necessary computer equipment due to U.S. sanctions (El Shenawi).
- The microfinance sector is underdeveloped. Only three MFIs reported operations to the Mix Market in 2009. The gross loan portfolio was US\$3.9mn. There were 20,266 borrowers with an average loan balance of \$299. The microsavings sector had 22,303 depositors, all deposited in BRAC Southern Sudan (Mix Market).

### Health Aspects

- Per capita health expenditure increased by over 616% from 2001 levels and was US\$95 in 2009 (Table 15). The public share of expenditure was 27% remaining relatively unchanged from 2001 to 2009. Maternal mortality was very high (750). In the South, less than 40% of the population has access to safe drinking water or sanitation. The incidence of diarrhea in children may be as high as 45%.
- The HIV adult prevalence rate is reportedly 1.1%, considered high for the North Africa region.
- Through PEPFAR, Sudan received US\$26mn to support comprehensive HIV / AIDS prevention, treatment and care programs from 2004 to 2009. Support in 2010 reached 11,700 HIV-positive individuals, 2,000 orphans and vulnerable children, and 9,000 pregnant HIV women. Another 62,000 received counseling and testing.
- GAVI disbursed US\$66.5mn from 2003 to March 2011 in its immunization programs, with US\$73.6mn disbursed in 2010..

# Tanzania

Capital: Dodoma

Population: 45.0 million

GDP US \$: 24.5 Billion

Doing Business World (SSA) Rank: 128 (14)

Main Trading Partner: EU

GDP Growth, 2010: 6.2%

Inflation Rate, 2010: 7.8%

HDI Rank: 148

GNI per Capita, PPP US \$: 1,344

Currency: Tanzanian Shilling

Gender Inequality: 0.683



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

- Presidential and parliamentary elections were held in Tanzania on October 31, 2010. President Jakaya Kikwete of the Chama Cha Mapinduzi (Revolutionary Party) was re-elected with 61% of the vote. Dr. Willbrod Slaa, a former Roman Catholic priest representing the Chадема Party received 26% of the vote (Table 11).
- Tanzanians and international observers expressed concerns over the delays in counting the votes. This election saw the lowest voter turnout since the restoration of multi-party democracy in 1992 (42.8% of registered voters cast their votes) (African Election Review – November 2010, Consultancy Africa Intelligence).
- In the parliamentary elections, 274 seats in the National Assembly (Bunge) were at stake, and the President's Revolutionary Party won the majority of the seats. Tanzanian lawmakers also elected the nation's first female speaker of parliament, Anna Semamba Makinda (McGregor, Bloomberg).
- The two rival parties in Zanzibar set up a government of national unity after the election in 2010 to bring a political solution to the conflict that has plagued the island for over a decade. Under the accord, CCM presidential candidate Ali Mohamed Shein, who won the polls, became President, while his CUF counterpart, Seif Sharif Hamad, took the position of First Vice President.

- Corruption continues to plague the government, and Transparency International ranks the country at 116 (Table 12). The Auditor General estimated it costs the government over 20% of its budget (Anti-corruption profile--Tanzania, Trust Law).

### **Economic Growth and Trade**

- GDP grew by 7% in 2010 which is projected to be followed by slightly higher growth of 7.2% in 2011. Part is due to increased tourism that had declined by 33% during the recession.
- Gold exports increased significantly due to completion of the Buzwagi Gold Mine (World Bank). Tanzania is Africa's third largest gold producer. Production rose from 40.9 tons in 2009 to 44.6 tons in 2010.
- Exports to the U.S. in 2010 totaled US\$42.9mn with the main commodities being spices/coffee/teas (36%), precious stones (27%), and edible fruit/nuts (12%). Imports from the U.S totaled US\$163.6mn with machinery (reactors and boilers--24.3%), misc. textile articles (14%), electrical machinery (6.4%), and rubber (5.5%) being the main ones (Tables 7 & 8).
- Exports to China in 2010 totaled US\$401.6mn with ores/slag/ash (64%), copper and copper articles (16%), and grain and seed (12%) being the main commodities. Imports from China were US\$1.3bn with the main commodities being electrical machinery (12.7%), machinery (reactors and boilers--12.6%), and vehicles (11%) (Tables 7 & 8).

### **Foreign Direct Investment**

- Net FDI flows for the year 2009 were US\$645mn and US\$700mn in 2010.
- Kenyans were active investors in their southern neighbor. Kenya's Export Processing Zone Authority (EPZA) used thousands of hectares in 14 regions of the Tanzania mainland to facilitate the growth of export processing zones in Tanzania (Africa-Investor). Athi River Mining Ltd., a Kenyan cement manufacturer, sold US\$20.8mn in bonds to help fund a new cement plant and a clinker unit in Tanzania (Africa-Investor). Kenya textile companies are pursuing contracts with the Tanzanian government for new outlets for their products (Africa-Investor).
- Lee Building Materials Ltd., a Chinese firm, began construction of a US\$12.5mn cement factory in Lindi (south of Dar es Salaam) in September 2010 (Africa-Investor).
- The Mining Commission aims to make it mandatory for all foreign mining companies to reserve 15% of their shares for Tanzanians (New Tanzania, Tanzania Invest).

### **Infrastructure and Telecommunications**

- China is helping refurbish the Tanzania-Zambia Railway Authority (TAZARA), the railway it built in the 1970s (pledging US\$39mn in 2010). In 2010, the Chinese Civil Engineering and Construction Company (CCECC) secured a US\$5mn contract to build 90 wagons for Tazara. Meishan Company will assist CCECC in securing the 50-ton open wagons for the railway (Africa-Investor).
- The African Development Bank has approved US\$8.5mn for a railway project study in Tanzania, Rwanda and Burundi, for the second phase of the Dar es Salaam-Isaka-Kigali-Musangati rail link (Africa-Investor).
- Tanzania needs about US\$1.5bn over the next five years to revamp its power sector. China National Heavy Machines is planning a major hydro-power investment project in Tanzania to supply the country with more than 1,000 megawatts of electricity in the next five years (Daily News).
- The government of Zanzibar plans to invest US\$75mn to construct an undersea cable that will connect the smaller Pemba Island to power from the Tanga region in mainland Tanzania (Africa-Investor).
- Bharti Airtel, an Indian telecommunications company that has acquired African operations of Zain, announced "an investment of US\$150mn to transform Zain Tanzania into the market leader" (The Daily News).

- Wide International Network, a Tanzanian firm, has developed a system so mobile phone users can do on-line payments and transfers (IT News Africa).
- In 2010, 47% had mobile phones but only 11% have access to Internet (Table 16).

### **Business Climate, Stock Exchange, and Microfinance**

- The Doing Business rank dropped 3 points from 125 (2010) to 128 (2011). Dealing with construction permits became more difficult due to additional procedures and costs for obtaining permits in 2010. The cost of starting a business was cut in 2010 (making Tanzania one of the cheapest places to register a business in Africa). However, no changes were noted in the starting a business ranking for 2011 (Tables 17 & 18).
- The Dar es Salaam Stock Exchange (DSE) with 16 listed companies had a level of market capitalization of listed companies of US\$1.3bn (5.5% of GDP) in 2010 (Table 19).
- The DSE Share Index declined to 1161.3 points in December 2010 due to the dramatic fall of Kenya Airways shares and Tanzanian domestic shares. The turnover was 27% lower than 2009.
- Foreign investors participation in the secondary equity market grew in 2010, and contributed 22.1% to the total shares traded.
- Two microfinance networks are operating, TAMFI (Tanzania Association of Microfinance Institutions) and SCCULT (Savings and Credit Cooperative Union League of Tanzania) As of 2009, there were 233,341 active borrowers, with average loans of US\$187.1, total assets of US\$1.4bn and a gross loan portfolio of US\$591.3 (Mix Market).

### **Health Aspects**

- Tanzania has the 13th lowest level of health expenditure per capita at only US\$25 (a 157% increase from 2001) however the health expenditure has increased in recent years. The public proportion of health expenditure is 74%) Maternal mortality is very high at 790 per 100,000 births (Table 15).
- 5.6% of Tanzanians are currently living with HIV/ AIDS.
- PEPFAR provided funds of US\$1.87bn from 2004 to 2009 for 1.4 million pregnant women with known HIV status, counseling and testing for 2.7 million Tanzanians, and antiretroviral medications for 58,800 people.
- GAVI disbursed US\$27mn (2001 to June 2011), and US\$27mn in 2010.

# Uganda

Capital: Kampala

Population: 33.8 million

GDP US \$: 17.7 Billion

Doing Business World (SSA) Rank: 122 (12)

Main Trading Partner: Africa

GDP Growth, 2010: 5.6%

Inflation Rate, 2010: 10.5%

HDI Rank: 143

GNI per Capita, PPP US \$: 1,224

Currency: Ugandan Shilling

Gender Inequality: 0.717



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, in office since 1986, was reelected on February 18, 2011 for another five-year term with 68.4% majority vote, while Kizza Besigye, his main opponent, received 26%. Voter turnout was under 60% of eligible adults, suggesting that some Ugandans were wary of the process, as well as the intimidation of opposition candidates.
- Kizza Besigye, the main opposition candidate, challenged the results, citing ballot rigging and intimidation. The government responded by banning demonstrations. In April 2011, Mr. Besigye was shot in the hand by police while leading demonstrations protesting the high cost of fuel.
- Corruption has been a central issue in the 2011 presidential elections with the President, Vice President Gilbert Bukenya, and many cabinet ministers accused of corruption by opponents (Butagira, allAfrica.com). The main opposition party, Forum for Democratic Change (FDC) accused the government of intimidation. Opposition members protesting the makeup of the electoral commission were arrested on two separate occasions.
- Over 70 people were killed in Kampala as they watched the World Cup. Al-Shabab, the Somali militant group, claimed responsibility as retaliation for Ugandan troops supporting the Somali government.
- The Lord's Resistance Army, a guerilla group waging a brutal insurgency in northern Uganda since 1987 has been forced by Ugandan military offensives to move its operations to the Democratic Republic of Congo and Central African Republic.

## Economic Growth and Trade

- The economy grew 6.3% in 2010, down slightly from the growth of 7.1% in 2009. Good rains helped boost agricultural output.
- Growth is anticipated to accelerate as Uganda's oil reserves start to be commercially exploited. Oil deposits have been discovered in the Lake Albert region, with estimates ranging from 2.5 to 6 billion barrels of oil.
- Garment exports to the U.S. have collapsed (a disappointment to government). In 2002, the government supported the development of Tri Star with significant incentives and loan guarantees. The company closed in 2006, leaving the government with millions of dollars of guaranteed debt.
- In 2010, exports to the U.S. totaled US\$57.7mn with spices/coffee/teas (52%), special classification goods (17%), and other base metals (11%) being the main commodities. Imports from the U.S. totaled US\$94.4mn with machinery (reactors and boilers--18%), aircraft (16.4%), optical and medical equipment (15.6%), and electrical machinery (14%) being the main ones (Global Trade Atlas) (Tables 7 & 8).
- In 2010, exports to China totaled US\$26.5mn. The main ones were grain and seed (45%), hides and skins (32%), and base metals (9%). Imports from China were US\$257.9mn, with electrical machinery (29%), footwear (12%), and machinery (reactors and boilers--11%) being the main commodities (Global Trade Atlas) (Tables 7 & 8).

## Foreign Direct Investment

- FDI inflows into Uganda were US\$848mn in 2010, up slightly from US\$816mn in 2009. Oil deposits around Lake Albert dominated the investment scene.
- Tullow Oil pioneered exploration of oil in Uganda. In March 2011, it agreed to sell its interest in three exploration blocks to Total SA of France and China National Offshore Oil Corporation for US\$2.9bn (Gismatulin). The Ugandan government claims that Tullow owes US\$400mn on the sale, while Tullow counters that it does not have to pay, as it still has operations in the country.
- Controversy over taxation also plagued Heritage Oil's sale of its interests in Blocks 1 and 3A in the Lake Albert oil field to Tullow for US\$1.45bn. The Ugandan government claimed Heritage owed a capital gains tax of US\$313mn which Heritage contested. In a compromise, Heritage paid 30% with the remaining 70% to be decided under arbitration.
- Uganda is attracting regional FDI, particularly as the East African Community becomes more developed. Kenyan-based East African Portland Cement is planning a factory in Uganda. The plant will begin its operations in 2013 (allAfrica.com).
- The U.S. is the fifth or sixth largest investor. There are two Coca-Cola bottling plants in Uganda, both operated by Sabco of South Africa.
- The Bill & Melinda Gates Foundation, the NGO TechnoServe, and Coca-Cola have entered a US\$11.5m partnership to help over 50,000 small farmers to sell their horticultural crops to Coca-Cola to make fruit juices.

## Infrastructure and Telecommunications

- There are 38 mobile phone subscriptions for every 100 Ugandans. The main companies are MTN (5.2 million subscribers), Airtel (2.4 million subscribers), and UT Mobile (1.65 million subscribers) (Table 16).
- Indian mobile company, Bhart Airtel, has expanded its investment to Uganda when it purchased Zain's African operations.
- The Israeli Internet service provider Foris Telecom is offering mobile wireless broadband by deploying 4G technology (Uganda receives, IT News Africa).
- Several innovations include Uganda Telecom which launched the first solar-powered mobile phone in the market in September 2009 (Mugabe, New Vision).

## Electricity

- Only 8% have access to electricity: the grid network needs to be improved and power outages are common.
- A Mauritius-based power firm, Albatross Energy, plans to build a 230MW heavy-fuel oil plant in Tororo (allAfrica.com).
- Bujagali hydro-power project is entering into its last stage. The US\$860mn project will generate 250 megawatts of electricity. It is funded chiefly by Bujagali Energy Limited (a consortium of American Sithe Global, Kenyan Industrial Promotion Service (IPS), and the Ugandan Government) (allAfrica.com).
- Umeme LTD., a Ugandan power distributor owned by Actis LLP's Infrastructure 2 Fund, plans to invest US\$32mn in power substations in 2011 (Bloomberg Businessweek).

## Ground Transportation

- Over 90% of goods are transported by roads that greatly need improvements. Good roads tend to be in important areas to gain support for the ruling party.
- The port of Mombasa is used for most international trade. To reduce dependency, the governments of Uganda and Tanzania are working on a joint venture to connect the existing Tanzanian railroad to Lake Victoria in Uganda.
- China will invest US\$350mn to build and manage a toll road from Entebbe International Airport to Kampala (Bloomberg Businessweek).

- The Kenyan government is co-funding a US\$250mn project to boost operations along the Kenya-Uganda railway line (New Vision).
- South Sudan has become a major trading partner for Uganda and is expected to grow after its independence in 2011. Uganda seeks to reduce its dependence on northern Sudan for the transport of goods. ThyssenKrupp of Germany will build a 725 kilometer railroad between South Sudan and Gulu in northern Uganda.

### **Business Climate, Stock Exchange, and Microfinance**

- The Doing Business rank improved 7 points from 129 (2010) to 122 (2011). Access to credit was improved, moving 63 points from 109 to 49 between 2010 and 2011. The establishment of a new private credit sector bureau brought down a substantial growth barrier for private firms. The first private credit bureau currently covers more than 200,000 individuals (Uganda Performance 2011, Competitiveness and Investment Strategy) (Tables 17 & 18).
- The largest decline (5 points) in rankings was in starting a business moving from 132 to 137 in 2011 due to the increase of the trade licensing fee.
- The Uganda Securities Exchange (USE) with 16 listed companies had a level of market capitalization of US\$5.4mn in 2010 and US\$3mn in 2009. The turnover was US\$17.9mn in 2010 compared to US\$8.4mn in 2009, an increase of 113% (USE Annual Report 2010). Similarly, the shares volume went to US\$9.6mn from US\$5.2mn, an increase of 84%.
- The improved performance of the USE in 2010 was reflected in an increase in the All Share Index to 1,188 (from 732 in 2009) and an “excess demand on the various counters denoting increasing investor appetite” (USE Annual Report 2010).
- Efforts are underway to attract small and medium scale enterprises (SMEs & MSMEs) listings, a goal of the USE with the assistance of Ernst and Young.
- Uganda has one of the most vibrant and successful microfinance industry in Africa with 28 registered MFIs with over 430,000 borrowers from microfinance institutions (average loan around \$491 in 2009).

### **Health Aspects**

- Uganda, once an epicenter of the HIV / AIDS epidemic reduced the percent of the population living with the disease to 6.5% and increased life expectancy by 5.8 years to 52.7 years (Table 15). Maternal mortality is high at 430 deaths per 100,000 births (Table 15).
- Uganda received US\$1.2bn between 2004 and 2009 from PEPFAR for antiretroviral treatments for 208,000 individuals, services for 759,000 pregnant women and support for 384,000 orphans and vulnerable children.
- On December 10, 2009, the Ugandan government criminalized female genital mutilation (FGM). A program known as REACH (Reproductive and Community Health), which is part of the UN Population Fund worked closely with rural villagers to teach them how FGM can have harmful effects (FGM and Uganda).
- GAVI vaccination programs disbursed US\$126mn (2001 to June 2011), with US\$7.9mn in 2010.

# Summary of Southern Africa Countries

Angola's new constitution of 2010 replaced the one written in 1975 at independence. It did away with the popular election and parliament elects the president for a five-year term. Corruption continues to be a major problem in Angola. The president of Mozambique was elected for a second term, but is becoming more authoritarian and pursuing greater state involvement in the economy, unlike his predecessor who supported liberalizing it. In South Africa, tensions in the ANC are causing discontent over economic policy, potentially helping candidates of other political parties in upcoming political elections. Botswana ranked as the world's 33rd least corrupt country. The 2009 elections saw President Khama re-elected and the opposition muted. In Zambia, President Banda faced voter dissatisfaction and was defeated by Michael Sata in September 2011. Banda had considered Chinese investment essential for the country's development, while Sata strongly criticized Chinese investment.

Angola is the second largest oil producer in Africa and exports to both China and the U.S. Its FDI is one of the largest in Africa, garnering funds from China, Brazil, and the U.S. (Table 7). However, it is one of the most difficult places in the world to do business. China's presence in Angola and Zambia are significant in terms of the high numbers of Chinese workers, with about 100,000 in each country especially working in construction. In Zambia, Chinese workers carry out 65% of the Ministry of Works and Water Supply's projects, and Chinese companies own 5% of the copper mines.

Zambia's Doing Business ranking changed from 84 in 2010 to 76 in 2011 (due to a 36-point jump to a rank of 57 in starting a business, as well as smaller improvements in registering property), making Zambia one of the top business reformers in the world (Tables 17 & 18). In Mozambique, a simplified licensing system in 2011 and the elimination of minimum capital bank deposits improved its Doing Business rank by 31 points for starting a business. The economy grew 7.8% in 2010 mostly due to price increases in aluminum (57% of exports). FDI is up as well, and both China and South African farmers buying land for their agricultural businesses. South Africa's Doing Business world rank was 32 (2010) but dropped slightly to 34 (2011). Diamonds contributed 33% to Botswana's GDP, and the global recession reduced income and FDI. Botswana ranked 52 in Doing Business. In Namibia, the economy grew 4.2%, mining interests expanded, and FDI decreased, and the Doing Business world rank was 69 in 2011. Financial markets performed well in South Africa. The Johannesburg Stock Exchange (JSE) indices were up and contributed a staggering 278.4% to GDP. The Namibia Stock Exchange (NSX) was helped by Regulation 28 that added pension funds. The exchanges in Mozambique (BVM) and Zambia (Lusaka Stock Exchange-- LuSE) held steady, while the Botswana's Exchange (BSE) performed poorly.

The South African economy with its huge manufacturing and service sectors dominates the region. There are 100.5 mobile phone subscribers for each 100 inhabitants, and mobile banking and payment services are well developed (Table 16). Public expenditure on health is the 3rd highest in SSA (Table 15). Host to the World Cup in 2010, South Africa is a business hub that is undergoing a government-enacted affirmative action program called Broad-Based Black Economic Empowerment (B-BBEE) to entice companies to increase ownership, management, and employment to categories of people disadvantaged by apartheid (African blacks, Coloureds—the term for mixed racial heritage people, Indians, and Chinese).

The HIV / AIDS rates are high in Southern African countries, and health care expenditures are high and increasing (Table 15). The U.S.'s PEPFAR provides support and prevention programs for these countries. The government of Botswana with help from PEPFAR provided universal treatment access for HIV where the rate is the 2nd highest in the world. Zambia's rate is also high (15%), and by 2009, 65% of individuals needing antiretroviral treatments were receiving them. Angola, Mozambique and Zambia also received funds from the Global Alliance for Vaccines

and Immunization (GAVI), while Botswana, Namibia, and South Africa, did not and were able to fund their vaccination programs.

Angola (oil), Botswana (diamonds), and Zambia (copper, often affected by world markets) are strong in generating FDI, and these commodity-based sectors are the largest contributors to GDP. Zambia's mining contributes 70% to GDP. South Africa's gold, more significant in the past, is now reduced in importance due to the increase in manufacturing and services (Figure S2). Mozambique and South Africa mainly export to the E.U. and the rest of Africa, while Angola and Zambia exported to China (Figure S3).

**Table S1: Business Environment Evaluation 2010<sup>1</sup>**

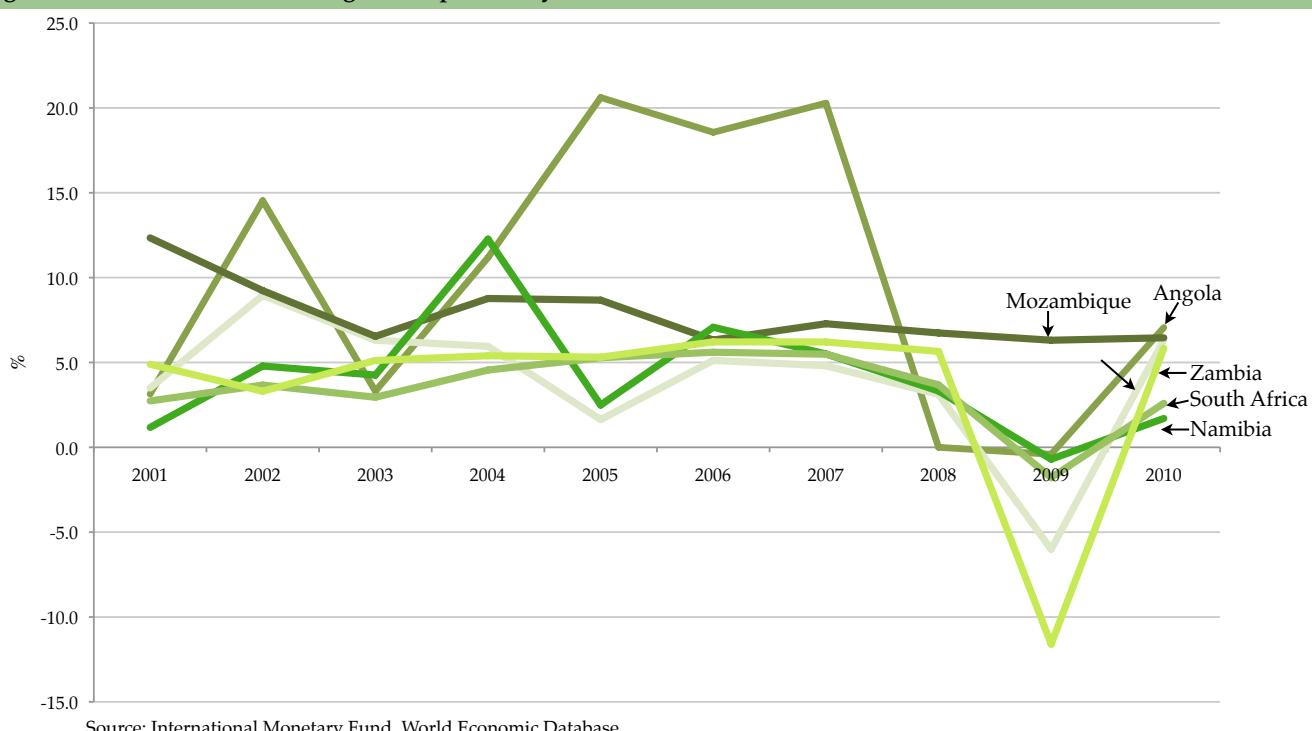
	Angola	Botswana	Mozambique	Namibia	South Africa	Zambia
Political stability	↔	↑	↓	↑	↔	↔
GDP growth	↑	↑	↑	↑	↑	↑
FDI	↑	↓	↑	↓	↑	↑
Trade Balance <sup>2</sup>	+	-	-	-	-	-
Business climate	↔	↑	↔	↔	↔	↑

Source: SABER

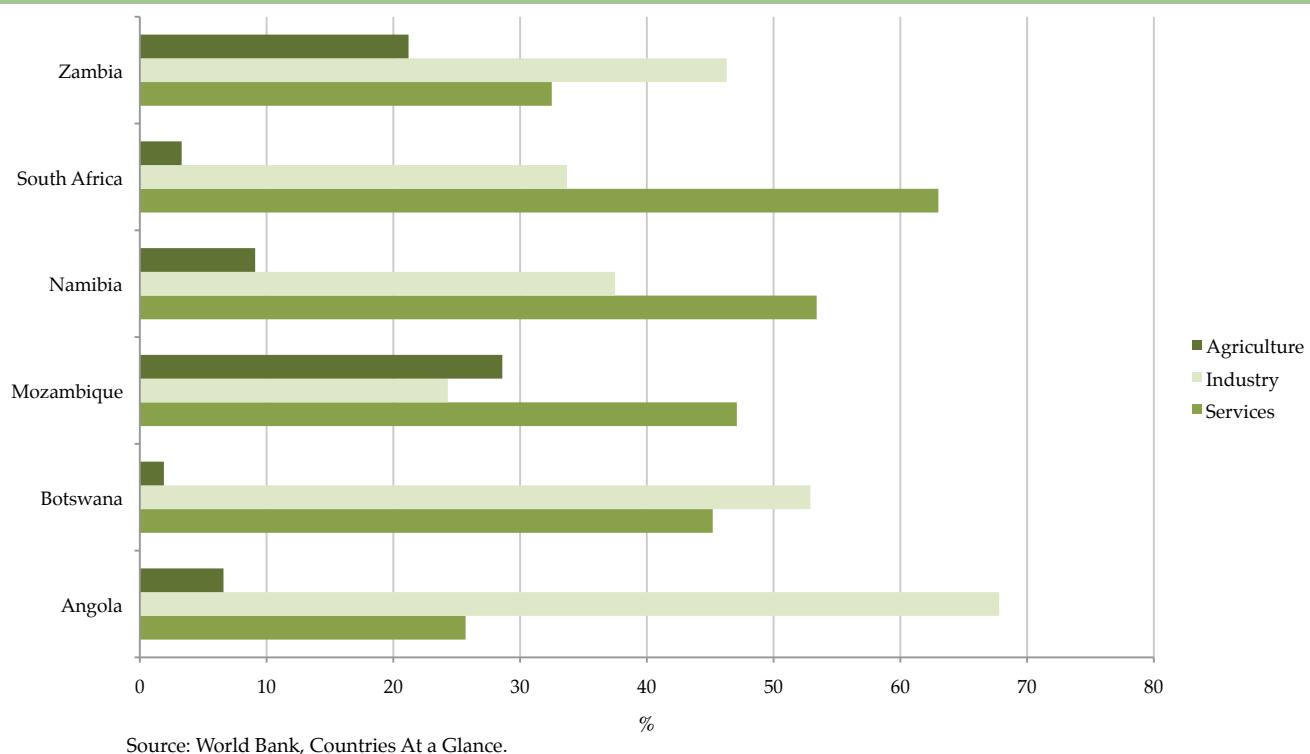
1. ↑ (up, increasing), ↔ (same or mixed results), ↓ (down or problematic)

2. + means Exports>Imports; - means Imports>Exports

**Figure S1: GDP Growth (% change from previous year)**

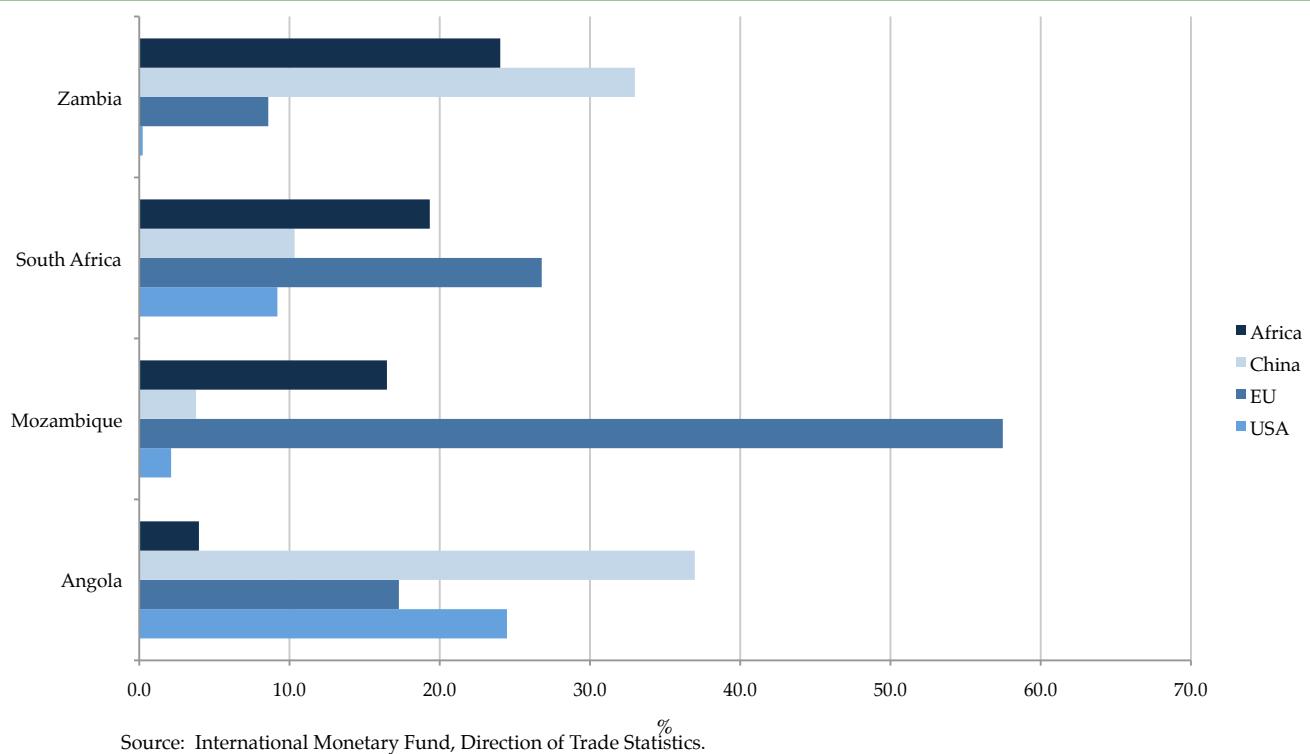


**Figure S3: GDP by Economic Sector**



Source: World Bank, Countries At a Glance.

**Figure S2: Main Export Destination (% of total exports)**



Source: International Monetary Fund, Direction of Trade Statistics.

# Angola

Capital: Luanda

Population: 19.0 million

GDP US\$: 85.5 Billion

Doing Business World (SSA) Rank: 163 (31)

Main Trading Partner: China

GDP Growth, 2010: 7.1%

Inflation Rate, 2010: 15.0%

HDI Rank: 146

GNI per Capita, PPP US\$: 4,941

Currency: Kwanza

Gender Inequality: 0.671



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

- On January 21, 2010, parliament replaced the 1975 “interim constitution” with a new constitution that ended the popular election of the president and allowed the appointment of the president for a five-year term by parliament’s majority party. Opponents argue that this is “merely a way to further expand the power of current President Jose Eduardo dos Santos” who has been in office since 1979 (Jurist). The next parliamentary elections are scheduled for 2012.
- The legislative elections held in September 2008, were the first since 1992. The MPLA won 82% of the vote, and 191 of 220 of the parliamentary elections.
- The second largest party, União Nacional para a Independência Total de Angola (UNITA), had fought against the MPLA until the death of its founder, Jonas Savimbi, in 2002. Since then, the party has abandoned the armed struggle and is seeking to obtain its objectives through peaceful means. In the 2008 elections, it won only 16 of the parliamentary seats.
- Angola hosted the 2010 Africa Cup of Nations, the biennial soccer championship in Africa. The games in the Angolan enclave of Cabinda were marred by a terrorist attack on the Togo team by a rebel group that killed three people. Rebels have been fighting the central government since Angola’s independence in 1975. The province is vital to the Angolan economy as it produces 60% of Angola’s oil.
- Corruption is a major problem. Transparency International gives Angola a score of 1.9 and a rank of 168 (tied with Equatorial Guinea) (Table 12). Reports by various NGOs, including Human Rights Watch, revealed that the government could not account for billions of dollars of oil revenue. The government responded by publishing financial information about its oil industry including revenues, exports, and taxes. A 2010 report by the NGO Global Witness claimed that there are still “serious gaps and anomalies” in the information provided by the government and Sonangol, the state oil company.
- The amounts reported by the Ministry of Finance and the Ministry of Petroleum for oil sold by Sonangol in 2008 differ by US\$8.55bn. The two ministries differ by 87million barrels of oil reported to have been exported in 2008.

## Economic Growth and Trade

- Strong oil prices in 2010 helped boost economic growth to 3%, up from a negligible 0.7% in 2009.
- While Angola’s per capita income of US\$3,750 places it in the lower middle income category, vast differences exist in income. 36% of the population lives in poverty, and rural poverty, at 58%, is higher. Almost 90% of urban Angolans live in informal settlements.
- The government secured a US\$1.3bn loan from the IMF. It had broken off relations in 2007 with the IMF over governance and transparency issues.

- Growth in 2010 was hampered by government arrears of \$6.8bn in payments to construction companies, and it slowed construction and prevented companies from paying their suppliers. In the second half of 2010, Angola began to repay the debt, and by the end of the first quarter in 2011, owed only US\$2.5bn.
- Angola is the second largest oil producer in SSA (it was the largest in 2009 when attacks by militants in Nigeria's Niger Delta reduced Nigeria's production), and dominates the economy accounting for over 90% of exports (Table 7).
- Angola became a member of OPEC in 2009. Sonangol, the national oil company, signed a memorandum of understanding with two Venezuelan and Cuban companies to explore for oil in Venezuela. In December 2009, it signed a contract to develop two oilfields in the Nineveh province of Iraq.
- Angola is a beneficiary country of AGOA.
- Exports to the U.S totaled US\$11.8bn in 2010 with oil accounting for 98.9%. Precious stones accounted for 1%. Imports from the U.S. totaled US\$1.3bn, being mostly in machinery (reactors and boilers--34%), meat (12%), and iron and steel products (11%) (Global Trade Atlas) (Tables 7 and 8).
- Angola is China's second largest supplier of foreign oil. In 2010, exports to China were substantial at US\$22.8bn, with oil accounting for 99.9%. Imports from China totaled US\$2bn with electrical machinery (17%), machinery (reactors and boilers-11%), and vehicles (11%) being the main commodities (Global Trade Atlas) (Tables 7 and 8).
- According to Mercer's 2010 World Cost of Living Report, Luanda, Angola, is the world's most expensive city for expatriates. Renting a two-bedroom unfurnished apartment costs \$4,480 a month, twice the amount reported for Paris.

### Foreign Direct Investment

- Angola is one of the largest recipients of FDI in Sub-Saharan Africa. In 2010, US\$9.94bn flowed into the country, although it was down from US\$11.672bn in 2009.
- U.S. oil companies have been in Angola since independence and invest over one billion dollars annually. Major U.S. companies include: Chevron, Exxon Mobil, and Halliburton. Chevron produces about 70% of the country's production.
- China has loaned Angola \$14.5bn since the end of the civil war to finance the rebuilding of the country. There are approximately 50 Chinese state-owned firms working in Angola. Many are construction companies rebuilding roads, railroads, hospitals, and schools. 400 private Chinese companies operate in Angola.
- Between 70,000 and 100,000 Chinese expatriates work in Angola. The importation of Chinese labor to work on construction projects is opposed by many Angolans. Although agreements stipulate that at least 30% of the labor on Chinese funded projects should be Angolan, Chinese companies claim there is not sufficient Angolan labor to meet this quota (Comarmond).
- Brazil is becoming increasingly active, with the Brazilian construction company Ode-Brecht building a power station among other activities, and becoming Angola's largest private-sector employer in 2010. Petrobras, the Brazilian oil company, is involved in deep water drilling for petroleum.
- During the civil war, Angolan conflict diamonds were used to fund UNITA's insurgency. Since the end of the conflict, Angola has become part of the Kimberly Process to certify that the diamonds it exports are not used to fund conflicts. Confidence is returning to the industry with DeBeers investing US\$31mn in diamond exploration since 2006.
- Manufacturing is slowly recovering from the civil war, but only constitutes 6.1% of GDP. Coca-Cola was one of the first foreign investors in this sector when it built a bottling plant in 2000. Nestle of Switzerland announced that it plans to build a plant. Most FDI, particularly from Western countries, has been in the petroleum sector. High transportation costs, a difficult bureaucratic climate, and unreliable and expensive electricity have hampered growth in manufacturing.

## **Infrastructure and Telecommunications**

- 47 of 100 inhabitants were mobile subscribers in 2010 and about 10% used the Internet (Table 16). The penetration of cell phones is less than 10% in rural areas.
- Movicel, a subsidiary of Angola Telecom, had the cell phone monopoly until April 2001 when Unitel's operation began. Currently the two mobile market companies have a duopoly.

## **Electricity**

- Electricity coverage reaches from 20% to 38% of the population with frequent blackouts due to poor infrastructure. Some blackouts in smaller towns can last for over 2 months. 70% of businesses rely on backup diesel generators to compensate for chronic power outages.
- Three new electricity sub-stations were scheduled for the city of Viana in 2010 under the Angola-China project carried out by China Machinery Building International in Luanda.
- In 2009, Angola teamed with Namibia to build a US\$7bn hydropower plant along their common border's river to produce 400 megawatts of electricity. The funding was on a 50/50 basis and will take five to eight years to complete.
- CARE International will spend €450,000 to implement a renewable energy project through the fund of the Netherlands Government (allAfrica.com).

## **Ground Transportation**

- The ground transportation network was destroyed by the 27-year civil war. Most rural roads are not paved. Millions of land mines were spread, making ground transportation very dangerous. Primarily Chinese construction companies are rebuilding the roads.
- The 424km (263-mile) track between Luanda and the eastern city of Malanje was the first major route to re-open since the end of the 1975-2002 civil war under US\$4bn rail project carried out by Chinese firms.

## **Business Climate and Microfinance**

- Angola ranked 163 out of 183 countries on the Doing Business rankings making it one of the most difficult places to have a business. It takes 68 days to start a business, compared to 13.8 in the OECD. Registering property, at 184 days, is even more difficult. Enforcing a contract takes 1,011 days (Tables 17 &18).
- Trade across borders was expedited with a customs improvement program that streamlined procedures and lowered trade times and costs. As a result, 'Trading Across Borders' was the only category of improvement (from 167 to 166) in its 2011 rankings.
- Microfinance is not well developed with only 8,582 active borrowers in the country (Mix Market). The industry seems to be targeting more affluent borrowers as the average loan balance is \$1,085.

## **Health Aspects**

- Angola has Sub-Saharan Africa's 8th highest level of health expenditure (89% is derived from the public sector) per capita at US\$204, an increase of \$183 (872%) from 2001 (Table 15).
- In 2010, the government announced that half of HIV positive individuals were receiving treatment, and pledged to cater to the 80% needing antiretroviral drugs. The HIV / AIDS infection rate (2009) was estimated for 15 to 49 years olds as 2%. Maternal mortality was high at 610 per 100,000 births (Table 15).
- PEPFAR gave US\$30mn to support comprehensive HIV / AIDS prevention, treatment (antiretroviral prophylaxis) and care programs from 2007 to 2009.
- GAVI's contribution has been US\$51.4mn between 2001 and June 2011, with US\$7.8mn disbursed for vaccinations in 2010.

# Botswana

Capital: Gaborone

Population: 2.0 million

GDP US \$: 12.9 Billion

Doing Business World (SSA) Rank: 52 (3)

Main Trading Partner:

GDP Growth, 2010: 6.3%

Inflation Rate, 2010: 6.1%

HDI Rank: 98

GNI per Capita, PPP US \$: 13,204

Currency: Pula

Gender Inequality: 0.688



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

## Political Stability

- In the 2009 elections, the Botswana Democratic Party (BDP), maintained its majority in the National Assembly, which it has held since 1966 (45 of 57 elected seats in parliament). The Botswana National Front (BNF) and Botswana Congress Party (BCP) are the largest opposition parties. Margaret Nasha was elected Speaker of the National Assembly, the first woman to occupy the post in Botswana (Sikuka, allAfrica.com)
- President Ian Khama has been criticized for his implementation of the Media Practitioners Law that monitors the press for “bad journalism” and seems to imply a threat to silencing opposition even further.
- Tensions have caused a rift in the BDP. Many influential party members established their own party, the Botswana Movement for Democracy.
- In 2010, the former defense minister was charged with corruption for when he did not disclose that he was a shareholder in a company that received a government contract (Botswana Former, Associated Press).

## Economic Growth and Trade

- The diamond mining sector contributes one-third of GDP. The financial crisis of 2008 led to a dramatic decrease in demand for diamonds in the global market resulting in a shutdown of mining operations in late 2008 and early 2009. This caused real GDP growth to drop to -4% in 2009, even though diamond demand picked up in the first quarter of 2009.
- There was a small dip in GDP in 2009 to US\$11.6bn but the economy quickly rebounded as diamond prices recovered in 2010 by growing at 7.8%.
- Exports in 2010 to the U.S. totaled US\$169.7mn with the main commodities being precious stones (91%), knit apparel (4%) and woven apparel (3%). Imports from the U.S. totaled US\$369.5mn with items of ‘special classification provisions’ (49%) vehicles (15%), and aircraft (9%) being the main commodities (Global Trade Atlas) (Tables 7 & 8).
- Exports in 2010 to China totaled US\$53.5mn, the main commodities being precious stones (83%) and ores, slag, and ash (17%). Imports from China totaled US\$369.5mn, the main commodities were machinery (reactors and boilers--39%), electrical machinery (15%), and iron and steel products (11%) (Global Trade Atlas) (Tables 7 & 8).

## Foreign Direct Investment

- FDI inflows into Botswana dropped to US\$529mn in 2010 from US\$579mn in 2009.
- Mining continues to dominate FDI. OJSC Norilsk Nickel (Russian company) will invest US\$20mn in Botswana-based Tati Nickel (Norilsk, Russia and CIS Business and Financial Newswire). The International Finance Corporation (IFC) has made a US\$5mn equity investment in TSX-listed Tsodilo Resource to advance the company’s Ngamiland diamond and base-metals project in north-west Botswana (Bruyn, Mining Weekly). Canada’s Hana Mining will invest an additional US\$4mn for drilling and begin a scoping study on the company’s copper and silver project in Ghanzi (Moseki, allAfrica.com).

- Shrenuj and Company Group opened the first diamond jewelry manufacturing plant in November 2010 as part of a plan to inaugurate its diamond cutting and polishing factory in Gaborone (Krawitz, Diamonds.net).

## Infrastructure and Telecommunications

### Electricity

- With a large rural dispersion, only 22% of the population has access to electricity. The government hopes to provide electricity to all by 2016.
- Botswana does not produce its own energy, but imports most of its electricity from countries like South Africa (Developing Renewable Energy, 2006). In February 2010, APR Energy announced that its latest power plant, located 30 kilometers from Francistown in eastern Botswana, has begun commercial operation (APR Energy, ESI Africa). Construction of Phase 1 of the 600 megawatt Morupule B Power Station began in February 2010, and the station is expected to begin operation in January 2012 (Mmegi Online).
- The Japanese government is funding the construction of the Phakalane one megawatt solar power station—the country's first. The project was due to start in September 2010 to jumpstart other renewable energy initiatives (Mmegi Online).

### Telecommunications

- Botswana has one of the most developed telecommunications industries in Africa. There are 118 subscriber contracts for 100 inhabitants--some people have multiple mobile phones (International Telecommunications Union) (Table 16).
- Three main telecommunications providers offer a full range of services. The largest is Botswana Telecommunications Corporation (BTC), originally state-owned and established in 1980. After liberalization in 1996, two joint ventures, Mascom Wireless and Orange, increased competition. BTC still controls most telecommunications wired and wireless telephone networks, Internet and fiber-optic services and infrastructure for the cross-border connections (BTC website).

## Business Climate, Stock Exchange, and Microfinance

- Botswana's Doing Business world rank (2011) is 52, and it ranks third among SSA countries. It has increased 9 points in enforcing contracts, made easier in 2010 through ICT and the introduction of case management thereby increasing efficiency in dispute resolution (Table 17).
- Starting a business fell 7 points although it was made easier by more efficient tax registration and streamlining business licenses. Registering property fell 2 points due to a value added-tax payments notification requirement (Table 18).
- The Botswana Stock Exchange (BSE) with 35 listed companies, had a level of market capitalization of listed companies of US\$4.1bn (27.4% of GDP) in 2010 (Table 19). Its leading Index, the DCI, was flat in 2010, and then declined by 10.2% in December to 6,412.9, ending the year with a 11.4% decline over 2009. However, market investments have yielded more than the level of inflation or interest rates.
- Iamgold Corp. (IMG) delisted its shares from the BSE in September 2011 because of a lack of liquidity in the exchange.
- Microfinance activities are low, but informal-sector businesses continue to grow. From 1999-2007, there has been an increase of 72.3% (40,421 businesses). Most are wholesale and retail trade, and are operated by women (67.6%). Financing (81%) is from the owners' own cash savings (Central Office of Statistics, 2007). About 70% of the medium, small, and micro enterprises are controlled by women (Botswana Confederation of Commerce, 2008).

## Health Aspects

- Government expenditures were US\$611, the second highest (Table 15), an increase of 13.5% since 2001. Life expectancy has increased 4.7 years to 54.2, and maternal mortality was the lowest of SABER's countries at 190 per 100,000 births.
- The estimated prevalence of HIV among 15-49 year olds is 24.8%, the second highest in the world behind Swaziland. Over US\$395mn (2004-2009) were received from PEPFAR to support antiviral treatments, counseling, care, and support sessions.
- By combining PEPFAR support with a portion of the diamond export revenues, the government has been able to provide universal treatment access (defined as 80% of those in need of AIDS medication receive it). Prevention efforts have had less success in significantly reducing the epidemic.
- The government also covers vaccinations and no GAVI funds were given to the country.

# Mozambique

Capital: Maputo

Population: 23.4 million

GDP US \$: 10.2 Billion

Doing Business World (SSA) Rank: 126 (13)

Main Trading Partner: EU

GDP Growth, 2010: 6.5%

Inflation Rate, 2010: 9.3%

HDI Rank: 165

GNI per Capita, PPP US \$: 854

Currency: New Metical

Gender Inequality: 0.718



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.

## Political Stability

- The former Portuguese colony was devastated by a civil war (1976 to 1992). A peace accord was signed in 1992 with multi-party elections held several times. FRELIMO, the ruling party, abandoned its Marxist ideology in the early 1990s and now actively encourages foreign investment. Mozambique joined the British Commonwealth in 1995, as the first country without a previous colonial tie to Great Britain.
- President Armando Guebuza, the third president, was reelected for a second and final term in 2009 with 75% of the vote. The election was far from free with significant state resources used to bolster the ruling party. One opposition party, the Movimento Democrático de Mocambique, was not allowed to participate in 80% of the constituencies (Table 11).
- Guebuza dominates FRELIMO and appears to be becoming increasingly authoritarian. He is pursuing a policy of increasing state involvement in the economy, reversing the liberalizing trend of his predecessor Chissano. Party membership or support is often necessary to succeed in business (Africa Confidential). Ruling party leaders are becoming heavily involved in business activities.
- Inflation was 9.3% in 2010, and rising food and fuel prices sparked violent riots in September. After repressing the protests, the government reinstated subsidies. The fuel subsidies alone cost the government US\$105 million (July 2009 and July 2010) which may not be able to maintain them in the future.
- The Transparency International 2010 rank was 116 (Table 16). The U.S. is worried that Mozambique is becoming a narcotics transshipment point. Prominent businessman Mohamed Bachir Suleiman, who has close ties with the ruling party, has been accused by the U.S. Dept. of Justice of drug trafficking. Sanctions have been placed that ban all U.S. citizens and companies from doing business with him.

## **Economic Growth and Trade**

- Mozambique's economy grew at 7.8% in 2010, partly due to increased world aluminum prices. Aluminum processed at BHP Billiton's (Australia) giant Mozal plant accounts for 57% of Mozambique's exports. Strong world demand for aluminum and other minerals produced in Mozambique such as coal should bolster economic growth in 2011.
- Exports to the U.S. in 2010 totaled US\$64.7mn with sugars (38%), ores / slag / ash (26%), and edible fruit and nuts (14%) being the main commodities. Imports from the U.S. were US\$225mn with oil (26%), vehicles (23%), and cereals (16%) being the main ones (Global Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$201.4mn with the major commodities being wood (68%), ores / slag / ash (16%), and misc. grain and seed (12%). Imports from China were US\$497.1mn with machinery (reactors and boilers--16%), electrical machinery (11%), and vehicles (10%) being the main import commodities (Global Atlas) (Tables 7 & 8).

## **Foreign Direct Investment**

- FDI was US\$789mn in 2010, down from US\$893 in 2009.
- The mining sector will get a boost with the Australian company, Riversdale Mining planning to invest US\$270mn initially and then US\$1.3bn in the Benga coal mining project.
- China will continue to be a major investor with significant projects planned including upgrading the Maputo International Airport (US\$65mn), constructing a cement plant in Sofala, building a cotton-processing plant in Magude and setting up a US\$200mn vehicle assembly plant in Maputo.
- South African farmers are investing in agricultural property, especially for sugarcane.
- Brazil's former president Luiz Inacio Lula da Silva sought to forge closer ties both Angola and Mozambique. On his last official visit in 2010, Brazilian businesses pledged to invest up to \$500mn in Mozambique. Vale, the Brazilian mining giant, has already invested \$1.3bn in a coal mining project in Tete province. Carmargo Correia, a Brazilian company, will build a dam over the Zambezi River.

## **Infrastructure and Telecommunications**

- Cell phone penetration in Mozambique was only 31 per 100 inhabitants in 2010.
- The main cellular companies are state-owned Mocambique Cellular (Mcel) and Vodacom Mozambique, a subsidiary of the South African Vodacom. The Vietnamese firm Viettel won a US\$29mn contract, and plans to invest US\$400mn over the next five years.
- Mcel started its first mobile banking service, "Mkesh," in November 2010.

## **Electricity**

- Only 8% of the population has access to electricity; expansion of the electric grid is a major priority of the Mozambican government.
- Capacity to export electricity regionally will be enhanced with a new hydroelectric dam the Brazilians are planning to build on the Zambezi River. The US\$2bn dam is projected to generate 1,500 megawatts and other projects are planned.
- Solar energy is being encouraged through a US\$10mn solar panel manufacturing company being built in Maputo by Indian investors.

## **Ground Transportation**

- Reconstruction of the road system has been a priority since the end of the civil war, and government has been developing corridors to link three of its ports, Maputo, Beira, and Nacala with neighboring land-locked countries.

- The Maputo Corridor links Maputo with the industrial heartland of South Africa. Since 2000, it has been operated by Trans Africa Concessions under a 30 year concession. Dubai Ports World manages Maputo's port (a 15-year concession).
- Two other corridors are being upgraded to facilitate transport to neighboring landlocked countries. The World Bank invested in the construction of a 550-km railroad to be operated by two Indian rail companies from the Zambezi Valley to the port of Beira. The Africa Development Bank has loaned US\$86.5mn to finance roads to connect the port of Nacala with Zambia and Malawi.

### **Business Climate, Stock Exchange, and Microfinance**

- The Doing Business rank improved by 4 points from 130 in 2010 to 126 in 2011. Significant rank improvements are: starting a business (+31), registering property (+9), closing a business (+6), and dealing with construction permits (+4) (Table 17). The sharp increase in the Starting a Business rank is explained by the introduction of the simplified licensing process in 2011. In 2010, business start-up was also made easier through the elimination of the requirement for minimum capital and bank deposits.
- Administrative improvements in customs helped reduce the time required to clear traded goods, thus improving ranking in trading across borders (Table 18).
- The Bolsa de Valores de Mocambique (BVM) with 11 listed companies had a market capitalization of US\$403.2mn in December 2010 (BVM website). It has the ability to trade government bonds and sell shares in state enterprises.
- In October 2011, the Exchange listed Petromoc with a value of US\$5.9mn offering 160,000 bonds, each with a nominal value of US\$37. This issue's term is 12 months with a fixed annual interest rate of 21%.
- Microfinance: Ten institutions reported their operations to the Mix Market. There were over 90,000 borrowers with an average loan balance of US\$337. Savings is more popular with over 270,000 depositors in the institutions.

### **Health Aspects**

- Mozambique only spends US\$25 per capita on health. It has an aggressive immunization program (77% of children under five vaccinated against measles). GAVI vaccinations disbursement totaled US\$41.6mn (2001 to June 2011), with US\$12mn disbursed in 2010.
- Health resources are strained as an estimated 12% of the population between 15 and 49 are infected with HIV.
- PEPFAR contributed US\$835.6mn (2004 to 2009) for counseling for 1.25 million individuals. In 2010, PEPFAR supported the antiretroviral treatment for 138,800 people and 40,000 HIV pregnant women.

# Namibia

Capital: Windhoek

Population: 2.2 million

GDP US\$: 10.5 Billion

Doing Business World (SSA) Rank: 69 (6)

Main Trading Partner:

GDP Growth, 2010: 1.7%

Inflation Rate, 2010: 6.5%

HDI Rank: 105

GNI per Capita, PPP US\$: 6,323

Currency: Namibian Dollar

Gender Inequality: 0.724



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 won 76.4% of the votes in the 2009 election and was sworn in for his second and final term on March 21, 2010. Namibia's ruling party, South West Africa People's Organization (SWAPO), which has ruled Namibia since independence in 1990, has 54 out of the 78 seats in the National Assembly and 24 out of 26 seats in the upper chamber (Table 11).
- The Special Advisers and Regional Governors Amendment give the President the "mandate to appoint governors and determine their terms and conditions of employment." In February 2011, 13 regional governors were sworn into office (Sasman).
- Namibia is ranked 56 in Transparency International's 2010 Corruption Perception Index (Table 12). Although one of the least corrupt countries in Africa, corruption still can be an issue. One Chinese and two Namibians were accused of bribery worth millions involving Nuctech, a firm linked to the son of China's President Hu Jintao. According to the Anti-Corruption Commission, a US\$12.8mn "down payment" on 13 security scanners were "diverted to a firm called Teko Trading. Nuctech won a US\$55.3mn contract to supply the Namibian government with the scanners, paid with a Chinese loan granted when Hu visited the country in 2007" (ARB 47.4).

## Economic Growth and Trade

- The Namibian economy grew 4.2% in 2010 (a turnaround from the negative 0.8% decline in 2009). This growth was partially due to increases in the price of uranium and diamonds.
- Namibia developed a garment export industry that did not exist before AGOA's enactment, though it had an active Export Processing Zone and excellent port. Four years after AGOA, its garment exports to the U.S. exceeded US\$78mn. A Malaysian corporation and a Taiwanese company built two built garment-manufacturing plants employing over 7,000 workers. The investors left in 2008, leaving empty factory shells.
- Exports to the U.S. in 2010 totaled US\$195mn with ores/slag/ash (71%) and precious stones (27%) being the major commodities. Imports from the U.S. totaled US\$109.9mn including vehicles (30%), special classification items (17%), and precious stones (11%) (Global Trade Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$483.5mn with inorganic chemicals and rare earth metals (66%) and zinc (18%) being the major commodities. Imports from China were US\$226.4mn consisting of textile articles (25%), machinery (reactors and boilers--14%), and electrical machinery (10%) (Global Trade Atlas) (Tables 7 & 8).

## Foreign Direct Investment

- FDI inflows into Namibia were US\$858mn in 2010, up significantly from US\$516mn in 2009.
- India's Sterlite Industries acquired the Skorpion Zinc Mine from Anglo American Plc for about US\$707mn (Sterlite).

- China Mineral Exploration and Development Bureau (ECE) plans to buy zinc and lead interests at Berg Aukas, and will own 65% of the mine upon approval (Heita).
- Weatherly International, U.K. will reopen the Otjihase and Matchless copper mines during 2011, closed in 2008 due to the fall of world copper prices. The company plans to establish a joint venture with China's state-owned East China Mineral Exploration and Development Bureau to reopen the Berg Aukas vanadium-zinc mine (EIU 19.5).
- The Japanese trading firm Itochu will buy a 15% stake in UK-based Kalahari Minerals. Japan Oil, Gas and Metals National Corporation will extend US\$43mn of loans to Itochu to back UK-based Kalahari Minerals' Rössing South project. The project should begin in 2013 and produce 5,700 tons/year of uranium, potentially rising to 220,000 tons (EIU 19.7).
- Australia's Bannerman Resources plans to construct a US\$638mn open-pit mine and heap-leach processing plant at its Etango project in central Namibia. It is currently looking for a partner to help finance this project (EIU 20.1).
- London-based Tower Resources plans to drill its first oil well in late 2011.
- Massmart bought Namibian hardware retailer Pupkewitz Megabuild in July 2010 (Motsoeneng).
- PUMA Energy partnered with the state-owned oil company, Sonangol, to buy all of BP's assets in Namibia (ARB 47.11).
- The European Investment Bank provided over €82mn to support the construction Ohorongo Cement factory in the Tsumeb area, a poor rural district (The European). The plant began operation on February 3, 2011.

### **Infrastructure and Telecommunications**

- There are 67 cell phone subscribers per 100 inhabitants (Table 16). Verizon will expand Business Private IP network capabilities and Telkom South Africa has secured new operating licenses. Alcatel-Lucent is extending the West Africa Cable System (WACS) from Portugal to the U.K. Namibia should receive commercial service in 2011 (Alcatel-lucent, IT News Africa).
- Namibia's mobile giant MTC will launch its fourth generation (4G) technology, to supply bandwidth in wireless mode to all areas (Namibia Goes).

### **Electricity**

- 31% have access to electricity with expansion planned through various means.
- The 250-kilowatt wood gasification power plant in the Outjo district began operations in September 2010, as the country's first independent power producer (ARB 47.9).
- Namibia partnered with Angola to build a US\$1.1bn Baynes Dam hydropower plant on the Kunene River that runs along their borders. The plant is expected to be ready by 2017. Each country will pay half of the expenses (Raphie).
- A 4th turbine unit will be installed into the Ruacana hydropower plant on the Namibian side of the Kunene River to increase generating capacity from 246 to 338 megawatts by 2012. Ruacana normally supplies about half of the country's power. The new turbine decreases reliance on imported energy, and helps meet the new demand arising from the opening of new uranium mines, which should be completed by 2012 (EIU 19.1).
- The national power utility, NamPower, will build a series of hydro-electric power stations along the Lower Orange River. The Lower Orange Hydroelectrical Power Scheme will have nine power stations and generate 90 to 120 megawatts by 2013 (Nine power).
- Japanese Sojitz Corporation and Korean Midland Power are partners in Namibia's plan to develop its first wind-power generation plant costing US\$150mn to generate 44 megawatts of electricity at Diaz Point by 2013. Namibian United Africa Group will hold a 60% share, while Sojitz and Korean Midland Power will each hold 20% (Herskovitz).

### **Business Climate, Stock Exchange, and Microfinance**

- The Doing Business rank decreased by 1 point from 68 in 2010 to 69 in 2011, and there were small improvements in rankings in the following categories: starting a business (+1), dealing with construction permits (+1), registering property (+1), enforcing contracts (+1), and closing a business (+2) (Tables 17 & 18).
- In the remaining categories, Namibia saw a small decrease in its rankings.
- The Namibia Stock Exchange (NSX) with 25 listed companies, had a level of market capitalization of listed companies of US\$1.17bn (9.7% of GDP) in 2010 (Table 19). The All Shares Index ended at 31,123.59 in October 2011.
- Regulation 28 added to the Pension Fund Act mandated that funds must invest at least 35% of its total collections in Namibian assets with particular “prescriptive minimums” and “prudential maximums.” This has contributed to building up reserves in excess of US\$3.7mn.
- In 2010, NSX did a Enterprise Risk Management review on contributions to deepening the capital markets in the region. It then added Bank Windhoek & Telecom bonds, the dual listed the Australian Mine Makers Limited (a deep water phosphate exploration company), and the dual listed Canadian Auryx Gold Corporation to the DevX (Development Capital Board).
- NSX also participated in the Committee of SADC Stock Exchanges, and leveraged off the JSE and the LSE (London Stock Exchange) trading platforms and best practices.
- No MFIs were reported to Mix Market for 2010.

### **Health Aspects**

- US\$258 per capita in 2009 was spent on health increasing by 112% from 2001 levels. The public share of health expenditure was 36% (Table 15).
- The population living with HIV / AIDS is 180,000 (13.1%) of 15-49 years olds (WHO).
- PEPFAR gave US\$432mn (2004 to 2009) for care and support of pregnant women and other persons with known HIV status to receive services and obtain antiretroviral treatment.
- There was no GAVI vaccination disbursements.

# **South Africa**

**Capital: Pretoria**

**Population: 50.5 million**

GDP US \$: 329.5 Billion

Doing Business World (SSA) Rank: 34 (2)

Main Trading Partner: EU

GDP Growth, 2010: 2.6%

Inflation Rate, 2010: 5.8%

HDI Rank: 110

GNI per Capita, PPP US \$: 9,182

Currency: Rand

Gender Gap Rank: 0.753



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.

### **Politics Stability**

- President Jacob Zuma is in his third year in office with significant discontent in the country concerning unemployment, delivery of government services, and corruption (Table 11).
- While the African National Congress dominates with 264 of the 400 seats in the National Assembly, there are tensions within the party about the appropriate economic policy. The labor unions and South African Communist Party favor policies that would stimulate the economy to create more jobs, while many of the influential members of Zuma's cabinet, notably Trevor Manuel, the planning minister, and Pravin Gordhan, the finance minister, favor more conservative financial policies.

- Voter discontent with the poor quality of government services and charges of corruption put the ruling African National Congress party on the defensive as it entered the municipal elections on May 18, 2011. However, the support it received (62.8%) was not much less than the 65.9% it garnered in the national elections in 2009. It was able to retain all of the major municipalities except for Cape Town, where the Democratic Alliance government was reelected. Nationally, the Democratic Alliance increased its share of the vote from 16.6% in 2009 to 24.2% in 2011. The Municipal elections held on May 18, 2011 caused the ANC some losses due to voter discontent with the poor quality of government services and corruption.
- Julius Malema, the president of the ANC Youth League, has maintained a high profile with controversial statements advocating the nationalization of the mines and praise for Zimbabwe's seizure of farm land. In May 2011, he was tried for hate speech for singing the song "Kill the Boer," and only in August 2011, did the ANC attempt to quiet him after formal protests.
- South Africa joined the major emerging economies of Brazil, Russia, India, and China (BRICS). South Africa sees this membership as recognition of its political and economic progress.
- South Africa is high at 4.5 for having little corruption and has a world rank of 54 in Transparency International's 2010 Corruption Perception Index (Table 12). However, there have been several corruption scandals. Jackie Selebi, the former head of the South African Police Service and Interpol president, was convicted of corruption in July 2010. Selebi was accused of dealing with drug smuggler Glen Agliotti and accepting bribes worth US\$156,000. The court finally found Selebi not guilty (African Research).

### **Economic Growth and Trade**

- The South African economy grew 2.7% in 2010. This growth was in stark contrast to the decline of 1.8% in 2009. Growth would have been higher in 2010 had there not been significant workers' strike that led to a 20% decline in mining production.
- A report by the accounting firm Grant Thornton estimated that the 2010 World Cup games held in multiple locations across South Africa had a gross economic impact of US\$12bn.
- In November 2010, South Africa's Department of Trade & Industry launched a program that will provide US\$815mn in tax incentives to boost manufacturing industries and create jobs in the country (Africa Invest).
- Exports in 2010 to the U.S. totaled US\$8.2bn with the main commodities being precious stones (42%), vehicles (20%), and iron and steel (9%). Imports from the U.S. in 2010 totaled US\$5.6bn, with the main commodities being machinery (reactors and boilers--22%), vehicles (12%), and electrical machinery (6%) (Global Trade Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$11.4bn with ores/slag/ash products (52%), precious stones (20%), and iron and steel (10%) being the main commodities. Imports from China were US\$10.8bn with electrical machinery (18%), machinery (reactors and boilers--15%), knit apparel (8%), and woven apparel (6%) being the main ones (Global Trade Atlas) (Tables 7 & 8).
- A gradual shift in the origin of FDI from OECD to non-OECD sources (led by China and India) is expected over the next five years. China is currently South Africa's largest single market for exports and largest single-supplier of imports, overtaking the U.S. and Germany respectively in 2009 (EIU ).

### **Foreign Direct Investment**

- Inflows of FDI into multiple sectors totaled US\$1.53bn in 2010, down from US\$5.37bn in 2009.
- Mining: Dutch fund manager Algemene Pension Group (APG) committed US\$250mn to the Johannesburg Stock Exchange (JSE) listed Pallinghurst Resources Guernsey to invest in South Africa's mining industry, mostly in platinum group metals (Africa Investor).
- Sable Mining Africa Ltd., a U.K. company led by former England cricketer Philippe Edmonds, raised US\$125mn to develop coal assets in South Africa and Botswana (Biesheuvel, Bloomberg Businessweek).

- Petra Diamonds, another U.K. company, will acquire the Finsch diamond mine in South Africa from De Beers Consolidated Mines (DBCM) for US\$186mn (Africa Investor).
- Manufacturing: Dangote Group of Nigeria announced that it will increase its shareholding in South Africa's Sephaku Cement Ltd, one of South Africa's leading cement manufacturing companies from 19.8% to 64% (Africa Research Bulletin)
- South Korean Dongbu Steel and state-run KORES signed an agreement with South Africa's Kermas to develop iron ore and titanium in the country by setting up a smelting plant in Stoffberg (north of Johannesburg) that would produce 1.2 million tons of pig iron per year starting in 2013 (Africa Investor).
- Steel Authority of India Ltd (SAIL), India's largest iron and steel producer, announced in February 2011 that it will build a US\$2.95bn steel plant in South Africa (Africa Investor).
- Ford announced its new investment in a light commercial vehicle plant in Silverton, Pretoria, and a diesel engine plant at its Struandale facility in Port Elizabeth in October 2010 (EIU Vol. XIX, No. 10).
- Volkswagen announced an US\$65mn investment in a new workshop facility in South Africa (Africa Investor).
- In October 2010, Walmart placed an US\$4.3bn bid for Massmart, one of SA's biggest retailers. However, in November 2010, Walmart encountered several difficulties due to concerns that the merger will have a devastating impact on small and medium enterprises.

### **Broad-Based Black Economic Empowerment**

- In 2003-2004, the South African government enacted Black Economic Empowerment (BEE), a government affirmative action program to redress the economic wrongs of apartheid with legislation. Criticism that BEE was leading to crony capitalism led the government in 2007 to shift its focus from ownership to broader measures, called Broad-Based Economic Empowerment (B-BBEE), which has increased the breadth of economic participation.
- Targets have been set in an attempt to entice (or enforce) companies to increase ownership and employment of what is called historically "disadvantaged South Africans." This group consists of African blacks, Coloureds (a South African term referring to people of mixed racial heritage), Indians, and Chinese.
- The codes are binding on all state bodies and public companies. National, provincial, and local governments are required to apply them when making economic decisions on procurement, licensing and concessions, public-private partnerships, and sales of state-owned assets or businesses.
- Private companies must apply the codes if they want to do business with any government enterprise or state business function such as tendering for business, applying for licenses and concessions, entering into public-private partnerships, or buying state-owned assets.
- Companies have to keep a score card that includes factors such as ownership, employment equity, housing and living conditions, migrant labor, and community development.

### **Infrastructure and Telecommunications**

- There are over 100 subscribers per 100 inhabitants (some individuals have more than one subscription), and the number of persons having mobile phones is high, but not universal as compared to only 8% who have land lines. Vodacom has the largest market share.
- Cell phone banking is increasing. Vodacom and Nedbank introduced the M-Pesa mobile banking and payments service on August 31st, 2010. In March 2010, Standard Bank launched its Instant Money, an m-payment platform that allows customers to send cash via mobile phones.
- MTN announced the biggest B-BEE transaction in the telecom sector to date. It will sell a 4% stake in the firm for US\$1.1bn. The transaction (MTN Zakhele) will push up the effective black shareholding in MTN's South African division to nearly 30% (EIU Vol XIX, No. 15).

## Transportation

- Transportation infrastructure significantly improved as South Africa spent billions of dollars on roads, railroads, bridges, ports, and mass transit.
- A high profile project has been the Gautrain, a railroad that links Sandton, one of the northern suburbs of Johannesburg and the home of the Johannesburg Stock Exchange with the Oliver R. Tambo International Airport. It opened in time for the World Cup in 2010.
- China Railway Group Ltd., the world's second-largest publicly traded heavy construction company, is discussing plans to build a US\$30bn, 400-500 km high-speed rail project in South Africa (Africa Investor).

## Electricity

- The South African economy was "shocked" in 2009 as the country experienced a significant power shortage. Blackouts hindered production in the mining sectors. In response to this, the government is attempting to increase capacity.
- The parastatal power generator Eskom is building a new, massive 4,800 megawatt Medupi coal-fired station in South Africa (EIU).
- South Africa plans to invest in a solar power energy park to help meet increasing electricity demands in the Northern Cape Province. It will generate 5,000 megawatts of energy, about 11% of the country's current power capacity (ARB).
- South Korea signed a nuclear power cooperation treaty with South Africa paving the way for Korean companies to work in atomic power plant construction projects in SA that plans to get 25% of its electricity production from nuclear power plants by 2025 (ARB).
- The World Bank has approved an IBRD loan of US\$3.75bn to Eskom for a project aimed at helping SA achieve a reliable electricity supply while also financing some of the biggest solar and wind power plants in the developing world (ARB Volume 47 Number 4).
- Independent power producers (IPPs) will produce 10% of the electricity in the country within three years, according to new government targets (EIU).

## Business Climate, Stock Exchange, and Microfinance

- The Doing Business world rank decreased 2 points from 32 in 2010 to 34 in 2011. SA has seen a significant decrease in starting a business (-9) and registering property (-4) (Table 17). In 2010, the stamp duty was abolished which eased the tax burden placed on businesses. Despite this, SA fell by one point from 2010 to 2011 in paying taxes (Table 18).
- Since 2009, entrepreneurs no longer have to obtain legal assistance or have their incorporation documents notarized, thanks to amendments to the Corporate Act that also allow electronic submission of documents and publications, easing business start-up. Also, the government reduced the tax burden by eliminating the regional establishment levy and regional services levy.
- The Johannesburg Stock Exchange (JSE) with 356 listed companies, had a level of market capitalization of listed companies of US\$101.2bn and a staggering contribution of 278.4% to GDP in 2010 (Table 19).
- 2010 had some challenging conditions, but the main equity index, All Share Index (ALSI), rose 16.1% to a high of 32,227 on December 30, 2010, and the Volatility Index (SAVI), a forecast of equity market risk, rose in the last quarter, implying higher market volatility and thus risk; however it was much lower than in 2008 and 2009.
- Foreign investors continued to increase their holdings in JSE equities (2010 net inflow of US\$5.48bn; 2009: US\$11.3bn) and grew their net investment in the interest rate market to US\$8.8bn.
- The World Economic Forum's Global Competitiveness Report 2010-2011 noted that :South Africa's securities exchange regulation is the best in the world.

- In October 2011, the JSE announced the results of a study that showed black shareholding had increased to 17%. The figures are now based on direct investments in 100 top companies (8%--the number as in 2010), plus the mandated investments such as pension funds, trusts, and life insurance policies (9%).
- Microfinance is underdeveloped, given the size of the country. According to the Mix Market, there were 805,449 active borrowers in the reporting microfinance institutions. The average loan was US\$1,009. Savings is more popular with 1.3 million borrowers.

### Health Aspects

- The government spent the 3rd highest on health at US\$485 per capita, an increase of over 112% from 2001. The public share of health expenditure is 40% (Table 15).
- The HIV / AIDS population 15-49 years old living with HIV was 5,600,000 (17.8%) in 2009 (Table 12). PEP-FAR disbursed US\$3.1bn (2004 to 2011) for medical care and support for 2.2 million people and for 5 million to receive counseling and testing.
- There was no GAVI vaccination disbursements.

# Zambia

Capital: Lusaka

Population: 13.3 million

GDP US \$: 16.1 Billion

Doing Business World (SSA) Rank: 76 (7)

Main Trading Partner: China

GDP Growth, 2010: 5.8%

Inflation Rate, 2010: 8.2%

HDI Rank: 150

GNI per Capita, PPP US \$: 1,359

Currency: Kwacha

Gender Gap Rank: 0.629



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

- President Rupiah Bwezani Banda of the Movement for Multiparty Democracy (MMD) faced voter dissatisfaction and was defeated by Michael Sata in the September 2011 presidential elections. Banda considered Chinese investment as essential for the economic development of Zambia while Sata was critical of China's influence.
- Conflicts between unions and Chinese investors increased tensions causing a backlash against Chinese investment. Chinese investors typically bring their own management and skilled workers. In addition, many petty traders from China moved to Zambia causing fears that Zambian jobs were going to the Chinese. Over 100,000 Chinese live in Zambia, and about two-thirds of the jobs in road construction projects are held by Chinese workers (Africa Confidential). The Chinese do 65% of the Ministry of Works and Supply projects.
- Transparency International ranked Zambia at 101 on the Corruption Perception Index (Table 12). Attempts to increase transparency had several recent setbacks. Lusaka High Court judge, Evans Hamaundu, refused to allow the state to recover US\$58mn from former President Chiluba and his allies even though Chiluba had been found to have diverted public funds (Africa Confidential). In 2010, several aid donors suspended aid for health projects when it was discovered that US\$7mn had been stolen from the Health Ministry.

### Economic Growth and Trade

- Strong copper prices helped boost Zambia's economic growth by 6.4%. Production of the staple food crop, maize, was 48% higher than 2009's harvest and 110% higher than the five-year average. Exports exceeded US\$7 billion, up from US\$4.3 billion in 2009.

- However, the economic growth from the increased price of copper had little trickle-down effect, and a large part of the population (63.7%) live in poverty.
- Exports to the U.S. in 2010 totaled US\$29.6mn with the main commodities being base metals (75%) and precious stones (17%). Imports from the U.S. totaled US\$56.5mn with machinery (reactors and boilers--39%), vehicles (10%), and special classification goods (9%) being the main ones (Global Trade Atlas) (Tables 7 & 8).
- Exports to China in 2010 totaled US\$2.5bn with copper and copper articles (94%), ores / slag / ash (3%) and other base metals (2%) being the main commodities. Imports from China were US\$301.1mn with electrical machinery (26%), machinery (reactors and boilers--16%), and medical and optical equipment (10%) being the main ones (Global Trade Atlas) (Tables 7 & 8).

### Foreign Direct Investment

- FDI inflows into Zambia totaled US\$1.041bn in 2010, significantly higher than 2009 US\$695mn. Mining still shows strong growth, buoyed by high copper prices.
- FDI pledges in manufacturing were US\$768mn (mostly from China), plus US\$593mn in mining and \$565mn in energy (Africa Confidential).
- Mining contributes about 70% of foreign exchange earnings and, officially, 11.1% of economic output, but its taxes amount to only about 1% of the total sum collected. Finance Minister Situmbeko Musokotwane fears introducing a windfall tax that might discourage investors. Asian mining companies that came when copper prices were low were attracted by low taxes; changing their contracts now that the price is up again is difficult (AC).
- About 5% of Zambia's copper output is produced by Chinese mining companies. China buys at least 20% of Zambia's annual copper production (Zambian Development Agency).
- To diversify the economy, Zambia is developing Export Processing Zones with Chinese help.

### Infrastructure and Telecommunications

- The mobile phone penetration is 38 per 100 inhabitants. Almost all are prepaid subscribers (International Telecommunications Union).
- LAP Green, the telecom investment arm of the Libyan government bought Zambia Telecommunications Ltd. (Zamtel) for US\$394m. Zamtel is Zambia's lone fixed line operator (AllAfrica.com) with 0.7% fixed lines per 100 inhabitants (International Telecommunications Union).
- A US\$10mn mobile phone manufacturing plant, known as M-mobile Telecommunications Zambia Ltd. (M-Tech), opened in Lusaka in 2009. It employs over 200 Zambians and produces 1,000 phones per day that cost about US\$36 each. (Lusaka Times).
- The Development Bank of Southern Africa (DBSA) granted US\$105mn for the expansion of the Kariba North Bank hydropower plant. This should increase the generating capacity of the dam by 50%. SinoHydro was awarded the contract.

### Business Climate, Stock Exchange, and Microfinance

- The Doing Business rank changed from 84 in 2010 to 76 in 2011, making Zambia one of the top reformers in the world in 2010 according to the World Bank. The major improvement was in starting a business, a jump of 36 places for a ranking of 57. It now takes only 18 days to register a new business compared to the average of 45.2 days in Sub-Saharan Africa (Tables 17 & 18).
- Other areas of significant improvement included registering property (+10), getting credit (+8), and trading across borders (+7).
- Zambia fell thirteen places in the rankings for closing a business. For closing a business, the recovery rate of 27.2 cents on the dollar is better than the average for Sub-Saharan Africa (23.2 cents) but significantly below the average for the OECD countries (69.1 cents).

- The Lusaka Stock Exchange (LuSE) with 22 listed companies had a level of market capitalization of listed companies of US\$2.8bn (17.4% of GDP) in 2010 (Table 19).
- The LuSE All Share Index was 3,804.68, in October 2011, with a total of 963,860 shares transacted in 23 trades worth US\$530,000.
- The Zambian Agricultural Commodity Exchange (ACE or ZAMACE), based in Lusaka, provides a centralized trading facility for agricultural commodities and is supported by USAID and the World Food Program.
- Microfinance has 31,000 active borrowers averaging \$149 per borrower with a gross loan portfolio of US\$6.5mn and US\$1.5mn deposits (Mix Market).

### **Health Aspects**

- Per capita health expenditures in 2009 were US\$47, up from only US\$20 in 2001, an increase of 134%. Of that amount, US\$25 (53%) was provided by the government (Table 15).
- The HIV infection rate of Zambians between the ages of 15 and 49 is 15.2%. By 2009, 65% of the people needing ARV treatments were receiving them. Zambia received US\$1.1bn from PEPFAR (2004 to June 2011) for 1.9 million individuals to receive counseling and testing, 477,000 pregnant women to receive services, and 12,600 infants to avert infections.
- GAVI disbursements totaled US\$54.8mn from 2001 to June 2011, with US\$7.7mn disbursed in 2010.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>West Africa</b>										
<b>Côte d'Ivoire</b>	10.6	11.5	13.8	15.5	16.4	17.4	19.8	23.5	22.5	23.6
<b>Ghana</b>	5.3	6.2	7.6	8.9	10.7	12.7	15.0	16.7	15.5	17.9
<b>Nigeria</b>	44.1	59.1	67.7	87.8	112.2	145.4	165.9	207.1	173.4	214.0
<b>Senegal</b>	4.9	5.4	6.9	8.0	8.7	9.4	11.3	13.3	12.7	13.5
<b>Central Africa</b>										
<b>Cameroon</b>	9.5	10.9	13.6	15.8	16.6	18.0	20.4	23.7	22.2	23.1
<b>D R Congo</b>	5.2	5.5	5.7	6.6	7.2	8.8	10.0	11.6	11.1	12.6
<b>Rep of Congo</b>	2.8	3.0	3.5	4.7	6.1	7.7	8.4	11.8	9.5	12.7
<b>Eq Guinea</b>	1.7	2.1	3.0	5.2	8.2	9.6	12.6	18.4	12.2	15.6
<b>Gabon</b>	4.7	5.0	6.1	7.2	8.7	9.5	11.6	14.5	11.0	13.4
<b>East &amp; Horn of Africa</b>										
<b>Ethiopia</b>	7.9	7.4	8.0	10.1	12.3	15.2	19.6	26.7	32.3	30.6
<b>Kenya</b>	13.1	13.2	15.0	16.1	18.7	22.5	27.2	30.3	32.7	34.2
<b>Sudan</b>	13.4	15.0	17.8	21.7	27.4	36.4	46.5	58.0	54.7	65.7
<b>Tanzania</b>	10.4	10.8	11.7	12.8	14.2	14.4	16.7	20.6	22.3	24.5
<b>Uganda</b>	5.8	6.2	6.6	7.9	9.2	10.0	11.9	14.4	15.7	17.7
<b>Southern Africa</b>										
<b>Angola</b>	8.9	11.4	14.0	19.8	30.6	45.2	59.3	84.9	68.8	85.5
<b>Botswana</b>	6.1	6.1	8.1	10.1	10.4	11.3	12.4	13.5	11.6	12.9
<b>Mozambique</b>	4.1	4.2	4.7	5.7	6.6	7.2	8.1	9.9	9.8	10.2
<b>Namibia</b>	3.6	3.4	4.9	6.6	7.2	8.0	8.8	8.9	9.5	10.5
<b>South Africa</b>	118.6	111.4	168.2	219.4	246.9	261.2	285.9	276.8	287.2	329.5
<b>Zambia</b>	3.6	3.7	4.3	5.4	7.2	10.7	11.5	14.7	13.0	16.1
<b>Sub-Saharan Africa<sup>1</sup></b>	334.7	363.0	444.5	548.4	640.2	742.5	854.4	978.1	1,180.1	1,312.0
<b>Africa<sup>1</sup></b>	576.6	590.0	696.2	830.9	970.3	1,121.1	1,296.9	1,566.4	1,492.7	1,647.1

Note: Italics indicate IMF staff estimate.

Sources: <sup>1</sup>World Bank national accounts data and OECD National Accounts data files. Accessed through World Bank World DataBank, [http://databank.worldbank.org/dp/home/do](http://databank.worldbank.org/databank.worldbank.org/dp/home/do). Accessed 10/03/2011  
International Monetary Fund, World Economic Database, September 2011, <http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/index.aspx>. Accessed 10/03/2011

**Table 2: GDP Growth 2001 to 2010 (% change from previous year)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2001-2009 Average <sup>2</sup>	2010 <sup>1</sup>
<b>West Africa</b>											
<b>Côte d'Ivoire</b>	0.0	-1.6	-1.7	1.6	1.9	0.7	1.6	2.3	3.8	1.0	3.0
<b>Ghana</b>	4.2	4.5	5.2	5.6	5.9	6.4	5.7	7.3	3.5	5.4	4.5
<b>Nigeria</b>	8.2	21.2	10.3	10.6	5.4	6.2	7.0	6.0	5.6	8.9	7.0
<b>Senegal</b>	4.6	0.7	6.7	5.9	5.6	2.4	4.8	2.3	1.5	3.8	3.4
<b>Central Africa</b>											
<b>Cameroon</b>	4.5	4.0	3.7	2.3	2.3	3.2	3.3	2.9	2.0	3.3	2.6
<b>D R Congo</b>	-2.1	3.5	5.8	6.6	7.9	5.6	6.3	6.1	2.8	4.7	5.4
<b>Rep of Congo</b>	3.8	4.6	0.8	3.5	7.8	6.2	-1.6	5.6	7.6	4.3	12.1
<b>Eq Guinea</b>	63.4	19.5	14.0	38.0	9.7	1.3	21.4	10.7	5.3	20.4	0.9
<b>Gabon</b>	2.1	-0.3	2.4	1.1	3.0	1.2	5.3	2.7	-1.4	1.8	5.4
<b>East &amp; Horn of Africa</b>											
<b>Ethiopia</b>	7.7	1.2	-3.5	9.8	12.6	11.5	11.8	11.2	9.9	8.0	7.0
<b>Kenya</b>	4.7	0.3	2.8	4.6	5.9	6.4	7.0	1.5	2.1	3.9	4.1
<b>Sudan</b>	6.2	5.4	7.1	5.1	6.3	11.3	10.2	6.8	4.5	7.0	5.5
<b>Tanzania</b>	6.0	7.2	6.9	7.8	7.4	6.7	7.1	7.4	5.5	6.9	6.2
<b>Uganda</b>	5.2	8.7	6.5	6.8	6.3	10.8	8.4	8.7	7.1	7.6	5.6
<b>Southern Africa</b>											
<b>Angola</b>	3.1	14.5	3.3	11.2	20.6	18.6	20.3	13.2	-0.4	11.6	7.1
<b>Botswana</b>	3.5	9.0	6.3	6.0	1.6	5.1	4.8	3.1	-6.0	3.7	6.3
<b>Mozambique</b>	12.3	9.2	6.5	8.8	8.7	6.3	7.3	6.7	6.3	8.0	6.5
<b>Namibia</b>	1.2	4.8	4.3	12.3	2.5	7.1	5.5	3.3	4.5	1.7	2.6
<b>South Africa</b>	2.7	3.7	2.9	4.6	5.3	5.6	3.7	-1.8	3.6	5.4	5.8
<b>Zambia</b>	4.9	3.3	5.1	5.4	5.3	6.2	5.7	-11.6	5.4		
<b>Sub-Saharan Africa<sup>3</sup></b>	5.0	7.4	5.0	7.1	6.3	6.5	6.9	5.5	2.1	5.8	4.7

Notes: <sup>1</sup>Italics indicate IMF staff estimate.

<sup>2</sup>SABER calculation

<sup>3</sup>Values exclude Sudan

Source: International Monetary Fund, World Economic Database, September 2011, <http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/index.aspx>. Accessed 10/03/2011

**Table 3: GDP by Economic Sector (%) and 10 Year Change**

	Agriculture 2008	Industry 2008	Manufacturing 2008	Services 2008	Agriculture 10 Year Change (1998 to 2008) <sup>2</sup>	Industry 10 Year Change (1998 to 2008) <sup>2</sup>	Manufacturing 10 Year Change (1998 to 2008) <sup>2</sup>	Services 10 Year Change (1998 to 2008) <sup>2</sup>	
								10 Year Change (1998 to 2008) <sup>2</sup>	10 Year Change (1998 to 2008) <sup>2</sup>
<b>West Africa</b>									
<b>Côte d'Ivoire</b>	25.0	8.1	18.0	48.9	0.9	4.6	-1.5	-4.0	
<b>Ghana</b>	33.5	19.0	6.3	41.2	-2.5	2.7	-2.7	2.5	
<b>Nigeria</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
<b>Senegal</b>	15.7	8.9	12.8	62.6	-3.7	1.2	-3.2	5.7	
<b>Central Africa</b>									
<b>Cameroon<sup>1</sup></b>	19.5	14.1	16.5	49.9	-5.8	5.6	-4.2	4.5	
<b>D R Congo</b>	40.2	22.5	5.5	31.8	-7.3	7.7	-0.6	0.2	
<b>Rep of Congo</b>	4.1	71.2	3.8	20.9	-6.9	32.1	-3.2	-22.1	
<b>Eq Guinea</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
<b>Gabon</b>	4.1	60.8	3.5	31.7	-2.9	23.3	-2.1	-18.1	
<b>East &amp; Horn of Africa</b>									
<b>Ethiopia</b>	44.5	8.4	4.8	42.4	-8.1	1.3	-0.1	7.0	
<b>Kenya</b>	27.0	6.7	12.1	54.2	-4.2	1.5	-0.2	2.9	
<b>Sudan</b>	25.8	28.4	5.7	40.1	-20.5	22.1	-3.2	1.7	
<b>Tanzania</b>	29.7	24.3	8.6	47.2	51.5	-19.4	12.2	-4.5	
<b>Uganda</b>	22.7	21.2	4.6					11.7	
<b>Southern Africa</b>									
<b>Angola</b>	6.6	63.0	4.8	25.7	-6.4	13.6	-1.5	-5.6	
<b>Botswana</b>	1.9	49.4	3.5	45.2	-1.4	0.4	-1.8	2.8	
<b>Mozambique</b>	28.6	10.4	13.9	47.1	-2.2	-0.5	2.8	-0.1	
<b>Namibia</b>	9.1	24.0	13.5	53.4	-1.9	7.2	1.3	-6.6	
<b>South Africa</b>	3.3	14.9	18.8	63.0	-0.5	2.1	-0.6	-1.0	
<b>Zambia</b>	21.2	34.7	11.6	32.5	0.1	18.5	-1.4	-17.2	

**Notes:** <sup>1</sup>Cameroon data are for 2007 and the change is for 1998 to 2007

<sup>2</sup>SABER calculation

**Source:** World Bank, Countries At a Glance. Accessed through, [\(AAG AT A Glance\)](http://data.worldbank.org/data-catalog) Accessed 10/03/2011.

**Table 4: Agricultural Land Area, Population, Value Added, and Food Production**

	Agriculture Value Added per Worker 2009 (Constant 2000 US \$)	% Change <sup>1</sup> , 2001 to 2009	Agriculture Land Area % 2008 (% of Total Area)	% Change <sup>1</sup> , 2001 to 2008	Cereal Yield <sup>1</sup> (kg per hectare) 2009	% Change <sup>1</sup> , 2001 to 2009	Economically Active Pop. in Agriculture as a % All Active <sup>1</sup>	% Change <sup>1</sup> , 2001 to 2008	Food Production Index <sup>4</sup> (2001 baseline=100) 2009		Crop Production Index <sup>4</sup> (2001 baseline=100) 2009	% Change <sup>1</sup> , 2001 to 2009	Livestock Production Index <sup>4</sup> (2001 baseline=100) 2009	% Change <sup>1</sup> , 2001 to 2009	
									Food Production Index <sup>4</sup> (2001 baseline=100) 2009	Crop Production Index <sup>4</sup> (2001 baseline=100) 2009					
<b>West Africa</b>															
<b>Côte d'Ivoire</b>	925.6 (2008) 40.1	12.7	63.7	3.3	1,724.2	0.3	37.7	-15.4	12.0	20.0	109	11.2	132	29.4	
<b>Ghana</b>	n/a	9.8	68.6	7.1	1,659.8	39.9	54.4	-3.9	15.5	52.0	156	52.9	127	24.5	
<b>Nigeria</b>	n/a	86.2	9.2	1,598.4	29.6	25.3	-18.3	135	36.4	134	35.4	121	18.6	121	
<b>Senegal</b>	245.4	-4.2	47.5	3.9	1,134.5	27.9	71.3	-3.9	134	41.1	130	38.3	144	37.1	
<b>Central Africa</b>															
<b>Cameroon<sup>2</sup></b>	(2007) 730.3	20.5	19.4	0.0	1,573.9	-7.9	48.1	-16.6	12.0	18.8	117	15.8	105	4.0	
<b>D R Congo</b>	167.9	0.3	9.9	0.0	771.6	-1.9	58.7	-7.8	98	0.0	97	0.0	96	-2.0	
<b>Rep of Congo</b>	n/a	30.9	0.0	775.9	0.1	31.4	-16.8	123	21.8	116	14.9	157	57.0	157	
<b>Eq Guinea</b>	1,00.8	24.7	11.1	-7.2	n/a	66.4	-12.9	89	-9.2	90	.9.1	104	104	3.0	
<b>Gabon</b>	1,863.3	18.2	19.9	-0.4	1,663.4	27.2	27.5	-25.7	103	4.0	104	5.1	100	1.0	
<b>East &amp; Horn of Africa</b>															
<b>Ethiopia</b>	214.7	27.3	34.5	9.9	1,651.7	37.9	80.3	-2.6	151	41.1	153	41.7	140	35.9	
<b>Kenya</b>	334.2	-9.0	47.6	1.0	1,204.1	70.7	-5.6	12.6	21.2	107	2.9	147	42.7	42.7	
<b>Sudan</b>	922.3	12.5	58.1	3.3	587.2	-6.2	52.6	-11.6	119	102	112	1.8	123	16.0	16.0
<b>Tanzania<sup>3</sup></b>	283.0	17.1	39.5	2.5	1,224.0	-37.2	77.6	-3.5	134	27.6	154	43.9	104	1.0	104
<b>Uganda</b>	202.9	-3.9	66.0	5.7	1,539.4	-6.2	77.2	-4.1	112	7.7	109	4.8	120	16.5	16.5
<b>Southern Africa</b>															
<b>Angola</b>	313.1	134.3	46.3	0.7	587.6	-5.8	69.4	-2.1	198	76.8	250	111.9	92	-8.0	
<b>Botswana</b>	597.1	14.5	45.6	0.2	464.8	98.6	31.0	-4.7	113	3.7	120	14.3	112	1.8	1.8
<b>Mozambique</b>	219.7	63.8	62.0	1.0	845.9	-4.3	77.7	-2.4	102	3.0	130	27.5	89	-9.2	-9.2
<b>Namibia</b>	1,638.1	1.9	47.1	0.0	465.4	20.2	33.4	-15.1	101	2.0	140	33.3	90	-7.2	-7.2
<b>South Africa</b>	3,640.8	39.1	81.8	-0.3	4,395.2	81.4	6.7	-27.0	122	23.2	111	15.6	130	28.7	28.7
<b>Zambia</b>	215.7	-3.8	30.1	1.9	2,068.3	47.5	66.6	-2.2	135	36.4	170	80.9	106	3.9	3.9

**Notes:** <sup>1</sup>SABER Calculation<sup>2</sup>Denotes the 2007 value for Cameroon and the % change from 2001 to 2007<sup>3</sup>Denotes the 2006 value for Tanzania and the % change from 2001 to 2006**Sources:** <sup>4</sup>Food and Agriculture Organization, electronic files and web site, accessed through The World Bank, <http://data.worldbank.org/>. (Search each index individually) Data accessed 10/02/2011  
Derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files. Accessed through The World Bank, <http://data.worldbank.org/>. Accessed 10/02/2011

**Table 5: Value of External Debt as a % of Exports (goods, services & income)<sup>1</sup>**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>West Africa</b>									
<b>Côte d'Ivoire</b>	248.6	196.3	183.9	167.7	136.5	134.1	141.2	107.9	100.0
<b>Ghana</b>	262.6	269.3	235.5	204.4	170.3	61.4	73.3	68.9	72.3
<b>Nigeria</b>	156.4	166.3	125.7	98.7	38.1	12.5	12.3	13.0	12.5
<b>Senegal</b>	250.9	258.1	228.8	172.0	157.0	75.5	84.7	n/a	n/a
<b>Central Africa</b>									
<b>Cameroon</b>	340.4	334.6	336.5	262.6	169.9	66.0	47.0	37.0	54.8
<b>D R Congo</b>	n/a								
<b>Rep of Congo</b>	199.4	205.9	191.0	180.2	123.5	103.3	91.8	n/a	n/a
<b>Eq Guinea</b>	n/a								
<b>Gabon</b>	121.6	132.0	110.3	95.7	68.7	67.0	39.3	22.4	37.0
<b>East &amp; Horn of Africa</b>									
<b>Ethiopia</b>	576.7	606.0	570.9	388.4	314.7	101.0	96.0	81.1	149.1
<b>Kenya</b>	180.3	188.2	186.9	159.7	118.6	108.4	102.1	87.7	105.5
<b>Sudan</b>	882.8	761.2	662.9	473.5	349.0	304.1	202.8	159.4	243.1
<b>Tanzania</b>	354.9	360.8	322.4	318.1	275.8	114.8	119.0	112.0	157.8
<b>Uganda</b>	517.1	547.4	527.8	410.0	281.9	72.1	61.0	63.0	68.3
<b>Southern Africa</b>									
<b>Angola</b>	124.8	102.2	89.4	67.7	48.6	28.3	25.4	23.4	40.2
<b>Botswana</b>	13.3	15.7	12.7	10.8	7.8	6.6	7.2	42.2	42.2
<b>Mozambique</b>	473.7	420.4	278.5	247.0	192.6	92.5	96.8	102.2	158.6
<b>Namibia</b>	n/a								
<b>South Africa</b>	62.6	64.5	54.9	44.2	43.0	42.2	45.1	40.0	51.0
<b>Zambia</b>	567.2	574.3	529.0	353.4	212.3	54.6	57.2	56.5	66.8

**Note:** WBD Definition "Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private nonguaranteed long-term external debt over the life of existing loans. The exports denominator is a three-year average."<sup>1</sup>

**Source:** World Bank, Global Development Finance. Accessed through World Bank, World dataBank, <http://databank.worldbank.org/ddp/home.do>  
Accessed 10/01/2011

**Table 6: FDI, Total Debt, Exports & Imports, Trade Balance**

	FDI Net Inflow 2009 (in current US\$mm) <sup>4</sup>	Total External Debt Stocks 2009 (DOD, current US\$mm) <sup>5</sup>	Main Export Destination (% of total exports) <sup>6</sup>						Exports <sup>2,7</sup>						Imports <sup>2,7</sup>						Trade Balance <sup>3</sup>									
			Africa 2009	Change, 2008-2009	E.U. 2009	Change, 2008-2009	U.S. 2009	Change, 2008-2009	China 2009	Change, 2008-2009	West Africa	Change, 2008-2009	U.S. 2009	Change, 2008-2009	China 2009	Change, 2008-2009	West Africa	Change, 2008-2009	U.S. 2009	Change, 2008-2009	China 2009	Change, 2008-2009	West Africa	Change, 2008-2009	U.S. 2009	Change, 2008-2009				
<b>Côte d'Ivoire</b>	380.9	11,700.8	-8.3	30.0	0.6	48.2	-1.7	7.8	-1.3	0.5	-0.8	9,722.4	6.3	7,866.2	6.9	1,856.3	3.8	1,838.2	10.4	1,020.3	30.3	-2,838.2	10.4	1,054.8	32.3	-2,555.1	-56.1			
<b>Ghana</b>	1,684.7	5,719.9	79.6	10.4	1.0	39.9	-5.2	3.8	-2.9	2.1	-0.5	7,982.1	55.4	46,998.8	15.4	15,054.8	32.3	15,054.8	15.4	5,637.5	39.6	5,637.5	39.6	15,054.8	32.3	5,637.5	-56.1			
<b>Nigeria</b>	5,786.7	7,845.5	2.8	10.9	2.6	25.3	3.8	34.0	-11.6	1.5	1.1	62,053.6	-1.4	1,082.4	28.4	3,082.4	28.4	3,082.4	28.4	1,082.4	30.3	1,082.4	30.3	1,082.4	30.3	1,082.4	-1.4			
<b>Senegal</b>	207.5	3,502.9	83.9	45.3	0.3	19.8	-4.5	0.2	-0.3	1.3	0.6	3,082.4	28.4	3,082.4	28.4	3,082.4	28.4	3,082.4	28.4	3,082.4	28.4	3,082.4	28.4	3,082.4	28.4	3,082.4	28.4			
<b>Cameroon</b>	340.1	2,941.2	-9.3	13.5	5.0	58.1	-8.3	6.3	0.6	9.4	47.2	26.2	42.7	5.5	5,896.1	42.7	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	-360.6
<b>D R Congo</b>	951.4	12,183.4	8.4	9.2	2.5	20.9	-24.6	14.3	9.4	47.2	26.2	26.2	-61.2	2,297.7	-39.4	-1,280.7	-9.6	-1,280.7	-9.6	-1,280.7	-9.6	-1,280.7	-9.6	-1,280.7	-9.6	-1,280.7	-9.6	-1,280.7	-9.6	
<b>Rep of Congo</b>	2,083.5	5,041.2	-33.2	1.4	0.3	13.2	7.7	43.1	7.7	23.5	-7.5	6,883.9	5.8	4,875.8	-3.9	2,008.2	40.1	2,008.2	40.1	2,008.2	40.1	2,008.2	40.1	2,008.2	40.1	2,008.2	40.1	2,008.2	40.1	
<b>Eq Guinea</b>	1,636.2	n/a	0.1	-0.2	23.9	-2.7	29.7	7.5	12.1	-18.8	7,712.5	-7.4	4,327.5	36.1	3,385.0	n/a	3,385.0	n/a	3,385.0	n/a	3,385.0	n/a	3,385.0	n/a	3,385.0	n/a	3,385.0	n/a		
<b>Gabon</b>	32.8	2,130.5	-49.1	4.3	-2.6	20.2	5.2	24.5	-3.3	13.6	-2.4	5,773.3	-2.3	3,685.1	21.4	2,088.2	-27.4	2,088.2	-27.4	2,088.2	-27.4	2,088.2	-27.4	2,088.2	-27.4	2,088.2	-27.4	2,088.2	-27.4	
<b>Ethiopia</b>	221.5	5,025.3	120.7	9.1	-0.4	33.0	-3.0	7.4	2.5	13.3	2.5	3,011.0	43.3	8,228.9	48.6	5,896.1	42.7	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	6,855.6	82.2	
<b>Kenya</b>	140.5	8,004.7	22.2	34.6	-0.1	30.1	-0.9	5.9	-3.1	0.6	0.0	7,413.0	24.7	11,253.0	37.7	3,840.0	n/a	3,840.0	n/a	3,840.0	n/a	3,840.0	n/a	3,840.0	n/a	3,840.0	n/a	3,840.0	n/a	
<b>Sudan</b>	2,682.2	20,139.4	10.5	1.7	0.7	1.9	0.4	0.1	0.1	60.3	-14.8	8,230.4	36.8	1,391.4	14.0	1,391.4	n/a	1,391.4	n/a	1,391.4	n/a	1,391.4	n/a	1,391.4	n/a	1,391.4	n/a			
<b>Tanzania</b>	41.45	7,324.8	80.9	18.4	-0.6	23.5	-1.1	2.5	0.3	9.4	0.4	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			
<b>Uganda</b>	603.7	2,499.7	98.1	47.4	14.4	31.2	3.6	20	0.5	1.2	0.5	3,752.7	147.1	5,556.6	97.1	1,803.9	n/a	1,803.9	n/a	1,803.9	n/a	1,803.9	n/a	1,803.9	n/a	1,803.9	n/a			
<b>Angola</b>	2,205.3	16,715.2	76.5	4.0	2.7	17.3	8.9	24.5	-13.3	37.0	3.1	39,432.2	18.3	34,900.9	114.3	4,531.3	-73.4	4,531.3	-73.4	4,531.3	-73.4	4,531.3	-73.4	4,531.3	-73.4	4,531.3	-73.4			
<b>Botswana</b>	251.6	1,617.3	323.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,971.2	-25.0	5,273.5	52.8	-1,302.3	-170.8	-1,302.3	-170.8	-1,302.3	-170.8	-1,302.3	-170.8	-1,302.3	-170.8	-1,302.3	-170.8			
<b>Mozambique</b>	881.2	4,168.5	54.0	-3.7	57.5	-8.6	2.1	1.8	3.8	2.4	4,344.1	-9.8	4,387.4	27.9	-1,833.2	-191.5	-1,833.2	-191.5	-1,833.2	-191.5	-1,833.2	-191.5	-1,833.2	-191.5	-1,833.2	-191.5				
<b>Namibia</b>	490.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,319.4	35.8	5,548.4	67.3	-1,229.0	-801.4	-1,229.0	-801.4	-1,229.0	-801.4	-1,229.0	-801.4	-1,229.0	-801.4	-1,229.0	-801.4			
<b>South Africa</b>	5,628.1	42,101.5	18.5	4.7	26.8	-8.5	9.2	-2.4	10.3	6.4	77,882.8	-0.6	80,327.6	-5.2	-2,444.8	61.7	-2,444.8	61.7	-2,444.8	61.7	-2,444.8	61.7	-2,444.8	61.7	-2,444.8	61.7				
<b>Zambia</b>	699.2	3,049.2	33.8	24.0	-12.1	8.6	-4.1	0.2	-0.3	33.0	22.7	3,794.2	-7.9	3,969.6	23.2	-175.4	-119.5	-175.4	-119.5	-175.4	-119.5	-175.4	-119.5	-175.4	-119.5	-175.4	-119.5			

**Notes:** DOD = Debt Outstanding and Disbursed

<sup>1</sup>SABER calculation

<sup>2</sup>Export and import values include goods and services

<sup>3</sup>Trade balance equals exports minus imports

<sup>4</sup>International Monetary Fund, Balance of Payments database. Accessed through World Bank, World dataBank, <http://data.bank.worldbank.org/ddp/home.do>. Accessed 10/02/2011

<sup>5</sup>World Bank, Global Development Finance. Accessed through World Bank, World dataBank, <http://data.bank.worldbank.org/ddp/home.do>. Accessed 10/02/2011

<sup>6</sup>Calculated by SABER from data collected from International Monetary Fund, Direction of Trade Statistics, <http://www2.imfstatistics.org/DDT/>

<sup>7</sup>World Bank national accounts data, and OECD National Accounts data files. Accessed through World Bank, World dataBank, <http://data.bank.worldbank.org/ddp/home.do>. Accessed 10/02/2011

Table 7: Oil and Main Commodity Exports to the US and China

Oil Exports						Main Commodity Exports (Oil and Others)					
U.S.			China			U.S.			China		
Value of Oil Exports (In US\$bmn)	% of Total Commodity Export to US'	Value of Oil Exports (In US\$bmn)	% of Total Commodity Export to China <sup>1</sup>	Main Commodities	Value of Oil Exports (In US\$bmn)	Main Commodities	Value of Oil Exports (In US\$bmn)	Main Commodities	Value of Oil Exports (In US\$bmn)	Commodity Export to US'	% of Total Commodity Export to China <sup>1</sup>
<b>West Africa</b>											
Côte d'Ivoire	291.5	24.8	0	0	Cocca	770.2	65.4	Cotton & Yarn, Fabric	36.7	33.2	
Ghana	24.0	8.8	12.5	10.2	Cocca	181.9	66.5	Cocoa	42.3	34.3	
Nigeria	30,410.5	99.7	924.2	86.5	Mineral Fuel, Oil	30,410.5	99.7	Mineral Fuel, Oil	924.2	86.5	
Senegal	0.004	0.1	0	0	Artificial Flowers	1.3	25.0	Fats & Oils	30.6	59.8	
<b>Central Africa</b>											
Cameroon	217.7	72.9	201.2	43.6	Mineral Fuel, Oil	217.7	72.9	Mineral Fuel, Oil	201.2	43.6	
D R Congo	504.5	95.6	0	0	Mineral Fuel, Oil	504.5	95.6	Copper & Its articles	1,228.1	49.7	
Rep of Congo	3,281.7	99.0	2,791.4	88.5	Mineral Fuel, Oil	3,281.7	99.0	Mineral Fuel, Oil	2,791.4	88.5	
Eq Guinea	2,072.3	93.5	514.4	85.9	Mineral Fuel, Oil	2,072.3	93.5	Mineral Fuel, Oil	514.4	85.9	
Gabon	2,124.0	96.0	239.7	25.2	Mineral Fuel, Oil	2,124.0	96.0	Ores, Slag, Ash	377.2	39.6	
<b>East &amp; Horn of Africa</b>											
Ethiopia	0	0	0	0	Spices, Coffee, Tea	71.2	55.9	Misc. Grain, Seed	233.7	85.3	
Kenya	0	0	0	0	Knit Apparel	103.8	33.4	Copper & Its Articles	8.5	21.7	
Sudan	0	0	6,549.6	98.4	Gum Arabic	8.0	99.0	Mineral Fuel, Oil	6,549.6	98.4	
Tanzania	0	0	0	0	Spices, Coffee, Tea	15.6	36.3	Ores, Slag, Ash	256.4	63.8	
Uganda	0	0	0	0	Spices, Coffee, Tea	30.0	52.0	Misc. Grain, Seed	11.9	45.0	
<b>Southern Africa</b>											
Angola	11,814.4	98.9	22,790.6	99.9	Mineral Fuel, Oil	11,814.4	98.9	Mineral Fuel, Oil	22,790.6	99.9	
Botswana	0	0	0	0	Precious Stones	155.2	91.4	Precious Stone	44.3	82.8	
Mozambique	0	0	0	0	Sugars	24.5	37.9	Wood	134.3	66.7	
Namibia	0	0	0	0	Ores, Slag, Ash	137.6	70.6	Inorg Chem;Rare Earths	320.1	66.2	
South Africa	44.7	0.5	709.5	6.2	Precious Stones	3,475.3	42.4	Ores, Slag, Ash	5,943.2	52.0	
Zambia	0	0	0	0	Other Base Metals	22.1	76.4	Copper & Its Articles	2,384.2	93.5	

Note: <sup>1</sup>Saber calculation.

Source: Global Trade Atlas, URL <http://www.gtais.com/GTA>

**Table 8: Main Commodity Imports from the U.S. and China**

2010 Commodity Imports from U.S.				2010 Commodity Imports from China			
	Main Commodity	Value (In US\$mn)	% of Total Commodity Exports to U.S. <sup>1</sup>	Main Commodity	Value (In US\$mn)	% of Total Commodity Exports to China <sup>1</sup>	
<b>Côte d'Ivoire</b>	Machinery; Reactors, Boilers	49	30	Cotton and Yarn, Fabric	84	15	
<b>Ghana</b>	Mineral Fuel, Oil	305	31	Electrical Machinery	298	15	
<b>Nigeria</b>	Vehicles (not railway)	845	21	Electrical Machinery	1,498	22	
<b>Senegal</b>	Mineral Fuel, Oil	79	36	Machinery; Reactors, Boilers	90	18	
<b>Central Africa</b>							
<b>Cameroon</b>	Machinery; Reactors, Boilers	53	40	Machinery; Reactors, Boilers	72	3	
<b>D R Congo</b>	Meat	23	25	Vehicles (Not Railway)	65	14	
<b>Rep of Congo</b>	Machinery; Reactors, Boilers	111	44	Electrical Machinery	59	16	
<b>Eq Guinea</b>	Machinery; Reactors, Boilers	156	58	Electrical Machinery	167	37	
<b>Gabon</b>	Machinery; Reactors, Boilers	90	37	Machinery; Reactors, Boilers	52	23	
<b>East &amp; Horn of Africa</b>							
<b>Ethiopia</b>	Aircraft, Spacecraft	491	64	Electrical Machinery	480	40	
<b>Kenya</b>	Aircraft, Spacecraft	75	21	Electrical Machinery	284	16	
<b>Sudan</b>	Cereals	70	61	Machinery; Reactors, Boilers	350	18	
<b>Tanzania</b>	Machinery; Reactors, Boilers	40	24	Electrical Machinery	158	13	
<b>Uganda</b>	Machinery; Reactors, Boilers	17	18	Electrical Machinery	75	29	
<b>Southern Africa</b>							
<b>Angola</b>	Machinery; Reactors, Boilers	435	34	Electrical Machinery	334	17	
<b>Botswana</b>	Special Classification Provisions	23	48	Machinery; Reactors, Boilers	144	39	
<b>Mozambique</b>	Mineral Fuel, Oil	58	26	Machinery; Reactors, Boilers	78	16	
<b>Namibia</b>	Vehicles (Not Railway)	33	30	Misc. Textile Articles	56	25	
<b>South Africa</b>	Machinery; Reactors, Boilers	1,238	22	Electrical Machinery	1,993	18	
<b>Zambia</b>	Machinery; Reactors, Boilers	22	39	Electrical Machinery	79	26	

**Note:** SABER calculation.

**Source:** Constructed from Global Trade Atlas, <http://www.gtais.com/GTA/> Accessed 04/06/2011.

**Table 9: Annual Inflation by Region, 2001-2010 % (change in average consumer prices)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2001-2009 Average	2010 <sup>1</sup>
<b>West Africa</b>											
<b>Côte d'Ivoire</b>	4.4	3.1	3.3	1.5	3.9	2.5	1.9	6.3	1.0	3.1	1.4
<b>Ghana</b>	32.9	14.8	26.7	12.6	15.1	10.2	10.7	16.5	19.3	17.6	10.6
<b>Nigeria</b>	18.9	12.9	14.0	15.0	17.9	8.2	5.4	11.6	12.4	12.9	11.5
<b>Senegal</b>	3.0	2.3	0.0	0.5	1.7	2.1	5.9	5.8	-1.1	2.2	1.6
<b>Central Africa</b>											
<b>Cameroon</b>	2.8	6.3	0.6	0.3	2.0	4.9	1.1	5.3	3.0	2.9	3.0
<b>D R Congo</b>	357.3	25.3	12.8	4.0	21.4	13.2	16.7	18.0	46.2	57.2	26.2
<b>Rep of Congo</b>	0.8	3.0	1.7	3.7	2.5	4.7	2.6	6.0	4.3	3.3	4.0
<b>Eq Guinea</b>	8.8	7.6	7.3	4.2	5.7	4.5	2.8	4.3	7.1	5.8	7.1
<b>Gabon</b>	2.1	0.2	2.1	0.4	1.2	-1.4	5.0	5.3	2.1	1.9	7.5
<b>East &amp; Horn of Africa</b>											
<b>Ethiopia</b>	-5.2	-7.2	15.1	8.6	6.8	12.3	15.8	25.3	36.4	12.0	3.8
<b>Kenya</b>	5.8	2.0	9.8	11.6	10.3	14.5	9.8	13.1	11.8	9.8	8.0
<b>Sudan</b>	4.9	8.3	7.7	8.4	8.5	7.2	8.0	14.3	11.3	8.7	10.0
<b>Tanzania</b>	5.1	4.6	4.4	4.1	4.4	7.3	7.0	10.3	12.1	6.6	7.8
<b>Uganda</b>	4.5	-2.0	5.7	5.0	8.0	6.6	6.8	7.3	14.2	6.2	10.5
<b>Southern Africa</b>											
<b>Angola</b>	152.6	108.9	98.3	43.6	23.0	13.3	12.2	12.5	14.0	53.2	15.0
<b>Botswana</b>	6.6	8.0	9.2	7.0	8.6	11.6	7.1	12.6	8.1	8.7	6.1
<b>Mozambique</b>	9.1	16.8	13.5	12.6	6.4	13.2	8.2	10.3	3.3	10.4	9.3
<b>Namibia</b>	9.3	11.3	7.2	4.1	2.3	5.1	6.7	10.0	9.1	7.2	6.5
<b>South Africa</b>	5.7	9.2	5.8	1.4	3.4	4.7	7.1	11.5	7.1	6.2	5.8
<b>Zambia</b>	21.7	22.2	21.4	18.0	18.3	9.0	10.7	12.4	13.4	16.3	8.2
<b>Sub-Saharan Africa<sup>2</sup></b>	14.1	11.3	10.9	7.6	8.9	7.3	7.1	11.6	10.6	9.9	8.0

**Notes:** <sup>1</sup>Italics indicate IMF staff estimate.

<sup>2</sup>Values exclude Sudan, since it is not part of Sub-Saharan totals.

**Source:** International Monetary Fund, World Economic Database, September 2011. <http://www.imf.org/external/pubs/ft/weo/2011/02/weodata/index.aspx>. Accessed 10/02/2011.

**Table 10: Currency, Exchange Rates, & IMF Agreements**

	Currency	US\$ End of Year Exchange Rates		% Change <sup>1</sup>	Exchange Rate Regime <sup>3</sup>	Latest IMF Arrangement (Dates)
		December 2009 <sup>1</sup>	December 2010 <sup>1</sup>			
<b>Côte d'Ivoire</b>	Franc BCEAO	449.81	484.07	-7.62	Fixed Peg (Euro)	ECF <sup>4</sup> (03/2009 - 03/2012)
<b>Ghana</b>	Cedi <sup>5</sup>	1.42	1.47	-3.52	Managed float	ECF <sup>6</sup> (07/2009 - 07/2012)
<b>Nigeria</b>	Naira	148.56	150.79	-1.50	Managed float	Stand-By (08/2000 - 07/2001)
<b>Senegal</b>	Franc BCEAO	449.81	484.07	-7.62	Fixed Peg (Euro)	ESF (12/2008 - 06/2010)
<b>Central Africa</b>						
<b>Cameroon</b>	Franc BEAC	449.81	484.06	-7.61	Fixed Peg (Euro)	ECF <sup>7</sup> (10/2005 - 01/2009)
<b>D R Congo</b>	Congolese Franc	800.23	884.58	-10.54	Independent float	ECF <sup>8</sup> (12/2009 - 12/2012)
<b>Rep of Congo</b>	Franc BEAC	449.81	484.06	-7.61	Fixed Peg (Euro)	ECF <sup>9</sup> (12/2008 - 12/2011)
<b>Eq Guinea</b>	Franc BEAC	449.81	484.06	-7.61	Fixed Peg (Euro)	ECF <sup>10</sup> (02/1993 - 02/1996)
<b>Gabon</b>	Franc BEAC	449.81	484.06	-7.61	Fixed Peg (Euro)	Stand-By (05/2007 - 05/2010)
<b>East &amp; Horn of Africa</b>						
<b>Ethiopia</b>	Birr	12.52	16.43	-31.23	Crawling Peg (US Dollar)	ESF (08/2009 - 11/2010)
<b>Kenya</b>	Kenyan Shilling	73.79	78.64	-6.57	Managed float	ECF <sup>11</sup> (01/2011 - 01/2014)
<b>Sudan</b>	Pound	2.26	2.47	-9.29	Managed float	Stand-By (06/1984 - 06/1985)
<b>Tanzania</b>	Tanzanian Shilling	1,323.96	1,461.56	-10.39	Managed float	ESF (05/2009 - 06/2010)
<b>Uganda</b>	Ugandan Shilling	1,880.62	2,279.44	-21.21	Managed float	ECF <sup>12</sup> (09/2002 - 01/2006)
<b>Southern Africa</b>						
<b>Angola</b>	Kwanza	89.04	97.35	-3.72	Fixed Peg (US Dollar)	Stand-By (11/2009 - 02/2012)
<b>Botswana</b>	Pula	6.57	6.35	3.35	Crawling Peg (Composite)	None
<b>Mozambique</b>	Meticais <sup>5</sup>	28.73	33.04	-15.00	Managed float	ESF (06/2009 - 06/2010)
<b>Namibia</b>	Dollar	7.22	6.53	9.56	Fixed Peg (SA Rand)	None
<b>South Africa</b>	Rand	7.38	6.64	10.03	Independent float	None
<b>Zambia</b>	Kwacha	4,606.09	4,716.91	-2.41	Independent float	ECF <sup>13</sup> (06/2008 - 06/2011)

**Notes:** A crawling peg regime is an exchange rate system in which the exchange rate is allowed to fluctuate within a band around the currency to which it is pegged.

A fixed peg regime is where the currency rate is fixed to another currency or a composite of currencies.

A managed float exchange rate regime is where the government occasionally intervenes to alter the direction of the value of the country's currency.

In an independent float regime the exchange rate is determined only through market forces

<sup>1</sup>Average bid rate for the final week of December

<sup>2</sup>Change in value against the US\$

<sup>3</sup>Exchange rate anchor currency given in parentheses where applicable, as of 2008. Source: <http://www.imf.org/external/np/mfd/er/2008/eng/0408.htm>

<sup>4</sup>Formerly PRGF (Poverty Reduction and Growth Facility)

<sup>5</sup>Exchange rates using the new value of the currency

<sup>6</sup>ECF: The Extended Credit Facility, provides concessional financing to Poverty Reduction and Growth Trust (PRGT) eligible countries facing balance of payments needs caused by sudden and exogenous shocks

<sup>7</sup>ESF: The Exogenous Shocks Facility, provides concessional funding to help countries address short-term balance of payments problems.

<sup>8</sup>Sources: Oanda, <http://www.oanda.com/currency/historical-rates/>; International Monetary Fund, <http://www.imf.org/>. Accessed 02/27/2010

**Table I: Freedom Indices, Current Government, and Political Parties**

	Press Freedom Index World Ranking <sup>3</sup>	Freedom			Current Government			<b>Main Opposition</b>
		Political Rights <sup>2</sup>	Civil Liberties <sup>1</sup>	Freedom Status <sup>1</sup>	President, PM, Head of State (Year assumed office/power)	Most Recent Election / to be	Ruling party	
<b>West Africa</b>								
<b>Côte d'Ivoire</b>	118	6	5	Not Free	Alassane Ouattara	2010	Rally of the Republicans	Ivorian Popular Front
<b>Ghana</b>	26	1	2	Free	John Atta Mills (2007)	2012	National Democratic Party	New Patriotic Party
<b>Nigeria</b>	145	5	4	Party Free	Goodluck Jonathan (2010)	2011	Peoples Democratic Party	Congress for Progressive Change
<b>Senegal</b>	93	3	3	Party Free	Abdoulaye Wade	2012	Senegalese Democratic Party	Rewmi Party & Socialist Party of Senegal
<b>Central Africa</b>								
<b>Cameroon</b>	129	6	6	Not Free	Paul Biya (1982)	2011	Cameroon People's Democratic Movement	Social Democratic Front
<b>D R Congo</b>	148	6	6	Not Free	Joseph Kabila (2001)	2011	Reconstruction and Democracy Movement for the Liberation of the Congo	
<b>Rep of Congo</b>	114	6	5	Not Free	Denis Sassou-Nguesso (1997)	2016	Congolese Labor Party	Liberal Republican Party
<b>Eq Guinea</b>	167	7	7	Not Free	Teodoro Obiang Nguema (1979)	2012	Democratic Party of Equatorial Guinea	Convergence Party for Social Democracy
<b>Gabon</b>	107	6	5	Not Free	Ali Bongo Ondimba (2009)	2009	Gabonese Democratic Party	Union of the Gabonese Peop
<b>East &amp; Horn of Africa</b>								
<b>Ethiopia</b>	139	5	5	Party Free	Meles Zenawi (1995)	2010	Ethiopian People's Revolutionary Democratic Grand Coalition Party of National Unity & Orange	Unity for Democracy and Justice & United Ethiopian Opposition and ruling party
<b>Kenya</b>	70	4	4	Party Free	Mwai Kibaki (2002)	2010	National Congress Party	Forum for Democratic Change
<b>Sudan</b>	172	7	7	Not Free	Omar al-Bashir (1993)	2011	Revolutionary Party	Sudan People's Liberation Movement
<b>Tanzania</b>	41	4	3	Party Free	Jakaya Mrisho Kikwete (2005)	2010	Civic United Front	
<b>Uganda</b>	96	5	4	Party Free	Yoweri Museveni (1986)	2011	National Resistance Movement	
<b>Southern Africa</b>								
<b>Angola</b>	104	6	5	Not Free	José Eduardo dos Santos (1979)	2012	People's Movement for the Liberation of Angola - Labour	National United Party for the Total Independence of Angola
<b>Botswana</b>	62	3	2	Free	Seretse Khama Ian Khama (2008)	2009	Botswana Democratic Party	Botswana Congress Party
<b>Mozambique</b>	98	4	3	Party Free	Armando Guebuza (2005)	2009	Mozambican National Resistance	Mozambican National Resistance
<b>Namibia</b>	21	2	2	Free	Hifikepunye Pohamba (2005)	2009	Rally for Democracy and Progress	Rally for Democracy and Progress & Democratic Progress
<b>South Africa</b>	38	2	2	Free	Jacob Zuma (2009)	2009	African National Congress	Democratic Alliance
<b>Zambia</b>	82	3	4	Party Free	Michael Sata (2011)	2011	The Movement for Multiparty Democracy	The Movement for Multiparty Democracy

**Notes:** Political Rights and Civil Liberties sub-index in Freedom House's Freedom index give scores on a (most-free) to 7 (least free) scale. Freedom House's 'Freedom' places countries in 3 categories based on an average of the Political Rights and Civil Liberties sub-indexes. Average scores in the range 1.0 to 2.5 are classified as Free. Average scores in the range 3.0 to 5.0 are classified as Partly Free. Average scores 5.5 and above are classified as Not Free.

**Source:** <sup>3</sup>Freedom House, Freedom in the World 2010, Accessed 10/02/2011.

**Table 12: Legal Environment: Political Stability, Corruption, Economic Freedom, & Governance**

	Rule of Law <sup>1</sup> Percentile Rank (0 - 100)	Political Stability <sup>1</sup> Percentile Rank (0 - 100)	Corruption Perception <sup>2</sup>		Economic Freedom <sup>3</sup>		Property Rights <sup>4</sup>		Ibrahim Governance Index Score (Rank) 2010 <sup>5</sup>
			Index Score	World Rank (178 Countries)	Index Score	World Rank (179 Countries)	Percentile Rank	(Rank)	
<b>West Africa</b>									
<b>Côte d'Ivoire</b>	6	8	2.2	146	55.4	122	30	37 (44th)	
<b>Ghana</b>	52	50	4.1	62	59.4	95	50	65 (7th)	
<b>Nigeria</b>	10	4	2.4	134	56.7	111	30	43 (37th)	
<b>Senegal</b>	46	39	2.9	105	55.7	121	40	56 (14th)	
<b>Central Africa</b>									
<b>Cameroon</b>	16	31	2.2	146	51.8	136	30	44 (34th)	
<b>D R Congo</b>	2	3	2.0	164	40.7	172	10	31 (51st)	
<b>Rep of Congo</b>	13	31	2.1	154	43.6	168	10	42 (41st)	
<b>Eq Guinea</b>	8	43	1.9	168	47.5	157	20	35 (46th)	
<b>Gabon</b>	39	49	2.8	110	56.7	110	40	50 (27th)	
<b>East &amp; Horn of Africa</b>									
<b>Ethiopia</b>	23	6	2.7	116	50.5	144	30	44 (35th)	
<b>Kenya</b>	15	12	2.1	154	57.4	106	30	51 (26th)	
<b>Sudan</b>	5	1	1.6	172	n/a	n/a	n/a	33 (47th)	
<b>Tanzania</b>	40	48	2.7	116	57.0	108	30	55 (16th)	
<b>Uganda</b>	41	15	2.5	127	61.7	80	30	51 (24th)	
<b>Southern Africa</b>									
<b>Angola</b>	12	36	1.9	168	46.2	161	20	39 (42nd)	
<b>Botswana</b>	67	80	5.8	33	68.8	40	70	76 (3rd)	
<b>Mozambique</b>	34	64	2.7	116	56.8	109	30	52 (20th)	
<b>Namibia</b>	61	75	4.4	56	62.7	73	30	67 (6th)	
<b>South Africa</b>	56	44	4.5	54	62.7	74	50	71 (5th)	
<b>Zambia</b>	38	64	3.0	101	59.7	91	30	55 (17th)	

**Sources:** <sup>1</sup>World Bank, World Governance Indicators, <http://info.worldbank.org/governance/wgi/index.asp>. <sup>2</sup>Indicates rank amongst all countries where 0 equals lowest rank (weakest rule of law) and 100 equals highest ranks (strongest rule of law)

<sup>3</sup>As measured by Transparency International, Corruption Perceptions Index 2010, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi2010](http://www.transparency.org/policy_research/surveys_indices/cpi2010). The index ranges from 0 (country perceived as almost entirely free of corruption) to 10 (country is almost entirely free of corruption)

<sup>4</sup>As measured by the Heritage Foundation's 2010 Index of Economic Freedom, <http://www.heritage.org/index>. Index scores from 1 (least conducive to economic freedom) to 100 (most conducive to economic freedom)

<sup>5</sup>As measured by the Heritage Foundation's 2010 Index of Economic Freedom, <http://www.heritage.org/index>. Percentages ranges from 0 (private property outlawed) to 100% (indicates private property is guaranteed by the government).

<sup>6</sup>As measured by the 2010 Ibrahim Index, <http://www.mohibrahinfoundation.org/>. The Ibrahim Index is a measure of African Governance where 0 would be the worst score a country could achieve and 100 the highest. 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. Rank out of 53 African countries.

**Table I3: Social Environment: Population, Literacy, GNI, GDP per Capita, Income Inequality & HDI**

	Population (Millions) 2010 <sup>3</sup>	Average Annual Population Growth (%) 2005-2010 <sup>3</sup>	Ave. Annual Urban Population Growth Rate (%) 2005-2010 <sup>4</sup>	Literacy Rate (% age 15+) 2009 <sup>5</sup>	Prevalence of Malnourishment (%) 2007 <sup>5</sup>	GNI per Capita (PPP in 2008 US\$) 2010 <sup>1</sup>	GDP Per Capita Growth (%) 2001-2010 <sup>6</sup>	Income Inequality (Gini Coefficient) 2000-2010 <sup>2</sup>	HDI (World Rank) 2010 <sup>2</sup>	Inequality-adjusted HDI (Change in Rank) 2010 <sup>2</sup>	Population in Poverty (%)
<b>West Africa</b>											
<b>Côte d'Ivoire</b>	21.6	2.3	3.8	65	45	14	1,625	5.9	48.4	149	3
<b>Ghana</b>	24.3	2.1	3.6	73	60	5	1,385	12.0	42.8	130	7
<b>Nigeria</b>	158.3	2.3	3.8	72	50	6	2,156	16.6	42.9	142	-6
<b>Senegal</b>	12.9	2.6	3.2	62	39	17	1,816	9.0	39.2	144	0
<b>Central Africa</b>											
<b>Cameroon</b>	20.0	2.3	3.7	(2007) 79	(2007) 63	21	2,197	7.0	44.6	131	-1
<b>D R Congo</b>	67.8	2.8	4.6	80	55	69	291	7.5	44.4	168	(2007) 39.9
<b>Rep of Congo</b>	3.8	1.9	2.5	n/a	n/a	15	3,258	15.5	47.3	126	0
<b>Eq Guinea</b>	0.7	2.6	3.0	97	90	n/a	22,218	26.9	n/a	117	n/a
<b>Gabon</b>	1.5	1.8	2.4	91	84	5	12,747	10.2	41.5	93	5
<b>East &amp; Horn of Africa</b>											
<b>Ethiopia</b>	85.0	2.6	3.5	(2008) 42	(2008) 18	41	992	13.8	29.8	157	1
<b>Kenya</b>	40.9	2.6	4.0	91	84	31	1,628	9.0	47.7	128	(2005) 71.3
<b>Sudan</b>	43.2	2.2	4.1	80	61	22	2,051	16.9	n/a	154	n/a
<b>Tanzania</b>	45.0	2.9	4.6	79	67	34	1,344	7.0	34.6	148	(2001) 42.3
<b>Uganda</b>	33.8	3.3	4.4	(2010) 83	(2010) 65	21	1,224	9.2	42.6	143	9
<b>Southern Africa</b>											
<b>Angola</b>	19.0	2.7	4.3	83	58	41	4,941	26.4	58.6	146	-4
<b>Botswana</b>	2.0	1.5	2.7	84	84	25	13,204	7.9	61.0	98	n/a
<b>Mozambique</b>	23.4	2.3	4.5	70	41	38	854	8.8	47.1	165	-2
<b>Namibia</b>	2.2	1.9	3.5	89	88	19	6,323	16.6	74.3	105	n/a
<b>South Africa</b>	50.5	1.0	1.8	(2007) 91	(2007) 87	5	9,182	12.9	57.8	110	-1
<b>Zambia</b>	13.3	2.4	2.8	81	61	43	1,359	16.6	50.7	150	22

**Notes:** <sup>1</sup>PPP = Purchasing Power Parity. Source: United Nations Development Program, Human Development Indices: A statistical update 2010. <http://data.un.org/DocumentData.aspx?Id=227>. Accessed 03/13/2011.

<sup>2</sup> I = Best, 169 = Worst. Source: United Nations Development Programme, Human Development Indices: A Statistical Update. <http://hdr.undp.org/en/statistics/>. Accessed 03/12/2011.

**Sources:** <sup>3</sup>United Nations Population Division: 2009, World Population Prospects: The 2008 Revision. <http://esa.un.org/unpp/>. Accessed 03/14/2011.

<sup>4</sup> United Nations, Department of Economic and Social Affairs, Population Division (2008), World Urbanization Prospects: The 2009 Revision Data. <http://esa.un.org/unpp/>. Accessed 03/14/2011.

<sup>5</sup> United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics. Accessed through World Bank, <http://databank.worldbank.org/ddp/home.do>. Accessed 03/09/2011.

<sup>6</sup> International Monetary Fund, World Economic Outlook Database, October 2010. <http://www.imf.org/external/ns/cs.aspx?id=28>. Accessed 03/16/2011.

<sup>7</sup> Central Intelligence Agency, The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/fields/2172.html#>. Accessed 03/21/2011.

**Table 14: Gender Gap Index and Sub-Indices. Selected Gender Indicators<sup>1</sup>**

Gender Gap Index Score (Rank) 2010 <sup>2</sup>	Gender Gap Index Sub-Indexes 2010 <sup>2</sup>			Selected Gender Gap Indicators						
	Economic Participation Score (Rank)	Educational Attainment Score (Rank)	Political Empowerment Score(Rank)	Labor Force Participation (%)		Estimated Earned Income (PPP <sup>3</sup> US\$)	Participation in Parliament (%)			
				Men	Women					
<b>West Africa</b>										
<b>Côte d'Ivoire</b>	0.569 (130)	0.539 (106)	0.692 (130)	0.065 (104)	83	51	2,500	852	91	9
<b>Ghana</b>	0.678 (70)	0.758 (15)	0.891 (11)	0.096 (88)	76	75	1,531	1,133	92	8
<b>Nigeria</b>	0.606 (118)	0.604 (86)	0.807 (124)	0.050 (111)	75	40	2,777	1,163	93	7
<b>Senegal</b>	0.641 (101)	0.644 (65)	0.821 (122)	0.127 (68)	90	66	2,157	1,178	77	23
<b>Central Africa</b>										
<b>Cameroon</b>	0.611 (114)	0.541 (105)	0.859 (117)	0.083 (93)	82	54	2,797	1,467	86	14
<b>D R Congo</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Rep of Congo</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Eq Guinea</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Gabon</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>East &amp; Horn of Africa</b>										
<b>Ethiopia</b>	0.602 (121)	0.632 (74)	0.700 (129)	0.102 (82)	91	83	936	624	79	21
<b>Kenya</b>	0.650 (96)	0.615 (82)	0.940 (102)	0.077 (98)	89	78	1,874	1,213	90	10
<b>Sudan</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Tanzania</b>	0.683 (66)	0.671 (57)	0.871 (114)	0.228 (33)	91	89	1,394	1,025	69	31
<b>Uganda</b>	0.717 (33)	0.707 (42)	0.922 (107)	0.259 (29)	91	80	1,256	861	69	31
<b>Southern Africa</b>										
<b>Angola</b>	0.671 (81)	0.630 (76)	0.785 (125)	0.290 (24)	89	76	6,592	4,212	61	39
<b>Botswana</b>	0.688 (62)	0.736 (29)	1.000 (1)	0.060 (108)	82	76	17,307	9,961	92	8
<b>Mozambique</b>	0.733 (22)	0.811 (5)	0.814 (123)	0.345 (11)	87	86	848	759	61	39
<b>Namibia</b>	0.724 (25)	0.739 (27)	0.998 (34)	0.192 (38)	64	53	6,339	4,006	73	27
<b>South Africa</b>	0.753 (12)	0.673 (55)	0.996 (43)	0.377 (9)	67	51	12,273	7,328	56	45
<b>Zambia</b>	0.629 (106)	0.601 (88)	0.847 (119)	0.100 (84)	79	60	1,740	980	86	14

**Notes:** <sup>1</sup>Rankings are out of 134 countries included in this analysis.

<sup>2</sup>The Index and Sub-Index are bounded within 0 and 1 where 0 indicates complete inequality and 1 indicates complete equality

<sup>3</sup>PPP = Purchasing Power Parity

**Source:** The Global Gender Gap Report 2010. World Economic Forum 2010. Accessed 05/05/2011

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

Maternal Mortality Ratio <sup>1</sup> 2008	Crude Birth Rate (per 1,000 women)			Total Fertility Rate (Births per woman)			Health Expenditure per Capita			Life Expectancy at Birth			HIV / AIDS <sup>3</sup>					
	2009	Total Change between 2001 and 2009 <sup>2</sup> (%)		2009	Total Change between 2001 and 2009 <sup>2</sup> (%)		2009	2009 per Capita Expenditure (US\$, current)		2009 Public Health Expenditure (% of Total)		Total Change between 2001 and 2009 <sup>2</sup> (%)	2009	Estimated Aids Death 2009		Population Living with HIV 2009	Population (ages 15-49) Living with HIV 2009 (%)	
		2009	2009		2009	2009		2009	2009	2009	2009			2009	2009			
<b>West Africa</b>																		
<b>Côte d'Ivoire</b>	470	345	-7.3	4.5	-11.6	55.3	134.3	86.9	40.2	56.8	4.4	36,000	450,000	34	18,000	260,000	1.8	
<b>Ghana</b>	350	321	-6.0	3.9	-15.4	45.1	142.5	33.8	-20.2	48.1	-1.3	18,000	220,000	3.3	2,600	330,000	3.6	
<b>Nigeria</b>	840	393	-7.2	5.6	-3.1	69.3	284.7	53.8	-2.1	55.9	4.3	3,0	59,000	590,000	0.9			
<b>Senegal</b>	410	380	-5.2	4.7	-13.8	58.9	171.3	55.6	49.6	55.9	3.0							
<b>Central Africa</b>																		
<b>Cameroon</b>	600	364	-3.4	4.5	-8.2	61.1	114.6	27.9	10.4	51.4	0.4	37,000	610,000	5.3				
<b>D R Congo</b>	670	443	-9.5	5.9	-13.6	15.6	219.8	18.8	-22.3	47.8	2.3	n/a	n/a	n/a				
<b>Rep of Congo</b>	580	340	-6.3	4.3	-11.2	70.1	221.9	51.0	828.9	53.7	0.7	5,100	77,000	3.4				
<b>Eq Guinea</b>	280	379	-5.1	5.3	-7.7	709.4	1,055.1	47.6	-16.7	50.6	3.8		20,000	50,000	5.0			
<b>Gabon</b>	260	269	-12.5	3.2	-17.7	266.3	149.4	45.0	12.2	60.9	2.1	2,400	46,000	5.2				
<b>East &amp; Horn of Africa</b>																		
<b>Ethiopia</b>	470	377	-9.2	5.2	-13.9	14.7	159.5	47.9	14.0	55.7	7.4	67,000	n/a	n/a				
<b>Kenya</b>	530	384	-0.4	4.9	-2.7	33.2	95.5	73.2	0.6	54.9	5.1	80,000	1,500,000	6.3				
<b>Sudan</b>	750	307	-13.8	4.1	-19.0	94.6	616.4	27.4	-0.7	58.5	3.9	12,000	260,000	1.1				
<b>Tanzania</b>	790	41.3	-1.2	5.5	-2.7	25.3	156.5	73.6	66.4	56.3	10.1	96,000	1,400,000	5.6				
<b>Uganda</b>	430	45.8	-3.9	6.3	-7.9	42.5	152.8	19.0	-30.6	53.4	13.9	64,000	1,200,000	6.5				
<b>Southern Africa</b>																		
<b>Angola</b>	610	423	-10.7	5.6	-16.5	203.8	872.1	89.0	4.1	47.6	8.5	11,000	200,000	2.0				
<b>Botswana</b>	190	244	-8.9	2.8	-14.9	61.9	234.7	80.0	13.5	55.0	11.0	5,800	320,000	24.8				
<b>Mozambique</b>	550	383	-12.4	5.0	-11.5	24.7	103.8	66.6	18.5	48.1	0.9	74,000	1,400,000	11.5				
<b>Namibia</b>	180	27.1	-11.4	3.3	-16.5	258.0	119.1	36.3	15.9	61.6	6.4	6,700	180,000	13.1				
<b>South Africa</b>	410	21.7	-11.2	2.5	-11.6	485.4	112.4	40.1	1.7	51.6	-5.6	310,000	5,600,000	17.8				
<b>Zambia</b>	470	42.4	-5.7	5.7	-6.6	47.1	134.6	53.0	-7.0	46.3	11.1	45,000	980,000	13.5				

**Notes:** <sup>1</sup> Modeled Estimate, per 100,000 live births

<sup>2</sup>SABER calculation

<sup>3</sup>Sources: World Health Organization, Global Health Observatory Database, <http://apps.who.int/> Accessed 04/03/2011

World Bank, [http://data.worldbank.org/indicator/SH\\_STA\\_MMR\\_T](http://data.worldbank.org/indicator/SH_STA_MMR_T) Accessed 10/04/2011

Constructed by SABER from World Bank:World Development Indicators, <http://datacatalog.worldbank.org/ddb/home.do> Accessed 05/05/2011

**Table 16: Telecommunications: Landlines, Cellular Subscribers and Internet Usage**

	Landlines			Cellular Subscribers <sup>2</sup>			Internet Users		
	Total Lines 2010	Line per 100 inhabitants 2010	Change in Lines per 100 inhabitants since 2001 <sup>1</sup>	Total Subscribers 2010	Subscriptions per 100 inhabitants 2010	Subscriptions per 100 inhabitants since 2001 <sup>1</sup>	Total Users per 100 inhabitants 2010	Total Users per 100 inhabitants since 2001 <sup>1</sup>	Total Users per 100 inhabitants since 2001 <sup>1</sup>
<b>West Africa</b>									
<b>Côte d'Ivoire</b>	223,200	1.1	-0.6	14,910,000	75.5	71.2	2.6	2.2	
<b>Ghana</b>	277,897	1.1	-0.1	17,436,946	71.5	70.3	8.6	8.4	
<b>Nigeria</b>	1,050,237	0.7	0.2	87,297,784	55.1	54.9	28.4	28.3	
<b>Senegal</b>	341,857	2.8	0.3	8,343,717	67.1	64.0	16.0	15.0	
<b>Central Africa</b>									
<b>Cameroon</b>	496,482	2.5	1.9	8,155,652	41.6	39.0	4.0	3.7	
<b>D R Congo</b>	41,990	0.1	0.0	11,354,706	17.2	16.9	0.7	0.7	
<b>Rep of Congo</b>	9,827	0.0	0.0	3,798,619	94.0	89.3	5.0	5.0	
<b>Eq. Guinea</b>	10,000	0.2	-0.4	399,290	57.0	54.2	6.0	5.8	
<b>Gabon</b>	30,381	2.0	-0.9	1,610,000	106.9	95.1	7.2	5.9	
<b>East &amp; Horn of Africa</b>									
<b>Ethiopia</b>	908,882	1.1	0.7	6,517,292	7.9	7.8	0.8	0.7	
<b>Kenya</b>	460,114	1.1	0.2	24,968,891	61.6	59.8	21.0	20.3	
<b>Sudan</b>	374,700	0.9	-0.4	17,654,230	40.5	40.2	n/a	n/a	
<b>Tanzania</b>	174,511	0.4	-0.1	20,983,853	46.8	46.0	11.0	10.8	
<b>Uganda</b>	327,114	1.0	0.8	12,828,264	38.4	37.3	12.5	12.3	
<b>Southern Africa</b>									
<b>Angola</b>	303,200	1.6	1.1	8,909,200	46.7	46.2	10.0	9.9	
<b>Botswana</b>	137,422	6.9	-1.5	2,363,411	117.8	99.1	6.0	2.6	
<b>Mozambique</b>	88,062	0.4	-0.1	7,224,176	30.9	30.1	4.2	4.0	
<b>Namibia</b>	152,000	6.7	0.6	1,534,528	67.2	61.7	6.5	4.1	
<b>South Africa</b>	4,225,000	8.4	-2.4	50,372,000	100.5	76.7	12.3	6.0	
<b>Zambia</b>	90,100	0.7	-0.1	4,946,900	37.8	36.6	6.7	6.5	

**Notes:** <sup>1</sup>SABER calculation.

<sup>2</sup>Subscriptions refers to both contracts and SIM card purchases.

**Source:** International Telecommunication Union, World Telecommunication/ICT Development Report and database, and World Bank estimates. Accessed through World Bank, World dataBank, <http://databank.worldbank.org/ddp/home.do>. Accessed 10/01/2011

**Table 17: Doing Business Rankings Composite and Sub-Index Ranks, 2010**

Ease of Doing Business Composite Index Ranks				Sub-Index Ranks (World Rank) <sup>1</sup>							
World Rank <sup>1,2</sup>	Sub-Saharan Africa Rank <sup>3</sup>	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business	
<b>Côte d'Ivoire</b>	169 (168)	35	171	168	145	150	153	151	160	127	72
<b>Ghana</b>	77 (67)	5	101	149	31	109	41	80	85	46	105
<b>Nigeria</b>	134 (137)	17	109	165	178	87	57	131	146	97	95
<b>Senegal</b>	151 (152)	23	102	119	167	150	165	171	61	148	81
<b>West Africa</b>											
<b>Cameroon</b>	173 (168)	34	165	122	145	135	119	169	149	174	142
<b>D R Congo</b>	179 (175)	38	155	139	125	167	153	158	165	173	152
<b>Rep of Congo</b>	177 (177)	40	176	77	126	135	153	180	176	158	127
<b>Eq Guinea</b>	161 (164)	32	178	89	75	135	146	172	138	71	183
<b>Gabon</b>	158 (156)	27	150	64	134	135	153	139	135	149	136
<b>Central Africa</b>											
<b>Ethiopia</b>	103 (104)	10	94	57	111	125	119	41	159	57	78
<b>Kenya</b>	94 (98)	9	126	32	130	6	92	163	143	124	80
<b>Sudan</b>	153 (154)	25	118	141	36	135	153	90	142	145	183
<b>Tanzania</b>	125 (128)	14	122	179	148	87	92	116	111	32	112
<b>Uganda</b>	129 (122)	12	132	132	150	109	131	63	147	116	53
<b>East &amp; Horn of Africa</b>											
<b>Angola</b>	163 (164)	31	164	119	173	109	57	135	167	181	144
<b>Botswana</b>	50 (52)	3	83	121	42	44	41	18	150	79	27
<b>Mozambique</b>	130 (126)	13	96	159	153	125	41	98	136	129	135
<b>Namibia</b>	68 (69)	6	125	37	137	14	73	97	151	42	55
<b>South Africa</b>	32 (34)	2	66	52	87	2	10	23	148	86	77
<b>Zambia</b>	84 (76)	7	93	159	93	14	73	36	157	87	84
<b>Southern Africa</b>											

**Notes:** <sup>1</sup>=easiest to <sup>183</sup>=most difficult

<sup>2</sup> Parenthenses indicate 2011 data. World Bank, International Finance Corporation. <http://www.doingbusiness.org/data>. Data accessed 08/24/2011

<sup>3</sup> =easiest to <sup>46</sup>=most difficult

**Source:** World Bank, International Finance Corporation. <http://www.doingbusiness.org/data>. Accessed 02/15/2011

**Table 18: Selected Doing Business Indicators ('World Ranks'), 2010**

Time Required to Start a Business (days)	Time Required to Connect to Electricity (days)	Time Required to Enforce a Contract (days)	Time Required to Register Property (days)	Total Tax Rate (% of profit)	Time Needed to Close a Business (Years)	Trade: Cost to Export (Us\$ per container)	Trade: Cost to Import (Us\$ per container)	Trade: Time to Import (days)
<b>West Africa</b>								
<b>Côte d'Ivoire</b>	40	44	770	62	44	2.2	1,969	2,577
<b>Ghana</b>	12	78	487	34	33	1.9	1,203	19
<b>Nigeria</b>	31	260	457	82	32	2.0	1,263	24
<b>Senegal</b>	8	125	780	122	46	3.0	1,098	11
<b>Central Africa</b>								
<b>Cameroon</b>	19	67	800	93	49	3.2	1,379	1,978
<b>D R Congo</b>	84	58	625	54	340	5.2	3,505	3,735
<b>Rep of Congo</b>	160	55	560	55	66	3.3	3,818	7,709
<b>Eq Guinea</b>	136	n/a	553	23	60	n/a	1,411	29
<b>Gabon</b>	58	160	1,070	39	44	5.0	1,945	1,955
<b>East &amp; Horn of Africa</b>								
<b>Ethiopia</b>	9	75	620	41	31	3.0	1,890	2,993
<b>Kenya</b>	33	163	465	64	50	4.5	2,055	44
<b>Sudan</b>	36	n/a	810	9	36	n/a	2,050	26
<b>Tanzania</b>	29	109	462	73	45	3.0	1,262	32
<b>Uganda</b>	25	91	490	77	36	2.2	2,780	2,940
<b>Southern Africa</b>								
<b>Angola</b>	68	48	1,011	184	53	6.2	1,850	2,840
<b>Botswana</b>	61	121	625	16	20	1.7	3,010	3,390
<b>Mozambique</b>	13	87	730	42	34	5.0	1,100	1,475
<b>Namibia</b>	66	55	270	23	10	1.5	1,686	1,813
<b>South Africa</b>	22	214	600	24	31	2.0	1,531	29
<b>Zambia</b>	18	117	471	40	16	2.7	2,664	3,315

Notes: <sup>1</sup>=easiest to <sup>183</sup>=most difficult

Source: World Bank, International Finance Corporation. <http://www.doingbusiness.org/data>. Accessed 02/15/2011

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

	Companies Listed 2010	Listed Domestic	Market Capitalization of Listed Companies <sup>5</sup> (% of GDP) 2010	Website	Exchange Symbols
<b>West Africa</b>					
<b>Côte d'Ivoire<sup>1</sup></b>	1998	39	7,099	31.2 <a href="http://www.brvm.org">www.brvm.org</a>	BRVM
<b>Ghana</b>	1989	37	3,532	11.3 <a href="http://www.gse.com.gh">www.gse.com.gh</a>	GSE
<b>Nigeria</b>	1961	223	50,882	26.3 <a href="http://www.nigerianstockexchange.com">www.nigerianstockexchange.com</a>	NSE
<b>Senegal<sup>1</sup></b>	1998	39	7,099	31.2 <a href="http://www.brvm.org">www.brvm.org</a>	BRVM
<b>Central Africa</b>					
<b>Cameroon<sup>2</sup></b>	2008	no transactions	no transactions	no transactions <a href="http://www.bvm-ac.com">www.bvm-ac.com</a>	BVMAC
<b>D R Congo</b>	No Exchange	no transactions	no transactions	no transactions <a href="http://www.bvm-ac.com">www.bvm-ac.com</a>	BVMAC
<b>Rep of Congo<sup>2</sup></b>	2008	no transactions	no transactions	no transactions <a href="http://www.bvm-ac.com">www.bvm-ac.com</a>	BVMAC
<b>Eq. Guinea<sup>2</sup></b>	2008	no transactions	no transactions	no transactions <a href="http://www.bvm-ac.com">www.bvm-ac.com</a>	BVMAC
<b>Gabon<sup>2</sup></b>	2008	no transactions	no transactions	no transactions <a href="http://www.bvm-ac.com">www.bvm-ac.com</a>	BVMAC
<b>East &amp; Horn of Africa</b>					
<b>Ethiopia</b>	No Exchange	57	14,461	46 <a href="http://www.nse.co.ke">www.nse.co.ke</a>	NSE
<b>Kenya</b>	1954	53	2,573	n/a <a href="http://www.kse.com.sd">www.kse.com.sd</a>	KSE
<b>Sudan</b>	1995	16	1,264	5.5 <a href="http://www.dsec.co.tz">www.dsec.co.tz</a>	DSE
<b>Tanzania</b>	1997	16	n/a	n/a <a href="http://www.use.or.tg">www.use.or.tg</a>	USE
<b>Uganda</b>	1997	16	n/a	n/a <a href="http://www.luse.co.tz">www.luse.co.tz</a>	LuSE
<b>Southern Africa</b>					
<b>Angola</b>	No Exchange	35	4,076	27.4 <a href="http://www.bse.co.bw">www.bse.co.bw</a>	BSE
<b>Botswana</b>	1989	11	n/a	n/a <a href="http://www.bvm.co.mz">www.bvm.co.mz</a>	BVM
<b>Mozambique</b>	1999	25	1,176	9.7 <a href="http://www.nsx.com.na">www.nsx.com.na</a>	NSX
<b>Namibia</b>	1992	356	1,012,538	278.4 <a href="http://www.jse.co.za">www.jse.co.za</a>	JSE
<b>South Africa</b>	1887	22	2,817	17.4 <a href="http://www.luse.co.za">www.luse.co.za</a>	Lusaka Stock Exchange
<b>Zambia</b>	1994				
<b>Notes:</b> The BRVM (regional stock exchange) serves Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger and Senegal.					
<sup>2</sup> The BVMAC (regional stock exchange) serves the Central African Republic, Chad, Rep. of Congo, Togo, Cameroon, as well as Gabon.					
<sup>3</sup> Sudan data from 2009					
<b>Sources:</b> BRVM Stock Exchange <a href="http://www.brvm.org">http://www.brvm.org</a> . Accessed 10/04/2011					
BVMAC Stock Exchange: <a href="http://www.bvmac.org">http://www.bvmac.org</a> . Accessed 10/04/2011					
Ghana Stock Exchange: <a href="http://www.gse.com.gh">http://www.gse.com.gh</a> . Accessed 10/04/2011					
Nigeria Stock Exchange: <a href="http://www.nigerianstockexchange.com">http://www.nigerianstockexchange.com</a>					
Nairobi Stock Exchange: <a href="http://www.nse.co.ke">http://www.nse.co.ke</a> . Accessed 10/04/2011					
Khartoum Stock Exchange: <a href="http://www.cbos.gov.sd/en/node/1000">http://www.cbos.gov.sd/en/node/1000</a> , <a href="http://www.kse.com.sd">http://www.kse.com.sd</a> Accessed 10/11/2011					
Dar es Salaam Stock Exchange: <a href="http://www.dse.co.tz">http://www.dse.co.tz</a> . Accessed 10/04/2011					
Uganda Stock Exchange: <a href="http://www.use.or.tg">http://www.use.or.tg</a> . Accessed 10/04/2011					
Botswana Stock Exchange: <a href="http://www.bse.co.bw">http://www.bse.co.bw</a> . Accessed 10/04/2011					
Bolsa de Calores de Moambique <a href="http://www.bvm.co.mz">http://www.bvm.co.mz</a> . Accessed 10/04/2011					
Namibia Stock Exchange: <a href="http://www.nsx.com.na">http://www.nsx.com.na</a> . Accessed 10/04/2011					
Johannesburg Stock Exchange: <a href="http://www.jse.co.za">http://www.jse.co.za</a> . Accessed 10/04/2011					
Lusaka Stock Exchange: <a href="http://www.luse.co.za">http://www.luse.co.za</a> . Accessed 10/04/2011					
<sup>4</sup> World Bank, <a href="http://data.worldbank.org/indicator/CM.MKTLCAP.CD">http://data.worldbank.org/indicator/CM.MKTLCAP.CD</a> . Accessed 10/04/2011					
<sup>5</sup> World Bank, <a href="http://data.worldbank.org/indicator/CM.MKTLCAP.GD.ZS">http://data.worldbank.org/indicator/CM.MKTLCAP.GD.ZS</a> . Accessed 10/04/2011					

# Appendix B Sources Monitored in the Report

## Reports

Central Intelligence Agency: World Fact Book: <https://www.cia.gov/library/publications/the-world-factbook/>

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

Hausman, Ricardo, Laura Tyson and Saadia Zahidi. 2010. The Global Gender Gap Report, 2010 World Economic Forum: Geneva

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

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/>

## Business sites

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

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

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

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

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

Mining Review: <http://www.miningreview.com/>

## Databases:

Global Trade Atlas: <http://www.gtiis.com/GTA/>

Food and Agriculture Organization (FAO): <http://data.worldbank.org/>

International Monetary Fund (IMF): Direction of Trade Statistics <http://www2.imfstatistics.org/DOT/>

International Monetary Fund (IMF): World Economic Database <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>.

International Monetary Fund: The Cross-Border Initiative in Eastern and Southern Africa. <http://www.imf.org/external/np/cross/index.htm>

International Telecommunications Union: <http://www.itu.int/en/Pages/default.aspx>

Microfinance Information Exchange, Mix Market: <http://www.mixmarket.org/>

Transparency International: <http://www.transparency.org/>

UNCTADstat: <http://www.unctad.org/Templates/Page.asp?intItemID=1584&lang=1>

United States Department of Agriculture (USDA): Foreign Agricultural Service: <http://www.fas.usda.gov/>

United States Department of Commerce: <http://www.commerce.gov/>

World Bank. Market Capitalization of listed companies (current US\$):

<http://data.worldbank.org/indicator/CM.MKT.LCAP.CD>

World Bank. Health Nutrition and Population Statistics Database. <http://databank.worldbank.org/ddp/home.do?Step=1&id=4>.

World Bank. Stocks Traded, total value (% of GDP): <http://data.worldbank.org/indicator/CM.MKT.TRAD.GD.ZS>

World Bank: World Development Indicators & Global Development Finance: <http://databank.worldbank.org/ddp/home.do?Step=2&id=4&CNO=2>

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

### **Print and Online News Sources**

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

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

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

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

The New York Times: <http://www.nytimes.com/>

Voice of America News: <http://www.voanews.com/english/news/>

Wall Street Journal: <http://online.wsj.com/home-page>

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

### **Data Sources on Africa**

African Confidential: <http://www.africa-confidential.com/news>

African Growth and Opportunity Act: <http://agoa.info/>

Africa Research Bulletin. Wiley-Blackwell

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/>

African Press International: <http://africanpress.wordpress.com/>

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

allafrica.com: <http://allafrica.com/>

Consultancy Africa: <http://www.consultancyafrica.com/>

Forum on China Africa Cooperation: <http://www.focac.org/eng/>

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

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

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

UNCTAD: <http://www.unctad.org/>

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

### **Regional Trading Agreements and Institutions (RTAs & RTIs)**

Common Market for Eastern and Southern Africa: <http://www.comesa.int>

Community of Sahel-Saharan States: <http://www.cen-sad.org/new/index.php>

Conseil de l'Entente: <http://www.lonani.com/leconseildelentente.htm>

East African Community: <http://www.eac.int>

Economic Community of West African States: <http://www.ecowas.int>

Economic Community of Central African States: <http://www.africa-union.org/root/au/recs/eccas.htm>

Nile Basin Initiative: <http://www.nilebasin.org>

Southern African Customs Union: <http://www.sacu.int>

Southern African Development Community: <http://www.sadc.int>

West African Economic and Monetary Union: <http://www.uemoa.int>

#### **African Stock Exchange sites**

Bolsa de Valored de Mocambique: <http://www.bvm.co.mz>

Bourse Generale des Valeurs Mobilieres: <http://www.bvrm.org>

Bourse des Valeurs Mobilieres de l'Afrique Centrale: <http://www.bvm-ac.com>

Botswana Stock Exchange: <http://www.bse.co.bw>

Central Bank of Khartoum: <http://www.cbos.gov.sd/en/node/1000>

Dar es Salaam Stock Exchange: <http://www.dse.co.tz>

Ghana Stock Exchange: <http://www.gse.com.gh>

Johannesburg Stock Exchange: <http://www.jse.co.za>

Khartoum Stock Exchange: <http://www.kse.com.sd>

Lusaka Stock Exchange: <http://www.luse.co.zm>

Nairobi Stock Exchange: <http://www.nse.co.ke>

Namibia Stock Exchange: <http://www.nsx.com.na>

Nigeria Stock Exchange: <http://www.nigeriastockexchange.com>

Uganda Securities Exchange: <http://www.use.or.ug>



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